



**AF Global Limited**

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

---

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE HALF-YEAR ENDED 30 JUNE 2023**

---

**TABLE OF CONTENTS**

- A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
- B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**
- C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**
- D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**
- E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
- F. OTHER INFORMATION REQUIRED BY APPENDIX 7.2 OF THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST")**

## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Change %
		01.01.2023 to 30.06.2023 ("1H2023")	01.01.2022 to 30.06.2022 ("1H2022")	
		S\$'000	S\$'000	
<b>Revenue</b>		14,375	5,942	142
Cost of sales	(a)	(5,986)	(4,336)	38
<b>Gross profit</b>		8,389	1,606	422
Other operating income		235	172	37
Marketing expenses		(573)	(359)	60
Administrative expenses	(b)	(3,031)	(2,110)	44
Other operating expenses		(2,884)	(2,037)	42
<b>Operating profit/(loss)</b>		2,136	(2,728)	NM
Finance costs	(c)	(558)	(367)	52
Share of results of joint venture companies	(d)	1,069	1,477	(28)
<b>Profit/(loss) before taxation</b>		2,647	(1,618)	NM
Taxation	(e)	(152)	(304)	(50)
<b>Profit/(loss) for the period</b>		2,495	(1,922)	NM
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation	(f)	(3,140)	(5,048)	(38)
Fair value gain/(loss) on investment securities	(g)	115	(169)	NM
<i>Item that will not be reclassified to profit or loss:</i>				
Fair value loss on investment securities and investment in Xuzhou entities	(g)	(1,913)	(1,293)	48
<b>Other comprehensive income for the period, net of tax</b>		(4,938)	(6,510)	(24)
<b>Total comprehensive income for the period</b>		(2,443)	(8,432)	(71)
<b>Profit/(loss) for the period attributable to:</b>				
Shareholders of the Company		948	(1,312)	NM
Non-controlling interests		1,547	(610)	NM
		2,495	(1,922)	NM
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders of the Company		(2,933)	(6,627)	(56)
Non-controlling interests		490	(1,805)	NM
		(2,443)	(8,432)	(71)
<b>Earnings/(loss) per share (cents)</b>				
- Basic		0.09	(0.12)	
- Diluted		0.09	(0.12)	

'NM': Not meaningful.

## A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

Other information:

	<b>Group</b>		
	<b>1H2023</b> S\$'000	<b>1H2022</b> S\$'000	<b>Change</b> %
Other operating income:			
Interest income from fixed deposits	105	140	(25)
Gain on sale of investment securities	-	9	NM
Gain on sale of property, plant and equipment	-	1	NM
Others	130	22	491
	<b>235</b>	<b>172</b>	<b>37</b>
Other operating expenses (**):			
Payroll and other indirect overheads	(811)	(574)	41
Utilities	(848)	(470)	80
Legal and professional fees	(250)	(129)	94
Foreign currency losses (#)	(818)	(733)	12
Others	(157)	(131)	20
	<b>(2,884)</b>	<b>(2,037)</b>	<b>42</b>
Profit/(loss) before taxation is stated after crediting/(charging):			
Depreciation of property, plant and equipment	(1,777)	(2,006)	(11)
Depreciation of right-of-use asset	(30)	(30)	-
Amortisation of club memberships	(1)	(1)	-
Expected credit losses on trade receivables	(1)	-	NM
Property, plant and equipment written off	-	(1)	NM

'NM': Not meaningful.

\*\* Excluding foreign currency losses, the higher other operating expenses in 1H2023 was mainly attributed to costs incurred by Holiday Inn Resort Phuket (hereinafter "HIRP") with increased business activities as Thai border restrictions lifted. The higher legal and professional fees mainly arose from legal fees incurred by HIRP and on the litigation in respect of shareholders dispute for the joint venture company, Xuzhou YinJian LumChang Real Estate Development Co., Ltd in Xuzhou, PRC (hereinafter "XZYJLC").

