



HEETON HOLDINGS LIMITED

Incorporated in the Republic of Singapore
(Company Registration Number: 197601387M)

Heeton Holdings Limited and its Subsidiaries

Condensed Interim Financial Statements
For the six months ended 30 June 2025

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Heeton Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of comprehensive income For the six months ended 30 June 2025

		Group		Increase / (Decrease)
		6 months ended 30 June 2025 "HY2025"	6 months ended 30 June 2024 "HY2024"	
	Note	S'000	S\$'000	%
Revenue	4	36,870	37,107	(0.6)
Other operating income		1,221	1,249	(2.2)
Personnel expenses		(12,307)	(11,481)	7.2
Depreciation of property, plant and equipment	6	(3,215)	(2,916)	10.3
Other operating expenses		(16,404)	(14,717)	11.5
Profit from operations		6,165	9,242	(33.3)
Finance expenses	6	(13,719)	(14,061)	(2.4)
Finance income	6	582	788	(26.1)
Fair value (losses)/gains on derivative financial instruments		(60)	94	(163.8)
Impairment on financial assets		-	(1,020)	(100.0)
Share of results of associated companies/joint venture companies		(556)	165	(437.0)
Losses from fair value adjustments of investment properties		(1,200)	-	n.m
Loss before tax		(8,788)	(4,792)	83.4
Income tax expense	7	(691)	(729)	(5.2)
Loss for the period, net of tax		(9,479)	(5,521)	71.7
Other comprehensive income				
<u>Item that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation		2,796	833	235.7
Other comprehensive income for the period, net of tax		2,796	833	235.7
Total comprehensive loss for the period		(6,683)	(4,688)	42.6
Loss attributable to:				
Owners of the Company		(7,798)	(5,227)	49.2
Non-controlling interests		(1,681)	(294)	471.8
		(9,479)	(5,521)	71.7
Total comprehensive loss attributable to:				
Owners of the Company		(3,870)	(3,320)	16.6
Non-controlling interests		(2,813)	(1,368)	105.6
		(6,683)	(4,688)	42.6

The accompanying notes form an integral part of these condensed interim financial statements.

Heeton Holdings Limited and its Subsidiaries

Condensed Interim Balance Sheets As at 30 June 2025

		Group		Company	
	Note	30/6/2025 \$'000	31/12/2024 \$'000	30/6/2025 \$'000	31/12/2024 \$'000
Non-current assets					
Property, plant and equipment	9	428,958	418,830	670	273
Investment properties	10	226,390	226,817	-	-
Subsidiaries		-	-	41,237	41,237
Associated companies		15,301	15,196	-	-
Joint venture companies		92,162	94,011	5,000	5,000
Investment securities		7,201	7,201	-	-
Amounts due from associated companies and joint venture		61,710	54,466	-	-
Other receivables	13	32,369	30,571	17,300	17,300
Deferred tax asset		1,400	1,372	-	-
		865,491	848,464	64,207	63,810
Current assets					
Development properties		21,719	20,664	-	-
Trade receivables		2,584	2,542	-	-
Other receivables	13	34,681	35,160	35	52
Prepayments		2,889	1,546	465	583
Amounts due from subsidiaries (non-trade)		-	-	302,270	301,722
Amounts due from related parties (trade)		1	1	1	1
Amounts due from associated companies and joint venture		17,231	20,332	1,174	4,419
Derivative financial instruments	8	-	24	-	24
Treasury Bills		-	2,000	-	2,000
Fixed deposits		16,199	19,984	15,158	19,984
Cash and bank balances		42,386	34,599	6,320	3,561
		137,690	136,852	325,423	332,346
Current liabilities					
Trade payables		2,180	1,750	240	656
Other payables and accruals		20,059	18,964	1,501	2,544
Amounts due to subsidiaries (non-trade)		-	-	191,801	185,216
Lease liabilities		84	48	79	39
Bank term loans	11	39,447	57,636	1,500	16,485
Income tax payable		3,697	4,780	-	-
		65,467	83,178	195,121	204,940
Net current assets		72,223	53,674	130,302	127,406
Non-current liabilities					
Other payables and accruals		1,640	1,571	-	-
Derivative financial instruments	8	60	-	60	-
Lease liabilities		5,532	5,205	266	98
Amounts due to associated companies and joint venture companies (non-trade)		42,946	46,078	35,434	36,411
Amounts due to non-controlling interests (non-trade)		68,855	68,508	-	-
Bonds	12	53,800	53,800	53,800	53,800
Bank term loans	11	348,093	303,005	-	-
Deferred tax liabilities		2,806	2,113	186	154
		523,732	480,280	89,746	90,463
Net assets		413,982	421,858	104,763	100,753
Share capital and reserves					
Share capital	14	86,624	86,624	86,624	86,624
Treasury Shares	15	(120)	(63)	(120)	(63)
Foreign currency translation reserve		(2,342)	(6,270)	-	-
Retained earnings		340,488	350,722	18,259	14,192
		424,650	431,013	104,763	100,753
Non-controlling interests		(10,668)	(9,155)	-	-
Total equity		413,982	421,858	104,763	100,753

The accompanying notes form an integral part of these condensed interim financial statements.

