Aspial

Corporation Ltd

Company Registration No: 197001030G

(Incorporated in Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1(i) Condensed Interim Consolidated Statement of Comprehensive Income For The Six Months Ended 30 June 2021 ("1H 2021")

	Group		
	1H 2021 S$'000	1H 2020 S$'000	Change %
Revenue	**199,707**	**234,030**	**-15%**
Materials and subcontract costs	(115,376)	(144,657)	**-20%**
Employee benefits	(29,093)	(28,223)	**3%**
Depreciation and amortisation	(16,404)	(16,371)	**0%**
Finance costs	(19,114)	(14,860)	**29%**
Other operating expenses	(31,266)	(28,098)	**11%**
Interest income	1,035	1,112	**-7%**
Rental income	3,046	1,331	**129%**
Other income	9,608	15,028	**-36%**
Share of results of associates and a joint venture	803	1,463	**-45%**
Profit before tax	**2,946**	**20,755**	**-86%**
Taxation	(2,795)	(10,536)	**-73%**
Profit for the period	**151**	**10,219**	**-99%**
Other comprehensive income			
Net fair value changes on debt and equity instruments at fair value through other comprehensive income ("FVOCI")	(734)	1,468	**n.m.**
Foreign currency translation	(2,066)	4,217	**n.m.**
Share of other comprehensive income of associates	(954)	49	**n.m.**
Other comprehensive income for the period, net of tax	**(3,754)**	**5,734**	**n.m.**
Total comprehensive income for the period	**(3,603)**	**15,953**	**n.m.**
(Loss)/profit attributable to:			
Owners of the Company	(660)	5,504	**n.m.**
Non-controlling interests	811	4,715	**-83%**
	151	**10,219**	**-99%**
Total comprehensive income attributable to:			
Owners of the Company	(3,966)	10,320	**n.m.**
Non-controlling interests	363	5,633	**-94%**
	(3,603)	**15,953**	**n.m.**
Earnings per ordinary share (cents)			
-Basic	**(0.03)**	**0.28**	**n.m.**
-Diluted	**(0.03)**	**0.28**	**n.m.**

A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Other information :-

	Group		
	1H 2021 S$'000	1H 2020 S$'000	Change %
Other Income			
Foreign exchange gain	67	1,419	-95%
Net fair value gain on derivatives	3,177	-	n.m
Government grants and other miscellaneous income	6,134	13,488	-55%
Dividend income from equity instruments	230	121	90%
	9,608	**15,028**	
Other operating expenses	**(31,266)**	**(28,098)**	
Included in other operating expenses			
Sales and marketing expenses	(9,056)	(9,756)	-7%
Rental expenses	(560)	(979)	-43%
Allowance for write-down of properties held for sale	(516)	-	n.m
Fair value loss on investment properties	(1,320)	-	n.m
Net fair value loss on derivatives	-	(5,811)	n.m
Repair and maintenance	(6,265)	(3,571)	75%
Net foreign exchange loss	(4,385)	(309)	n.m

n.m - means "not meaningful"

A1. Notes:

1a. The Group recognises all inventories, including trade-in stock and sales return stock at their cost values. For finished stocks aged 2 years and above, partial provisions for stock obsolescence were made to take into consideration labour costs for designing and rework.

1b. The decrease in materials and subcontract costs in 1H 2021 was in line with the lower revenue for the real estate business, partially offset by the higher revenue for financial service and jewellery businesses.

1c. The increase in employee benefits for 1H 2021 was mainly due to higher staff costs for the financial service and jewellery businesses.

1d. Depreciation of fixed assets in retail outlets is computed on a straight-line basis over 3-5 years.

1e. The higher finance costs for 1H 2021 was mainly due to the increase of interest expenses for the overseas real estate business.

1f. The increase in other operating expenses in 1H 2021 was mainly due to higher maintenance costs for overseas real estate business, fair value loss of investment properties, write-down of properties held for sale and foreign exchange loss.

1g. Lower interest income in 1H 2021 was mainly due to the decrease in investment securities.

1h. The decrease in other income in 1H 2021 was mainly attributable to lower rental rebates and government grant for wages under the Jobs Support Scheme, partially offset by net fair value gain on derivatives. The fair value gain on derivatives arose mainly from the Group's hedging of Australian Dollars receivables. As Australian Dollars has weakened in 1H 2021, the Group recorded a net fair value gain on the derivatives. However, the Group also recorded the corresponding foreign exchange loss and foreign currency translation loss.

1i. The decrease in share of results of associates and a joint venture in 1H 2021 was mainly due to share of loss from an associate.