# Foreign currency losses mainly comprised translation loss arising from translating Singapore Dollar denominated inter-company interest payable as Thai Baht had depreciated against Singapore Dollar. The higher exchange loss was due to realised exchange loss in 1H2023 on repayment of United States Dollar denominated inter-company loan as Laotian Kip had weakened, partially offset by lower depreciation of Thai Baht against Singapore Dollar.

### NOTES

- (a) Cost of sales comprised mainly direct costs, depreciation and overheads in respect of the Group's hospitality business.
- (b) Administrative expenses comprised mainly payroll, expenses for the administration of the business including hotel management fee and statutory expenses. The higher administrative expenses was mainly attributed to higher hotel management fee and overheads.
- (c) The higher finance costs was due to higher interest rates.
- (d) This constitutes mainly our share of profits from Knight Frank group of companies in Singapore.
- (e) The higher deferred tax expense in 1H2022 was mainly attributed to deferred tax provision on unremitted inter-company interest income. Current tax expense was higher mainly due to pre-tax profit of Somerset Vientiane in 1H2023 compared to pre-tax loss in 1H2022.
- (f) Foreign currency translation in other comprehensive income comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to profit or loss. The translation loss in 1H2023 was mainly attributed to weaker Thai Baht. The translation loss in 1H2022 was mainly attributed to weaker Thai Baht and Laotian Kip.
- (g) These were mainly in respect of the fair value movements of the Group's investment in Xuzhou entities classified under non-current assets as well as quoted debt securities classified under current assets.

## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	Group		Company	
		30.06.2023 S\$'000	31.12.2022 S\$'000	30.06.2023 S\$'000	31.12.2022 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	(a)	190,515	196,626	-	-
Intangible assets		30	31	-	-
Right-of-use asset		683	709	-	-
Subsidiary companies		-	-	295,025	295,455
Joint venture companies		35,406	34,312	-	-
Investment securities		4,033	4,033	-	-
Deferred tax assets		213	249	-	-
Investment in Xuzhou entities	(b)	50,004	51,943	-	-
		280,884	287,903	295,025	295,455
<b>Current assets</b>					
Investment securities	(c)	13,806	13,664	-	-
Inventories		121	224	-	-
Trade receivables		747	715	-	-
Other receivables	(d)	623	762	817	247
Prepayments		217	150	3	5
Amount due from a subsidiary company	(e)	-	-	415	-
Cash and short-term deposits		17,372	14,878	222	277
		32,886	30,393	1,457	529
<b>Current liabilities</b>					
Trade payables		1,543	1,732	-	-
Other payables and accruals		5,507	5,389	417	528
Provision for taxation		145	75	11	13
Lease liabilities		36	33	-	-
Loans and borrowings	(f)	14,371	20,007	10,559	9,400
		21,602	27,236	10,987	9,941
<b>Net current assets/(liabilities)</b>	(g)	11,284	3,157	(9,530)	(9,412)
<b>Non-current liabilities</b>					
Amount due to a subsidiary company		-	-	15,464	15,465
Lease liabilities		812	826	-	-
Loans and borrowings	(f)	7,485	3,432	779	1,160
Deferred tax liabilities		23,966	24,454	-	-
		32,263	28,712	16,243	16,625
<b>Net assets</b>		259,905	262,348	269,252	269,418
<b>Equity attributable to shareholders of the Company</b>					
Share capital		209,518	209,518	209,518	209,518
Reserves		(908)	2,025	59,734	59,900
		208,610	211,543	269,252	269,418
Non-controlling interests		51,295	50,805	-	-
<b>Total equity</b>		259,905	262,348	269,252	269,418

