

Aspial

Corporation Ltd

Company Registration No: 197001030G
(Incorporated in Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**1(i) Condensed Interim Consolidated Statement of Comprehensive Income For The Six Months Ended 30 June 2024 ("1H 2024")**

	Group		Change %
	1H 2024 S\$'000	1H 2023 S\$'000	
Revenue	295,880	283,180	4%
Materials and subcontract costs	(183,354)	(185,839)	-1%
Employee benefits expense	(37,273)	(33,754)	10%
Depreciation and amortisation	(17,582)	(16,165)	9%
Finance costs	(24,521)	(27,254)	-10%
Other operating expenses	(35,525)	(41,392)	-14%
Interest income	317	319	-1%
Rental income	3,063	3,128	-2%
Other income	3,776	3,184	19%
Share of results of associates and a joint venture	398	1,108	-64%
Profit/(loss) before tax	5,179	(13,485)	n.m.
Taxation	(3,470)	1,335	n.m.
Profit/(loss) for the period	1,709	(12,150)	n.m.
Other comprehensive income			
Net fair value changes on debt and equity instruments at fair value through other comprehensive income ("FVOCI")	505	(1,153)	n.m.
Net gain on cash flow hedge	799	573	40%
Foreign currency translation	889	(1,165)	n.m.
Share of other comprehensive income of associates	(1,186)	(1,487)	-20%
Other comprehensive income for the period, net of tax	1,007	(3,232)	n.m.
Total comprehensive income for the period	2,716	(15,382)	n.m.
<u>Profit/(Loss) attributable to:</u>			
Owners of the Company	(6,626)	(14,996)	-56%
Holders of perpetual securities	4,302	-	n.m.
Non-controlling interests	4,033	2,846	42%
	1,709	(12,150)	n.m.
<u>Total comprehensive income attributable to:</u>			
Owners of the Company	(6,055)	(18,313)	-67%
Holders of perpetual securities	4,302	-	n.m.
Non-controlling interests	4,469	2,931	52%
	2,716	(15,382)	n.m.
Loss per ordinary share (cents)			
Basic and diluted			
i) after distribution to perpetual securities holders	(0.30)	(0.69)	-57%
ii) before distribution to perpetual securities holders	(0.10)	(0.69)	-85%

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

	Group		Change %
	1H 2024 S\$'000	1H 2023 S\$'000	
Other Income			
Foreign exchange gain	424	161	163%
Fair value gain on derivatives	806	334	141%
Government grants and other miscellaneous income	2,546	2,688	-5%
Dividend income from equity instruments	-	1	n.m
	3,776	3,184	
Other operating expenses	(35,525)	(41,392)	
<u>Included in other operating expenses</u>			
Sales and marketing expenses	(14,053)	(15,001)	-6%
Rental expenses	(1,070)	(621)	72%
Allowance for write-down of development property	(559)	-	n.m
Allowance for write-down of properties held for sale	(903)	-	n.m
Repair and maintenance	(4,925)	(7,337)	-33%
Foreign exchange loss	(812)	(6,537)	-88%

n.m - means "not meaningful"

A1. Notes:

- 1a. The Group recognises all inventories, including trade-in stock and sales return stock at cost. For finished stocks aged 2 years and above, allowance for stock obsolescence was made to take into consideration labour costs for designing and rework.
- 1b. The lower materials and subcontract costs in 1H 2024 was mainly due to lower revenue for real estate business and higher gross profit margin for financial service business.
- 1c. The increase in employee benefits for 1H 2024 was mainly due to higher staff salaries and increase in number of staff for our overseas financial service business.
- 1d. Depreciation of fixed assets in retail outlets is computed on a straight-line basis over 3-5 years.
- 1e. The lower finance costs for 1H 2024 was mainly due to the decrease in medium-term notes, partially offset by the increase in interest-bearing loans and borrowings for the retail and financial service businesses.
- 1f. The decrease in other operating expenses in 1H 2024 was mainly due to lower foreign exchange losses and reduced sales and marketing expenses in the real estate business.
- 1g. The increase in other income in 1H 2024 was mainly attributable to higher foreign exchange gain and fair value gain on derivatives.
- 1h. The decrease in the share of results of associates and a joint venture in 1H 2024 was mainly due to lower profit contributions from the associate's hospitality business.
- 1i. The higher effective tax rate in 1H 2024 was mainly due to certain charges resulting from the net loss in the real estate business, where tax losses in certain subsidiaries could not be offset against taxable profits in other subsidiaries under the relevant tax jurisdiction.

