



AF Global Limited

Company Registration No. 197301118N
(Incorporated in the Republic of Singapore)

Response to Query from the Singapore Exchange Regulation (“SGX RegCo”) on the Company’s Unaudited Half-Year Financial Statements for the Period Ended 30 June 2020

The Board of Directors of AF Global Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the query raised by the SGX RegCo on 4 August 2020 and respond as follows:

SGX RegCo’s Query

“We refer to AF Global Limited’s (the “**Company**”) unaudited financial results for the six months ended 30 June 2020 (“**1H 2020**”) announced on 28 July 2020. It was disclosed that “The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the Unaudited Financial Statements for the Half-Year ended 30 June 2020 to be false or misleading in any material respect” and that “The financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2019.

In view of our Regulator’s Column of 27 July 2020 titled “What SGX RegCo expects of financial reports amid COVID-19”, please clarify if the Company has assessed the fair value of its land and buildings for the financial period ended 30 June 2020, and its basis of assessment. Please explain how the Board has addressed its mind to the carrying value of its land and buildings and decided if any material change is required, in view of the current Covid-19 situation.”

The Company’s Response

The Company has disclosed in its Annual Report 2019 dated 25 March 2020 that the Group’s financial performance and the values of its assets will be affected by the ongoing Coronavirus Disease (COVID-19) pandemic. The Company has updated in the Group’s Half-Year financial results released on 28 July 2020 that the operating environment of its primary assets and businesses will continue to present unprecedented challenges and will affect the Group’s earnings.

The Board has considered the carrying values of our land and buildings as at 30 June 2020 and was of the view that it is pre-mature to make a reliable assessment of the impact on the carrying values of the Group’s land and buildings. This is because of the market uncertainties due to the ongoing COVID-19 pandemic, in particular its duration, its ultimate impact on the business and economy, and the insufficient visibility to date of important valuation assumptions such as future cash flows and market transactions.

The Group will continue to monitor the evolving situation and will assess the carrying values of the Group’s land and buildings by the financial year ending 31 December 2020 for review by its external auditors.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary

6 August 2020