

AF Global Limited

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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

PART I - 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 31.12.2020 ("12M20") S\$'000	01.01.2019 to 31.12.2019 ("12M19") S\$'000	
<u>Continuing operations</u>				
Revenue	1	10,689	28,266	(62)
Cost of sales	2	(9,569)	(14,502)	(34)
Gross profit		1,120	13,764	(92)
Other operating income	3a	843	1,188	(29)
Marketing expenses		(778)	(1,361)	(43)
Administrative expenses	4	(6,877)	(8,677)	(21)
Other operating expenses	5	(3,779)	(6,142)	(38)
Operating loss		(9,471)	(1,228)	671
Finance costs	6	(584)	(987)	(41)
Share of results of associated and joint venture companies	7	2,162	3,031	(29)
(Loss)/profit before taxation from continuing operations		(7,893)	816	NM
Taxation	8	(384)	(1,186)	(68)
Loss from continuing operations, net of tax		(8,277)	(370)	2,137
<u>Discontinued operation (Note)</u>				
Profit from discontinued operation, net of tax	9	-	20,651	NM
(Loss)/profit for the year		(8,277)	20,281	NM
<u>Other comprehensive income :</u>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	10	(2,774)	13,287	NM
Fair value gain/(loss) on investment securities	11	464	(152)	NM
<u>Items that will not be reclassified to profit or loss</u>				
Fair value (loss)/gain on investment securities	11	(515)	160	NM
Net (deficit)/surplus on revaluation of property, plant and equipment	12	(5,032)	788	NM
Other comprehensive income for the year, net of tax		(7,857)	14,083	NM
Total comprehensive income for the year		(16,134)	34,364	NM
<u>(Loss)/profit for the year attributable to :</u>				
Shareholders of the Company				
Loss from continuing operations, net of tax		(4,877)	(1,701)	187
Profit from discontinued operation, net of tax		-	20,651	NM
		(4,877)	18,950	NM
Non-controlling interests		(3,400)	1,331	NM
		(8,277)	20,281	NM
Total comprehensive income for the year attributable to :				
Shareholders of the Company				
(Loss)/profit from continuing operations, net of tax		(7,949)	5,379	NM
Profit from discontinued operation, net of tax		-	23,376	NM
		(7,949)	28,755	NM
Non-controlling interests		(8,185)	5,609	NM
		(16,134)	34,364	NM

Note : 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 :

	Group		
	12M20	12M19	Change
	S\$'000	S\$'000	%
Interest income from :			
- investment securities	786	400	97
- advances to an associated company	-	1	NM
	<u>786</u>	<u>401</u>	96
Dividend income from investment securities	<u>58</u>	<u>-</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) :

	Group		
	12M20	12M19	Change
	S\$'000	S\$'000	%
(a) Other operating income :			
Interest income from fixed deposits	537	574	(6)
Gain on sale of property, plant and equipment (+)	302	21	1,338
Gain on sale of interest in an associated company (^)	-	32	NM
Foreign currency gains (#)	-	515	NM
Others	4	46	(91)
	<u>843</u>	<u>1,188</u>	(29)
(b) Depreciation of property, plant and equipment (*)	(4,674)	(3,791)	23
(c) Depreciation of right-of-use assets	(116)	(116)	-
(d) Amortisation of club memberships	(3)	(3)	-
(e) Loss on sale of investment securities	(2)	(6)	(67)
(f) Loss on sale of non-current asset classified as held for sale (@)	-	(819)	NM
(g) Impairment loss on trade receivables	(60)	(4)	1,400
(h) Property, plant and equipment written off	(4)	(51)	(92)
(i) Foreign currency losses (#)	<u>(512)</u>	<u>-</u>	NM

'NM' : Not meaningful.

+ The increase was mainly attributed to gain on sale of a small plot of land in London on 18 December 2020.

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

The foreign currency losses in 12M20 was mainly attributed to translation loss arising from translating Singapore Dollar denominated inter-company interest payable as Singapore Dollar had strengthened against Thai Baht. It was translation gain in 12M19. The foreign currency gains in 12M19 also comprised gain on translating bank deposits in Thai Baht. However, the gain in 12M19 was partially offset by net realised exchange loss from the sale of Sterling Pound.