1j. The higher effective tax rate in 1H 2021 was mainly due to certain charges which resulted in net loss in the real estate business which cannot be tax-effected under the relevant tax accounting standards.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Jun-21 S$'000	31-Dec-20 S$'000	30-Jun-21 S$'000	31-Dec-20 S$'000
Non-current assets				
Property, plant and equipment	206,497	182,654	18	30
Intangible assets	9,115	8,886	96	229
Investment properties	157,803	160,653	-	-
Investment in subsidiaries	-	-	235,072	235,204
Investment in associates	124,478	124,733	76,529	76,529
Investment in joint venture	733	476	-	-
Investment securities	12,558	10,525	-	-
Trade and other receivables	4,458	5,844	-	-
Right-of-use assets	78,660	78,745	-	-
Prepayments	3	5	-	-
Deferred tax assets	5,796	6,132	-	-
	600,101	**578,653**	**311,715**	**311,992**
Current assets				
Inventories	165,673	146,496	-	-
Development properties	215,292	216,505	-	-
Properties held for sale	261,901	280,332	-	-
Trade and other receivables	336,555	303,402	5,053	32
Prepayments	8,823	3,411	221	271
Due from subsidiaries (non-trade)	-	-	88,707	104,080
Due from a joint venture (non-trade)	1,670	1,670	-	-
Due from associates	1,284	1,035	9	-
Investment securities	1,569	1,786	-	-
Cash and bank balances	36,595	52,047	212	207
	1,029,362	**1,006,684**	**94,202**	**104,590**
Total assets	**1,629,463**	**1,585,337**	**405,917**	**416,582**
Current liabilities				
Trade and other payables	72,807	78,224	13,620	13,633
Due to immediate holding company (non-trade)	950	4,700	950	4,700
Due to subsidiaries (non-trade)	-	-	41,974	57,512
Due to an associate (non-trade)	2,820	2,960	-	-
Provision for taxation	17,565	18,034	230	82
Derivatives	4,691	7,868	-	-
Lease liabilities	22,490	21,373	-	-
Term notes	78,250	162,000	-	-
Interest-bearing loans and borrowings	526,592	352,912	14,483	16,700
	726,165	**648,071**	**71,257**	**92,627**
Net current assets	**303,197**	**358,613**	**22,945**	**11,963**
Non-current liabilities				
Interest-bearing loans and borrowings	188,944	288,458	-	-
Term notes	170,250	95,000	50,000	50,000
Other payables	6,375	6,251	-	-
Lease liabilities	58,737	59,573	-	-
Deferred tax liabilities	40,806	41,043	9	39
	465,112	**490,325**	**50,009**	**50,039**
Total liabilities	**1,191,277**	**1,138,396**	**121,266**	**142,666**
Net assets	**438,186**	**446,941**	**284,651**	**273,916**
Equity attributable to shareholders of the Company				
Share capital	226,930	226,930	226,930	226,930
Treasury shares	(1,482)	(1,781)	(1,482)	(1,781)
Other reserves	(7,453)	(4,009)	913	1,052
Revenue reserves	117,919	118,590	58,290	47,715
	335,914	**339,730**	**284,651**	**273,916**
Non-controlling interests	102,272	107,211	-	-
Total equity	**438,186**	**446,941**	**284,651**	**273,916**
Net asset value per ordinary share (in cents)	**17.31**	**17.52**	**14.67**	**14.12**

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONTINUED)

B1. Review of Financial Position

Group shareholders' funds decreased from S$446.9 million as at 31 December 2020 to S$438.2 million as at 30 June 2021. This was mainly contributed by decrease in other reserves, revenue reserves and non-controlling interests. The decrease in other reserves was mainly due to the foreign currency translation loss.

The Group's total assets of S$1,629.5 million as at 30 June 2021 was S$44.1 million higher as compared to 31 December 2020. This was mainly attributable to the increase in trade and other receivables, property, plant and equipment, inventories, prepayments and investment securities, partially offset by the decrease in properties held for sale, cash and bank balances, investment properties and development properties. The increase in trade and other receivables was mainly due to the increase in pledge book for the financial service business. The increase in property, plant and equipment was mainly due to the purchase of 3 commercial properties in Singapore by the financial service business in 1H 2021. The decrease in properties held for sale was mainly due to the settlements of units sold for Australia 108.

The Group's total liabilities of S$1,191.3 million as at 30 June 2021 was S$52.9 million higher than that as at 31 December 2020. This was largely due to the increase in interest-bearing loans and borrowings, partially offset by the redemptions of the Group's outstanding term notes of S$19.0 million which was due in April 2021 and the decrease in trade and other payables, amount due to immediate holding company and derivatives. The increase in total loans and borrowings was mainly attributable to the increase in working capital and mortgage loans for the financial services business.

