



AF Global Limited

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

Response to Query from the Singapore Exchange Securities Trading Limited ("SGX-ST") on the Company's Unaudited Condensed Interim Financial Statements for the Half-Year Ended 30 June 2022 ("1H2022")

The Board of Directors of AF Global Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the query raised by the SGX-ST on 11 August 2022 and respond as follows:-

SGX-ST's Query

"We refer to the Company's financial statements for the half-year ended 30 June 2022. It is noted that the Company has recorded a significant fair value loss on investment securities in other comprehensive income. Please reconcile the fair value loss for 1H2022 on investment securities of S\$169,000 and S\$1,293,000 with the movement in Investment Securities and Investment in Xuzhou JV between 31 December 2021 and 30 June 2022 in the balance sheet. Specify the amount attributable to the weaker renminbi and also explain why S\$1,293,000 will not be reclassified to profit or loss."

Company's Response

Reconciliation of Consolidated Balance Sheet movement in:

(a) Investment securities (current)

Investment securities classified under current assets comprised the Group's investments in quoted debt securities.

	S\$'000
As at 31.12.2021	14,086
Fair value loss that may be reclassified subsequently to profit or loss (as below)	(201)
Movement in interest income receivable	(8)
As at 30.06.2022	<u>13,877</u>

Movement in Consolidated Statement of Comprehensive Income:

<u>Item that may be reclassified subsequently to profit or loss</u>	
Fair value loss on investment securities	<u>(169)</u>

Comprised:

- Fair value loss on investment securities (as above)	(201)
- Deferred tax adjustment on fair value loss	35
- Realisation of fair value gain to profit or loss on exchange of investment securities	(3)

(b) <u>Investment in Xuzhou JV</u>	S\$'000
As at 31.12.2021	55,527
Fair value loss that will not be reclassified to profit or loss, attributed to weaker Renminbi (as below)	
As at 30.06.2022	<u>(1,231)</u>
	<u>54,296</u>

Movement in Consolidated Statement of Comprehensive Income:

<u>Item that will not be reclassified to profit or loss</u>	
Fair value loss on investment securities	<u>(1,293)</u>

Comprised:

- Fair value loss on investment in Xuzhou JV (as above)	(1,231)
- Fair value loss on quoted equity securities held by joint venture companies	(62)

The investment in Xuzhou JV and equity securities are measured at fair value through other comprehensive income in accordance with SFRS(I) 9 *Financial Instruments*, which permits an entity to make an irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. Such amounts presented in other comprehensive income may include any related foreign exchange component and shall not be subsequently transferred to profit or loss.

BY ORDER OF THE BOARD

Lim Swee Ann
Company Secretary
15 August 2022