

**AF Global Limited**

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

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2021**

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## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		<b>Group</b>		
		<b>01.01.2021</b>	<b>01.01.2020</b>	
		<b>to</b>	<b>to</b>	
		<b>30.06.2021</b>	<b>30.06.2020</b>	<b>Change</b>
		<b>("1H2021")</b>	<b>("1H2020")</b>	
Note		S\$'000	S\$'000	%
	<b>Revenue</b>	2,032	8,163	(75)
	Cost of sales	(3,568)	(5,692)	(37)
	<b>Gross profit</b>	<u>(1,536)</u>	<u>2,471</u>	NM
	Other operating income	106	193	(45)
	Marketing expenses	(201)	(515)	(61)
	Administrative expenses	(2,680)	(3,682)	(27)
	Other operating expenses	<u>(2,144)</u>	<u>(1,759)</u>	22
	<b>Operating loss</b>	<u>(6,455)</u>	<u>(3,292)</u>	96
	Finance costs	(344)	(192)	79
	Share of results of joint venture companies	1,388	1,548	(10)
	<b>Loss before taxation</b>	<u>(5,411)</u>	<u>(1,936)</u>	179
	Taxation	(375)	(265)	42
	<b>Loss for the period</b>	<u>(5,786)</u>	<u>(2,201)</u>	163
	<b>Other comprehensive income :</b>			
	<u>Items that may be reclassified subsequently to profit or loss</u>			
	Foreign currency translation	(5,032)	988	NM
	Fair value gain/(loss) on investment securities	38	(32)	NM
	<u>Item that will not be reclassified to profit or loss</u>			
	Fair value gain/(loss) on investment securities	46	(83)	NM
	<b>Other comprehensive income for the period, net of tax</b>	<u>(4,948)</u>	<u>873</u>	NM
	<b>Total comprehensive income for the period</b>	<u>(10,734)</u>	<u>(1,328)</u>	708
	<b>Loss for the period attributable to :</b>			
	Shareholders of the Company	(3,784)	(1,130)	235
	Non-controlling interests	<u>(2,002)</u>	<u>(1,071)</u>	87
		<u>(5,786)</u>	<u>(2,201)</u>	163
	<b>Total comprehensive income for the period attributable to :</b>			
	Shareholders of the Company	(6,600)	(297)	2,122
	Non-controlling interests	<u>(4,134)</u>	<u>(1,031)</u>	301
		<u>(10,734)</u>	<u>(1,328)</u>	708
	<b>Loss per share (cents)</b>			
	- Basic	(0.36)	(0.11)	
	- Diluted	<u>(0.36)</u>	<u>(0.11)</u>	

'NM' : Not meaningful.

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)***Other information :*

	<b>Group</b>		
	<b>1H2021</b> S\$'000	<b>1H2020</b> S\$'000	<b>Change</b> %
Other operating income :			
Interest income from fixed deposits	86	174	(51)
Gain on sale of investment securities	14	-	NM
Gain on sale of property, plant and equipment	4	-	NM
Foreign currency gains	-	19	NM
Others	2	-	NM
	<b>106</b>	<b>193</b>	<b>(45)</b>
Other operating expenses (**):			
Payroll and other indirect overheads	(480)	(714)	(33)
Utilities	(281)	(492)	(43)
Legal and professional fees	(276)	(426)	(35)
Foreign currency losses (#)	(1,001)	-	NM
Others	(106)	(127)	(17)
	<b>(2,144)</b>	<b>(1,759)</b>	<b>22</b>
Loss before taxation is stated after crediting/(charging):			
Depreciation of property, plant and equipment	(2,289)	(2,388)	(4)
Depreciation of right-of-use assets	(56)	(58)	(3)
Loss on sale of investment securities	-	(2)	NM
Writeback of impairment loss on trade receivables	51	-	NM
Property, plant and equipment written off	(17)	-	NM

'NM' : Not meaningful.

\*\* Excluding foreign currency losses, the lower other operating expenses was mainly attributed to cost-saving measures amid the COVID-19 pandemic.

# The foreign currency losses in 1H2021 was mainly attributed to translation loss arising from translating Singapore Dollar denominated inter-company interest payable as Singapore Dollar had strengthened against Thai Baht.