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000
Non-current assets				
Property, plant and equipment	205,468	205,448	-	1
Intangible assets	19,712	15,965	40	61
Investment properties	98,383	107,838	-	-
Investment in subsidiaries	-	-	375,465	278,465
Investment in associates	120,549	119,863	76,529	76,529
Investment securities	2,044	2,201	-	-
Trade and other receivables	4,220	4,268	-	-
Right-of-use assets	86,541	86,179	-	-
Deferred tax assets	2,340	2,462	10	8
	539,257	544,224	452,044	355,064
Current assets				
Inventories	221,689	196,281	-	-
Development properties	146,102	149,702	-	-
Properties held for sale	141,437	153,028	-	-
Trade and other receivables	605,263	490,827	78	28
Prepayments	5,226	3,241	29	8
Due from subsidiaries (non-trade)	-	-	191,984	280,276
Due from associates	3,822	3,152	6	112
Investment securities	2,965	2,821	-	-
Derivatives	333	1,518	-	-
Cash and bank balances	33,084	53,843	419	1,450
	1,159,921	1,054,413	192,516	281,874
Total assets	1,699,178	1,598,637	644,560	636,938
Current liabilities				
Trade and other payables	219,755	144,985	12,847	15,467
Due to subsidiaries (non-trade)	-	-	28,430	30,975
Due to an associate (non-trade)	-	79	-	-
Provision for taxation	7,294	8,852	465	621
Derivatives	813	2,804	-	-
Lease liabilities	23,329	22,975	-	-
Interest-bearing loans and borrowings	551,669	502,540	7,450	-
Medium-term notes	63,360	15,480	1,729	-
	866,220	697,715	50,921	47,063
Net current assets	293,701	356,698	141,595	234,811
Non-current liabilities				
Other payables	695	656	-	-
Interest-bearing loans and borrowings	193,007	200,839	-	-
Lease liabilities	65,662	65,470	-	-
Medium-term notes	48,140	105,104	49,140	46,340
Deferred tax liabilities	25,256	25,707	-	-
	332,760	397,776	49,140	46,340
Total liabilities	1,198,980	1,095,491	100,061	93,403
Net assets	500,198	503,146	544,499	543,535
Equity attributable to owners of the Company				
Share capital	272,066	272,066	272,066	272,066
Treasury shares	(2,517)	(2,303)	(2,517)	(2,303)
Other reserves	(55,776)	(56,347)	913	913
Revenue reserves	64,943	71,569	141,287	140,109
Ordinary equity	278,716	284,985	411,749	410,785
Perpetual securities	132,750	132,750	132,750	132,750
	411,466	417,735	544,499	543,535
Non-controlling interests	88,732	85,411	-	-
Total equity	500,198	503,146	544,499	543,535
Net asset value per ordinary share (in cents)	18.54	18.79	24.53	24.45

B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONTINUED)

B1. Review of Financial Position

The Group's total equity decreased from S\$503.1 million as at 31 December 2023 to S\$500.2 million as at 30 June 2024. This was mainly due to the decrease in revenue reserves, partially offset by the increase in non-controlling interests. The decrease in revenue reserves was mainly due to the distributions to holders of perpetual securities and loss attributable to owners in 1H 2024.

The Group's total assets of S\$1,699.2 million as at 30 June 2024 was S\$100.5 million higher as compared to 31 December 2023. This was mainly attributable to the increase in trade and other receivables, inventories, intangible assets and prepayments, partially offset by the decrease in properties held for sale, investment properties and development properties. The increase in trade and other receivables was mainly driven by the rise in the pledge book for its pawnbroking operations and loans receivables for its secured lending, both within the financial service business. The decrease in properties held for sale and investment properties was mainly due to the sales of residential units of Australia 108 development in 1H 2024.

The Group's total liabilities of S\$1,199.0 million as at 30 June 2024 was S\$103.5 million higher than that as at 31 December 2023. This was largely due to the increase of trade and other payables and interest bearing loans and borrowings, partially offset by the decrease in medium-term notes and provision for taxation. The increase in trade and other payables was primarily due to amounts payable to investors for the Group's secured lending, corresponding to the rise in loan receivables from the activity. The increase in interest bearing loans and borrowings is mainly to support the growth of the retail and financial service businesses.

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	1H 2024 S\$'000	1H 2023 S\$'000
Operating activities		
Profit/(loss) before tax	5,179	(13,485)
Adjustments for:		
Property, plant and equipment written-off	605	339
Allowance for write down of development property	559	-
Allowance for write down of properties held for sale	903	-
Gain on disposal of property, plant and equipment	-	(10)
Loss on disposal of intangible assets	-	187
(Gain)/loss on modification and termination of lease contracts	(91)	9
Loss on disposal of investment properties	847	1,895
Net fair value gain of derivatives	(806)	(694)
Reversal of impairment on investment securities	-	(1)
Depreciation of property, plant and equipment	4,405	3,968
Depreciation of right-of-use assets	12,380	11,751
Write-back of inventories	(60)	(178)
Allowance for expected credit loss on trade and other receivables	2,328	2,704
Interest expense	24,314	26,933
Interest income	(317)	(319)
Intangible assets written off	-	8
Amortisation of prepaid rent	-	1
Amortisation of intangible assets	797	445
Amortisation of medium-term notes issuance fees	207	321
Dividend income from equity instruments	-	(1)
Share of results of associates and a joint venture	(398)	(1,108)
Unrealised foreign exchange differences	42	4,312
Operating cash flows before changes in working capital	50,894	37,077
(Increase)/decrease in:		
Inventories	(25,343)	(2,656)
Development properties and properties held for sale	20,077	29,128
Trade and other receivables	(115,878)	(39,626)
Prepayments	(1,995)	(713)
Restricted cash	(7)	(560)
Increase in:		
Trade and other payables	70,263	3,283
Cash flows (used in)/generated from operations	(1,989)	25,933
Interest paid	(17,964)	(18,722)
Income taxes paid	(6,068)	(9,805)
Net cash flows used in operating activities	(26,021)	(2,594)
Investing activities		
Net cash outflow on acquisition of a subsidiary	(2,087)	(7,997)
Purchase of property, plant and equipment	(7,885)	(3,391)
Acquisition of intangible assets	(1,424)	(673)
Proceeds from sale of property, plant and equipment	3	15
Investment in an associate	(1,453)	-
Interest received	259	325
Purchase of investment securities	-	(150)
Dividend income from equity instruments received	-	1
Proceeds from disposal of investment securities	8	8
Proceeds from sale of investment property	6,671	16,089
Due from associates, net	(771)	(616)
Net cash flows (used in)/generated from investing activities	(6,679)	3,611