Condensed interim consolidated statement of changes in equity
For the six months ended 30 June 2025

Group	Attributable to equity holders of the Company						Non-controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000 (Note 14)	Treasury Shares S\$'000 (Note 15)	Foreign Currency Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000			
Balance at 1 January 2024	86,624	(63)	(15,538)	353,926	424,949	(6,847)		418,102
Loss for the period	-	-	-	(5,227)	(5,227)	(294)		(5,521)
Other comprehensive income/(loss)								
- Foreign currency translation	-	-	1,907	-	1,907	(1,074)		833
Total comprehensive income/(loss) for the period	-	-	1,907	(5,227)	(3,320)	(1,368)		(4,688)
Dividend on ordinary shares	-	-	-	(1,828)	(1,828)	-		(1,828)
Balance at 30 June 2024	86,624	(63)	(13,631)	346,871	419,801	(8,215)		411,586
Balance at 1 January 2025	86,624	(63)	(6,270)	350,722	431,013	(9,155)		421,858
Loss for the period	-	-	-	(7,798)	(7,798)	(1,681)		(9,479)
Other comprehensive income/(loss)								
- Foreign currency translation	-	-	3,928	-	3,928	(1,132)		2,796
Total comprehensive income/(loss) for the period	-	-	3,928	(7,798)	(3,870)	(2,813)		(6,683)
Treasury shares	-	(57)	-	-	(57)	-		(57)
Dividends on ordinary shares	-	-	-	(2,436)	(2,436)	-		(2,436)
Additional shares in subsidiary	-	-	-	-	-	1,300		1,300
Balance at 30 June 2025	86,624	(120)	(2,342)	340,488	424,650	(10,668)		413,982
Company								
	Share Capital S\$'000 (Note 14)	Treasury shares S\$'000 (Note 15)	Retained Earnings S\$'000	Total Equity S\$'000				
Balance at 1 January 2024	86,624	(63)	18,757	105,318				
Total comprehensive income for the period	-	-	3,729	3,729				
Dividends on ordinary shares	-	-	(1,828)	(1,828)				
Balance at 30 June 2024	86,624	(63)	20,658	107,219				
Balance at 1 January 2025	86,624	(63)	14,192	100,753				
Total comprehensive income for the period	-	-	6,503	6,503				
Treasury Shares	-	(57)	-	(57)				
Dividend on ordinary shares	-	-	(2,436)	(2,436)				
Balance at 30 June 2025	86,624	(120)	18,259	104,763				

The accompanying notes form an integral part of these condensed interim financial statements.

Heeton Holdings Limited and its Subsidiaries

Condensed interim consolidated statement of cash flows For the six months ended 30 June 2025

	Group	
	HY2025 \$'000	HY2024 \$'000
Cash flows generated from operating activities		
Loss before tax	(8,788)	(4,792)
Adjustments for:		
Depreciation of property, plant and equipment	3,215	2,916
Fair value losses/(gains) on derivative financial instruments	60	(94)
Losses from fair value adjustments of investment properties	1,200	-
Impairment on financial assets	-	1,020
Share of results of associated companies/joint venture companies	556	(165)
Interest expense	13,719	14,061
Interest income	(582)	(788)
Unrealised exchange differences	2,110	(75)
Operating cash flows before changes in working capital	11,490	12,083
Increase in development property	(441)	(409)
Increase in trade receivables	(7)	(804)
(Increase)/Decrease in other receivables	(1,234)	940
Increase in prepayments	(1,283)	(420)
Increase/(Decrease) in trade payables	474	(682)
Increase in other payables and accruals	839	1,725
Decrease in amounts due from related parties	-	22
Cash flows from operations	9,838	12,455
Interest received	582	788
Interest paid, excluding amounts capitalised	(13,719)	(14,061)
Income taxes paid	(1,782)	(31)
Net cash flows used in operating activities	(5,081)	(849)
Cash flows from investing activities		
Additions to property, plant and equipment	(4,714)	(3,627)
Dividend income from associated companies and joint venture companies	1,500	800
Net (loan to)/repayment from associated companies and joint venture companies	(7,708)	586
Proceeds on maturity of treasury bills	2,000	5,161
Net cash flows (used in)/generated from investing activities	(8,922)	2,920
Cash flows from financing activities		
Payment of principal portion of lease liabilities	(112)	(160)
Proceeds from bank loans	41,768	12,071
Repayment of bank loans	(20,528)	(7,013)
(Repayment of loan to)/Loan from non-controlling interests	(1,243)	2,689
Purchase of treasury shares	(57)	-
Dividends paid on ordinary shares of the Company	(2,436)	(1,828)
Release of cash pledge for bank facility	20,490	-
Net cash flows generated from financing activities	37,882	5,759
Net increase in cash and cash equivalents	23,879	7,830
Effect of exchange rate changes on cash and cash equivalents	612	718
Cash and cash equivalents at beginning of period	29,851	62,323
Cash and cash equivalents at end of period	54,342	70,871
Note: Cash and cash equivalents		
	Group	
	HY2025 \$'000	HY2024 \$'000
Fixed deposits	16,199	13,820
Cash and bank balances	42,386	58,806
Cash and cash equivalents per balance sheet	58,585	72,626
Restricted cash - cash pledge for bank facility	(4,243)	(1,755)
Cash and cash equivalents at end of period	54,342	70,871

