

**AF GLOBAL LIMITED**

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

**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2020**
**INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

1(a) A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Group		Change %
		01.01.2020 to 30.06.2020 ("6M20") S\$'000	01.01.2019 to 30.06.2019 ("6M19") S\$'000	
<b><u>Continuing operations</u></b>				
<b>Revenue</b>	1	8,163	15,284	(47)
Cost of sales	2	(5,692)	(7,191)	(21)
<b>Gross profit</b>		2,471	8,093	(69)
Other operating income	3a	193	324	(40)
Marketing expenses		(515)	(726)	(29)
Administrative expenses	4	(3,682)	(4,519)	(19)
Other operating expenses	5	(1,759)	(3,371)	(48)
<b>Operating loss</b>		(3,292)	(199)	1,554
Finance costs	6	(192)	(732)	(74)
Share of results of associated and joint venture companies	7	1,548	2,142	(28)
<b>(Loss)/profit before taxation from continuing operations</b>		(1,936)	1,211	NM
Taxation	8	(265)	(787)	(66)
<b>(Loss)/profit from continuing operations, net of tax</b>		(2,201)	424	NM
<b><u>Discontinued operation<sup>1</sup></u></b>				
Profit from discontinued operation, net of tax	9	-	20,398	NM
<b>(Loss)/profit for the period</b>		(2,201)	20,822	NM
<b><u>Other comprehensive income :</u></b>				
<b><u>Items that may be reclassified subsequently to profit or loss</u></b>				
Foreign currency translation	10	988	10,073	(90)
Fair value loss on investment securities		(32)	(246)	(87)
<b><u>Item that will not be reclassified to profit or loss</u></b>				
Fair value (loss)/gain on investment securities		(83)	97	NM
<b>Other comprehensive income for the period, net of tax</b>		873	9,924	(91)
<b>Total comprehensive income for the period</b>		(1,328)	30,746	NM
<b><u>(Loss)/profit for the period attributable to :</u></b>				
Shareholders of the Company				
Loss from continuing operations, net of tax		(1,130)	(658)	72
Profit from discontinued operation, net of tax		-	20,398	NM
		(1,130)	19,740	NM
Non-controlling interests		(1,071)	1,082	NM
		(2,201)	20,822	NM
<b>Total comprehensive income for the period attributable to :</b>				
Shareholders of the Company				
(Loss)/profit from continuing operations, net of tax		(297)	3,841	NM
Profit from discontinued operation, net of tax		-	23,123	NM
		(297)	26,964	NM
Non-controlling interests		(1,031)	3,782	NM
		(1,328)	30,746	NM

<sup>1</sup> This was in respect of the sale of 100% equity interest in L.C. (London) Ltd which owned Crowne Plaza London Kensington. The sale was completed on 11 April 2019.

'NM' : Not meaningful.

**Notes to Statement of Comprehensive Income :**

1. Included in revenue were :

	<b>Group</b>		
	<b>6M20</b>	<b>6M19</b>	<b>Change</b>
	S\$'000	S\$'000	%
Interest income from :			
- investment securities	349	172	103
- advances to an associated company	-	1	NM
	<u>349</u>	<u>173</u>	102
Dividend income from investment securities	<u>58</u>	-	NM

2. Cost of sales comprised mainly direct costs, depreciation and overheads in respect of the Group's hospitality business.

3. (Loss)/profit before taxation is stated after crediting/(charging) :

	<b>Group</b>		
	<b>6M20</b>	<b>6M19</b>	<b>Change</b>
	S\$'000	S\$'000	%
(a) Other operating income :			
Interest income from fixed deposits	174	81	115
Gain on sale of property, plant and equipment	-	15	NM
Gain on sale of interest in an associated company (*)	-	32	NM
Foreign currency gains (@)	19	155	(88)
Others	-	41	(100)
	<u>193</u>	<u>324</u>	(40)
(b) Depreciation of property, plant and equipment (#)	(2,388)	(1,860)	28
(c) Depreciation of right-of-use assets	(58)	(57)	2
(d) Amortisation of club memberships	-	(1)	NM
(e) Loss on sale of investment securities	(2)	(6)	(67)
(f) Impairment loss on trade receivables	-	(4)	NM
(g) Property, plant and equipment written off	-	(29)	NM
(h) Impairment loss on non-current asset classified as held for sale (+)	-	(750)	NM

'NM' : Not meaningful.