### NOTES

- (a) Apart from depreciation, the decrease was mainly attributed to weaker Thai Baht.
- (b) The decrease in fair value of the Group's investment in Xuzhou entities was mainly due to weaker Renminbi.
- (c) The movement was mainly due to increase in fair value of the quoted debt securities.
- (d) The increase in other receivables of the Company was mainly attributed to inter-company interest income and management fee receivable.
- (e) The amount due from a subsidiary company comprised advances and payments made on behalf.
- (f) The external borrowings of the Group decreased mainly due to instalment repayment of term loans. The increase in external borrowings of the Company was attributed to drawdowns by the Company from a revolving credit facility for working capital.
- (g) The increase in net current assets of the Group was mainly due to the reclassification of a portion of term loans from current to non-current upon extension of repayment by the lender. There was no material movement in the net current liabilities of the Company, which mainly comprised external borrowings.

## C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>		
Profit/(loss) before taxation	2,647	(1,618)
Adjustments for:		
Depreciation of property, plant and equipment	1,777	2,006
Depreciation of right-of-use asset	30	30
Gain on sale of property, plant and equipment	-	(1)
Property, plant and equipment written off	-	1
Gain on sale of investment securities	-	(9)
Share of results of joint venture companies	(1,069)	(1,477)
Amortisation of club memberships	1	1
Interest income	(535)	(565)
Finance costs	558	367
Unrealised foreign exchange differences	804	795
<b>Operating profit/(loss) before reinvestment in working capital</b>	<b>4,213</b>	<b>(470)</b>
Decrease/(increase) in inventories	100	(7)
Decrease/(increase) in receivables and prepayments	24	(25)
Increase in payables	99	55
<b>Cash flows from/(used in) operations</b>	<b>4,436</b>	<b>(447)</b>
Interest received	556	607
Interest paid	(577)	(332)
Income taxes paid	(67)	(85)
<b>Net cash flows from/(used in) operating activities</b>	<b>4,348</b>	<b>(257)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of property, plant and equipment	-	1
Purchase of property, plant and equipment	(185)	(73)
Purchase of investment securities	-	(2,500)
Proceeds from sale of investment securities	-	2,506
<b>Net cash flows used in investing activities</b>	<b>(185)</b>	<b>(66)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from bank loans	1,150	1,114
Repayment of bank loans	(2,508)	(606)
Repayment of lease liabilities	(103)	(103)
Dividend paid to a non-controlling interest	-	(317)
<b>Net cash flows (used in)/from financing activities</b>	<b>(1,461)</b>	<b>88</b>
Net increase/(decrease) in cash and cash equivalents	2,702	(235)
Effects of exchange rate changes on cash and cash equivalents	(208)	(185)
Cash and cash equivalents at beginning of period	14,824	13,362
<b>Cash and cash equivalents at end of period</b>	<b>17,318</b>	<b>12,942</b>

### NOTES

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

Fixed deposits	8,054	7,723
Cash and bank balances	9,318	5,273
Cash and short-term deposits per Consolidated Statement of Financial Position	17,372	12,996
Less : Fixed deposit pledged	(54)	(54)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>17,318</b>	<b>12,942</b>

- (b) The deficit in cash flows from operations for 1H2022 was mainly attributed to adverse impact of the COVID-19 pandemic on the Group's hospitality business.