The accompanying notes form an integral part of these condensed interim financial statements.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

1. Corporate information

Heeton Holdings Limited (the "Company") is a limited liability company domiciled and incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The registered office and principal place of business is located at 60 Paya Lebar Road, #08-36, Paya Lebar Square, Singapore 409051.

These condensed interim consolidated financial statements as at and for the half year ended 30 June 2025 comprised the Company and its subsidiaries (collectively, the Group). The Company's and the Group's principal activities are in property development, hotel operations and investment holding.

2. Basis of preparation

The unaudited condensed interim consolidated financial statements of the Group and the statement of changes in equity and balance sheet of the Company have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standard Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The condensed interim financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The condensed interim financial statements are presented in Singapore dollars (Dollars ("SGD" or "\$") and all values in the tables are recorded to the nearest thousand ("'\$000'") except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The Group has applied the same accounting policies and methods of computation consistent with those used in the audited financial statements for the financial year ended 31 December 2024 in the preparation of the consolidated financial statements for the current reporting period except for the adoption of revised SFRS(I) (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2025. The adoption of these revised SFRS(I) and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

2.2 Use of judgements and estimates

The preparation of the Group's condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The critical accounting estimates and key judgement areas of the Group are outlined in further detail in the following sections of this financial report:

- Property, plant and equipment (Note 9)
- Determination of fair value of investment properties (Note 10)

2. Basis of preparation (cont'd)

2.3 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statement was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged independent valuation specialists, where necessary, to determine fair value as at 30 June 2025 for investment properties that are likely to differ materially from the fair values recognised at the end of the previous financial year. The two valuation techniques adopted were the Market Comparable Approach Method and Income Approach Method. The former involves analysing recent sales evidence of similar properties. Adjustments are made to differences in location, age, tenure, floor area, condition, exposure, date of sale, amongst other factors, before arriving at the market value of the property. The latter involves the conversion of the net income of the property into a capital sum at a suitable rate of return which reflects the quality of the investment. The net income is the balance sum after deducting property tax, cost of repairs and maintenance and a reasonable percentage for vacancy from the gross rent. The value of the property is arrived at by capitalising the net rent at a suitable rate of return.

The independent valuers have considered the global economic uncertainty as a result of heightened macro-economic, geopolitical and supply chain risks and have made necessary adjustments to the valuation. The valuation reports also highlighted that given the ongoing geo-political headwinds, economic uncertainty and rising interest costs, these may have impact on the economy and property market.

(b) Impairment assessment of property, plant and equipment

An impairment exists when the carrying value of property, plant and equipment exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset.

Management assesses whether there are trigger events indicating potential impairment at each reporting date. Where applicable, the Group considers independent valuation reports of valuation specialists to support the recoverable amounts of certain property, plant and equipment. The fair values are determined by external specialists using valuation techniques which involve the use of estimates and assumptions which are reflective of current market conditions.

Certain valuation reports obtained from the external specialist also highlighted the global economic uncertainty as a result of heightened macro-economic, geopolitical and supply chain risks and have made necessary adjustments. The valuation reports also highlighted that given the ongoing geo-political headwinds, economic uncertainty and rising energy and interest costs, these may have impact on the economy and property market.

2. Basis of preparation (cont'd)

2.3 Key sources of estimation uncertainty (cont'd)

(c) Impairment assessment of interest in associates and joint ventures

The Group has significant interests in associates and joint ventures. The Group's interests in associates and joint ventures comprise the investments and amounts due from associates and joint ventures. The associates and joint ventures of the Group are mainly involved in the business of property development and property investment holding. The Group assesses at the end of each reporting period whether there is any objective evidence that the interest is impaired.

The Group applies the general approach to provide for ECLs on amounts due from associates and joint ventures carried at amortised cost. At each reporting date, the Group assesses whether the credit risk of a financial asset has increased significantly since initial recognition. When initial credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

The assessment of whether credit risk of a financial asset has increased significantly since initial recognition is a significant estimate. Credit risk assessment is based on both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

(d) Impairment assessment of other receivables

The Group has other receivables from companies whom are mainly involved in the business of property development. The Group assesses at the end of each reporting period whether there is any objective evidence that the receivables is impaired.

The recoverability of the receivables is dependent on the financial position, performance and cashflows of the debtors, the valuation, estimated selling price and estimated costs to complete (where applicable) of the underlying assets held by them and the debtors' ability to repay via realisation of these underlying assets held. Annually, management conducts an assessment to determine whether any indicator of impairment exists.