C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	1H 2024 S\$'000	1H 2023 S\$'000
Financing activities		
Dividends paid to non-controlling interests of subsidiaries	(1,545)	(1,614)
Dividends paid to perpetual securities	(4,303)	-
Repayment of medium-term notes	(9,250)	(250)
Purchase of treasury shares	(214)	(599)
Proceeds from term loans	18,746	55,957
Repayment of term loans	(22,098)	(75,845)
Proceeds from short-term bank borrowings	68,132	52,226
Repayment of short-term bank borrowings	(24,033)	(30,450)
Interest paid on lease liabilities	(1,426)	(1,065)
Repayment of principal portion of lease liabilities	(12,107)	(12,341)
Medium-term notes issuance fees paid	(24)	(59)
Repayment to immediate holding company (non-trade)	-	(450)
Net cash flows generated from/(used in) financing activities	11,878	(14,490)
Net decrease in cash and cash equivalents	(20,822)	(13,473)
Cash and cash equivalents at beginning of period	52,857	51,509
Effect of exchange rate changes on cash and cash equivalents	55	(131)
Cash and cash equivalents at end of period	32,090	37,905

As at 30 June 2024, an amount of S\$1.0 million (30 June 2023: S\$2.6 million) has not been included in cash and cash equivalents of the Group as the amount relates to a reserve account pledged against loan granted by a bank or third party.

* Less than \$1,000

C1. Cashflow Analysis

Net cash used in operating activities was S\$26.0 million in 1H 2024 as compared to S\$2.6 million in 1H 2023. This was mainly due to increase in trade and other receivables and inventories, partially offset by increase in trade and other payables and decrease in development properties and properties held for sales. The increase in trade and other receivables was mainly driven by the rise in the pledge book for its pawnbroking operations and loans receivables for its secured lending, both within the financial service business. The decrease in properties held for sale was mainly due to the sales of residential units of Australia 108 development.

Net cash used in investing activities of S\$6.7 million in 1H 2024 was largely attributable to the purchase of property, plant and equipment and net cash flow on acquisition of a subsidiary, partially offset by the proceeds from disposal of investment properties in 1H 2024.

Net cash generated from financing activities was S\$11.9 million in 1H 2024 as compared to net cash used in financing activities of S\$14.5 million in 1H 2024. This comprised principally the net increase in short-term bank borrowings and proceeds from term loans, partially offset by the repayment of term loans, principal portion of lease liabilities and medium-term notes.

As a result, cash and cash equivalent balances decreased to S\$32.1 million as at 30 June 2024 from S\$52.9 million as at 31 December 2023.

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Perpetual Securities S\$'000	Non-controlling interests S\$'000	Total S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Revenue reserves S\$'000	Other reserves S\$'000			
Group							
Balance as at 1 January 2024	272,066	(2,303)	71,569	(56,347)	132,750	85,411	503,146
(Loss)/profit for the period	-	-	(6,626)	-	4,302	4,033	1,709
<u>Other comprehensive income for the period</u>							
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	282	-	223	505
Net gain on cash flow hedge	-	-	-	570	-	229	799
Foreign currency translation	-	-	-	905	-	(16)	889
Share of other comprehensive income of associates	-	-	-	(1,186)	-	-	(1,186)
Other comprehensive income for the year, net of tax	-	-	-	571	-	436	1,007
<u>Contributions by and distributions to owners</u>							
Dividend paid to non-controlling interests of subsidiaries - Cash dividends	-	-	-	-	-	(1,549)	(1,549)
Distribution to holders of perpetual securities	-	-	-	-	(4,302)	-	(4,302)
Purchase of treasury shares	-	(214)	-	-	-	-	(214)
Total contributions by and distributions to owners	-	(214)	-	-	(4,302)	(1,549)	(6,065)
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of non-controlling interests in a subsidiary without a change in control	-	-	-	-	-	401	401
Total changes in ownership interests in subsidiaries	-	-	-	-	-	401	401
Balance as at 30 June 2024	272,066	(2,517)	64,943	(55,776)	132,750	88,732	500,198
Balance as at 1 January 2023	267,574	(1,704)	94,900	(48,493)	-	84,089	396,366
(Loss)/profit for the period	-	-	(14,996)	-	-	2,846	(12,150)
<u>Other comprehensive income for the period</u>							
Net fair value changes on debt and equity instruments at FVOCI	-	-	-	(982)	-	(171)	(1,153)
Net gain on cash flow hedge	-	-	-	406	-	167	573
Foreign currency translation	-	-	-	(1,254)	-	89	(1,165)
Share of other comprehensive income of associates	-	-	-	(1,487)	-	-	(1,487)
Other comprehensive income for the year, net of tax	-	-	-	(3,317)	-	85	(3,232)
<u>Contributions by and distributions to owners</u>							
Dividend paid to non-controlling interests of subsidiaries - Cash dividends	-	-	-	-	-	(1,813)	(1,813)
Purchase of treasury shares	-	(599)	-	-	-	-	(599)
Total contributions by and distributions to owners	-	(599)	-	-	-	(1,813)	(2,412)
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of non-controlling interests in a subsidiary without a change in control	-	-	-	-	-	3,827	3,827
Total changes in ownership interests in subsidiaries	-	-	-	-	-	3,827	3,827
<u>Others</u>							
Transfer from foreign currency translation reserve to fair value adjustment reserve and revenue reserve	-	-	(25)	25	-	-	-
Total Others	-	-	(25)	25	-	-	-
Balance as at 30 June 2023	267,574	(2,303)	79,879	(51,785)	-	89,034	382,399