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	1H 2021 S$'000	1H 2020 S$'000
Operating activities		
Profit before tax	2,946	20,755
Adjustments for:		
Property, plant and equipment written-off	247	85
Allowance for write-down of properties held for sale	516	-
Gain on disposal of investment property	(31)	-
Employee Share Award Scheme expenses	160	-
Net fair value loss on investment properties	1,320	-
Net fair value (gain)/loss on derivatives	(3,177)	5,811
(Reversal of impairment)/impairment loss on investment securities	(1)	169
Depreciation of property, plant and equipment	3,816	3,779
Depreciation of right-of-use assets	12,157	11,844
Write-back of inventories	(312)	(68)
Interest expense	18,605	13,780
Interest income	(1,035)	(1,112)
Amortisation of prepaid rent	2	1
Amortisation of intangible assets	429	747
Amortisation of prepaid commitment fees	509	1,032
Amortisation of premium on term notes	-	48
Net (gain)/loss on disposal of investment securities	(1)	55
Dividend income from equity instruments	(230)	(121)
Loss on purchase and cancellation of term notes and bonds	-	99
Gain on termination of lease contracts	(3)	(3)
Allowance for doubtful receivables	2	-
Share of results of associates and a joint venture	(803)	(1,463)
Unrealised foreign exchange differences	673	(3,696)
Operating profit before changes in working capital	**35,789**	**51,742**
Decrease/(increase) in:		
Inventories	(19,176)	214
Development properties, investment properties and properties held for sale	15,908	31,688
Trade and other receivables	(32,117)	44,250
Prepayments	(5,221)	456
Restricted cash	6,017	3,186
Decrease in:		
Trade and other payables	(11,720)	(3,026)
Net cash flows (used in)/generated from operations	**(10,520)**	**128,510**
Interest paid	(10,764)	(15,323)
Income taxes paid	(2,804)	(1,272)
Net cash flows (used in)/generated from operating activities	**(24,088)**	**111,915**
Investing activities		
Purchase of property, plant and equipment	(28,866)	(28,659)
Investment in a joint venture	(153)	-
Acquisition of intangible assets	(607)	(97)
Interest received	1,273	2,279
Purchase of investment securities	(2,999)	-
Dividend income from equity instruments	230	121
Proceeds from disposal of investment securities	505	5,970
Proceeds from disposal of investment property	590	-
Net cash outflow on disposal of a subsidiary	-	(958)
Due from associates (non-trade), net	(389)	(329)
Due from joint ventures (non-trade), net	-	(1,670)
Net cash flows used in investing activities	**(30,416)**	**(23,343)**

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	1H 2021 S$'000	1H 2020 S$'000
Financing activities		
Dividends paid to shareholders of the Company	-	(9,688)
Dividends paid to non-controlling interests of subsidiaries	(5,296)	(3,104)
Proceeds from issuance of term notes	10,250	50,000
Repayment of term notes and bonds	(18,750)	(215,203)
Proceeds from term loans	230,280	76,954
Repayment of term loans	(157,116)	(70,715)
Proceeds from short-term bank borrowings, net	3,299	17,256
Repayment of principal portion of lease liabilities	(12,801)	(12,939)
Due to ultimate holding company (non-trade)	(3,750)	-
Term notes commitment fee paid	(704)	367
Purchase of treasury shares of a subsidiary	(209)	-
Net cash flows generated from/(used in) financing activities	**45,203**	**(167,072)**
Net decrease in cash and cash equivalents	(9,301)	(78,500)
Cash and cash equivalents at beginning of period	46,030	132,997
Effect of exchange rate changes on cash and cash equivalents	(134)	482
Cash and cash equivalents at end of period	**36,595**	**54,979**

As at 30 June 2021, an amount of S$Nil (1H 2020: S$10.0 million) has not been included in cash and cash equivalents of the Group as the amount relates to a reserve account held in escrow by a third party which will only be released upon repayment of the loan, interest and related development expenditures.

C1. Cashflow Analysis

Net cash used in operating activities was S$24.1 million in 1H 2021 as compared to net cash generated from operating activities of S$111.9 million in 1H 2020. This was mainly due to increase in trade and other receivables, inventories and decrease in trade and other payables, partially offset by decrease in development properties, investment properties and properties held for sale. The increase in trade and other receivables was mainly due to the increase in pledge book for the financial service business. The decrease in properties held for sale was mainly due to the settlements of units sold for Australia 108.

Net cash used in investing activities of S$30.4 million in 1H 2021 was largely attributable to the purchase of 3 commercial properties in Singapore by the financial service business in 1H 2021.

Net cash generated from financing activities was S$45.2 million in 1H 2021 as compared to net cash used in financing activities of S$167.1 million in 1H 2020. This comprised principally the issuance of term note by its subsidiary in January 2021 and increase in term loans and short-term bank borrowings (net), partially offset by the repayment of term note S$19.0 million which was due in April 2021. The increase in total loans and borrowings was mainly attributable to the increase in working capital and mortgage loans for the financial services business.

As a result, cash and cash equivalent balances decreased to S$36.6 million as at 30 June 2021 from S$52.0 million as at 31 December 2020.