**NOTES**

- (a) Cost of sales comprised mainly direct costs, depreciation and overheads in respect of the Group's hospitality business.
- (b) Administrative expenses comprised mainly payroll, expenses for the administration of the business including hotel management fee and statutory expenses. The lower administrative expenses was mainly attributed to lower hotel management fee and overheads.
- (c) The higher finance costs was mainly attributed to higher bank borrowings.
- (d) This constitutes mainly our share of profits from Knight Frank group of companies in Singapore.
- (e) The higher tax expense was mainly attributed to reversal of deferred tax provision on undistributed earnings of Holiday Inn Resort Phuket in 1H2020. The lower current tax expense was mainly attributed to pre-tax loss of Somerset Vientiane compared to pre-tax profit in the corresponding period.
- (f) Foreign currency translation in other comprehensive income comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to profit or loss. The translation loss in 1H2021 was mainly attributed to weaker Thai Baht partially offset by stronger Renminbi. The translation gain in 1H2020 was mainly attributed to stronger Renminbi.

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		30.06.2021 S\$'000	31.12.2020 S\$'000	30.06.2021 S\$'000	31.12.2020 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	(a)	218,916	230,128	-	-
Intangible assets		36	36	-	-
Right-of-use assets	(b)	825	870	-	-
Subsidiary companies		-	-	297,141	297,276
Joint venture companies		34,287	32,817	-	-
Investment securities		3,582	3,582	-	-
Deferred tax assets		319	357	-	-
		<u>257,965</u>	<u>267,790</u>	<u>297,141</u>	<u>297,276</u>
<b>Current assets</b>					
Investment securities		14,148	14,060	-	-
Inventories		146	154	-	-
Trade receivables		46	34	-	-
Other receivables		769	789	384	138
Prepayments		253	211	2	5
Amount due from a subsidiary company	(c)	-	-	272	-
Cash and short-term deposits		14,866	16,643	257	472
		<u>30,228</u>	<u>31,891</u>	<u>915</u>	<u>615</u>
Asset classified as held for sale	(d)	54,427	53,038	-	-
		<u>84,655</u>	<u>84,929</u>	<u>915</u>	<u>615</u>
<b>Current liabilities</b>					
Trade payables		638	716	-	-
Other payables and accruals		5,502	5,687	387	402
Provision for taxation		164	252	9	30
Lease liabilities		54	81	-	-
Loans and borrowings	(e)	11,294	11,630	9,950	9,175
		<u>17,652</u>	<u>18,366</u>	<u>10,346</u>	<u>9,607</u>
<b>Net current assets/(liabilities)</b>	(f)	67,003	66,563	(9,431)	(8,992)
<b>Non-current liabilities</b>					
Amount due to a subsidiary company		-	-	18,969	18,971
Lease liabilities		874	875	-	-
Loans and borrowings	(e)	15,304	12,921	2,250	2,625
Deferred tax liabilities		26,102	26,816	-	-
		<u>42,280</u>	<u>40,612</u>	<u>21,219</u>	<u>21,596</u>
<b>Net assets</b>		<u>282,688</u>	<u>293,741</u>	<u>266,491</u>	<u>266,688</u>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		209,518	209,518	209,518	209,518
Reserves		18,038	24,638	56,973	57,170
		<u>227,556</u>	<u>234,156</u>	<u>266,491</u>	<u>266,688</u>
Non-controlling interests		55,132	59,585	-	-
<b>Total equity</b>		<u>282,688</u>	<u>293,741</u>	<u>266,491</u>	<u>266,688</u>

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**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

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**NOTES**

- (a) Apart from depreciation, the decrease in property, plant and equipment was mainly attributed to weakening of Thai Baht.
- (b) The decrease was mainly attributed to depreciation of right-of-use assets.
- (c) The increase in amount due from a subsidiary company was mainly due to intercompany management fee receivable.
- (d) Asset classified as held for sale was in respect of the Group's carrying value of its investment in Xuzhou JV. The increase was due to strengthening of Renminbi.
- (e) The increase in external borrowings of the Group was attributed to a drawdown from an existing revolving credit facility by the Company and a new term loan drawn down by a subsidiary company for working capital. The new term loan is secured by a mortgage on the freehold land and buildings owned by the said subsidiary company.
- (f) The increase in net current liabilities of the Company was mainly attributed to the utilisation of an existing revolving credit facility by the Company as mentioned in Note (e) above and the reclassification of non-current loans and borrowings to current.