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

@ This was in respect of the loss on sale of the Group's apartment unit in London 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. Excluding one-off loss on the sale of Group's apartment unit in London in 12M19, the lower other operating expenses was mainly attributed to cost-saving measures amid COVID-19 pandemic and lower legal and professional fees arising from litigation in respect of shareholders dispute for the joint venture company, Xuzhou YinJian LumChang Real Estate Development Co., Ltd in Xuzhou, PRC (hereinafter "Xuzhou JV"). The breakdown of items under other operating expenses were as follows :

	Group		
	12M20 S\$'000	12M19 S\$'000	Change %
Payroll and other indirect overheads	1,287	1,875	(31)
Utilities	797	1,826	(56)
Legal and professional fees	821	1,232	(33)
Foreign currency losses	512	-	NM
Loss on sale of non-current asset classified as held for sale	-	819	NM
Others	362	390	(7)
	3,779	6,142	(38)

6. The lower finance costs was mainly attributed to repayment of bank loans.
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 :

	Group		
	12M20 S\$'000	12M19 S\$'000	Change %
Current tax			
- Current year	377	988	(62)
- Over provision in respect of prior year	(69)	-	NM
Deferred tax			
- Origination and reversal of temporary differences	121	228	(47)
- Over provision in respect of prior year	(45)	(30)	50
	384	1,186	(68)

'NM' : Not meaningful.

The lower current tax expense was mainly attributed to pre-tax loss of HIRP compared to pre-tax profit in the corresponding period last year. Somerset Vientiane and Cityview Apartments and Commercial Centre had incurred lower taxes as a result of lower profit and one-off tax reduction respectively. The lower deferred tax expense was mainly attributed to reversal of deferred tax provision on undistributed earnings of HIRP.

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

9. The financial results of Discontinued operation and the effects on disposal were as follows :

	Group		
	12M20 S\$'000	12M19 S\$'000	Change %
Revenue	-	4,259	NM
Cost of sales	-	(2,303)	NM
Gross profit	-	1,956	NM
Other operating income	-	56	NM
Marketing expenses	-	(264)	NM
Administrative expenses ¹	-	(627)	NM
Other operating expenses ²	-	(529)	NM
Operating profit	-	592	NM
Finance costs	-	(330)	NM
Gain on sale of Discontinued operation	-	20,402	NM
Profit before taxation	-	20,664	NM
Taxation	-	(13)	NM
Profit for the year	-	20,651	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
¹ Administrative expenses comprised mainly payroll, expenses for the administration of the hotel and statutory expenses.			
² 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

	12M19 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)	20,402
Consideration, net of transactions costs	118,163
Cash and short-term deposits disposed of	(4,495)
Net cash inflow from the sale of interest in a subsidiary company	113,668
<u>Note</u>	
Consideration	119,310
Transaction costs	(1,147)
Realisation of foreign currency translation reserve to profit or loss	57
Net consideration	118,220
Net assets derecognised	(97,818)
Gain on sale of interest in a subsidiary company	20,402

'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 loss in 12M20 was mainly attributed to weaker Thai Baht partially offset by stronger Renminbi. Thai Baht was stronger in 12M19.
11. These were mainly in respect of the fair value movements of the Group's investment in quoted debt securities classified under current assets and unquoted equity securities classified under non-current assets.
12. This was in respect of the fair value movements of the Group's land and buildings arising from revaluation exercises carried out.