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital S$'000	Treasury shares S$'000	Revenue reserves S$'000	Other reserves S$'000	S$'000	S$'000
Group						
Balance as at 1 January 2021	**226,930**	**(1,781)**	**118,590**	**(4,009)**	**107,211**	**446,941**
Profit for the period	-	-	(660)	-	811	**151**
Other comprehensive income for the period						
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	(746)	12	**(734)**
Foreign currency translation	-	-	-	(1,606)	(460)	**(2,066)**
Share of other comprehensive income of associates	-	-	-	(954)	-	**(954)**
Other comprehensive income, net of tax	-	-	-	(3,306)	(448)	**(3,754)**
Contributions by and distributions to owners						
Dividend paid to non-controlling interests of subsidiaries - Cash dividends	-	-	-	-	(5,396)	**(5,396)**
Treasury shares reissued pursuant to Aspial Performance Share Plan	-	299	-	(139)	-	**160**
Total contributions by and distributions to owners	-	299	-	(139)	(5,396)	**(5,236)**
Changes in ownership interests in subsidiaries						
Change in ownership interest in subsidiaries without a change in control	-	-	(11)	1	94	**84**
Total changes in ownership interests in subsidiaries	-	-	(11)	1	94	**84**
Balance as at 30 June 2021	**226,930**	**(1,482)**	**117,919**	**(7,453)**	**102,272**	**438,186**
Balance as at 1 January 2020	226,930	(2,290)	105,705	(17,622)	97,725	**410,448**
Profit for the period	-	-	5,504	-	4,715	**10,219**
Other comprehensive income for the period						
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	1,493	(25)	**1,468**
Foreign currency translation	-	-	-	3,274	943	**4,217**
Share of other comprehensive income of associates	-	-	-	49	-	**49**
Other comprehensive income, net of tax	-	-	-	4,816	918	**5,734**
Contributions by and distributions to owners						
Dividend on ordinary shares - Cash dividends	-	-	(4,844)	-	(1,277)	**(6,121)**
Total contributions by and distributions to owners	-	-	(4,844)	-	(1,277)	**(6,121)**
Changes in ownership interests in subsidiaries						
Changes in ownership interests in subsidiaries without a change in control	-	-	-	-	26	**26**
Change in ownership interest in subsidiaries with a change in control	-	-	-	-	23	**23**
Total changes in ownership interests in subsidiaries	-	-	-	-	49	**49**
Others						
Transfer of fair value reserves of equity instruments at FVOCI upon disposal	-	-	(8)	8	-	**-**
Total Others	-	-	(8)	8	-	**-**
Balance as at 30 June 2020	**226,930**	**(2,290)**	**106,357**	**(12,798)**	**102,130**	**420,329**

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to shareholders of the Company				Non-controlling interests	Total
	Share capital S$'000	Treasury shares S$'000	Revenue reserves S$'000	Other reserves S$'000	S$'000	S$'000
Company						
Balance as at 1 January 2021	**226,930**	**(1,781)**	**47,715**	**1,052**	**-**	**273,916**
Profit for the period, representing total comprehensive income for the period	-	-	10,575	-	-	**10,575**
Contributions by and distributions to owners						
Treasury shares reissued pursuant to Aspial Performance Share Plan	-	299	-	(139)	-	**160**
Total contributions by and distributions to owners	-	299	-	(139)	-	**160**
Balance as at 30 June 2021	**226,930**	**(1,482)**	**58,290**	**913**	**-**	**284,651**
Balance as at 1 January 2020	**226,930**	**(2,290)**	**45,520**	**1,302**	**-**	**271,462**
Loss for the period, representing total comprehensive income for the period	-	-	(2,114)	-	-	**(2,114)**
Contributions by and distributions to owners						
Dividends on ordinary shares - Cash dividends	-	-	(4,844)	-	-	**(4,844)**
Total contributions by and distributions to owners	-	-	(4,844)	-	-	**(4,844)**
Balance as at 30 June 2020	**226,930**	**(2,290)**	**38,562**	**1,302**	**-**	**264,504**

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

E1. Corporate Information

Aspial Corporation Limited (the "**Company**") is a limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the "**Group**"). The principal activity of the Company is investment holding and provision of management services.

The principal activities of the Group are jewellery retailing, real estate and financial service business.

E2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards 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 2020.

The accounting policies and method of computation adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand, except when otherwise indicated.

E2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

E2.2 Use of Judgements And Estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

E3. Seasonal Operations

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

E4. Segment Information

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into three main operating business segments, namely:
(a) Manufacture and sale of jewellery;
(b) Real estate business; and
(c) Financial service business.

Other operations include rental of properties and provision of other support services.