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

Group	-----Attributable to shareholders of the Company-----						Accumulated losses S\$'000	Total reserves S\$'000	Non-controlling	Total
	Share capital S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Other reserves S\$'000			S\$'000	interests
<b>1H2023</b>										
<b>As at 1 January 2023</b>	<b>209,518</b>	<b>40,124</b>	<b>30</b>	<b>(8,244)</b>	<b>49,412</b>	<b>(1,074)</b>	<b>(38,099)</b>	<b>2,025</b>	<b>50,805</b>	<b>262,348</b>
Profit for the period	-	-	-	-	-	-	948	948	1,547	2,495
Other comprehensive income for the period, net of tax	-	(3,881)	-	(2,083)	-	(1,798)	-	(3,881)	(1,057)	(4,938)
Total comprehensive income for the period	-	(3,881)	-	(2,083)	-	(1,798)	948	(2,933)	490	(2,443)
<b>As at 30 June 2023</b>	<b>209,518</b>	<b>36,243</b>	<b>30</b>	<b>(10,327)</b>	<b>49,412</b>	<b>(2,872)</b>	<b>(37,151)</b>	<b>(908)</b>	<b>51,295</b>	<b>259,905</b>
<b>1H2022</b>										
<b>As at 1 January 2022</b>	<b>209,518</b>	<b>46,302</b>	<b>30</b>	<b>(965)</b>	<b>47,742</b>	<b>(505)</b>	<b>(33,854)</b>	<b>12,448</b>	<b>52,085</b>	<b>274,051</b>
Loss for the period	-	-	-	-	-	-	(1,312)	(1,312)	(610)	(1,922)
Other comprehensive income for the period, net of tax	-	(5,315)	-	(3,853)	-	(1,462)	-	(5,315)	(1,195)	(6,510)
Total comprehensive income for the period	-	(5,315)	-	(3,853)	-	(1,462)	(1,312)	(6,627)	(1,805)	(8,432)
<i>Others</i>										
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	(317)	(317)
Share of reserves of a joint venture company	-	7	-	-	-	7	(13)	(6)	-	(6)
Total others	-	7	-	-	-	7	(13)	(6)	(317)	(323)
<b>As at 30 June 2022</b>	<b>209,518</b>	<b>40,994</b>	<b>30</b>	<b>(4,818)</b>	<b>47,742</b>	<b>(1,960)</b>	<b>(35,179)</b>	<b>5,815</b>	<b>49,963</b>	<b>265,296</b>

---

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

---

<b>Company</b>	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<b><u>1H2023</u></b>			
<b>As at 1 January 2023</b>	<b>209,518</b>	<b>59,900</b>	<b>269,418</b>
Loss for the period, representing total comprehensive income for the period	-	(166)	(166)
<b>As at 30 June 2023</b>	<b>209,518</b>	<b>59,734</b>	<b>269,252</b>
<b><u>1H2022</u></b>			
<b>As at 1 January 2022</b>	<b>209,518</b>	<b>58,186</b>	<b>267,704</b>
Loss for the period, representing total comprehensive income for the period	-	(302)	(302)
<b>As at 30 June 2022</b>	<b>209,518</b>	<b>57,884</b>	<b>267,402</b>

---

## E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

---

### 1. Corporate information

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

These condensed interim consolidated financial statements as at and for the half-year ended 30 June 2023 comprised the Company and its subsidiaries (collectively, the "Group").

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

### 2. Basis of preparation

The condensed interim financial statements for the half-year ended 30 June 2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2022.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all new and amendments to SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on 1 January 2023. The adoption of these standards did not result in any significant impact on the financial performance or financial position of the Group and the Company.

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

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

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

#### 2.2 *Significant accounting estimates and judgments*

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

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

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

### 3. Seasonal operations

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



## E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 4. Segment information

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

The reportable operating segments are as follows:

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

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

The others segment relates mainly to investment holding activities.

	<b>Group</b>			
	<b>Property</b>	<b>Hotel and serviced residence</b>	<b>Others</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H2023</b>				
<b>Segment revenue</b>				
Total segment sales	-	13,945	787	14,732
Inter-segment sales	-	-	(357)	(357)
Revenue	-	13,945	430	14,375
Segment results	(132)	2,442	(174)	2,136
Finance costs	-	(261)	(297)	(558)
Share of results of joint venture companies	1,069	-	-	1,069
Profit/(loss) before taxation	937	2,181	(471)	2,647
Taxation	-	(142)	(10)	(152)
Profit/(loss) for the period	937	2,039	(481)	2,495
Segment assets	70	209,829	409	210,308
Investment in joint venture companies	35,406	-	-	35,406
Investment securities	-	-	17,839	17,839
Deferred tax assets	-	213	-	213
Investment in Xuzhou entities	50,004	-	-	50,004
Total assets	85,480	210,042	18,248	313,770
Segment liabilities	763	6,629	506	7,898
Loans and borrowings	-	10,518	11,338	21,856
Tax liabilities	53	24,038	20	24,111
Total liabilities	816	41,185	11,864	53,865
Other segment information:				
Capital expenditures	-	185	-	185
Depreciation of property, plant and equipment	-	1,777	-	1,777
Depreciation of right-of-use asset	-	30	-	30
Amortisation expenses	-	1	-	1
Interest income	-	105	430	535