## C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Group</b>	
	<b>1H2021</b>	<b>1H2020</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>		
Loss before taxation	(5,411)	(1,936)
Adjustments for :		
Depreciation of property, plant and equipment	2,289	2,388
Depreciation of right-of-use assets	56	58
Gain on sale of property, plant and equipment	(4)	-
Property, plant and equipment written off	17	-
(Gain)/loss on sale of investment securities	(14)	2
Share of results of joint venture companies	(1,388)	(1,548)
Dividend income from investment securities	-	(58)
Interest income	(515)	(523)
Finance costs	344	192
Unrealised foreign exchange differences	1,137	76
<b>Operating loss before reinvestment in working capital</b>	<b>(3,489)</b>	<b>(1,349)</b>
Decrease in inventories	3	34
Decrease in receivables and prepayments	(23)	709
Decrease in payables	(137)	(3,379)
<b>Cash flows used in operations</b>	<b>(3,646)</b>	<b>(3,985)</b>
Interest received	478	409
Interest paid	(308)	(188)
Income taxes paid	(224)	(240)
<b>Net cash flows used in operating activities</b>	<b>(3,700)</b>	<b>(4,004)</b>
<b>Cash flows from investing activities :</b>		
Dividend received	-	58
Proceeds from sale of property, plant and equipment	4	-
Purchase of property, plant and equipment	(28)	(128)
Purchase of investment securities	(3,000)	(7,988)
Proceeds from sale of investment securities	3,009	2,250
<b>Net cash flows used in investing activities</b>	<b>(15)</b>	<b>(5,808)</b>
<b>Cash flows from financing activities :</b>		
Proceeds from bank loans	2,550	22,879
Repayment of bank loans	-	(6,600)
Repayment of lease liabilities	(129)	(129)
Dividend paid by the Company	-	(10,556)
Dividend paid to a non-controlling interest	(319)	-
<b>Net cash flows generated from financing activities</b>	<b>2,102</b>	<b>5,594</b>
Net decrease in cash and cash equivalents	(1,613)	(4,218)
Effects of exchange rate changes on cash and cash equivalents	(164)	161
Cash and cash equivalents at beginning of period	16,589	23,585
<b>Cash and cash equivalents at end of period</b>	<b>14,812</b>	<b>19,528</b>

### NOTES

- (a) Cash and cash equivalents comprised the following amounts :

Fixed deposits	7,869	10,083
Cash and bank balances	6,997	9,499
Cash and short-term deposits per Consolidated Statement of Financial Position	14,866	19,582
Less : Fixed deposit pledged	(54)	(54)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>14,812</b>	<b>19,528</b>

- (b) The deficit in cash flows from operations for both 1H2021 and 1H2020 were mainly attributed to adverse impact of the COVID-19 pandemic on the Group's hospitality business.