\* This was in respect of the sale of 49% equity interest in Lum Chang (Suzhou) Investments Pte Ltd in June 2019.

@ The foreign currency gain in 6M19 was mainly attributed to translation gain arising from translating Singapore Dollar denominated inter-company interest payable as Thai Baht had strengthened against Singapore Dollar.

# The higher depreciation was mainly attributed to capitalisation of refurbishment costs of Holiday Inn Resort Phuket. The refurbishment works of its Busakorn Wing was completed in November 2019.

+ This was in respect of the Group's apartment unit in London disposed on 11 October 2019.

4. 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.

**Notes to Statement of Comprehensive Income (cont'd) :**

5. The lower other operating expenses was mainly attributed to impairment loss on non-current asset classified as held for sale included in the corresponding period and cost-saving measures amid COVID-19 pandemic. The breakdown of items under other operating expenses were as follows :

	<b>Group</b>		
	<b>6M20</b>	<b>6M19</b>	<b>Change</b>
	S\$'000	S\$'000	%
Payroll and other indirect overheads	(714)	(848)	(16)
Utilities	(492)	(928)	(47)
Legal and professional fees	(426)	(647)	(34)
Impairment loss on non-current asset classified as held for sale	-	(750)	NM
Others	(127)	(198)	(36)
	<u>(1,759)</u>	<u>(3,371)</u>	<u>(48)</u>

6. The lower finance costs was mainly attributed to lower borrowings.
7. This constitutes mainly our share of profits from Knight Frank group of companies in Singapore and joint venture companies in Xuzhou, PRC.
8. The major components of income tax expense were :

	<b>Group</b>		
	<b>6M20</b>	<b>6M19</b>	<b>Change</b>
	S\$'000	S\$'000	%
Current tax			
- Current year	201	681	(70)
- Under provision in respect of prior year	20	-	NM
Deferred tax			
- Origination and reversal of temporary differences	44	136	(68)
- Over provision in respect of prior year	-	(30)	NM
	<u>265</u>	<u>787</u>	<u>(66)</u>

'NM' : Not meaningful.

The lower current tax expense was mainly attributed to pre-tax loss of Holiday Inn Resort Phuket ("HIRP") compared to pre-tax profit in the corresponding period. The lower deferred tax expense was mainly attributed to reversal of deferred tax provision as a result of lower undistributed earnings of HIRP.

**Notes to Statement of Comprehensive Income (cont'd) :**

9. Statement of Comprehensive Income of Discontinued operation is as follows :

	<b>6M20</b>	<b>6M19</b>	<b>Change</b>
	S\$'000	S\$'000	%
<b>Revenue</b>	-	4,259	NM
Cost of sales	-	(2,303)	NM
<b>Gross profit</b>	-	1,956	NM
Other operating income	-	56	NM
Marketing expenses	-	(264)	NM
Administrative expenses	-	(627)	NM
Other operating expenses (+)	-	(529)	NM
<b>Operating profit</b>	-	592	NM
Finance costs	-	(330)	NM
Gain on sale of Discontinued operation	-	20,149	NM
<b>Profit before taxation</b>	-	20,411	NM
Taxation	-	(13)	NM
<b>Profit for the period</b>	-	20,398	NM

Profit before taxation is stated after crediting/(charging) :

Other operating income :

Interest income from fixed deposits	-	6	NM
Foreign currency gains	-	50	NM
	-	56	NM

Property, plant and equipment written off

	-	(26)	NM
--	---	------	----

+ The breakdown of items under other operating expenses were as follows :

Utilities	-	(191)	NM
Payroll and other indirect overheads	-	(267)	NM
Others	-	(71)	NM
	-	(529)	NM

	<b>6M19</b>
	S\$'000
<u>Effects on disposal</u>	
Property, plant and equipment	138,141
Inventories	73
Trade receivables	321
Other receivables	109
Prepayments	137
Cash and short-term deposits	4,495
Trade payables	(1,058)
Other payables and accruals	(1,738)
Loans and borrowings	(29,877)
Deferred tax liabilities	(12,785)
Net assets derecognised	97,818
Realisation of foreign currency translation reserve to profit or loss	(57)
Gain on sale of interest in a subsidiary company (Note)	20,149
Consideration, net of transaction costs	117,910
Transaction costs accrued	287
Cash and short-term deposits disposed of	(4,495)
Net cash inflow from the sale of interest in a subsidiary company	113,702
<u>Note</u>	
Consideration	119,310
Transaction costs	(1,400)
Realisation of foreign currency translation reserve to profit or loss	57
Net consideration	117,967
Net assets derecognised	(97,818)
Gain on sale of interest in a subsidiary company	20,149

'NM' : Not meaningful.