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	
		31.12.2020 S\$'000	31.12.2019 S\$'000	31.12.2020 S\$'000	31.12.2019 S\$'000
Non-current assets					
Property, plant and equipment	1	230,128	247,301	-	-
Intangible assets		36	39	-	-
Right-of-use assets	2	870	1,002	-	-
Subsidiary companies	3	-	-	297,276	292,682
Joint venture companies		32,817	32,494	-	-
Investment securities	4	3,582	4,054	-	-
Deferred tax assets		357	414	-	-
		<u>267,790</u>	<u>285,304</u>	<u>297,276</u>	<u>292,682</u>
Current assets					
Investment securities	3	14,060	7,649	-	-
Inventories		154	224	-	-
Trade receivables	5	34	779	-	-
Other receivables		789	800	138	126
Prepayments		211	253	5	4
Amount due from a subsidiary company	6	-	-	-	7,507
Cash and short-term deposits		16,643	23,634	472	497
		<u>31,891</u>	<u>33,339</u>	<u>615</u>	<u>8,134</u>
Asset classified as held for sale	7	53,038	50,627	-	-
		<u>84,929</u>	<u>83,966</u>	<u>615</u>	<u>8,134</u>
Current liabilities					
Trade payables	5	716	2,467	-	-
Other payables and accruals	8	5,687	8,024	402	832
Provision for taxation		252	446	30	28
Lease liabilities		81	76	-	-
Loans and borrowings	6	11,630	3,304	9,175	1,500
Dividend payable	6	-	10,556	-	10,556
		<u>18,366</u>	<u>24,873</u>	<u>9,607</u>	<u>12,916</u>
Net current assets/(liabilities)	9	66,563	59,093	(8,992)	(4,782)
Non-current liabilities					
Amount due to a subsidiary company	10	-	-	18,971	22,999
Lease liabilities		875	973	-	-
Loans and borrowings	6	12,921	4,805	2,625	-
Deferred tax liabilities	11	26,816	28,460	-	-
		<u>40,612</u>	<u>34,238</u>	<u>21,596</u>	<u>22,999</u>
Net assets		<u>293,741</u>	<u>310,159</u>	<u>266,688</u>	<u>264,901</u>
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		24,638	32,339	57,170	55,383
		<u>234,156</u>	<u>241,857</u>	<u>266,688</u>	<u>264,901</u>
Non-controlling interests		59,585	68,302	-	-
Total equity		<u>293,741</u>	<u>310,159</u>	<u>266,688</u>	<u>264,901</u>

Notes to Statement of Financial Position :

1. Apart from depreciation, the decrease in property, plant and equipment was mainly attributed to net fair value loss on property, plant and equipment arising from revaluation exercises carried out and weakening of Thai Baht.
2. The decrease was mainly attributed to depreciation of right-of-use assets.
3. The increase in subsidiary companies was mainly due to advance to a subsidiary company for the purchase of investment securities.
4. The decrease was due to fair value loss on unquoted equity securities.
5. The decrease in both trade receivables and trade payables was mainly due to impact of COVID-19 pandemic on the sales of the Group's hospitality business.
6. The amount repaid by the subsidiary company and proceeds from external borrowings of the Company were mainly used for payment of dividend to shareholders of the Company and advance as mentioned in Note 3 above. The increase in external borrowings of the Group also included working capital loans.
7. This was in respect of the Group's carrying value of its investment in Xuzhou JV. The increase was due to strengthening of Renminbi.
8. The decrease in other payables and accruals of the Group was mainly due to payment and reversal of expenses accrued at the end of the last financial year.
9. The increase in net current liabilities of the Company was mainly attributed to repayment and setoff of amount due from a subsidiary company.
10. The decrease was due to setoff of amount receivable from the same subsidiary company classified under current assets.
11. The decrease was mainly due to adjustments of deferred tax liabilities to asset revaluation reserve.

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

As at 31.12.2020		As at 31.12.2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
8,255	3,375	1,804	1,500

Amount repayable after one year

As at 31.12.2020		As at 31.12.2019	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10,296	2,625	4,805	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. A revolving credit facility of S\$5.8 million secured by :
 - a pledge of shares of a company in the Group.
2. Three term loans aggregating S\$10.8 million secured by :
 - a mortgage on the freehold land and buildings owned by a company in the Group.
3. A term loan of S\$2.0 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.