The carrying amounts of the Group's interests in other receivables are disclosed in Note 13 to the interim financial statements.

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Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

- I. The property investment segment is engaged in the leasing of residential, retail and commercial properties.
- II. The property development segment is involved in the development and sale of private residential properties.
- III. The corporate segment is involved in Group-level corporate services and treasury functions.
- IV. The hospitality segment is involved in hotel operations and related services.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Group	
	HY2025	HY2024
	\$'000	\$'000
Revenue from contracts with customers	30,498	30,321
Rental income from investment properties	6,372	6,081
Other rental income	–	705
	36,870	37,107

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

4. Segment and revenue information (cont'd)

(a) Reportable segments

Six months ended 30 June 2025

	Property Investment \$'000	Property Development \$'000	Corporate \$'000	Hospitality \$'000	Elimination \$'000	Consolidated \$'000
Revenue:						
Sale to external customers	6,372	-	543	29,955	-	36,870
Intersegment revenue	414	-	3,459	4,279	(8,152)	-
Total revenue	6,786	-	4,002	34,234	(8,152)	36,870
Results:						
Finance income	-	-	15,863	-	(15,281)	582
Finance expense	(2,808)	-	(15,865)	(10,002)	14,956	(13,719)
Fair value losses on derivative financial instruments	-	-	(60)	-	-	(60)
Losses from fair value adjustments of investment properties	(1,200)	-	-	-	-	(1,200)
Depreciation of property, plant and equipment	(27)	-	(152)	(3,036)	-	(3,215)
Share of results of associated companies/joint venture companies	1,363	(513)	19	(1,425)	-	(556)
Segment profit/(loss) before tax	2,036	(533)	(6,574)	(3,393)	(324)	(8,788)
Assets:						
Investment in associated companies and joint venture companies	92,394	2,363	-	12,706	-	107,463
Additions to non-current assets	188	-	488	4,038	-	4,714
Segment assets	250,844	56,514	1,080,480	570,633	(955,290)	1,003,181
Segment liabilities	169,148	33,569	958,569	333,970	(906,057)	589,199

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Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

4. Segment and revenue information (cont'd)

(a) Reportable segments (cont'd)

Six months ended 30 June 2024

	Property Investment \$'000	Property Development \$'000	Corporate \$'000	Hospitality \$'000	Elimination \$'000	Consolidated \$'000
Revenue:						
Sales to external customers	6,081	-	303	30,723	-	37,107
Intersegment revenue	410	-	3,593	4,698	(8,701)	-
Total revenue	6,491	-	3,896	35,421	(8,701)	37,107
Results:						
Finance income	-	-	15,361	-	(14,573)	788
Finance expense	(3,209)	-	(14,871)	(10,156)	14,175	(14,061)
Fair value gains on derivative financial instruments	-	-	94	-	-	94
Depreciation of property, plant and equipment	(19)	-	(156)	(2,741)	-	(2,916)
Impairment on financial assets	-	-	-	1,020	-	1,020
Share of results of associated companies/joint venture companies	648	(323)	17	(177)	-	165
Segment profit/(loss) before tax	2,009	(327)	(4,874)	(1,202)	(398)	(4,792)
Assets:						
Investment in associated companies and joint venture companies	92,946	1,119	-	15,933	-	109,998
Additions to non-current assets	68	-	205	3,354	-	3,627
Segment assets	269,455	45,725	1,078,859	558,229	(972,812)	979,456
Segment liabilities	169,902	38,798	999,837	312,402	(953,069)	567,870

Heeton Holdings Limited and its Subsidiaries

**Notes to the condensed interim consolidated financial statements
For the six months ended 30 June 2025**

4. Segment and revenue information (cont'd)

(b) Disaggregation of revenue from contracts with customers

Segments	Hospitality		Corporate		Total Revenue	
	HY2025	HY2024	HY2025	HY2024	HY2025	HY2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets						
Singapore	–	–	317	124	317	124
United Kingdom	30,002	30,020	178	177	30,180	30,197
	30,002	30,020	495	301	30,497	30,321
Major product or service line						
Hotel operation income	30,002	30,020	–	–	30,002	30,020
Management fee income	–	–	495	301	495	301
	30,002	30,020	495	301	30,497	30,321
Timing of transfer of goods or services						
At a point in time	30,002	30,020	495	301	30,497	30,321

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Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024.