## D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Group	-----Attributable to shareholders of the Company-----						Non-controlling	Total		
	Share capital S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Other reserves S\$'000	interests S\$'000	equity S\$'000		
<b>1H2021</b>										
<b>As at 1 January 2021</b>	<b>209,518</b>	<b>52,791</b>	<b>30</b>	<b>5,565</b>	<b>48,251</b>	<b>(1,055)</b>	<b>(28,153)</b>	<b>24,638</b>	<b>59,585</b>	<b>293,741</b>
Loss for the period	-	-	-	-	-	-	(3,784)	(3,784)	(2,002)	(5,786)
Other comprehensive income for the period, net of tax	-	(2,816)	-	(2,900)	-	84	-	(2,816)	(2,132)	(4,948)
Total comprehensive income for the period	-	(2,816)	-	(2,900)	-	84	(3,784)	(6,600)	(4,134)	(10,734)
Others										
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	(319)	(319)
Share of reserves of a joint venture company	-	61	-	-	-	61	(61)	-	-	-
Total others	-	61	-	-	-	61	(61)	-	(319)	(319)
<b>As at 30 June 2021</b>	<b>209,518</b>	<b>50,036</b>	<b>30</b>	<b>2,665</b>	<b>48,251</b>	<b>(910)</b>	<b>(31,998)</b>	<b>18,038</b>	<b>55,132</b>	<b>282,688</b>
<b>1H2020</b>										
<b>As at 1 January 2020</b>	<b>209,518</b>	<b>55,905</b>	<b>30</b>	<b>6,570</b>	<b>50,309</b>	<b>(1,004)</b>	<b>(23,566)</b>	<b>32,339</b>	<b>68,302</b>	<b>310,159</b>
Loss for the period	-	-	-	-	-	-	(1,130)	(1,130)	(1,071)	(2,201)
Other comprehensive income for the period, net of tax	-	833	-	948	-	(115)	-	833	40	873
Total comprehensive income for the period	-	833	-	948	-	(115)	(1,130)	(297)	(1,031)	(1,328)
<b>As at 30 June 2020</b>	<b>209,518</b>	<b>56,738</b>	<b>30</b>	<b>7,518</b>	<b>50,309</b>	<b>(1,119)</b>	<b>(24,696)</b>	<b>32,042</b>	<b>67,271</b>	<b>308,831</b>

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**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)**

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<b>Company</b>	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<b><u>1H2021</u></b>			
<b>As at 1 January 2021</b>	<b>209,518</b>	<b>57,170</b>	<b>266,688</b>
Loss for the period, representing total comprehensive income for the period	-	(197)	(197)
<b>As at 30 June 2021</b>	<b>209,518</b>	<b>56,973</b>	<b>266,491</b>
<b><u>1H2020</u></b>			
<b>As at 1 January 2020</b>	<b>209,518</b>	<b>55,383</b>	<b>264,901</b>
Loss for the period, representing total comprehensive income for the period	-	(94)	(94)
<b>As at 30 June 2020</b>	<b>209,518</b>	<b>55,289</b>	<b>264,807</b>

**1. Corporate information**

AF Global Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and listed on Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the half-year ended 30 June 2021 comprised the Company as its subsidiaries (collectively, the "Group").

The principal activities of the Company are investment holding and the provision of management services to its subsidiary companies. The subsidiary and joint venture companies invest in properties, develop properties for sale, provide a full suite of real estate consultancy services and own and operate hotels and serviced residences.

**2. Basis of preparation**

The condensed interim financial statements for the half-year ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("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 methods of computation adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all new and amendments to SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on 1 January 2021. The adoption of these standards did not result in any significant impact on the financial performance or financial position of the Group and the Company.

The condensed interim financial statements are presented in Singapore Dollars ("SGD" or "\$") and all values are rounded to the nearest thousand (S\$'000) unless otherwise stated.

**2.1 New and amendments to SFRS(I) adopted**

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

**2.2 Significant accounting estimates and judgments**

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

The significant judgments 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.

**3. Seasonal operations**

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

## E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 4. Segment information

For management purposes, the Group is organised into business units based on the nature of products and services provided.

The reportable operating segments are as follows :

The property segment relates to project and property management, real estate consultancy services, investment in properties and development of properties for sale.

The hotel and serviced residence segment relates to ownership and operation of hotels and serviced residences.

The others segment relates mainly to investment holding activities.

	<b>Group</b>			<b>Consolidated</b>
	<b>Property</b>	<b>Hotel and serviced residence</b>	<b>Others</b>	
	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H2021</b>				
<b><i>Segment revenue</i></b>				
Total segment sales	-	1,603	803	2,406
Inter-segment sales	-	-	(374)	(374)
Revenue	-	1,603	429	2,032
Segment results	(326)	(5,971)	(158)	(6,455)
Finance costs	-	(208)	(136)	(344)
Share of results of joint venture companies	1,388	-	-	1,388
Profit/(loss) before taxation	1,062	(6,179)	(294)	(5,411)
Taxation	-	(348)	(27)	(375)
Profit/(loss) for the period	1,062	(6,527)	(321)	(5,786)
Segment assets	152	235,303	402	235,857
Asset classified as held for sale	54,427	-	-	54,427
Investment in joint venture companies	34,287	-	-	34,287
Investment securities	-	-	17,730	17,730
Deferred tax assets	-	319	-	319
Total assets	88,866	235,622	18,132	342,620
Segment liabilities	922	5,736	410	7,068
Loans and borrowings	-	14,398	12,200	26,598
Tax liabilities	53	26,091	122	26,266
Total liabilities	975	46,225	12,732	59,932
Other segment information :				
Capital expenditures	-	28	-	28
Depreciation of property, plant and equipment	-	2,289	-	2,289
Depreciation of right-of-use assets	-	56	-	56
Amortisation expenses	-	-	-	-
Interest income	-	87	428	515
Property, plant and equipment written off	-	17	-	17