10. Foreign currency translation 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 gains in 6M20 and 6M19 were mainly attributed to stronger Renminbi and Thai Baht respectively.

## 1(b)(i)

**A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**STATEMENT OF FINANCIAL POSITION**

	Note	Group		Company	
		30.06.2020 S\$'000	31.12.2019 S\$'000	30.06.2020 S\$'000	31.12.2019 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		244,879	247,301	-	-
Intangible assets		39	39	-	-
Right-of-use assets		972	1,002	-	-
Subsidiary companies	1	-	-	298,388	292,682
Joint venture companies		33,983	32,494	-	-
Investment securities		4,054	4,054	-	-
Deferred tax assets		417	414	-	-
		<u>284,344</u>	<u>285,304</u>	<u>298,388</u>	<u>292,682</u>
<b>Current assets</b>					
Investment securities	1	13,461	7,649	-	-
Inventories		190	224	-	-
Trade receivables	2	165	779	-	-
Other receivables		728	800	138	126
Prepayments		266	253	3	4
Amount due from a subsidiary company	3	-	-	4,380	7,507
Cash and short-term deposits		19,582	23,634	768	497
		<u>34,392</u>	<u>33,339</u>	<u>5,289</u>	<u>8,134</u>
Asset classified as held for sale	4	51,518	50,627	-	-
		<u>85,910</u>	<u>83,966</u>	<u>5,289</u>	<u>8,134</u>
<b>Current liabilities</b>					
Trade payables	2	686	2,467	-	-
Other payables and accruals	5	6,388	8,024	326	832
Provision for taxation		432	446	45	28
Lease liabilities		81	76	-	-
Loans and borrowings	3	14,800	3,304	13,000	1,500
Dividend payable	3	-	10,556	-	10,556
		<u>22,387</u>	<u>24,873</u>	<u>13,371</u>	<u>12,916</u>
<b>Net current assets/(liabilities)</b>	6	63,523	59,093	(8,082)	(4,782)
<b>Non-current liabilities</b>					
Amount due to a subsidiary company		-	-	22,999	22,999
Lease liabilities		961	973	-	-
Loans and borrowings	3	9,599	4,805	2,500	-
Deferred tax liabilities		28,476	28,460	-	-
		<u>39,036</u>	<u>34,238</u>	<u>25,499</u>	<u>22,999</u>
<b>Net assets</b>		<u>308,831</u>	<u>310,159</u>	<u>264,807</u>	<u>264,901</u>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		209,518	209,518	209,518	209,518
Reserves		32,042	32,339	55,289	55,383
		<u>241,560</u>	<u>241,857</u>	<u>264,807</u>	<u>264,901</u>
Non-controlling interests		67,271	68,302	-	-
<b>Total equity</b>		<u>308,831</u>	<u>310,159</u>	<u>264,807</u>	<u>264,901</u>

**Notes to Statement of Financial Position :**

1. The increase in subsidiary companies was mainly due to advance to a subsidiary company for the purchase of investment securities.
2. The decrease in trade receivables and trade payables was mainly due to impact of COVID-19 pandemic on the sales of Group's hospitality business.
3. The amount repaid by subsidiary company and proceeds from external borrowings were mainly used for payment of dividend to shareholders of the Company and advance as mentioned in Note 1 above.
4. This was in respect of the Group's investment in Xuzhou YinJian LumChang Real Estate Development Co., Ltd.
5. The decrease in other payables and accruals was mainly due to payment and reversal of expenses accrued at the end of the last financial year.
6. The increase in net current liabilities was mainly attributed to the partial repayment of amount due from a subsidiary company.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