	Group		Company	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
Financial assets measured at amortised cost:				
Amounts due from associated companies and joint venture companies (non-trade)	78,941	74,798	1,174	4,419
Trade receivables	2,584	2,542	-	-
Other receivables	67,050	65,731	17,335	17,352
Amounts due from subsidiaries (non-trade)	-	-	302,270	301,722
Amounts due from related parties (trade)	1	1	1	1
Treasury bills	-	2,000	-	2,000
Fixed deposits	16,199	19,984	15,158	19,984
Cash and bank balances	42,386	34,599	6,320	3,561
	207,161	199,655	342,258	349,039
Financial liabilities measured at amortised cost:				
Trade payables	2,180	1,750	240	656
Other payables and accruals ¹	18,591	17,760	488	1,809
	20,771	19,510	728	2,465
<i>Other payables (non-current)</i>				
Other payables and accruals	1,640	1,571	-	-
Total trade and other payables	22,411	21,081	728	2,465
<i>Loans and borrowings (current)</i>				
Amounts due to subsidiaries (non-trade)	-	-	191,801	185,216
Lease liabilities	84	48	79	39
Bank term loans	39,447	57,636	1,500	16,485
	39,531	57,684	193,380	201,740
<i>Loans and borrowings (non-current)</i>				
Amounts due to associated companies and joint venture companies (non-trade)	42,946	46,078	35,434	36,411
Amounts due to non-controlling interests (non-trade)	68,855	68,508	-	-
Lease liabilities	5,532	5,205	266	98
Bonds	53,800	53,800	53,800	53,800
Bank term loans	348,093	303,005	-	-
Total loans and borrowings	558,757	534,280	282,880	292,049
Total finance liabilities measured at amortised cost	581,168	555,361	283,608	294,514
Financial (liability)/asset at fair value through profit or loss:				
Derivative financial instruments	(60)	24	(60)	24

¹ Excludes non-financial liabilities including advance rental received and provision for interest support.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

6. Loss before tax

(a) Significant items

	Group	
	HY2025	HY2024
	\$'000	\$'000
Finance income	582	788
Finance expenses	(13,719)	(14,061)
Depreciation of property, plant and equipment	(3,215)	(2,916)
Fair value (losses)/gains on derivative financial instruments	(60)	94
Losses from fair value adjustments of investment properties	(1,200)	-

(b) Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

Sale and purchase of goods and services

The following significant transactions between the Group and Company and their related parties took place during the year at terms agreed between the parties:

	Group		Company	
	HY2025	HY2024	HY2025	HY2024
	\$'000	\$'000	\$'000	\$'000
Income				
Interest income				
- subsidiaries	-	-	6,003	5,366
- associated companies	11	22	-	-
Management fee income				
- subsidiaries	-	-	224	213
- associated companies	286	285	60	60
- joint venture companies	1,030	1,030	1,000	1,000
Expenses				
Management fee paid to a subsidiary	-	-	792	720
Interest expenses				
- subsidiaries	-	-	5,106	4,864
- joint venture companies	523	691	523	691
- related company	99	-	-	-
Rental paid to a subsidiary	-	-	142	142

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

7. Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	HY2025	HY2024
	\$'000	\$'000
Current income tax	653	623
Deferred income tax	38	106
Income tax expense recognised in profit or loss	691	729

8. Derivative financial instruments

	Group and Company			
	30/6/2025		31/12/2024	
	Outstanding notional amounts	Liability	Outstanding notional amounts	Assets
	\$'000	\$'000	\$'000	\$'000
Current	–	–	34,076	24
Non-current	10,000	(60)	–	–
Interest rate swaps	10,000	(60)	34,076	24

The Group and the Company entered into interest rate swaps in Singapore Dollars (2024: Pound Sterling) to manage its exposure to interest rate fluctuation on its floating rate loans and borrowings. The interest rate swaps will mature in June 2027.

The Group and the Company has not applied hedge accounting. Fair value gains and losses on interest rate swaps are recognised in profit or loss. The fair values of interest rate swaps shown above are determined by marked-to-market values provided by counterparties. The marked-to-market values obtained are determined by reference to market values for similar instruments.

9. Property, plant and equipment

As at 30 June 2025, the carrying value of property, plant and equipment (collectively, "properties") mainly relating to the Group's portfolio of hotel properties amounted to \$428,958,000 and accounted for 42.8% of the Group's total assets. These properties are carried at cost less accumulated depreciation and impairment losses and are subject to an impairment assessment to assess if there are any indicators of impairment at each reporting date.

9. Property, plant and equipment (cont'd)

Acquisition and disposal of property, plant and equipment

In financial year ended 31 December 2024, the Group acquired a hotel in Edinburgh, United Kingdom for an aggregate consideration of approximately \$40.4 million. This transaction was accounted for as an asset acquisition.

In financial year ended 31 December 2024, the Group sold a hotel property in Sapporo, Japan with a total net carrying amount of approximately \$23.0 million for a cash consideration of \$26.4 million. The net gain on this disposal was recognised as gain on disposal of property, plant and equipment in the statement of comprehensive income.