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

	<b>Group</b>			
	<b>Property</b>	<b>Hotel and serviced residence</b>	<b>Others</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>1H2022</b>				
<b>Segment revenue</b>				
Total segment sales	-	5,517	704	6,221
Inter-segment sales	-	-	(279)	(279)
Revenue	-	5,517	425	5,942
Segment results	(98)	(2,440)	(190)	(2,728)
Finance costs	-	(217)	(150)	(367)
Share of results of joint venture companies	1,477	-	-	1,477
Profit/(loss) before taxation	1,379	(2,657)	(340)	(1,618)
Taxation	-	(279)	(25)	(304)
Profit/(loss) for the period	1,379	(2,936)	(365)	(1,922)
Segment assets	73	213,241	389	213,703
Investment in joint venture companies	36,056	-	-	36,056
Investment securities	-	-	17,910	17,910
Deferred tax assets	-	240	-	240
Investment in XZYJLC	54,296	-	-	54,296
Total assets	90,425	213,481	18,299	322,205
Segment liabilities	783	5,530	360	6,673
Loans and borrowings	-	13,579	11,879	25,458
Tax liabilities	53	24,669	56	24,778
Total liabilities	836	43,778	12,295	56,909
Other segment information:				
Capital expenditures	-	73	-	73
Depreciation of property, plant and equipment	-	2,006	-	2,006
Depreciation of right-of-use asset	-	30	-	30
Amortisation expenses	-	1	-	1
Interest income	-	140	425	565
Property, plant and equipment written off	-	1	-	1

## E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 5. Revenue

Segments	Group					
	Hotel and serviced residence		Others		Total	
	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000	1H2023 S\$'000	1H2022 S\$'000
<b>Primary geographical markets</b>						
Singapore	-	-	430	425	430	425
Thailand	12,058	4,111	-	-	12,058	4,111
Vietnam	810	872	-	-	810	872
Lao People's Democratic Republic	1,077	534	-	-	1,077	534
	<u>13,945</u>	<u>5,517</u>	<u>430</u>	<u>425</u>	<u>14,375</u>	<u>5,942</u>
<b>Major product or service lines</b>						
Revenue from room, food and beverage and services rendered	13,528	5,074	-	-	13,528	5,074
Rental income	417	443	-	-	417	443
Interest income	-	-	430	425	430	425
	<u>13,945</u>	<u>5,517</u>	<u>430</u>	<u>425</u>	<u>14,375</u>	<u>5,942</u>
<b>Timing of transfer of goods or services</b>						
At a point in time	13,528	5,074	430	425	13,958	5,499
Over time	417	443	-	-	417	443
	<u>13,945</u>	<u>5,517</u>	<u>430</u>	<u>425</u>	<u>14,375</u>	<u>5,942</u>

### 6. Related party disclosures

	Group	
	1H2023 S\$'000	1H2022 S\$'000
<b>Related parties</b>		
<i>Aspial Corporation Limited and its subsidiary companies:</i>		
Interest income received	430	425
Purchase of investment securities	-	(2,500)
Corporate service fee paid	(225)	(228)
Rental and maintenance expenses paid	<u>(86)</u>	<u>(94)</u>
<i>Fragrance Group Limited<sup>#</sup> and its subsidiary companies:</i>		
Facilities management fee received by a joint venture company of the Group*	55	88
Agency commission received by a joint venture company of the Group*	<u>-</u>	<u>13</u>