1H 2021 Business Segment	Real Estate S$'000	Financial Service S$'000	Jewellery S$'000	Others S$'000	Elimination S$'000	Group S$'000
Revenue	26,713	111,444	61,550	-	-	199,707
Inter-segment revenue	-	189	515	2,237	(2,941)	-
	26,713	111,633	62,065	2,237	(2,941)	199,707
Results :						
Segment result	(669)	14,766	9,073	7,817	(9,849)	21,138
Unallocated expenses	-	-	-	-	-	(113)
Interest income	904	23	130	9,256	(9,278)	1,035
Profit from operations	235	14,789	9,203	17,073		22,060
Finance costs	(12,875)	(4,961)	(782)	(9,765)	9,269	(19,114)
(Loss)/profit from operations before taxation	(12,640)	9,828	8,421	7,308		2,946
Tax credit/(expenses)	164	(1,725)	(647)	(587)		(2,795)
(Loss)/profit for the period	(12,476)	8,103	7,774	6,721		151
Assets and liabilities						
Segment assets	774,542	559,229	174,229	697,538	(581,871)	1,623,667
Unallocated assets						5,796
Total assets						1,629,463
Segment liabilities	552,600	412,851	101,954	403,870	(338,369)	1,132,906
Unallocated liabilities						58,371
Total liabilities						1,191,277
Other segment information						
Dividend income from equity instruments	-	197	-	33	-	230
Depreciation and amortisation	117	7,132	7,927	1,228	-	16,404
Share of result from associates	(51)	-	2,273	(1,523)	-	699
Share of result from joint venture	-	(21)	83	-	42	104
Capital expenditure	3,333	24,026	1,129	378	-	28,866
Other significant non-cash expenses	(1,677)	97	(242)	(72)	489	(1,405)
Investment in joint ventures	-	1,388	2,121	-	(2,776)	733
Investment in associates	7,799	-	16,790	99,889	-	124,478

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E4. Segment Information (Continued)

1H 2020 Business Segment	Real Estate S$'000	Financial Service S$'000	Jewellery S$'000	Others S$'000	Elimination S$'000	Group S$'000
Revenue	98,694	101,736	33,749	-	(149)	234,030
Inter-segment revenue	-	1,064	242	2,406	(3,712)	-
	98,694	102,800	33,991	2,406	(3,861)	234,030
Results :						
Segment result	15,990	18,307	1,064	824	(1,559)	34,626
Unallocated expenses	-	-	-	-	-	(123)
Interest income	609	96	47	12,039	(11,679)	1,112
Profit from operations	16,599	18,403	1,111	12,863		35,615
Finance costs	(4,014)	(6,294)	(1,050)	(13,837)	10,335	(14,860)
Profit/(loss) from operations before taxation	12,585	12,109	61	(974)		20,755
Tax expenses	(7,190)	(1,971)	(330)	(1,045)		(10,536)
Profit/(loss) for the period	5,395	10,138	(269)	(2,019)		10,219
Assets and liabilities						
Segment assets	778,196	523,425	177,672	753,267	(649,893)	1,582,667
Unallocated assets						2,123
Total assets						1,584,790
Segment liabilities	556,083	373,417	123,737	484,842	(418,723)	1,119,356
Unallocated liabilities						45,105
Total liabilities						1,164,461
Other segment information						
Depreciation and amortisation	127	6,189	8,765	1,293	(3)	16,371
Share of result from associates	(95)	-	1,928	(436)	-	1,397
Share of result from joint venture	-	250	316	-	(500)	66
Capital expenditure	2,168	25,838	391	262	-	28,659
Other significant non-cash expenses	4,975	886	(32)	168	-	5,997
Investment in joint ventures	-	6,664	7,004	75	(13,329)	414
Investment in associates	8,292	-	12,910	104,315	-	125,517

E5. Disaggregation of Revenue

1H 2021 Segments	Real Estate S$'000	Financial Service S$'000	Jewellery S$'000	Total Revenue S$'000
Major product or service lines				
Interest income from pawnbroking services	-	22,728	-	22,728
Interest income and distribution income from secured lending	-	912	-	912
Sale of jewellery and branded merchandise	-	87,804	61,550	149,354
Sale of development properties	26,713	-	-	26,713
	26,713	111,444	61,550	199,707
Timing of transfer of goods or services				
At a point in time	26,104	87,804	61,550	175,458
Over time	609	23,640	-	24,249
	26,713	111,444	61,550	199,707
Geographical information				
Singapore	609	105,418	49,351	155,378
Australia	26,066	1,876	338	28,280
Malaysia	38	1,058	-	1,096
Hong Kong	-	2,268	264	2,532
Germany	-	-	11,597	11,597
Ireland	-	824	-	824
	26,713	111,444	61,550	199,707

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E5. Disaggregation of Revenue (Continued)

1H 2020 Segments	Real Estate S$'000	Financial Service S$'000	Jewellery S$'000	Total S$'000
Major product or service lines				
Interest income from pawnbroking services	-	21,503	-	21,503
Interest income and distribution income from secured lending	-	1,539	-	1,539
Sale of jewellery and branded merchandise	-	78,694	33,600	112,294
Sale of development properties	98,694	-	-	98,694
	98,694	101,736	33,600	234,030
Timing of transfer of goods or services				
At a point in time	97,978	78,694	33,600	210,272
Over time	716	23,042	-	23,758
	98,694	101,736	33,600	234,030
Geographical information				
Singapore	716	98,137	21,905	120,758
Australia	97,978	1,640	190	99,808
Malaysia	-	267	-	267
Hong Kong	-	915	230	1,145
Germany	-	-	11,275	11,275
Ireland	-	777	-	777
	98,694	101,736	33,600	234,030