10. Investment properties

The Group's investment properties are held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

The Group's investment properties as at 30 June 2025 are as follows:

Description and location	Existing use	Tenure	Unexpired lease term
Tampines Mart (Block 5, 7, 9, 11 Tampines Street 32)	Shops	Leasehold	67 years
62 Sembawang Road	Transport facility	Freehold	Estate in perpetuity
Adam House (7-10 Adam Street, London, United Kingdom)	Serviced office	Freehold	Freehold

	Group	
	30/6/2025	31/12/2024
	\$'000	\$'000
<i>Cost</i>		
Balance at beginning of period/year	226,817	222,882
Exchange differences	773	422
(Losses)/Gains from fair value adjustments recognised in profit or loss during the period/year ended	(1,200)	3,513
Balance at end of period/year	<u>226,390</u>	<u>226,817</u>

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

10. Investment properties (cont'd)

Valuation of investment properties

For interim financial reporting purposes, the directors review the carrying values of its investment properties carried at fair value and perform an internal valuation, where no independent valuer is involved. In assessing whether the fair values remained appropriate, the directors consider whether any movement in market data such as discount rate, capitalisation rates, changes in underlying cash flows or sales comparable would result in a material impact to the fair values of the investment properties since the end of the previous financial year. The Group will engage external independent qualified valuer whenever the carrying amounts of the investment properties are likely to differ materially from the fair values recognised at the end of the previous financial year.

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. Level 3 fair value has been derived using the income capitalisation approach where the net rental income after property tax is capitalised at a rate which reflects the present and potential income growth over the unexpired lease term. The most significant input into the income capitalisation valuation approach is the capitalisation rate of 4.75% to 5.25% (31 December 2024: 4.75% to 5.25%) per annum.

An increase in capitalisation rate will result in a decrease to the fair value of the investment property.

11. Bank term loans

The following sets out the aggregate amount of the Group's borrowings as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group		Company	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
Unsecured	1,500	4,659	1,500	4,659
Secured	386,040	355,982	–	11,826
	387,540	360,641	1,500	16,485
Repayable:				
- not later than 1 year	39,447	57,636	1,500	16,485
- 1 year through 5 years	348,093	303,005	–	–
	387,540	360,641	1,500	16,485

12. Bonds

The Group had bond issue outstanding as at 30 June 2025 and 31 December 2024 of \$53,800,000 which is unsecured and bears interest at a fixed rate of 7.0% per annum due November 2026.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

13. Other receivables

	Group		Company	
	30/6/2025	31/12/2024	30/6/2025	31/12/2024
	\$'000	\$'000	\$'000	\$'000
<i>Non-current portion:</i>				
Senior notes receivables	4,000	4,000	4,000	4,000
Promissory notes receivables	14,000	14,000	14,000	14,000
Amount due from investee company	14,846	13,032	–	–
Other receivables	26,407	26,423	26,184	26,184
Less: Allowance for expected credit loss	(26,884)	(26,884)	(26,884)	(26,884)
	32,369	30,571	17,300	17,300
<i>Current portion:</i>				
Promissory notes receivables	18,000	18,000	–	–
Other receivables	16,681	17,160	35	52
	34,681	35,160	35	52

Amount due from investee company amounting to \$14,846,000 (FY2024: \$13,032,000) relates to shareholder's loan to an investee company are unsecured, bear interest at 4% (FY2024: 4%) per annum, and are not expected to be repaid within the next 12 months, and are to be settled in cash.

Promissory notes receivables are unsecured, with \$14,000,000 which bear interest at 3.0% per annum and repayable in 2026, or if extended, repayable in 2027 and \$18,000,000 which bear interest at 3.5% per annum and are repayable in 2025 (FY2024: \$14,000,000 which bear interest at 3.0% per annum and repayable in 2026, or if extended, repayable in 2027 and \$18,000,000 which bear interest at 3.5% per annum and are repayable in 2025).

Senior notes receivables are unsecured, bear interest at 3% per annum and are repayable in 2026, or if extended, repayable in 2027 (FY2024: Unsecured, bear interest at 3% per annum and are repayable in 2026, or if extended, repayable in 2027).

Other receivables are unsecured, with \$2,500,000 which bear interest at 3.5% per annum and \$14,181,000 which are non-interest bearing and are repayable within the next 12 months. The non-current other receivables of \$26,407,000 are unsecured, non-interest bearing and are not expected to be repaid within the next 12 months (FY2024: Other receivables are unsecured, with \$8,300,000 which bear interest at 3.5% per annum and \$8,860,000 which are non-interest bearing and are repayable within the next 12 months. The non-current other receivables of \$26,423,000 are unsecured, non-interest bearing and are not expected to be repaid within the next 12 months)

Expected credit loss

The expected credit losses relate to receivables from a non-related party undertaking a property development project and assessed based on the estimated realisable value from the development property of this party.

Heeton Holdings Limited and its Subsidiaries

Notes to the condensed interim consolidated financial statements For the six months ended 30 June 2025

14. Share capital

	Group and Company			
	Number of ordinary shares issued			
	30/6/2025	31/12/2024	30/6/2025 \$'000	31/12/2024 \$'000
Issued and fully paid ordinary shares:				
At the beginning and end of period/year	487,734,735	487,734,735	86,624	86,624

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares (except treasury shares) carry one vote per share without restrictions. The ordinary shares have no par value.