As at 30.06.2020		As at 31.12.2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
11,800	3,000	1,804	1,500

**Amount repayable after one year**

As at 30.06.2020		As at 31.12.2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
7,099	2,500	4,805	-

**Details of any collaterals**

The Group's borrowings which are secured comprised :

1. A revolving credit facility of S\$10.0 million secured by :
  - a pledge of shares of a company in the Group.
2. A term loan of S\$7.9 million secured by :
  - a mortgage on the freehold land and buildings owned by a company in the Group.
3. A term loan of S\$1.0 million secured by :
  - a corporate guarantee of the Company.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>Group</b>	
	<b>6M20</b>	<b>6M19</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>		
(Loss)/profit before taxation from continuing operations	(1,936)	1,211
Profit before taxation from discontinued operation	-	20,411
(Loss)/profit before taxation, total	<u>(1,936)</u>	<u>21,622</u>
Adjustments for :		
Depreciation of property, plant and equipment	2,388	1,860
Depreciation of right-of-use assets	58	57
Gain on sale of property, plant and equipment	-	(15)
Property, plant and equipment written off	-	55
Loss on sale of investment securities	2	6
Gain on sale of interest in a subsidiary company	-	(20,149)
Gain on sale of interest in an associated company	-	(32)
Share of results of associated and joint venture companies	(1,548)	(2,142)
Amortisation of club memberships	-	1
Dividend income from investment securities	(58)	-
Interest income	(523)	(260)
Finance costs	192	1,062
Impairment loss on non-current asset classified as held for sale	-	750
Unrealised foreign exchange differences	76	11
<b>Operating (loss)/profit before reinvestment in working capital</b>	<u>(1,349)</u>	<u>2,826</u>
Decrease in inventories	34	48
Decrease in receivables and prepayments	709	703
Decrease in payables	<u>(3,379)</u>	<u>(2,877)</u>
<b>Cash flows (used in)/generated from operations</b>	<u>(3,985)</u>	<u>700</u>
Interest received	409	334
Interest paid	(188)	(938)
Income taxes paid	<u>(240)</u>	<u>(1,074)</u>
<b>Net cash flows used in operating activities</b>	<u>(4,004)</u>	<u>(978)</u>
<b>Cash flows from investing activities :</b>		
Dividend received	58	-
Proceeds from sale of property, plant and equipment	-	19
Purchase of property, plant and equipment	(128)	(1,398)
Purchase of investment securities	(7,988)	-
Proceeds from sale of investment securities	2,250	498
Net cash inflow from the sale of interest in a subsidiary company	-	113,702
Proceeds from disposal of an associated company	-	1,389
<b>Net cash flows (used in)/generated from investing activities</b>	<u>(5,808)</u>	<u>114,210</u>
<b>Cash flows from financing activities :</b>		
Proceeds from bank loans	22,879	12,491
Repayment of bank loans	(6,600)	(35,835)
Advance from former immediate and ultimate holding company	-	2,000
Repayment of advance from former immediate and ultimate holding company	-	(2,000)
Repayment of advances by an associated company	-	240
Repayment of lease liabilities	(129)	(124)
Fixed deposit pledged with a bank	-	(11,845)
Dividends paid by the Company	(10,556)	(71,256)
Dividends paid to a non-controlling interest	-	(1,956)
<b>Net cash flows generated from/(used in) financing activities</b>	<u>5,594</u>	<u>(108,285)</u>
Net (decrease)/increase in cash and cash equivalents	(4,218)	4,947
Effects of exchange rate changes on cash and cash equivalents	161	(126)
Cash and cash equivalents at beginning of period	23,585	24,580
<b>Cash and cash equivalents at end of period</b>	<u>19,528</u>	<u>29,401</u>

**Note to Statement of Cash Flows :**

Cash and cash equivalents comprised the following amounts :

**Continuing operations**

Fixed deposits	10,083	24,812
Cash and bank balances	9,499	16,483
Cash and short-term deposits per Consolidated Statement of Financial Position	<u>19,582</u>	<u>41,295</u>
Less : Fixed deposits pledged	(54)	(11,894)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<u>19,528</u>	<u>29,401</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020**