D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Share capital	Treasury shares	Revenue reserves	Other reserves	Perpetual Securities	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Company							
Balance as at 1 January 2024	272,066	(2,303)	140,109	913	132,750	-	543,535
Profit for the period, representing total comprehensive income for the period	-	-	1,178	-	4,302	-	5,480
<i>Contributions by and distributions to owners</i>							
Distribution to holders of perpetual securities	-	-	-	-	(4,302)	-	(4,302)
Purchase of treasury shares	-	(214)	-	-	-	-	(214)
Total contributions by and distributions to owners	-	(214)	-	-	(4,302)	-	(4,516)
Balance as at 30 June 2024	272,066	(2,517)	141,287	913	132,750	-	544,499
Balance as at 1 January 2023	267,574	(1,704)	140,294	913	-	-	407,077
Profit for the period, representing total comprehensive income for the period	-	-	3,837	-	-	-	3,837
<i>Contributions by and distributions to owners</i>							
Purchase of treasury shares	-	(599)	-	-	-	-	(599)
Total contributions by and distributions to owners	-	(599)	-	-	-	-	(599)
Balance as at 30 June 2023	267,574	(2,303)	144,131	913	-	-	410,315

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**E1. Corporate Information**

Aspial Corporation Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2024 comprise of the Company and its subsidiaries (collectively, the "Group"). The principal activities of the Company are investment holding and provision of management and treasury services.

The principal activities of the Group are retail, real estate and financial service businesses.

E2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with 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 2023.

The accounting policies and method of computation adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency and all values are rounded to the nearest thousand, except when otherwise indicated.

E2.1 New and amended standards adopted by the Group

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

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E2.2 Use of Judgements And Estimates

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

The significant judgements 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 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised from the period in which the estimates are revised.

E3. Seasonal Operations

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

E4. Segment Information

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organised into three main operating business segments, namely:

- (a) Retail of jewellery;
- (b) Real estate business; and
- (c) Financial service business.

Other operations include rental of properties and provision of other support services.

1H 2024	Retail	Financial Service	Real Estate	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	231,802	35,146	28,932	-	-	295,880
Inter-segment revenue	43	30,488	-	-	(30,531)	-
	231,845	65,634	28,932	-	(30,531)	295,880
Results :						
Segment result	13,709	20,213	(4,284)	11,656	(11,778)	29,516
Unallocated expenses	-	-	-	-	-	(133)
Interest income	185	23	199	5,894	(5,984)	317
Profit/(loss) from operations	13,894	20,236	(4,085)	17,550		29,700
Finance costs	(3,393)	(8,677)	(10,879)	(7,745)	6,173	(24,521)
Profit/(loss) from operations before taxation	10,501	11,559	(14,964)	9,805		5,179
Tax (expenses)/credit	(2,318)	(1,353)	455	(327)	73	(3,470)
Profit/(loss) for the period	8,183	10,206	(14,509)	9,478		1,709
Assets and liabilities						
Segment assets	363,356	654,401	510,141	929,542	(878,811)	1,578,629
Investment in associates	25,373	-	4,900	90,276		120,549
Total assets	388,729	654,401	515,041	1,019,818		1,699,178
Segment liabilities	294,372	573,246	372,247	467,388	(508,273)	1,198,980
Total liabilities						1,198,980
Other segment information						
Depreciation and amortisation	(10,550)	(5,085)	(348)	(1,599)	-	(17,582)
Share of result from associates	1,498	-	(250)	(850)	-	398
Capital expenditure	(2,600)	(1,126)	(2,762)	(1,397)	-	(7,885)
Other significant non-cash expenses	(175)	(1,848)	(1,512)	(51)	57	(3,529)

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
E4. Segment Information (Continued)