	Group	
	12M20	12M19
	S\$'000	S\$'000
Cash flows from operating activities :		
(Loss)/profit before taxation from continuing operations	(7,893)	816
Profit before taxation from discontinued operation	-	20,664
(Loss)/profit before taxation, total	<u>(7,893)</u>	<u>21,480</u>
Adjustments for :		
Depreciation of property, plant and equipment	4,674	3,791
Depreciation of right-of-use assets	116	116
Gain on sale of property, plant and equipment	(302)	(21)
Property, plant and equipment written off	4	77
Loss on sale of investment securities	2	6
Gain on sale of interest in a subsidiary company	-	(20,402)
Gain on sale of interest in an associated company	-	(32)
Loss on sale of non-current asset classified as held for sale	-	819
Share of results of associated and joint venture companies	(2,162)	(3,031)
Amortisation of club memberships	3	3
Dividend income from investment securities	(58)	-
Interest income	(1,323)	(981)
Finance costs	584	1,317
Unrealised foreign exchange differences	466	(837)
Operating (loss)/profit before reinvestment in working capital	<u>(5,889)</u>	<u>2,305</u>
Decrease in inventories	64	40
Decrease in receivables and prepayments	739	199
(Decrease)/increase in payables	<u>(3,897)</u>	<u>134</u>
Cash flows (used in)/generated from operations	<u>(8,983)</u>	<u>2,678</u>
Interest received	1,211	939
Interest paid	(491)	(1,152)
Income taxes paid	<u>(498)</u>	<u>(1,596)</u>
Net cash flows (used in)/from operating activities	<u>(8,761)</u>	<u>869</u>
Cash flows from investing activities :		
Dividends received	2,258	3,300
Proceeds from sale of property, plant and equipment	302	27
Purchase of property, plant and equipment	(14)	(9,805)
Purchase of investment securities	(7,988)	(2,497)
Proceeds from sale of investment securities	2,250	1,001
Net cash inflow from sale of non-current asset classified as held for sale	-	5,091
Net cash inflow from sale of interest in a subsidiary company	-	113,668
Proceeds from sale of interest in an associated company	-	1,389
Net cash flows (used in)/generated from investing activities	<u>(3,192)</u>	<u>112,174</u>
Cash flows from financing activities :		
Proceeds from bank loans	27,369	18,963
Repayment of bank loans	(10,800)	(60,090)
Advance from former immediate and ultimate holding company	-	2,000
Repayment of advance from former immediate and ultimate holding company	-	(2,000)
Repayment of loans from a non-controlling interest	(240)	(154)
Repayment of advances by an associated company	-	240
Repayment of lease liabilities	(157)	(156)
Fixed deposit pledged with a bank	-	(11,845)
Fixed deposit discharged by a bank	-	11,845
Dividends paid by the Company	(10,556)	(71,256)
Dividends paid to non-controlling interests	(292)	(2,196)
Net cash flows generated from/(used in) financing activities	<u>5,324</u>	<u>(114,649)</u>
Net decrease in cash and cash equivalents	(6,629)	(1,606)
Effects of exchange rate changes on cash and cash equivalents	(367)	611
Cash and cash equivalents at beginning of year	<u>23,585</u>	<u>24,580</u>
Cash and cash equivalents at end of year	<u>16,589</u>	<u>23,585</u>
Note to Statement of Cash Flows :		
Cash and cash equivalents comprised the following amounts :		
Fixed deposits	8,081	13,796
Cash and bank balances	<u>8,562</u>	<u>9,838</u>
Cash and short-term deposits per Consolidated Statement of Financial Position	16,643	23,634
Less : Fixed deposit pledged	<u>(54)</u>	<u>(49)</u>
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>16,589</u>	<u>23,585</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 OF THE GROUP