15. Treasury shares

	Group and Company			
	Number of treasury shares			
	30/6/2025	31/12/2024	30/6/2025 \$'000	31/12/2024 \$'000
At 1 January	250,000	250,000	63	63
Acquired during the period/year	250,000	–	57	–
At end of period/year	500,000	250,000	120	63

As at 30 June 2025, the Company's treasury shares represent 0.10% (2024: 0.05%) of the total number of issued shares.

Treasury shares relate to ordinary shares of the Company that are acquired and held by the Company.

16. Event occurring after reporting period

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

1. Share capital

- i) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There is no change in the Company's share capital for the period from 1 January 2025 to 30 June 2025. There are no outstanding convertible securities as at 30 June 2025 and 31 December 2024.

- ii) **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.**

Refer to note 14 on page 18 – Share capital for more details.

- iii) **A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Refer to note 15 on page 18 – Treasury shares for more details.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation consistent with those used in the audited financial statements for the financial year ended 31 December 2024 in the preparation of the consolidated financial statements for the current reporting period except for the adoption of revised SFRS(I) (including its consequential amendments) and interpretations effective for the financial period beginning 1 January 2025. The adoption of these revised SFRS(I) and interpretations did not result in material changes to the Group's accounting policies and has no material effect on the amounts reported for the current financial period.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons, and the effect of, the change

Not applicable.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

6. Earnings per share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		
	HY2025 Cents	HY2024 Cents	Increase/ (decrease) %
Losses per ordinary share from continuing operations attributable to equity holders of the Company for the period			
(a) On a basic basis	(1.60)	(1.07)	49.5%
(b) On a fully diluted basis	(1.60)	(1.07)	49.5%

The above are calculated by dividing the net profit attributable to equity holders of the Company over the weighted average number of ordinary shares (excluding treasury shares) in issue during the current period of 487,367,332 ordinary shares (30 June 2024: 487,484,735 ordinary shares).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -
a) Current period reported on; and
b) Immediately preceding financial year.

	Group		Company	
	30/6/2025 Cents	31/12/2024 Cents	30/6/2025 Cents	31/12/2024 Cents
Net asset value per ordinary share based on issued share capital at the end of the period reported on	87.16	88.42	21.50	20.67

The above have been computed based on 487,234,735 and 487,484,735 ordinary shares (excluding treasury shares) in issue as at 30 June 2025 and 31 December 2024 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Commentary on the Consolidated Income Statements

Turnover comprises rental income from investment properties, hotel operation income and management fee.

The Group's turnover for the six months ended 30 June 2025 ("HY2025") decreased marginally by 0.6% to \$36.87 million compared to \$37.11 million for the previous corresponding period ended 30 June 2024 ("HY2024"). The decrease is mainly attributed to reduction in hotel operation income due to the disposal of ibis Hotel Gloucester and Smile Hotel Asakusa Tokyo in second half of financial year 2024. The decrease is offset by the income generated from the newly acquired Heeton Concept Aparthotel, Queen Street Edinburgh in December 2024.

Personnel expenses increased by \$0.83 million to \$12.31 million in HY2025 mainly due to the newly acquired hotel.

Depreciation of property, plant and equipment increase from \$2.92 million in HY2024 to \$3.22 million in HY2025 mainly due to the newly acquired hotel and the appreciation of the Pound Sterling.

Other operating expenses increased to \$16.40 million in HY2025 from \$14.72 million in HY2024 mainly due to the newly acquired hotel and higher operating expenses as a result of inflation.

Finance expenses comprised mainly interest on the bond and bank loans. It decreased marginally from \$14.06 million in HY2024 to \$13.72 million in HY2025 mainly due to lower interest rate on bank borrowings; offset by additional term loans.

The Group recorded impairment of \$1.02 million on financial assets in HY2024.

Share of results from associated companies/joint venture companies was a loss of \$0.56 million in HY2025 compared to a gain of \$0.17 million in HY2024. This is mainly due to losses recognised for associate companies due to higher operating losses and one-off costs.

The Group recorded a loss from fair value adjustment of investment property of \$1.20 million in HY2025 from 62 Sembawang Road.

Taking into account all the above factors, the Group recorded a net loss after tax of \$9.48 million for HY2025, compared to a net loss after tax of \$5.52 million recorded in HY2024.

Commentary on the Consolidated Balance Sheets

Property, plant and equipment amounting to \$428.96 million comprised mainly hotel properties. The increase of \$10.13 million in HY2025 was mainly due to the effect of the appreciation of Pound Sterling; offset by depreciation charges recognised.

Investment properties decreased from \$226.82 million to \$226.39 million mainly due to the loss from fair value adjustment of an investment property offset by the effect of foreign currency exchange gain.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

Amount due from associated and joint venture companies increased from \$74.80 million in FY2024 to \$77.94 million in HY2025 mainly due to loans disbursed for new property development project in Singapore offset by repayment of loans and dividends received.

Included in other receivables are mainly Notes receivables totalling \$36.00 million and \$14.85 million arises from the Group's loan to an investment security.

The Group has placed 6-months treasury bills amounting to \$2.00 million in FY2024 which matured in HY2025.