1H 2023	Retail	Financial Service	Real Estate	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	213,095	31,701	38,384	-	-	283,180
Inter-segment revenue	15	30,842	-	-	(30,857)	-
	213,110	62,543	38,384	-	(30,857)	283,180
Results :						
Segment result	12,696	16,081	(13,653)	4,271	(5,812)	13,583
Unallocated expenses	-	-	-	-	-	(133)
Interest income	398	2	220	9,926	(10,227)	319
Profit/(loss) from operations	13,094	16,083	(13,433)	14,197		13,769
Finance costs	(2,845)	(7,655)	(13,856)	(13,173)	10,275	(27,254)
Profit/(loss) from operations before taxation	10,249	8,428	(27,289)	1,024		(13,485)
Tax (expenses)/credit	(2,081)	(1,197)	4,870	(257)		1,335
Profit/(loss) for the period	8,168	7,231	(22,419)	767		(12,150)
Assets and liabilities						
Segment assets	321,108	467,080	594,091	1,019,307	(912,661)	1,488,925
Investment in joint ventures	669	-	-	-		669
Investment in associates	19,222	-	5,414	92,323		116,959
Total assets	340,999	467,080	599,505	1,111,630		1,606,553
Segment liabilities	243,776	411,789	517,160	678,101	(626,672)	1,224,154
Total liabilities						1,224,154
Other segment information						
Depreciation and amortisation	(9,387)	(4,762)	(318)	(1,698)	-	(16,165)
Share of result from associates	1,044	-	(346)	425	-	1,123
Share of result from joint venture	(15)	-	-	-	-	(15)
Capital expenditure	(1,589)	(303)	(1,340)	(159)	-	(3,391)
Other significant non-cash income/(expenses)	15	(2,802)	252	(4)	-	(2,539)

E5. Disaggregation of Revenue

Segments	Group	
	1H 2024 S\$'000	1H 2023 S\$'000
Major product or service lines		
Interest income from pawnbroking services	31,874	29,442
Interest income from secured lending	2,162	301
Sale of unredeemed articles - recognised at point in time	1,110	1,958
Sale of jewellery and branded merchandise - recognised at a point in time	231,802	213,095
Sale of development properties - recognised at a point in time	26,683	37,024
Room revenue - recognised over time	2,249	1,360
	295,880	283,180
Geographical information		
Singapore	237,288	218,142
Australia	29,123	31,163
Malaysia	12,613	15,607
Greater China	2,235	3,029
Europe	14,621	15,239
	295,880	283,180

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E6. Related Party Transactions

	Group	
	1H 2024 S\$'000	1H 2023 S\$'000
Related party transactions		
Rental received from an associate	71	78
Marketing income paid to an associate	80	72
Management fee received from an associate	271	244
Sales of goods to an associate	4,011	3,762

E7. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group			Company		
	Carrying Amount			Carrying Amount		
	Assets at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000	Assets at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000
30 June 2024						
Financial assets not measured at fair value						
Trade and other receivables*	608,694	-	608,694	78	-	78
Due from subsidiaries (non-trade)	-	-	-	191,984	-	191,984
Due from associates	3,822	-	3,822	6	-	6
Cash and bank balances	33,084	-	33,084	419	-	419
	645,600	-	645,600	192,487	-	192,487
Financial liabilities not measured at fair value						
Trade and other payables**	-	216,577	216,577	-	12,750	12,750
Due to subsidiaries (non-trade)	-	-	-	-	28,430	28,430
Due to an associate (non-trade)	-	-	-	-	-	-
Interest-bearing loans and borrowings	-	744,676	744,676	-	7,450	7,450
Medium-term notes	-	111,500	111,500	-	50,869	50,869
	-	1,072,753	1,072,753	-	99,499	99,499

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E7. Financial Assets and Financial Liabilities (Continued)

	Group			Company		
	Carrying Amount			Carrying Amount		
	Assets at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000	Assets at amortised cost S\$'000	Liabilities at amortised cost S\$'000	Total S\$'000
31 December 2023						
Financial assets not measured at fair value						
Trade and other receivables*	494,544	-	494,544	28	-	28
Due from subsidiaries (non-trade)	-	-	-	280,276	-	280,276
Due from associates	3,152	-	3,152	112	-	112
Cash and bank balances	53,843	-	53,843	1,450	-	1,450
	551,539	-	551,539	281,866	-	281,866
Financial liabilities not measured at fair value						
Trade and other payables**	-	140,884	140,884	-	15,375	15,375
Due to subsidiaries (non-trade)	-	-	-	-	30,975	30,975
Due to an associate (non-trade)	-	79	79	-	-	-
Interest-bearing loans and borrowings	-	703,379	703,379	-	-	-
Medium-term notes	-	120,584	120,584	-	46,340	46,340
	-	964,926	964,926	-	92,690	92,690

* Excludes GST receivables (net) and tax recoverable

** Excludes GST payables (net), accrued operating expenses (provision of unutilised leave and provision for reinstatement cost) and withholding tax

E8. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of comprehensive income are:

	Group	
	1H 2024 S\$'000	1H 2023 S\$'000
Current income tax		
Current income taxation	4,180	3,532
Under provision in respect of previous years	65	215
Withholding tax	8	(2,193)
Deferred income tax		
Origination and reversal of temporary differences	(583)	(2,835)
Over provision in respect of previous years	(200)	(54)
	3,470	(1,335)

E9. Dividends

There is no interim dividend recommended for the period ended 30 June 2024 (30 June 2023: Nil).