**E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
**4. Segment information (continued)**

	<b>Group</b>			
	<b>Property</b>	<b>Hotel and serviced residence</b>	<b>Others</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H2020</b>				
<b>Segment revenue</b>				
Total segment sales	-	7,756	894	8,650
Inter-segment sales	-	-	(487)	(487)
Revenue	-	7,756	407	8,163
Segment results	(270)	(2,767)	(255)	(3,292)
Finance costs	-	(102)	(90)	(192)
Share of results of joint venture companies	1,548	-	-	1,548
Profit/(loss) before taxation	1,278	(2,869)	(345)	(1,936)
Taxation	-	(231)	(34)	(265)
Profit/(loss) for the period	1,278	(3,100)	(379)	(2,201)
Segment assets	406	265,582	833	266,821
Asset classified as held for sale	51,518	-	-	51,518
Investment in joint venture companies	33,983	-	-	33,983
Investment securities	-	-	17,515	17,515
Deferred tax assets	-	370	47	417
Total assets	85,907	265,952	18,395	370,254
Segment liabilities	724	7,055	337	8,116
Loans and borrowings	-	8,899	15,500	24,399
Tax liabilities	53	28,790	65	28,908
Total liabilities	777	44,744	15,902	61,423
Other segment information :				
Capital expenditures	-	128	-	128
Depreciation of property, plant and equipment	-	2,388	-	2,388
Depreciation of right-of-use assets	-	58	-	58
Interest income	-	170	353	523
Property, plant and equipment written off	-	-	-	-

## E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 5. Revenue

Segments	Group					
	Hotel and serviced residence		Others		Total	
	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000
<b>Primary geographical markets</b>						
Singapore	-	-	429	407	429	407
Thailand	133	5,593	-	-	133	5,593
Vietnam	966	1,088	-	-	966	1,088
Lao People's Democratic Republic	504	1,075	-	-	504	1,075
	<u>1,603</u>	<u>7,756</u>	<u>429</u>	<u>407</u>	<u>2,032</u>	<u>8,163</u>
<b>Major product or service lines</b>						
Revenue from room, food & beverage and services rendered	1,195	7,325	-	-	1,195	7,325
Rental income	408	431	-	-	408	431
Dividend income from investment securities	-	-	-	58	-	58
Interest income	-	-	429	349	429	349
	<u>1,603</u>	<u>7,756</u>	<u>429</u>	<u>407</u>	<u>2,032</u>	<u>8,163</u>
<b>Timing of transfer of goods or services</b>						
At a point in time	1,195	7,325	429	407	1,624	7,732
Over time	408	431	-	-	408	431
	<u>1,603</u>	<u>7,756</u>	<u>429</u>	<u>407</u>	<u>2,032</u>	<u>8,163</u>

### 6. Related party disclosures

	Group	
	1H2021 S\$'000	1H2020 S\$'000
<b>Related parties</b>		
<i>Aspial Corporation Limited and its subsidiary companies :</i>		
Interest income received	429	349
Purchase of investment securities	(3,000)	(8,000)
Corporate service fee paid	(228)	(216)
Rental and maintenance expenses paid	(118)	(137)
	<u>          </u>	<u>          </u>
<i>Fragrance Group Limited<sup>#</sup> and its subsidiary companies :</i>		
Facilities management fee received by a joint venture company of the Group*	84	84
	<u>          </u>	<u>          </u>
<i>A joint venture company of Aspial Corporation Limited and Fragrance Group Limited :</i>		
Agency commission received by a joint venture company of the Group*	33	-
	<u>          </u>	<u>          </u>

<sup>#</sup> a company in which Mr Koh Wee Meng has an interest of 30% or more. Mr Koh Wee Seng, a controlling shareholder of the Company, and Mr Koh Wee Meng are siblings.