E6. Related Party Transactions

	Group	
	1H 2021 S$'000	1H 2020 S$'000
Related party transactions		
Goods purchased from an affiliated company	872	249
Rental paid/payable to a director-related company	-	38
Rental received from an associate	102	212
Marketing income paid to an associate	28	89
Management fee received from an associate	244	216
Sales of goods to an associate	2,480	3,397
Acquisition of properties from a director-related company	-	23,700

E7. 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 2021 and 31 December 2020:

	Group			Company		
	Carrying Amount			Carrying Amount		
	Assets at amortised cost S$'000	Liabilities at amortised cost S$'000	Total S$'000	Assets at amortised cost S$'000	Liabilities at amortised cost S$'000	Total S$'000
30 June 2021						
Financial assets not measured at fair value						
Trade and other receivables*	339,066	-	339,066	5,053	-	5,053
Due from subsidiaries (non-trade)	-	-	-	88,707	-	88,707
Due from a joint venture (non-trade)	1,670	-	1,670	-	-	-
Due from associates	1,284	-	1,284	9	-	9
Cash and bank balances	36,595	-	36,595	212	-	212
	378,615	-	378,615	93,981	-	93,981
Financial liabilities not measured at fair value						
Trade and other payables**	-	71,755	71,755	-	8,717	8,717
Due to immediate holding company (non-trade)	-	950	950	-	950	950
Due to subsidiaries (non-trade)	-	-	-	-	41,974	41,974
Due to associates (non-trade)	-	2,820	2,820	-	-	-
Interest-bearing loans and borrowings	-	715,536	715,536	-	14,483	14,483
Term notes	-	248,500	248,500	-	50,000	50,000
Lease liabilities	-	81,227	81,227	-	-	-
	-	1,120,788	1,120,788	-	116,124	116,124

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E7. Financial Assets and Financial Liabilities (Continued)

	Group			Company		
	Carrying Amount			Carrying Amount		
	Assets at amortised cost S$'000	Liabilities at amortised cost S$'000	Total S$'000	Assets at amortised cost S$'000	Liabilities at amortised cost S$'000	Total S$'000
31 December 2020						
Financial assets not measured at fair value						
Trade and other receivables*	305,976	-	305,976	19	-	19
Due from subsidiaries (non-trade)	-	-	-	104,080	-	104,080
Due from a joint venture (non-trade)	1,670	-	1,670	-	-	-
Due from associates	1,035	-	1,035	-	-	-
Cash and bank balances	52,047	-	52,047	207	-	207
	360,728	-	360,728	104,306	-	104,306
Financial liabilities not measured at fair value						
Trade and other payables**	-	69,385	69,385	-	8,616	8,616
Due to immediate holding company (non-trade)	-	4,700	4,700	-	4,700	4,700
Due to subsidiaries (non-trade)	-	-	-	-	57,512	57,512
Due to associates (non-trade)	-	2,960	2,960	-	-	-
Interest-bearing loans and borrowings	-	641,370	641,370	-	16,700	16,700
Term notes	-	257,000	257,000	-	50,000	50,000
Lease liabilities	-	80,946	80,946	-	-	-
	-	1,056,361	1,056,361	-	137,528	137,528

* Excludes GST receivables (net), tax recoverable, grant receivable and non-refundable deposits
** Excludes GST payables (net), accrued operating expenses (provision of unutilised leave and provision for reinstatement cost), deferred revenue/income, witholding tax payable and dividend payables

E8. Taxation

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 comprehensive income are:

	Group	
	1H 2021 S$'000	1H 2020 S$'000
Current income tax		
Current income taxation	2,550	5,932
Over provision in respect of previous years	(20)	(336)
Withholding tax	11	-
Deferred income tax		
Origination and reversal of temporary differences	306	4,011
(Over)/under provision in respect of previous years	(52)	929
	2,795	10,536

E9. Dividends

There is no dividend recommended for the period ended 30 June 2021 (30 June 2020: Nil).

E10. Net Asset Value

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net asset value per ordinary share (in cents)	17.31	17.52	14.67	14.12
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,940,512	1,939,427	1,940,512	1,939,427

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E11. Financial Assets At Fair Value Through Other Comprehensive Income ("FVOCI")

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	30-Jun-21 S$'000	31-Dec-20 S$'000
At FVOCI		
Equity securities (quoted)		
- Lippo Malls Indonesia Retail Trust	2,867	2,827
Equity securities (unquoted)		
- Trinity House UK Commercial Property Fund 1 IC ("**THUK**")	5,158	5,993
- Others	37	-
	8,062	8,820

The fair value at the date of derecognition amounted to S$Nil (31 December 2020: S$500,000). The cumulative loss arising from the disposal amounted to S$Nil (31 December 2020: S$8,000) and was transferred from fair value adjustment reserve to revenue reserves.