E10. Net Asset Value

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Net asset value per ordinary share (in cents)	18.54	18.79	24.53	24.45
Ordinary equity excluding perpetual securities per ordinary share (cents)	12.56	12.82	18.55	18.48
Number of ordinary shares in issue (excluding treasury shares) ('000)	2,219,779	2,222,895	2,219,779	2,222,895

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**E11. Financial Assets At Fair Value Through Other Comprehensive Income ("FVOCI")**

The fair value of each of the investments in equity instruments designated at FVOCI at the end of the reporting period is as follows:

	Group	
	30-Jun-24 S\$'000	31-Dec-23 S\$'000
At FVOCI		
Equity securities (quoted)		
- Lippo Malls Indonesia Retail Trust	1,952	545
Equity securities (unquoted)		
- Trinity House UK Commercial Property Fund 1 IC	2,320	2,729
- Others	52	1,062
	4,324	4,336

E11.1 Fair Value Measurement

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

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 - Unobservable inputs for the asset or liability.

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

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group 30-Jun-24			
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
Assets measured at fair value				
Financial assets				
<u>At FVOCI</u>				
- Debt securities (quoted)	554	-	-	554
- Equity securities (quoted)	1,952	-	-	1,952
- Equity securities (unquoted)	-	-	2,372	2,372
<u>At fair value through profit and loss ("FVPL")</u>				
- Equity securities (quoted)	92	-	-	92
- Equity securities (unquoted)	-	-	39	39
- Derivatives	-	333	-	333
	2,598	333	2,411	5,342
Financial liabilities				
<u>At FVPL</u>				
- Derivatives	-	(813)	-	(813)
Assets measured at fair value				
Non-financial assets				
<u>Investment properties</u>				
- Singapore	-	-	56,610	56,610
- Malaysia	-	-	14,462	14,462
- Australia	-	-	27,311	27,311
	-	-	98,383	98,383

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E11. Financial Assets At Fair Value Through Other Comprehensive Income ("FVOCI") (Continued)

E11.1 Fair Value Measurement (Continued)

	Group 31-Dec-23			
	Quoted prices in active markets for identical assets (Level 1) S\$'000	Significant observable inputs other than quoted prices (Level 2) S\$'000	Significant unobservable inputs (Level 3) S\$'000	Total S\$'000
Assets measured at fair value				
Financial assets				
<u>At FVOCI</u>				
- Debt securities (quoted)	555	-	-	555
- Equity securities (quoted)	545	-	-	545
- Equity securities (unquoted)	-	-	3,791	3,791
<u>At FVPL</u>				
- Equity securities (quoted)	92	-	-	92
- Equity securities (unquoted)	-	-	39	39
- Derivatives	-	1,518	-	1,518
	1,192	1,518	3,830	6,540
Financial liabilities				
<u>At FVPL</u>				
- Derivatives	-	(2,804)	-	(2,804)
Assets measured at fair value				
Non-financial assets				
<u>Investment properties</u>				
- Singapore	-	-	56,610	56,610
- Malaysia	-	-	14,447	14,447
- Australia	-	-	36,781	36,781
	-	-	107,838	107,838

E12. Intangible assets

During the six months ended 30 June 2024, the Group acquired intangible assets amounting to S\$1,424,000 (six months ended 30 June 2023: S\$673,000).

E13. Property, Plant and Equipment

During the six months ended 30 June 2024, the Group acquired property, plant and equipment amounting to S\$7,885,000 (six months ended 30 June 2023: S\$3,391,000).

E14. Investment Properties

The investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair values. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

During the six months ended 30 June 2024, there was no acquisition of investment properties. The disposal of investment properties amounting to S\$7,580,000 in the six months period ended 30 June 2024 (30 June 2023: S\$17,996,000).

E14.1 Valuation

Investment properties that are stated at fair value which have been determined based on valuations performed by external appraisers with a recognised and relevant professional qualification and with recent experience in the location and category of the properties being appraised.

The Group did not engage an independent valuer to determine the fair values of the properties as at 30 June 2024. However, the Management had taken into consideration those underlying factors that would have impacts to the fair values of the investment properties.

E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**E15. Group Borrowings And Debt Securities**

Amount repayable in one year or less, or on demand

As at 30 June 2024		As at 31 December 2023	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
551,669	63,360	502,540	15,480

Amount repayable after one year

As at 30 June 2024		As at 31 December 2023	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
193,007	48,140	200,839	105,104

Details of collateral

The Group's borrowings and debt securities are secured as follows:-

- legal mortgages over subsidiaries' property, plant and equipment, development properties, properties held for sale and investment properties;
- legal assignment of subsidiaries' interest under the Sale and Purchase agreements and tenancy agreements in respect of the units therein which includes the assignment of all the sale and rental proceeds;
- fixed and floating charge on all assets of certain subsidiaries;
- guarantees by non-controlling interests of a subsidiary;
- a joint corporate guarantee by the joint operation partners;
- personal guarantees by the subsidiary's director; and/or
- corporate guarantees by the Company and/or subsidiaries.