\* based on the Group's effective interest in the transactions

**E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS****7. Taxation**

The major components of income tax expense were :

	<b>Group</b>	
	<b>1H2021</b> S\$'000	<b>1H2020</b> S\$'000
Current tax		
- Current year	135	201
- Under provision in respect of prior year	-	20
Deferred tax		
- Origination and reversal of temporary differences	240	44
Income tax expense recognised in profit or loss	<u>375</u>	<u>265</u>

**8. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2021</b> S\$	<b>31.12.2020</b> S\$	<b>30.06.2021</b> S\$	<b>31.12.2020</b> S\$
Net asset value per ordinary share attributable to shareholders of the Company	0.22	0.22	0.25	0.25

**9. Property, plant and equipment**

During the half-year ended 30 June 2021, the Group acquired assets amounting to S\$28,000 (30 June 2020 : S\$128,000) and disposed of assets with net book value amounting to S\$17,000 (30 June 2020 : Nil).

**10. Investment securities**

At fair value through other comprehensive income :

	<b>Group</b>	
	<b>30.06.2021</b> S\$'000	<b>31.12.2020</b> S\$'000
<b>Non-current</b>		
Unquoted equity securities	<u>3,582</u>	<u>3,582</u>
<b>Current</b>		
Quoted debt securities	<u>14,148</u>	<u>14,060</u>

In the corresponding half-year ended 30 June 2020, the Group received dividend amounting to S\$58,000 from its investment in unquoted equity securities.

**11. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2021</b> S\$'000	<b>31.12.2020</b> S\$'000	<b>30.06.2021</b> S\$'000	<b>31.12.2020</b> S\$'000
<b>Repayable within 12 months</b>				
Secured	7,544	8,255	6,200	5,800
Unsecured	3,750	3,375	3,750	3,375
<b>Repayable after 12 months</b>				
Secured	13,054	10,296	-	-
Unsecured	2,250	2,625	2,250	2,625
	<u>26,598</u>	<u>24,551</u>	<u>12,200</u>	<u>11,800</u>

Details of the Group's secured borrowings comprised :

- (i) A revolving credit facility of S\$6,200,000 secured by a pledge of shares of a company in the Group.
- (ii) Four term loans aggregating S\$12,398,000 secured by a mortgage on the freehold land and buildings owned by a company in the Group.
- (iii) A term loan of S\$2,000,000 secured by a corporate guarantee of the Company.

**12. Share capital**

***Ordinary shares of the Company:***

	<b>No. of shares</b>		<b>Share capital</b>	
	<b>30.06.2021</b> '000	<b>31.12.2020</b> '000	<b>30.06.2021</b> S\$'000	<b>31.12.2020</b> S\$'000
Balance at beginning and end	1,055,639	1,055,639	209,518	209,518

There was no change in the Company's share capital since the end of the previous financial year up to the end of the current financial period. The Company's issued and fully paid-up shares as at 30 June 2021 comprised 1,055,639,464 (31 December 2020 and 30 June 2020 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 30 June 2021, 31 December 2020 and 30 June 2020.

**13. Fair value of assets and liabilities**

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

**13. Fair value of assets and liabilities (continued)**

**Assets and liabilities measured at fair values**

The following table shows an analysis of the Group's assets and liabilities measured at fair value at the end of the reporting period :

	<b>Group</b>			
	<b>Quoted prices in active markets for identical instruments (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>30.06.2021</b>				
<b>Non-financial asset</b>				
Property, plant and equipment	-	-	207,957	207,957
<b>Financial assets</b>				
Investment securities				
- Unquoted equity securities	-	-	3,582	3,582
- Quoted debt securities	14,148	-	-	14,148
<hr/>				
<b>31.12.2020</b>				
<b>Non-financial asset</b>				
Property, plant and equipment	-	-	217,620	217,620
<b>Financial assets</b>				
Investment securities				
- Unquoted equity securities	-	-	3,582	3,582
- Quoted debt securities	14,060	-	-	14,060

***Fair value hierarchy***

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

***Level 3 fair value measurements***

Property, plant and equipment measured at fair values were appraised as at 31 December 2020 by engaging independent valuation specialists to perform the valuation. The Directors are responsible for selecting and engaging independent valuation specialists that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance.