	-----Attributable to shareholders of the Company-----						Reserves of disposal group classified as held for sale	Total reserves	Non-controlling interests	Total equity	
	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					Accumulated losses S\$'000
<b>2020</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>
<b>2019</b>											
<b>As at 1 January 2019</b>	<b>209,518</b>	<b>48,813</b>	<b>30</b>	<b>232</b>	<b>49,575</b>	<b>(1,024)</b>	<b>(48,303)</b>	<b>84,497</b>	<b>85,007</b>	<b>65,043</b>	<b>359,568</b>
Profit for the period	-	-	-	-	-	-	19,740	-	19,740	1,082	20,822
Other comprehensive income for the period, net of tax	-	4,499	-	4,648	-	(149)	-	2,725	7,224	2,700	9,924
Total comprehensive income for the period	-	4,499	-	4,648	-	(149)	19,740	2,725	26,964	3,782	30,746
<u>Contributions by and distributions to shareholders of the Company</u>											
Dividends paid by the Company	-	-	-	-	-	-	(71,256)	-	(71,256)	-	(71,256)
Total contributions by and distributions to shareholders of the Company	-	-	-	-	-	-	(71,256)	-	(71,256)	-	(71,256)
<u>Others</u>											
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	(1,956)	(1,956)
Sale of interest in a subsidiary company	-	-	-	-	-	-	87,222	(87,222)	-	-	-
Share of reserve of a joint venture company	-	3	-	-	-	3	-	-	3	-	3
Total others	-	3	-	-	-	3	87,222	(87,222)	3	(1,956)	(1,953)
<b>As at 30 June 2019</b>	<b>209,518</b>	<b>53,315</b>	<b>30</b>	<b>4,880</b>	<b>49,575</b>	<b>(1,170)</b>	<b>(12,597)</b>	-	<b>40,718</b>	<b>66,869</b>	<b>317,105</b>



**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020**

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<b>2020</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>
<b>2019</b>			
<b>As at 1 January 2019</b>	<b>209,518</b>	<b>17,248</b>	<b>226,766</b>
Period for the period, representing total comprehensive income for the period	-	96,019	96,019
<u>Contributions by and distributions to shareholders of the Company</u>			
Dividends paid by the Company	-	(71,256)	(71,256)
Total contributions by and distributions to shareholders of the Company	-	(71,256)	(71,256)
<b>As at 30 June 2019</b>	<b>209,518</b>	<b>42,011</b>	<b>251,529</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 was no change in the Company's share capital since the end of the previous period reported on up to the end of the current financial period. The Company's issued and fully paid-up shares as at 30 June 2020 comprised 1,055,639,464 (30 June 2019 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 30 June 2020 and 30 June 2019.

- 1(d)(iii) 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 immediately preceding year.**

	<b>30.06.2020</b>	<b>31.12.2019</b>
Total number of ordinary shares excluding treasury shares	1,055,639,464	1,055,639,464

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

**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.

**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 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.

The adoption of other SFRS(I) and Interpretations of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on 1 January 2020 does not have a material impact on the financial statements.

**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 for, and the effect of, the change.**

Not applicable.

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

(Loss)/earnings per ordinary share of the Group after deducting any provision for preference dividends :-	Group Half-Year Ended	
	30.06.2020	30.06.2019
<b><u>Continuing operations</u></b>		
(a) Based on weighted average number of ordinary shares in issue	(0.11) cent	(0.06) cent
(b) On a fully diluted basis	(0.11) cent	(0.06) cent
<b><u>Discontinued operation</u></b>		
(a) Based on weighted average number of ordinary shares in issue	-	1.93 cents
(b) On a fully diluted basis	-	1.93 cents

Basic earnings per ordinary share is computed based on the weighted average number of ordinary shares (excluding treasury shares which have no voting rights) in issue during the half-year under review of 1,055,639,464 shares (30 June 2019 : 1,055,639,464 shares).

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding convertibles. There were no outstanding convertibles as at 30 June 2020 and 30 June 2019.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	Group		Company	
	30.06.2020	31.12.2019	30.06.2020	31.12.2019
Net asset <sup>(1)</sup> value per ordinary share <sup>(2)</sup> attributable to shareholders of the Company	S\$0.23	S\$0.23	S\$0.25	S\$0.25

- (1) Net asset is defined as total equity less non-controlling interests and intangible assets.  
(2) Based on total number of shares (excluding treasury shares which have no voting rights) as at the end of the financial period.