E16. Changes in Share Capital

	Company	
	No. of shares '000	S\$ '000
Issued and fully paid share capital (excluding treasury shares)		
Balance at 1 January 2024	2,222,895	269,763
Share buyback ^{Note 1}	(3,116)	(214)
Balance at 30 June 2024	2,219,779	269,549

Note 1 - From March to April 2024, the Company purchased an aggregate of 3,115,600 shares, which are held as treasury shares.

E17. Changes in Treasury Shares

	Company	
	No. of shares '000	S\$ '000
Balance at 1 January 2024	15,739	2,303
Share buyback	3,116	214
Balance at 30 June 2024	18,855	2,517

E18. Changes in Subsidiary Holdings

Not applicable. The Company does not have any subsidiary holdings.

E19. Subsequent Event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

F1. Auditor's Report

The condensed consolidated interim financial statements have neither been audited nor reviewed by the auditors.

F2. Audit Opinion (Applicable to Companies That Have Received Modified Audit Opinions)

Not applicable. The Group's latest financial statements for the financial year ended 31 December 2023 was not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

F3. Variance from Forecast Statement

No forecast for the period ended 30 June 2024 was previously provided.

F4. Earnings per Share

	Group	
	1H 2024	1H 2023
Loss attributable to owners of the Company (S\$'000)	(6,626)	(14,996)
Add: Distribution to perpetual securities holders (S\$'000)	4,302	-
Loss attributable to ordinary shareholders of the Company before distribution to perpetual securities holders (S\$'000)	(2,324)	(14,996)
Weighted average number of shares (excluding treasury shares) ('000)	2,221,165	2,159,120
Basic and diluted earnings per share (cents)		
- After distribution to perpetual securities holders	(0.30)	(0.69)
- Before distribution to perpetual securities holders	(0.10)	(0.69)

F5. Review of Corporate Performance

Sales Revenue

In the first half of 2024 ("1H 2024"), the Group recorded revenue of S\$295.9 million, an increase of 4.5% compared to 1H 2023's revenue of S\$283.2 million. This growth was primarily driven by strong performances in the Financial Service and Retail Businesses, partially offset by a decline in the Real Estate Business.

The Financial Service Business continued to lead the growth, with revenue rising by 10.7% to S\$35.1 million, up from S\$31.7 million in the same period last year. This increase was largely attributable to higher interest income generated from the expanding pledge book in both Singapore and Malaysia.

The Retail Business also experienced an 8.8% increase in revenue, totalling S\$231.8 million, up from S\$213.1 million in 1H 2023. The growth was primarily driven by an increase in retail and trading of gold, reflecting strong demand in this segment.

The Real Estate Business saw a 24.7% reduction in revenue, falling to S\$28.9 million from S\$38.4 million in 1H 2023. The decrease was primarily due to the absence of the one-off property sale and bulk sale of units in the Australia 108 development, which had contributed significantly to the revenue in the previous period.

Operating Cost

The Group's total operating expenses for 1H 2024 was S\$114.9 million, reflecting a 3.1% decrease, or S\$3.7 million, compared to the previous period. This reduction was driven by lower finance costs and foreign exchange losses, although the Group incurred higher employee benefits and depreciation and amortisation expenses mainly due to the increase in number of stores in Singapore and Malaysia.

Profit and Loss

The Group achieved a pre-tax profit of S\$5.2 million in 1H 2024, a significant turnaround from the pre-tax loss of S\$13.5 million in 1H 2023. This positive result was driven by improvements in the pre-tax profitability of all three core businesses.

The Financial Services Business achieved a pre-tax profit of S\$11.6 million, marking a substantial 38.1% increase from S\$8.4 million in 1H 2023. This growth was driven by higher interest income and improved gross profit from the sale of unredeemed pledges, underscoring the resilience and strong demand for pawnbroking services.

The Retail Business recorded a pre-tax profit of S\$10.5 million, up 2.9% from S\$10.2 million in 1H 2023. Despite rising operating costs, the revenue growth from gold trading helped to drive the modest increase in profitability.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONTINUED)**F5. Review of Corporate Performance (Continued)****Profit and Loss (continued)**

The Real Estate Business reduced its pre-tax loss to S\$15.0 million, improving from a pre-tax loss of S\$27.3 million in 1H 2023. The reduction in losses was driven by higher contributions from its Penang hotels and improved gross margins from the sale of apartment units in the Australia 108 development. Notably, gross profit from hotel operations has more than doubled in 1H 2024 as the Group completed construction and commenced operations of two hotels in Penang during the current period.

With a pre-tax profit of S\$5.2 million in 1H 2024, the Group has demonstrated resilience and adaptability in a challenging environment posed by the Covid-19 pandemic and elevated interest rates in the last few years.

Moving forward, the Group will continue to focus on strengthening its core business and exploring new opportunities for growth to enhance shareholder value.

F6. Business Outlook

The Group adopts a cautiously optimistic view for the 2H 2024 business outlook. The easing of global core inflation rates amidst a slowing economy is expected to trigger global policy interest rate cuts in 2H 2024. The rate and scale of these anticipated adjustments in interest rates will hinge upon key economic indicators, such as inflation trends, unemployment rate shifts and GDP growth.

