

# Aspial

Corporation Ltd

Company Registration No: 197001030G  
(Incorporated in Singapore)

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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### TABLE OF CONTENTS

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- 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 LISTING RULE APPENDIX 7.2

**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**1(i) Condensed Interim Consolidated Statement of Comprehensive Income For The Six Months Ended 30 June 2023 ("1H 2023")**

|  | Group              |                    | Change %    |
|--|--------------------|--------------------|-------------|
|  | 1H 2023<br>S\$'000 | 1H 2022<br>S\$'000 |             |
| <b>Revenue</b>   | <b>283,180</b>     | <b>252,053</b>     | <b>12%</b>  |
| Materials and subcontract costs  | (185,839)          | (154,302)          | 20%         |
| Employee benefits expense  | (33,754)           | (32,216)           | 5%          |
| Depreciation and amortisation  | (16,165)           | (16,822)           | -4%         |
| Finance costs  | (27,254)           | (18,384)           | 48%         |
| Other operating expenses   | (41,392)           | (32,226)           | 28%         |
| Interest income  | 319                | 240                | 33%         |
| Rental income  | 3,128              | 3,079              | 2%          |
| Other income   | 3,184              | 6,004              | -47%        |
| Share of results of associates and a joint venture   | 1,108              | 103                | n.m.        |
| <b>(Loss)/profit before tax</b>  | <b>(13,485)</b>    | <b>7,529</b>       | <b>n.m.</b> |
| Taxation   | 1,335              | (4,536)            | n.m.        |
| <b>(Loss)/profit for the period</b>  | <b>(12,150)</b>    | <b>2,993</b>       | <b>n.m.</b> |
| <b>Other comprehensive income</b>  |                    |                    |             |
| Net fair value changes on debt and equity instruments at fair value through other comprehensive income ("FVOCI") | (1,153)            | (234)              | n.m.        |
| Net gain on cash flow hedge  | 573                | -                  | n.m.        |
| Foreign currency translation   | (1,165)            | (4,952)            | -76%        |
| Share of other comprehensive income of associates  | (1,487)            | (1,962)            | -24%        |
| <b>Other comprehensive income for the period, net of tax</b>   | <b>(3,232)</b>     | <b>(7,148)</b>     | <b>-55%</b> |
| <b>Total comprehensive income for the period</b>   | <b>(15,382)</b>    | <b>(4,155)</b>     | <b>270%</b> |
| <b><u>(Loss)/profit attributable to:</u></b>   |                    |                    |             |
| Owners of the Company  | (14,996)           | (532)              | n.m.        |
| Non-controlling interests  | 2,846              | 3,525              | -19%        |
|  | <b>(12,150)</b>    | <b>2,993</b>       | <b>n.m.</b> |
| <b><u>Total comprehensive income attributable to:</u></b>  |                    |                    |             |
| Owners of the Company  | (18,313)           | (7,147)            | 156%        |
| Non-controlling interests  | 2,931              | 2,992              | -2%         |
|  | <b>(15,382)</b>    | <b>(4,155)</b>     | <b>270%</b> |
| <b>Earnings per ordinary share (cents)</b>   |                    |                    |             |
| -Basic and diluted   | <b>(0.69)</b>      | <b>(0.02)</b>      | <b>n.m.</b> |

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

|  | Group              |                    | Change<br>% |
|--|--------------------|--------------------|-------------|
|  | 1H 2023<br>S\$'000 | 1H 2022<br>S\$'000 |             |
| <b>Other Income</b>                              |                    |                    |             |
| Foreign exchange gain                            | 161                | 152                | 6%          |
| Net fair value gain on derivatives               | 334                | 1,093              | -69%        |
| Fair value gain on investment properties         | -                  | 530                | n.m         |
| Fair value gain on investment securities         | -                  | 1,286              | n.m         |
| Government grants and other miscellaneous income | 2,688              | 2,828              | -5%         |
| Dividend income from equity instruments          | 1                  | 115                | -99%        |
|  | <b>3,184</b>       | <b>6,004</b>       |             |
| <b>Other operating expenses</b>                  | <b>(41,392)</b>    | <b>(32,226)</b>    |             |
| <i>Included in other operating expenses</i>      |                    |                    |             |
| Sales and marketing expenses                     | (15,001)           | (12,971)           | 16%         |
| Rental expenses                                  | (621)              | (445)              | 40%         |
| Repair and maintenance                           | (7,337)            | (7,355)            | 0%          |
| Foreign exchange loss                            | (6,537)            | (3,243)            | 102%        |

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 increase in materials and subcontract costs in 1H 2023 was mainly due to higher revenue for all business segments.
- 1c. The increase in employee benefits for 1H 2023 was mainly due to higher staff costs for all business segments.
- 1d. Depreciation of fixed assets in retail outlets is computed on a straight-line basis over 3-5 years.
- 1e. The higher finance costs for 1H 2023 was mainly due to higher interest rate for loans and borrowings.
- 1f. The increase in other operating expenses in 1H 2023 was mainly due to higher sales and marketing costs, foreign exchange loss and loss on disposal of investment properties.
- 1g. The decrease in other income in 1H 2023 was mainly attributable to higher fair value gain on investment properties, derivatives and investment securities in 1H 2022.
- 1h. The increase in share of results of associates and a joint venture in 1H 2023 was mainly due to higher profit contribution from bullion and hospitality businesses.