The Group did not engage independent valuation specialists to determine the fair values of the property, plant and equipment as at 30 June 2021. In assessing the fair values as at the reporting date, the Directors consider those underlying factors that would have an impact on the fair values of the property, plant and equipment. The Directors determine that the fair values of property, plant and equipment remain reasonable and appropriate. There were no revaluation movements in property, plant and equipment during the current financial period.

There was no change in the valuation technique and types of inputs used in deriving the fair value of unquoted equity securities. There was no movement in the fair value of unquoted equity securities during the current financial period.

The key assumptions used in fair value measurements are based on the relevant market conditions prevailing at reporting date which may change significantly or unexpectedly after the reporting date given the increase in the level of estimation uncertainty caused by COVID-19 pandemic.

**14. Classification of financial instruments**

	<b>Group</b>			
	<b>Assets at amortised cost</b>	<b>Fair value through other comprehen- sive income</b>	<b>Non-financial assets</b>	<b>Total</b>
	\$'000	\$'000	\$'000	\$'000
<b>30.06.2021</b>				
<b>Assets</b>				
<b>Non-current</b>				
Property, plant and equipment	-	-	218,916	218,916
Right-of-use assets	-	-	825	825
Intangible assets	-	-	36	36
Investment securities	-	3,582	-	3,582
Deferred tax assets	-	-	319	319
<b>Current</b>				-
Investment securities	-	14,148	-	14,148
Inventories	-	-	146	146
Trade and other receivables	815	-	-	815
Prepayments	-	-	253	253
Cash and short-term deposits	14,866	-	-	14,866
Asset classified as held for sale	-	-	54,427	54,427
	<b>15,681</b>	<b>17,730</b>	<b>274,922</b>	<b>308,333</b>

	<b>Liabilities at amortised cost</b>	<b>Non-financial liabilities</b>	<b>Total</b>
	\$'000	\$'000	\$'000
<b>30.06.2021</b>			
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	6,140	-	6,140
Provision for taxation	-	164	164
Lease liabilities	54	-	54
Loans and borrowings	11,294	-	11,294
<b>Non-current</b>			-
Lease liabilities	874	-	874
Loans and borrowings	15,304	-	15,304
Deferred tax liabilities	-	26,102	26,102
	<b>33,666</b>	<b>26,266</b>	<b>59,932</b>



**14. Classification of financial instruments (continued)**

	<b>Company</b>		
	<b>Assets at amortised cost \$'000</b>	<b>Non-financial asset \$'000</b>	<b>Total \$'000</b>
<b>30.06.2021</b>			
<b>Assets</b>			
<b>Non-current</b>			
Subsidiary companies	103,308	-	103,308
<b>Current</b>			
Other receivables	384	-	384
Prepayments	-	2	2
Amount due from a subsidiary company	272	-	272
Cash and short-term deposits	257	-	257
	<b>104,221</b>	<b>2</b>	<b>104,223</b>
	<b>Liabilities at amortised cost \$'000</b>	<b>Non-financial liability \$'000</b>	<b>Total \$'000</b>
<b>30.06.2021</b>			
<b>Liabilities</b>			
<b>Current</b>			
Other payables and accruals	387	-	387
Provision for taxation	-	9	9
Loans and borrowings	9,950	-	9,950
<b>Non-current</b>			
Amount due to a subsidiary company	18,969	-	18,969
Loans and borrowings	2,250	-	2,250
	<b>31,556</b>	<b>9</b>	<b>31,565</b>
	<b>Assets at amortised cost \$'000</b>	<b>Non-financial asset \$'000</b>	<b>Total \$'000</b>
<b>31.12.2020</b>			
<b>Assets</b>			
<b>Non-current</b>			
Subsidiary companies	103,295	-	103,295
<b>Current</b>			
Other receivables	138	-	138
Prepayments	-	5	5
Cash and short-term deposits	472	-	472
	<b>103,905</b>	<b>5</b>	<b>103,910</b>
	<b>Liabilities at amortised cost \$'000</b>	<b>Non-financial liability \$'000</b>	<b>Total \$'000</b>
<b>31.12.2020</b>			
<b>Liabilities</b>			
<b>Current</b>			
Other payables and accruals	402	-	402
Provision for taxation	-	30	30
Loans and borrowings	9,175	-	9,175
<b>Non-current</b>			
Amount due to a subsidiary company	18,971	-	18,971
Loans and borrowings	2,625	-	2,625
	<b>31,173</b>	<b>30</b>	<b>31,203</b>