- 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.**

#### **Continuing operations**

##### **Revenue**

Revenue of the Group for 6M20 of S\$8.2 million was S\$7.1 million lower than 6M19.

##### **Hotel and Serviced Residence**

Revenue of S\$7.8 million was S\$7.3 million lower than 6M19.

The revenue of Holiday Inn Resort Phuket ("HIRP") was lower mainly because of the outbreak of COVID-19 pandemic. HIRP was closed from April 2020 in line with the closure directives issued by the authorities in Thailand.

The revenue of Somerset Vientiane ("SV") was also affected by the pandemic whilst the revenue of Cityview Apartments and Commercial Centre ("CV") was comparable with 6M19.

##### **Others**

Revenue of S\$0.4 million was S\$0.2 million higher than 6M19 mainly because of higher interest income from investment securities.

##### **Property**

No revenue was recorded for both 6M20 and 6M19.

##### **(Loss)/Profit Before Tax**

The Group incurred a pre-tax loss of S\$1.9 million compared to a pre-tax profit of S\$1.2 million in 6M19.

##### **Hotel and Serviced Residence**

This sector incurred a pre-tax loss of S\$2.9 million compared to a pre-tax profit of S\$1.5 million in 6M19. It was mainly attributed to lower revenues of both HIRP and SV.

The pre-tax profit of CV was comparable with 6M19.

##### **Others**

Corporate office's pre-tax loss of S\$0.3 million was S\$0.8 million lower than 6M19. It was mainly attributed to lower financing costs due to lower borrowings and higher interest income from investment securities.

##### **Property**

This sector's pre-tax profit of S\$1.3 million was S\$0.5 million higher than 6M19. It was mainly because of impairment loss in respect of the Group's apartment unit in London recorded in 6M19. The Group had ceased to equity account the results of Xuzhou YinJian LumChang Real Estate Development Co., Ltd following its classification to asset classified as held for sale from October 2019. Our share of profits from Knight Frank group of companies in Singapore was comparable with 6M19.

##### **Cash Flow**

The deficit in cash flows from operations for 6M20 was mainly attributed to adverse impact of the COVID-19 pandemic on the Group's hospitality business.

**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 operating environment for the Group's various businesses will remain challenging in the months ahead and affect the Group's earnings with the ongoing Covid-19 pandemic. The Group is exercising prudence in capital, cash flow management and taking initiatives to reduce operating expenses and defer non-essential capital expenditure.

In Thailand, our Phuket hotel, which currently remains closed, was ordered to be closed from 2 April 2020 to 1 June 2020 under the local authority order for COVID-19 prevention measure, which was applied to island-wide hotels. International commercial flight restrictions have not been lifted since then. The Thai government recently introduced a tourism stimulus campaign known as Rao Tiew Duay Kan (We Travel Together) to promote domestic travelling for Thai nationals with subsidised travel vouchers. The Group is closely monitoring the situation to ensure the hotel is in its best position to re-open when demand returns. In addition, the hotel is taking various steps to reduce its operating cost and enhance efficiencies.

In respect of the serviced residences in Ho Chi Minh City, Vietnam and Vientiane, Laos that cater to mid to longer stay guests, the decline in occupancies was not as significant and, we expect that the impact of COVID-19 on them is muted.

In China, the intended financing for the purchase of our entire shareholding interest in the joint venture company by the Xuzhou joint venture partner did not materialize in accordance with a key financing milestone of the agreement. Discussions with the joint venture partner are currently underway. We will provide the necessary update when there is any further material development.

Looking ahead, the Singapore economic outlook and the real estate industry is expected to remain subdued in the near term given the ongoing uncertainty. However, we expect the government COVID-19 stimulus packages, policies and economic fundamentals to cushion the Knight Frank business.

**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?

Name of Dividend	:	Special
Dividend Type	:	Cash
Dividend per share	:	5.50 cents per ordinary share
Tax Rate	:	Tax exempt (one-tier)

**(c) Date payable.**

Not applicable.

**(d) Books closure 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.

**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 Financial Statements for the Half-Year ended 30 June 2020 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**

28 July 2020