E11.1 Fair Value Measurement

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group 30-Jun-21			
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
Assets measured at fair value				
Financial assets				
At FVOCI				
- Debt securities (quoted)	5,779	-	-	5,779
- Equity securities (quoted)	2,867	-	-	2,867
- Equity securities (unquoted)	-	-	5,195	5,195
At fair value through profit and loss ("**FVPL**")				
- Equity securities (quoted)	235	-	-	235
- Equity securities (unquoted)	-	-	51	51
	8,881	-	5,246	14,127
Financial liabilities				
At FVPL				
- Derivatives	-	(4,691)	-	(4,691)
Assets measured at fair value				
Non-financial assets				
Investment properties				
- Singapore	-	-	60,729	60,729
- Malaysia	-	-	16,481	16,481
- Australia	-	-	80,593	80,593
	-	-	157,803	157,803

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E11. Financial Assets At Fair Value Through Other Comprehensive Income ("FVOCI") (Continued)

E11.1 Fair Value Measurement (Continued)

	Group 31-Dec-20			
	Quoted prices in active markets for identical assets (Level 1) S$'000	Significant observable inputs other than quoted prices (Level 2) S$'000	Significant unobservable inputs (Level 3) S$'000	Total S$'000
Assets measured at fair value				
Financial assets				
At FVOCI				
- Debt securities (quoted)	3,204	-	-	3,204
- Equity securities (quoted)	2,827	-	-	2,827
- Equity securities (unquoted)	-	-	5,993	5,993
At FVPL				
- Equity securities (quoted)	236	-	-	236
- Equity securities (unquoted)	-	-	51	51
	6,267	-	6,044	12,311
Financial liabilities				
At FVPL				
- Derivatives	-	(7,868)	-	(7,868)
Assets measured at fair value				
Non-financial assets				
Investment properties				
- Singapore	-	-	62,050	62,050
- Malaysia	-	-	16,695	16,695
- Australia	-	-	81,908	81,908
	-	-	160,653	160,653

E12. Intangible assets

During the six months ended 30 June 2021, the Group acquired intangible assets amounted to S$607,000 (30 June 2020: S$97,000).

E13. Property, Plant and Equipment

During the six months ended 30 June 2021, the Group acquired assets amounted to S$28,866,000 (30 June 2020: S$28,659,000).

E14. Investment Properties

The investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measure at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

During the six months ended 30 June 2021, there was no acquisition of investment properties. The disposal of investment properties amounted to S$560,000 in the six months period ended 30 June 2021 (30 June 2020: S$Nil).

E14.1 Valuation

Investment properties are stated at fair value, which has been determined based on valuations performed by external appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being valued. The Group did not engage an independent valuer to determine the fair value of the properties as at 30 June 2021. However, the Management had taken into considerations those underlying factors that would have impacts to the fair value of the investment properties.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E15. Group Borrowings And Debt Securities

Amount repayable in one year or less, or on demand

As at 30 June 2021		As at 31 Dec 2020	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
526,592	78,250	352,912	162,000

Amount repayable after one year

As at 30 June 2021		As at 31 Dec 2020	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
188,944	170,250	288,458	95,000

Details of collateral

The Group's borrowings and debt securities are secured as follows:-

i) legal mortgages over subsidiaries' property, plant and equipment, development properties, properties held for sale and investment properties;
ii) legal assignment of subsidiaries' interest under the Sale and Purchase agreements and tenancy agreements in respect of the units therein which includes the assignment of all the sale and rental proceeds;
iii) fixed and floating charge on all assets of certain subsidiaries;
iv) guarantees by non-controlling interests of a subsidiary;
v) a joint corporate guarantee by the joint operation partners;
vi) personal guarantees by the subsidiary's director; and/or
vii) corporate guarantees by the Company and/or subsidiaries.

E16. Changes in Share Capital

	Company	
	No. of shares '000	S$ '000
Issued and fully paid share capital (excluding treasury shares)		
Balance at 1 January 2021	1,939,427	225,149
Distributed as staff benefits	1,085	299
Balance at 30 June 2021	**1,940,512**	**225,448**

E17. Changes in Treasury Shares

There were 1,085,300 (30 June 2020: Nil) treasury shares transferred to employees under the Aspial Performance Share Plan during the financial period.

	Company	
	No. of shares '000	S$ '000
Balance at 1 January 2021	6,469	1,781
Distributed as staff benefits	(1,085)	(299)
Balance at 30 June 2021	**5,384**	**1,482**

E18. Changes in Subsidiary Holdings

Not applicable. The company does not have any subsidiary holdings.