	-----Attributable to shareholders of the Company-----						Reserves of disposal group classified as held for sale	Total reserves	Non-controlling interests	Total equity	
	Share capital	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Other reserves					Revenue reserve
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
2020											
As at 1 January 2020	209,518	55,905	30	6,570	50,309	(1,004)	(23,566)	-	32,339	68,302	310,159
Loss for the year	-	-	-	-	-	-	(4,877)	-	(4,877)	(3,400)	(8,277)
Other comprehensive income for the year, net of tax	-	(3,072)	-	(1,005)	(2,016)	(51)	-	-	(3,072)	(4,785)	(7,857)
Total comprehensive income for the year	-	(3,072)	-	(1,005)	(2,016)	(51)	(4,877)	-	(7,949)	(8,185)	(16,134)
<u>Others</u>											
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	(292)	(292)
Repayment of loans from a non-controlling interest	-	-	-	-	-	-	-	-	-	(240)	(240)
Transfer from asset revaluation reserve to revenue reserve	-	(42)	-	-	(42)	-	42	-	-	-	-
Increase in net assets of a joint venture company	-	-	-	-	-	-	248	-	248	-	248
Total others	-	(42)	-	-	(42)	-	290	-	248	(532)	(284)
As at 31 December 2020	209,518	52,791	30	5,565	48,251	(1,055)	(28,153)	-	24,638	59,585	293,741
2019											
As at 1 January 2019	209,518	48,813	30	232	49,575	(1,024)	(48,303)	84,497	85,007	65,043	359,568
Profit for the year	-	-	-	-	-	-	18,950	-	18,950	1,331	20,281
Other comprehensive income for the year, net of tax	-	7,080	-	6,338	734	8	-	2,725	9,805	4,278	14,083
Total comprehensive income for the year	-	7,080	-	6,338	734	8	18,950	2,725	28,755	5,609	34,364
<u>Contributions by and distributions to shareholders of the Company</u>											
Dividends paid	-	-	-	-	-	-	(71,256)	-	(71,256)	-	(71,256)
Dividend payable	-	-	-	-	-	-	(10,556)	-	(10,556)	-	(10,556)
Total contributions by and distributions to shareholders of the Company	-	-	-	-	-	-	(81,812)	-	(81,812)	-	(81,812)
<u>Others</u>											
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,196)	(2,196)
Repayment of loans from a non-controlling interest	-	-	-	-	-	-	-	-	-	(154)	(154)
Sale of interest in a subsidiary company	-	-	-	-	-	-	87,222	(87,222)	-	-	-
Increase in net assets of a joint venture company	-	-	-	-	-	-	371	-	371	-	371
Share of reserves of a joint venture company	-	12	-	-	-	12	6	-	18	-	18
Total others	-	12	-	-	-	12	87,599	(87,222)	389	(2,350)	(1,961)
As at 31 December 2019	209,518	55,905	30	6,570	50,309	(1,004)	(23,566)	-	32,339	68,302	310,159

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<u>2020</u>			
As at 1 January 2020	209,518	55,383	264,901
Profit for the year, representing total comprehensive income for the year	-	1,787	1,787
As at 31 December 2020	209,518	57,170	266,688
<u>2019</u>			
As at 1 January 2019	209,518	17,248	226,766
Profit for the year, representing total comprehensive income for the year	-	119,947	119,947
<u>Contributions by and distributions to shareholders of the Company</u>			
Dividends paid	-	(71,256)	(71,256)
Dividend payable	-	(10,556)	(10,556)
Total contributions by and distributions to shareholders of the Company	-	(81,812)	(81,812)
As at 31 December 2019	209,518	55,383	264,901

- 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 year. The Company's issued and fully paid-up shares as at 31 December 2020 comprised 1,055,639,464 (31 December 2019 : 1,055,639,464) ordinary shares with voting rights.

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

	31.12.2020	31.12.2019
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 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 Year Ended	
	31.12.2020	31.12.2019
<u>Continuing operations</u>		
(i) Based on weighted average number of ordinary shares in issue	(0.46) cent	(0.16) cent
(ii) On a fully diluted basis	(0.46) cent	(0.16) cent
<u>Discontinued operation</u>		
(i) Based on weighted average number of ordinary shares in issue	-	1.96 cents
(ii) On a fully diluted basis	-	1.96 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 year under review of 1,055,639,464 shares (31 December 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 31 December 2020 and 31 December 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.22	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 year.

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 12M20 of S\$10.7 million was S\$17.6 million lower than 12M19.

Hotel and Serviced Residence

Revenue of S\$9.9 million was S\$18.0 million lower than 12M19. 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.

The revenue of Cityview Apartments and Commercial Centre ("CV") was comparable with 12M19.

Others

Revenue of S\$0.8 million was S\$0.4 million higher than 12M19 mainly because of higher interest income from investment securities.

Property

No revenue was recorded for both 12M20 and 12M19.

(Loss)/Profit Before Tax

The Group incurred a pre-tax loss of S\$7.9 million compared to a pre-tax profit of S\$0.9 million in 12M19.

Hotel and Serviced Residence

This sector incurred a pre-tax loss of S\$9.0 million compared to a pre-tax profit of S\$1.5 million in 12M19. It was mainly attributed to lower revenues of both HIRP and SV.

The pre-tax profit of CV was comparable with 12M19.

Others

Corporate office's pre-tax loss of S\$0.6 million was S\$1.1 million lower than 12M19. It was mainly due to lower financing costs attributed to repayment of bank loans and higher interest income from investment securities.