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

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

## E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 7. Taxation

The major components of income tax expense were:

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	S\$'000	S\$'000
Current tax		
- Current year	142	120
- Over provision in respect of prior year	(1)	-
Deferred tax		
- Origination and reversal of temporary differences	11	184
Income tax expense recognised in profit or loss	<u>152</u>	<u>304</u>

### 8. Net asset value

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2023</b>	<b>31.12.2022</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
	S\$	S\$	S\$	S\$
Net asset value per ordinary share attributable to shareholders of the Company	0.20	0.20	0.26	0.26

### 9. Property, plant and equipment

During the half-year ended 30 June 2023, the Group acquired assets amounting to S\$185,000 (30 June 2022: S\$73,000). In the half-year ended 30 June 2022, the Group disposed of assets with net book value amounting to S\$1,000.

### 10. Investment securities / Investment in Xuzhou entities

At fair value through other comprehensive income:

	<b>Group</b>	
	<b>30.06.2023</b>	<b>31.12.2022</b>
	S\$'000	S\$'000
<b>Non-current</b>		
Unquoted equity securities	4,033	4,033
Investment in XZYJLC	48,976	50,627
Investment in Xuzhou RE Sales Co., Ltd ("XZRES")	1,028	1,316
<b>Current</b>		
Quoted debt securities	<u>13,806</u>	<u>13,664</u>

At the end of the current financial period, the fair value of the investment in XZYJLC and XZRES decreased by S\$1,651,000 and S\$288,000 respectively with the corresponding adjustment to fair value adjustment reserve.

**11. Loans and borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2023</b>	<b>31.12.2022</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Repayable within 12 months</b>				
Secured	10,612	16,257	6,800	5,650
Unsecured	3,759	3,750	3,759	3,750
<b>Repayable after 12 months</b>				
Secured	6,706	2,272	-	-
Unsecured	779	1,160	779	1,160
	<b>21,856</b>	<b>23,439</b>	<b>11,338</b>	<b>10,560</b>

Details of the Group's secured borrowings comprised:

- (i) A revolving credit facility of S\$6,800,000 secured by a pledge of shares of a company in the Group.
- (ii) Four term loans aggregating S\$9,493,000 secured by a mortgage on the freehold land and buildings owned by a company in the Group.
- (iii) A term loan of S\$1,025,000 secured by a corporate guarantee of the Company.

**12. Share capital**

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

	<b>No. of shares</b>		<b>Share capital</b>	
	<b>30.06.2023</b>	<b>31.12.2022</b>	<b>30.06.2023</b>	<b>31.12.2022</b>
	'000	'000	S\$'000	S\$'000
Balance at beginning and end	1,055,639	1,055,639	209,518	209,518

There was no change in the Company's share capital since the end of the previous financial year up to the end of the current financial period. The Company's issued and fully paid-up shares as at 30 June 2023 comprised 1,055,639,464 (31 December 2022 and 30 June 2022: 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 30 June 2023, 31 December 2022 and 30 June 2022.

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

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

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

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

## E. NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

#### Assets and liabilities measured at fair values

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

	<b>Group</b>			
	<b>Quoted prices in active markets for identical instruments (Level 1)</b>	<b>Significant other observable inputs (Level 2)</b>	<b>Significant unobservable inputs (Level 3)</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>30.06.2023</b>				
<b>Non-financial asset</b>				
Property, plant and equipment	-	-	183,787	183,787
<b>Financial assets</b>				
Investment securities /				
Investment in Xuzhou entities				
- Unquoted equity securities	-	-	4,033	4,033
- Investment in XZYJLC	-	-	48,976	48,976
- Investment in XZRES	-	-	1,028	1,028
- Quoted debt securities	13,806	-	-	13,806
<b>31.12.2022</b>				
<b>Non-financial asset</b>				
Property, plant and equipment	-	-	189,039	189,039
<b>Financial assets</b>				
Investment securities /				
Investment in Xuzhou entities				
- Unquoted equity securities	-	-	4,033	4,033
- Investment in XZYJLC	-	-	50,627	50,627
- Investment in XZRES	-	-	1,316	1,316
- Quoted debt securities	13,664	-	-	13,664