E19. Subsequent Event

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

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

F1. Auditor's Report

The condensed interim statements of financial position of Aspial Corporaiton Limited and its subsidiaries as at 30 June 2021 and the related condensed interim consolidated statement of comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

F2. Audit Opinion (Applicable to Companies That Have Received Modified Audit Opinions)

Not applicable. The Group's latest financial statements for the financial year ended 31 December 2020 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

F3. Variance from Forecast Statement

No forecast for the period ended 30 June 2021 was previously provided.

F4. Earnings per Share

	Group	
	1H 2021	1H 2020
i) Basic earnings per share (cents)	(0.03)	0.28
ii) Diluted earnings per share (cents)	(0.03)	0.28
-Weighted average number of shares (excluding treasury shares) ('000)	1,940,410	1,937,577

F5. Review of Corporate Performance

The Group registered a revenue of S$199.7 million and a pre-tax profit of S$2.9 million in 1H 2021.

Group revenue of S$199.7 million for 1H 2021 was S$34.3 million or 14.7% lower than the revenue in 1H 2020. The lower revenue was due to the decrease in contribution from the Real Estate Business, partially offset by higher revenue from the Financial Service Business and Jewellery Business.

Revenue from the Financial Service Business increased by S$8.8 million or 8.6% to S$111.6 million in 1H 2021. The increase was mainly due to higher interest income and revenue from the retail and trading of jewellery and branded merchandise in Singapore.

The Jewellery Business revenue increased by 82.6% to S$62.1 million in 1H 2021 as a result of higher sales from both local and overseas jewellery businesses.

The Real Estate Business recorded revenue of S$26.7 million in 1H 2021 as compared to S$98.7 million in 1H 2020 due to lower settlement and sales in 1H 2021.

The Group’s pre-tax profit of S$2.9 million for 1H 2021 was 86.1% lower than the S$20.8 million recorded in 1H 2020.

The pre-tax profit for the Financial Service Business declined by 18.8% to S$9.8 million in 1H 2021. The decrease was mainly due to lower profit contribution from the pawnbroking business, higher costs incurred by overseas operations, partially offset by higher profit contribution from the retail business.

In line with the increase in revenue, the Jewellery Business recorded a pre-tax profit of S$8.4 million in 1H 2021 as compared to S$0.1 million in 1H 2020. The lower pre-tax profit in 1H 2020 was due to closure of shops during the Circuit Breaker period in 2Q 2020.

Real Estate Business recorded a pre-tax loss of S$12.6 million in 1H 2021 as compared to a pre-tax profit of S$12.6 million in 1H 2020. The pre-tax loss was due to lower settlement and sales in 1H 2021.

The AF Global hospitality business was affected by the temporary closure and low occupancy of its hotel in Phuket, Thailand due to the pandemic, resulting in an overall loss in 1H 2021.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONTINUED)

F6. Business Outlook

The outlook for 2H 2021 remains challenging amidst the global and domestic economic uncertainties resulting from the COVID-19 pandemic.

The Group will also continue to explore new business opportunities, transform and consolidate its existing businesses to improve effectiveness and efficiency, and synergise and optimise resources across its businesses.

Financial Service Business

The ongoing pandemic and the resulting economic uncertainties have affected employment and consumer sentiments in the countries we operate. The Group will continue to leverage on its branding, store network, innovation and staff training to further improve the effectiveness and efficiency of delivery of its products and services.

Jewellery Business

The Group is cautiously optimistic that its Jewellery Business will continue to perform better than in 2020 as the local vaccination rate increases and retail activity is expected to improve in 2H 2021.

Real Estate

In Singapore, the Group will continue to market the commercial units in its portfolio for rent and sale. In Australia, the Group has leased out some of the units at Australia 108 to generate rental income while continuing to market the available units for sale.

AF Global Limited

The hospitality market is expected to remain challenging in the near term as international travel restrictions remain in place across the globe. However, we are cautiously optimistic that the "Phuket Sandbox" initiative launched to attract travellers to Phuket will have a positive impact on our hotel occupancy in 2H 2021.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONTINUED)

F7. Interested Person Transactions

No interested persons transactions ("**IPT**") were conducted under the Company's IPT mandate for the period ended 30 June 2021.

F8. Dividend

(i) Any dividend declared for the current financial period reported on?
No

(ii) Any dividend declared for the preceding financial period?
No

(iii) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

In view of the economic uncertainties caused by COVID-19 pandemic, no dividend has been declared for the current financial period as the Group intends to retain cash for its working capital, to reduce its borrowings and fund any potential growth opportunities in future.

F9. Confirmation That The Issuer Has Procured Undertakings From All Its Directors And Executive Officers Pursuant to Rule 720 (1) of The Listing Manual

The Company confirms that all the required undertakings under Rule 720 (1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

F10. Confirmation Pursuant to The Rule 705 (5) of The Lisitng Manual

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements for the six months ended 30 June 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng
CEO

Koh Lee Hwee
Director

6 August 2021