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**F. OTHER INFORMATION REQUIRED BY APPENDIX 7.2 OF THE LISTING MANUAL OF SGX-ST**

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

The figures in this announcement have not been audited or reviewed by the Company's auditor.

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

Not applicable.

**3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion :**

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

**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.

**Revenue**

Revenue of the Group for 1H2021 of S\$2.0 million was S\$6.1 million lower than 1H2020.

**Hotel and Serviced Residence**

Revenue of S\$1.6 million was S\$6.1 million lower than 1H2020. It was mainly attributed to lower revenue of Holiday Inn Resort Phuket ("HIRP") arising from the outbreak of COVID-19 pandemic. The revenue of Somerset Vientiane ("SV") was also affected by the pandemic. Phuket and Vientiane remained closed to international visitors during 1H2021.

The revenue of Cityview Apartments and Commercial Centre ("CV") was comparable with 1H2020.

**Others**

Revenue of S\$0.4 million was comparable with 1H2020.

**Property**

No revenue was recorded for both 1H2021 and 1H2020.

**Loss Before Tax**

The Group's pre-tax loss of S\$5.4 million was S\$3.5 million higher than 1H2020.

**Hotel and Serviced Residence**

This sector's pre-tax loss of S\$6.2 million was S\$3.3 million higher than 1H2020. It was mainly attributed to lower revenues of both HIRP and SV as well as foreign currency losses on translation of Singapore Dollar denominated inter-company interest payable as Singapore Dollar had strengthened against Thai Baht.

The pre-tax profit of CV was comparable with 1H2020.

**Others**

Corporate office's pre-tax loss of S\$0.3 million was comparable with 1H2020.

**Property**

This sector's pre-tax profit of S\$1.1 million was S\$0.2 million lower than 1H2020. It was mainly attributed to lower share of profits from Knight Frank group of companies. Support received from government relief measures in response to the COVID-19 pandemic was lower in 1H2021.

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

Not applicable.

**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 emergence of highly infectious virus variants would impact the recovery of the global economy and the easing of border restrictions for international travel. The near-term outlook of the hospitality industry is therefore uncertain.

In Thailand, the Phuket Sandbox programme launched on 1 July 2021 by the Thailand Tourism Authority opened the door for fully vaccinated international tourists without quarantine requirements. Our hotel in Phuket is boosted by the return of international guests after 18 months of restriction. The Group is taking various steps to reduce its operating cost and enhance efficiencies across all its hospitality assets.

In China, the Xuzhou Gulou Square project is still under court proceedings while we are in discussion with the joint venture partner on a possible resolution. We will provide an update when there is any further material development.

In Singapore, given the challenging economic conditions, the Knight Frank business is expected to remain slow but stable.

**11 Dividend.****(a) Current Financial Period Reported On.**

Any dividend declared for the current financial period reported on?

None.

**(b) Corresponding Period of the Immediately Preceding Financial Year.**

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

None.

**(c) Date payable.**

Not applicable.

**(d) Record date.**

Not applicable.

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

No dividend has been declared or recommended for the current financial period reported on as the Board of Directors deemed it necessary to preserve cash for working capital.

**13 Confirmation pursuant to Rule 920(1)(a)(ii) of the Listing Manual.**

The Company does not have a general mandate from shareholders for interested person transactions.

**Para**

**14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.**

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 Condensed Interim Financial Statements for the Half-Year ended 30 June 2021 to be false or misleading in any material respect.

On behalf of the Board of Directors

Koh Wee Seng  
Chairman

Chay Yue Kai  
Director

**15 Confirmation pursuant to Rule 720(1) of the Listing Manual.**

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**  
**Lim Swee Ann**  
**Company Secretary**

5 August 2021