#### ***Fair value hierarchy***

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

#### ***Level 3 fair value measurements***

Property, plant and equipment measured at fair values were appraised as at 31 December 2022 or 31 December 2021 by engaging independent valuation specialists to perform the valuation. The Directors are responsible for selecting and engaging independent valuation specialists that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance.

The Group did not engage independent valuation specialists to determine the fair values of the property, plant and equipment as at 30 June 2023. In assessing the fair values as at the reporting date, the Directors consider those underlying factors that would have an impact on the fair values of the property, plant and equipment. The Directors determine that the fair values of property, plant and equipment remain reasonable and appropriate. There were no revaluation movements in property, plant and equipment during the current financial period.

There was no change in the valuation technique and types of inputs used in deriving the fair value of unquoted equity securities and investment in Xuzhou entities. Except for the fair value movement of the investment in Xuzhou entities which was disclosed in Note 10, there was no movement in the fair value of unquoted equity securities during the current financial period.

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

**14. Classification of assets and liabilities**

<b>Group</b>				
	<b>Assets at amortised cost</b>	<b>Fair value through other comprehen- sive income</b>	<b>Non-financial assets</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>30.06.2023</b>				
<b>Assets</b>				
<b>Non-current</b>				
Property, plant and equipment	-	-	190,515	190,515
Intangible assets	-	-	30	30
Right-of-use asset	-	-	683	683
Investment securities	-	4,033	-	4,033
Deferred tax assets	-	-	213	213
Investment in Xuzhou entities	-	50,004	-	50,004
<b>Current</b>				
Investment securities	-	13,806	-	13,806
Inventories	-	-	121	121
Trade and other receivables	1,370	-	-	1,370
Prepayments	-	-	217	217
Cash and short-term deposits	17,372	-	-	17,372
	<b>18,742</b>	<b>67,843</b>	<b>191,779</b>	<b>278,364</b>
		<b>Liabilities at amortised cost</b>	<b>Non-financial liabilities</b>	<b>Total</b>
		S\$'000	S\$'000	S\$'000
<b>30.06.2023</b>				
<b>Liabilities</b>				
<b>Current</b>				
Trade and other payables		7,050	-	7,050
Provision for taxation		-	145	145
Lease liabilities		36	-	36
Loans and borrowings		14,371	-	14,371
<b>Non-current</b>				
Lease liabilities		812	-	812
Loans and borrowings		7,485	-	7,485
Deferred tax liabilities		-	23,966	23,966
		<b>29,754</b>	<b>24,111</b>	<b>53,865</b>