Fixed deposits, cash and bank balances totalled \$58.59 million in HY2025 compared to \$54.58 million in FY2024. The increase is mainly due to additional bank loans secured during the period.

The Group has bond issue outstanding as at 30 June 2025 of \$53.80 million, which are unsecured and bears interest at a fixed rate of 7.0% per annum due November 2026.

Total bank term loans and short-term bank loans increased from \$360.64 million in FY2024 to \$387.54 million in FY2024 mainly as a result of additional term loans for new acquisitions.

The Group recorded a significant foreign currency translation gain of \$3.93 million mainly from its United Kingdom-based investments as a result of the appreciation of the Pound Sterling during the period.

Commentary on the Cashflow Statement

The increase in cash and cash equivalents of \$23.88 million in HY2025 can be attributed to the following major cash inflows and outflows:

Cash inflows:

- release of restricted cash pledge for bank facility of \$20.49 million;
- net proceeds from bank loans of \$21.24 million;
- dividend received from associated and joint venture companies of \$1.50 million; and
- proceeds on maturity of treasury bills of \$2.0 million.

Cash outflows:

- net cash flows used in operating activities of \$5.08 million;
- net loans to associated and joint venture companies of \$7.71 million;
- additions to property, plant and equipment of \$4.71 million;
- net repayment of loans to non-controlling interest of \$1.24 million; and
- payment of dividend of \$2.44 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

The actual results for HY2025 of the Group are in line with the statement made in paragraph 10 of the results announcement for the year ended 31 December 2024.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months –

The International Monetary Fund has projected global output growth to drop to 2.8% in 2025, with advanced economies forecasted to grow by 1.4% and developing economies to grow by 3.7%. These projections reflect a weaker global environment compared to earlier forecasts and are primarily the result of heightened policy uncertainty and increased tariffs, especially following the near-universal US tariffs imposed in April, which have significantly dampened trade and investment prospects. Global inflation is expected to moderate to 4.3% in 2025, while China's growth remains subdued at 4%, weighed down by persistent property sector challenges and weak consumer confidence.

In the United Kingdom (UK), GDP grew by 0.7% in the first quarter of 2025, however, moderated in the subsequent months with real GDP growth easing to 0.5% for the three months ending May. For the full year, the IMF forecasts UK growth at 1.2% with persistent inflation at 3.5% in the second quarter, well above the Bank of England's 2% target, due to higher energy costs and new tax measures. The outlook remains cautious for the second half of 2025, with ongoing global trade tensions, slower domestic gains, and pressures from rising costs and business insolvencies all posing downside risks, weighing on both consumer and business confidence.

On the home front, Singapore's economic outlook improved in the first half of 2025, with the Ministry of Trade and Industry reporting that GDP grew by 4.2% year-on-year for the first half of the year. This was driven by gains across manufacturing, construction, and services, including a 3.4% year-on-year expansion in the accommodation and real estate-related sectors, bolstered by rising international visitor arrivals. Nevertheless, there remains significant downside risks in the second half of 2025, including global market headwinds such as elevated interest rates, continued US trade policy uncertainty, and the spillover effects on Singapore's trade-dependent economy.

Against the backdrop of this challenging operating environment, Heeton will continue to focus on prudent management of its hospitality and investment properties portfolio. The Group's property development arm will continue to participate in land tenders in Singapore's residential sector through consortiums. Concurrently, the Group expects its investment properties to continue delivering stable recurring income for the Group.

The Group's first Singapore hotel investment, Dorsett Changi City Singapore Hotel, is operational and also undergoing enhancements to increase its current inventory from 313 rooms to 419 rooms. The newly acquired Heeton Concept Aparthotel Queen Street Edinburgh in December 2024 is fully operational during HY2025. In the meantime, the hotel "Dawa at Hilltop by Heeton" in Bhutan, is scheduled to open in the second half of 2025.

Looking ahead into the rest of 2025, the Group remains cautious with rising operating and labour costs and macroeconomic uncertainty. It will continue to focus on operational discipline, prudent risk management, differentiated hospitality offerings, and value-adding acquisitions, both independently and through strategic partnerships.

Other information Required by Listing Rule Appendix 7.2

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect and the reasons for the decision.

No dividend has been declared by the Board of the Company in respect of HY2025 (HY2024 - Nil). It is not the Company's practise to pay dividend in the first half of the financial year.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii)

The Company has not obtained a general mandate from shareholders for Interested Person Transactions.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable. Please refer to paragraph 8 above.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has obtained undertakings from all its directors and executive officers.

16. Confirmation pursuant to Rule 705(5)

We, Toh Giap Eng and Hoh Chin Yiep, being two of the Directors of Heeton Holdings Limited (the "Company"), do hereby confirm on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and of the Group for the six months ended 30 June 2025 to be false or misleading in any material aspect.

Heeton Holdings Limited and its Subsidiaries

Other information Required by Listing Rule Appendix 7.2

BY ORDER OF THE BOARD

Toh Giap Eng
Executive Chairman
6 August 2025

Hoh Chin Yiep
Executive Director and CEO