A transition towards a lower interest rate environment will benefit the Group's overall operations - the financial, retail, and real estate segments. Nonetheless, the Group is aware of ongoing geopolitical risks and remains prepared to address potential impact on its operations.

The Group has further consolidated its overseas retail business under Aspial Lifestyle Limited as of July 2024. The consolidation will enable the Group to optimize its resources and enhance the effectiveness and efficiency of its operations.

The Group continues to pursue selective asset enhancement strategies for its current assets, while actively exploring new opportunities through strategic acquisitions and divestments to enhance returns within its portfolio of business and assets.

Retail Business

The Group anticipates the Retail Business to perform reasonably well in 2H 2024, driven by positive consumer sentiment and sustained demand for gold jewellery. The Group will seek to leverage its strong brand identity, extensive retail network and innovative capabilities to drive its growth in its Retail Business.

Financial Service Business

The pawnbroking business continues to experience healthy growth as demand for short-term loans increases with rising economic activity and increase in gold price. The Group expects its Malaysian pawnbroking business to contribute positively to the Group's results in FY2024.

Real Estate Business

Core Logic's July 2024 monthly report commented that the underlying mismatch between housing supply (low) and demand (high) continues to provide support to housing prices through 2H 2024, noting that there appears to be some rebalancing underway caused by an erosion in borrowing capacity and affordability on the side of buyers, especially first-time homeowners. The supply of newly built homes remains insufficient relative to population growth. Notably, there was a 6.5% drop in home approvals through June 2024, highlighting the challenges faced by residential construction sector where profit margins have been compressed, skilled trades are scarce and holding costs remain high. In its recent August 2024 meeting, RBA (Reserve Bank of Australia) held the Australian Official Cash Rate at the November 2023 rate of 4.35%

From 1 January 2024 to 31 July 2024, the Group saw substantial traction in the sale of its remaining apartments in the Australia 108 development with total net sales proceeds of A\$39.0 million. The Group sold a total of 57 units and generated net cash (after loan repayments) of A\$34.9 million. The sale of these properties will further contribute to reducing holding costs and lowering interest expense for the Real Estate Business in 2H 2024.

The Group has seen sustained buying interest in the apartments at Australia 108 in the last few months. As of 31 July 2024, the Group has contracted sales of 18 apartments at Australia 108 with expected net sales proceeds of about A\$13.0 million.

In Malaysia, the Group currently operates two "Citadines Connect" hotels in Penang. The Group expects to complete the construction of 2 more hotels at Lebuh Cecil and Lorong Bertam in Georgetown, with a total of 134 keys in 2H 2024 which will also be operated under the "Citadines Connect" brand.

The Group expects its Real Estate Business performance (excluding forex, tax and revaluation gain/loss) to improve in FY2024 driven by improved margins from the sales of higher-level premium apartments, higher revenue for its hotel business, reduced holding costs and lower interest expenses.

F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONTINUED)

F6. Business Outlook (Continued)

AF Global Limited

The Group's hospitality assets performed as expected in 1H 2024, achieving strong rates, occupancy and profitability. The positive momentum, particularly in Thailand, is anticipated to continue in 2H 2024 supported by various government regulations to boost tourism business and travel around the region. We will continue to strive for top-line performance, manage operational costs and increase efficiency for our hospitality assets.

Group Debt and Cashflow

The Group continued to strengthen its equity and net debt position, driven by the redemptions of 2 series of its Medium-Term Notes ("MTNs") and the ongoing reduction of its property-related loans.

As at 30 June 2024, the Group's overseas property assets had a total value of S\$362.6 million with an outstanding loan of S\$126.3 million providing for a conservative loan-to-value ratio of 34.8%. Going forward, the Group will be able to generate a net positive cashflow through a combination of the sale of these properties and refinancing.

Following the full redemption of the Company and its fully owned subsidiary's MTNs due in January and July 2024, the outstanding MTNs has decreased from S\$62.25 million as at the end of FY2023 to S\$51.25 million as of 1 July 2024.

The Group's strategic execution of key treasury initiatives, such as exchanging of the MTNs for Perpetual Securities in FY2023 and repaying the MTNs on schedule in January and July 2024, along with divestment of property assets, has significantly improved the Group's debt-to-equity ratio and liquidity position.

The Group anticipates better financial performance in FY2024 compared to FY2023, barring any adverse impact arising from foreign exchange movements, tax and/or revaluation adjustments.

F7. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

F8. Dividend

(i) Any dividend declared for the current financial period reported on?

No

(ii) Any dividend declared for the preceding financial period?

No

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

In view of the economic uncertainties, no dividend has been declared for the current financial period as the Group intends to retain cash for its working capital, to reduce its borrowings and fund any potential growth opportunities.

F9. Confirmation That The Issuer Has Procured Undertakings From All Its Directors And Executive Officers Pursuant to Rule 720 (1) of The Listing Manual

The Company confirms that all the required undertakings under Rule 720 (1) of the Listing Manual have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

F10. Confirmation Pursuant to The Rule 705 (5) of The Listing Manual

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited condensed interim financial statements for the six months ended 30 June 2024 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng
CEO

Koh Lee Hwee
Director

12 August 2024