**14. Classification of assets and liabilities (continued)**

	<b>Company</b>		
	<b>Assets at amortised cost S\$'000</b>	<b>Non-financial asset S\$'000</b>	<b>Total S\$'000</b>
<b>30.06.2023</b>			
<b>Assets</b>			
<b>Non-current</b>			
Subsidiary companies	101,038	-	101,038
<b>Current</b>			
Other receivables	817	-	817
Prepayments	-	3	3
Amount due from a subsidiary company	415	-	415
Cash and short-term deposits	222	-	222
	<b>102,492</b>	<b>3</b>	<b>102,495</b>
<b>Liabilities at amortised cost S\$'000</b>			
<b>Non-financial liability S\$'000</b>			
<b>Total S\$'000</b>			
<b>30.06.2023</b>			
<b>Liabilities</b>			
<b>Current</b>			
Other payables and accruals	417	-	417
Provision for taxation	-	11	11
Loans and borrowings	10,559	-	10,559
<b>Non-current</b>			
Amount due to a subsidiary company	15,464	-	15,464
Loans and borrowings	779	-	779
	<b>27,219</b>	<b>11</b>	<b>27,230</b>
<b>31.12.2022</b>			
<b>Assets</b>			
<b>Non-current</b>			
Subsidiary companies	101,468	-	101,468
<b>Current</b>			
Other receivables	247	-	247
Prepayments	-	5	5
Cash and short-term deposits	277	-	277
	<b>101,992</b>	<b>5</b>	<b>101,997</b>
<b>Liabilities at amortised cost S\$'000</b>			
<b>Non-financial liability S\$'000</b>			
<b>Total S\$'000</b>			
<b>31.12.2022</b>			
<b>Liabilities</b>			
<b>Current</b>			
Other payables and accruals	528	-	528
Provision for taxation	-	13	13
Loans and borrowings	9,400	-	9,400
<b>Non-current</b>			
Amount due to a subsidiary company	15,465	-	15,465
Loans and borrowings	1,160	-	1,160
	<b>26,553</b>	<b>13</b>	<b>26,566</b>

---

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

---

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

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

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

Not applicable.

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

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

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

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

Not applicable.

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**Revenue**

Revenue of the Group for 1H2023 of S\$14.3 million was S\$8.4 million higher than 1H2022.

**Hotel and Serviced Residence**

Revenue of S\$13.9 million was S\$8.4 million higher than 1H2022.

The higher revenue was mainly attributed to higher occupancies and room rates of Holiday Inn Resort Phuket ("HIRP") and Somerset Vientiane ("SV") with the reopening of borders worldwide.

The lower revenue of Cityview Apartments and Commercial Centre ("CV") was mainly attributed to lower room occupancy from increased competition by newer/renovated serviced apartments and new supply of unsold apartments converted into apartments for rent.

**Others**

Revenue of S\$0.4 million was comparable with 1H2022.

**Property**

No revenue was recorded for both 1H2023 and 1H2022.

**Para**

- 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.**

**Profit/(Loss) Before Tax**

The Group generated a pre-tax profit of S\$2.6 million in 1H2023 compared to a pre-tax loss of S\$1.6 million in 1H2022.

**Hotel and Serviced Residence**

This sector generated a pre-tax profit of S\$2.2 million in 1H2023 compared to a pre-tax loss of S\$2.6 million in 1H2022. This was mainly attributed to higher revenues of HIRP and SV, partially offset by realised exchange loss on repayment of United States Dollar denominated inter-company loan due to weaker Laotian Kip.

The pre-tax profit of CV was lower mainly because of lower revenue.

**Others**

Corporate office's pre-tax loss of S\$0.5 million was S\$0.1 million higher than 1H2022 mainly due to higher interest rates on borrowings.

**Property**

This sector's pre-tax profit of S\$0.9 million was S\$0.5 million lower than 1H2022. It was mainly attributed to lower share of profits from Knight Frank group of companies.

- 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.**

Most of our hospitality assets have shown improvement for the first half of this year, achieving higher rates, occupancy and profitability. The trend is expected to continue for the rest of the year, driven by the recovery in business and leisure travel.

We will be working closely with our appointed International Hotel Operators to capture pent-up travel demand, optimise rates and occupancy, manage operational costs and efficiency for our hospitality assets.

In the long term, we are committed to manage and develop our existing assets to stay competitive and create value through asset enhancement initiatives.

We will continue to seek growth and optimise yield through divestments or acquisitions for our portfolio of assets to unlock value and recycle capital.

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

In Singapore, we expect the Knight Frank agency business to be stable.

**Para**

**11 Dividend.**

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

Any dividend declared for the current financial period reported on?

None.

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

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

None.

**(c) Date payable.**

Not applicable.

**(d) Record date.**

Not applicable.

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

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

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

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

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

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the Unaudited Condensed Interim Financial Statements for the Half-Year ended 30 June 2023 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**

8 August 2023