Property

This sector's pre-tax profit of S\$1.7 million was S\$0.6 million higher than 12M19. It was mainly due to the loss on sale of the Group's apartment unit in London of \$0.8 million recorded in 12M19. The Group had ceased to equity account for the share of results of Xuzhou JV following its classification to asset classified as held for sale from October 2019. Our share of profits from Knight Frank group of companies were slightly lower. However, the Group's share of lower results was partially offset by lower legal and professional fees incurred on litigation in respect of the shareholders dispute for the Xuzhou JV and gain on sale of a small plot of land in London.

Cash Flow

The deficit in cash flows from operations for 12M20 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 hospitality market is expected to remain challenging in the near term as international travel restrictions continue to be in place across most countries. We will continue to monitor the evolving pandemic situation and manage our costs accordingly to minimise the financial impact on the Group.

In China, the Xuzhou Gulou Square project is still under court proceedings. We will provide the necessary update when there is any further material development.

In Singapore, the low interest rate environment has increased the attractiveness of the real estate market. The market is expected to pick up further in the coming months on growing vaccine optimism and potential macroeconomic recovery. The Knight Frank business is expected to remain 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?

Dividend declared for the corresponding period of the immediately preceding financial period were as follows :

Name of Dividend	:	Special
Dividend Type	:	Cash
Dividend per share	:	1.00 cent per ordinary share
Tax Rate	:	Tax exempt (one-tier)

(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.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 13** **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Continuing operations				Discontinued operation	Consolidated
	Hotel and Serviced Residence	Others	Property	Subtotal	Hotel and Serviced Residence	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
BUSINESS SEGMENTS						
12M20						
Segment revenue						
Total segment sales	9,845	3,792	-	13,637	-	13,637
Inter-segment sales	-	(2,948)	-	(2,948)	-	(2,948)
Revenue	9,845	844	-	10,689	-	10,689
Segment results	(8,590)	(395)	(486)	(9,471)	-	(9,471)
Finance costs	(337)	(247)	-	(584)	-	(584)
Share of results of associated and joint venture companies	-	-	2,162	2,162	-	2,162
(Loss)/profit before taxation	(8,927)	(642)	1,676	(7,893)	-	(7,893)
Taxation	(283)	(56)	(45)	(384)	-	(384)
(Loss)/profit for the year	(9,210)	(698)	1,631	(8,277)	-	(8,277)
12M19						
Segment revenue						
Total segment sales	27,866	120,806	-	148,672	4,259	152,931
Inter-segment sales	-	(120,406)	-	(120,406)	-	(120,406)
Revenue	27,866	400	-	28,266	4,259	32,525
Segment results	1,620	(905)	(1,943)	(1,228)	20,994	19,766
Finance costs	(119)	(868)	-	(987)	(330)	(1,317)
Share of results of associated and joint venture companies	-	(2)	3,033	3,031	-	3,031
Profit/(loss) before taxation	1,501	(1,775)	1,090	816	20,664	21,480
Taxation	(1,151)	(39)	4	(1,186)	(13)	(1,199)
Profit/(loss) for the year	350	(1,814)	1,094	(370)	20,651	20,281

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

The factors leading to material changes in contributions to revenue and earnings by the business segments have been explained in paragraph 8 above.

15 A breakdown of sales.

	Group		
	12M20	12M19	Change
	S\$'000	S\$'000	%
Continuing operations			
Sales reported for first half year	8,163	15,284	(47)
Operating (loss)/profit after taxation before deducting non-controlling interests reported for first half year	(2,201)	424	NM
Sales reported for second half year	2,526	12,982	(81)
Operating loss after taxation before deducting non-controlling interests reported for second half year	(6,076)	(794)	665
Discontinued operation			
Sales reported for first half year	-	4,259	NM
Operating profit after taxation before deducting non-controlling interests reported for first half year	-	20,398	NM
Sales reported for second half year	-	-	NM
Operating profit after taxation before deducting non-controlling interests reported for second half year	-	253	NM
'NM' : Not meaningful.			

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Company	
	Year Ended 31.12.2020	Year Ended 31.12.2019
	S\$'000	S\$'000
Ordinary	-	68,617
Preference	-	-
Total	-	68,617

17 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.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

19 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