**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

|  | Group                |                      | Company              |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | 30-Jun-23<br>S\$'000 | 31-Dec-22<br>S\$'000 | 30-Jun-23<br>S\$'000 | 31-Dec-22<br>S\$'000 |
| <b>Non-current assets</b>                            |                      |                      |                      |                      |
| Property, plant and equipment                        | 202,048              | 205,662              | 2                    | 2                    |
| Investment properties                                | 122,752              | 142,462              | -                    | -                    |
| Intangible assets                                    | 16,414               | 10,898               | 81                   | 102                  |
| Right-of-use assets                                  | 90,414               | 84,566               | -                    | -                    |
| Investment in subsidiaries                           | -                    | -                    | 280,817              | 280,817              |
| Investment in associates                             | 116,959              | 117,144              | 76,529               | 76,529               |
| Investment in a joint venture                        | 669                  | 685                  | -                    | -                    |
| Investment securities                                | 3,158                | 4,183                | -                    | -                    |
| Trade and other receivables                          | 4,408                | 4,340                | -                    | -                    |
| Deferred tax assets                                  | 2,390                | 2,043                | -                    | -                    |
|  | <b>559,212</b>       | <b>571,983</b>       | <b>357,429</b>       | <b>357,450</b>       |
| <b>Current assets</b>                                |                      |                      |                      |                      |
| Inventories  | 199,500              | 196,059              | -                    | -                    |
| Development properties                               | 161,743              | 163,705              | -                    | -                    |
| Properties held for sale                             | 187,772              | 221,769              | -                    | -                    |
| Trade and other receivables                          | 445,492              | 395,574              | 36                   | 49                   |
| Prepayments  | 5,574                | 5,019                | 22                   | 35                   |
| Due from subsidiaries (non-trade)                    | -                    | -                    | 166,425              | 162,182              |
| Due from associates                                  | 2,605                | 2,279                | 108                  | 5                    |
| Investment securities                                | 3,498                | 3,620                | -                    | -                    |
| Derivatives  | 680                  | 754                  | -                    | -                    |
| Cash and bank balances                               | 40,477               | 53,521               | 287                  | 3,358                |
|  | <b>1,047,341</b>     | <b>1,042,300</b>     | <b>166,878</b>       | <b>165,629</b>       |
| <b>Total assets</b>                                  | <b>1,606,553</b>     | <b>1,614,283</b>     | <b>524,307</b>       | <b>523,079</b>       |
| <b>Current liabilities</b>                           |                      |                      |                      |                      |
| Trade and other payables                             | 117,172              | 101,739              | 20,565               | 20,503               |
| Due to immediate holding company (non-trade)         | 1,200                | 1,650                | 1,200                | 1,650                |
| Due to subsidiaries (non-trade)                      | -                    | -                    | 34,433               | 35,495               |
| Due to an associate (non-trade)                      | -                    | 117                  | -                    | -                    |
| Provision for taxation                               | 8,654                | 17,306               | 490                  | 243                  |
| Derivatives  | 185                  | 1,525                | -                    | -                    |
| Interest-bearing loans and borrowings                | 552,590              | 546,708              | 7,600                | 8,100                |
| Lease liabilities                                    | 23,231               | 22,550               | -                    | -                    |
| Medium-term notes                                    | 75,000               | -                    | -                    | -                    |
|  | <b>778,032</b>       | <b>691,595</b>       | <b>64,288</b>        | <b>65,991</b>        |
| <b>Net current assets</b>                            | <b>269,309</b>       | <b>350,705</b>       | <b>102,590</b>       | <b>99,638</b>        |
| <b>Non-current liabilities</b>                       |                      |                      |                      |                      |
| Other payables                                       | 5,225                | 4,912                | -                    | -                    |
| Interest-bearing loans and borrowings                | 163,902              | 170,879              | -                    | -                    |
| Lease liabilities                                    | 69,118               | 64,560               | -                    | -                    |
| Medium-term notes                                    | 178,305              | 253,468              | 49,700               | 50,000               |
| Deferred tax liabilities                             | 29,572               | 32,503               | 4                    | 11                   |
|  | <b>446,122</b>       | <b>526,322</b>       | <b>49,704</b>        | <b>50,011</b>        |
| <b>Total liabilities</b>                             | <b>1,224,154</b>     | <b>1,217,917</b>     | <b>113,992</b>       | <b>116,002</b>       |
| <b>Net assets</b>                                    | <b>382,399</b>       | <b>396,366</b>       | <b>410,315</b>       | <b>407,077</b>       |
| <b>Equity attributable to owners of the Company</b>  |                      |                      |                      |                      |
| Share capital  | 267,574              | 267,574              | 267,574              | 267,574              |
| Treasury shares                                      | (2,303)              | (1,704)              | (2,303)              | (1,704)              |
| Other reserves                                       | (51,785)             | (48,493)             | 913                  | 913                  |
| Revenue reserves                                     | 79,879               | 94,900               | 144,131              | 140,294              |
|  | <b>293,365</b>       | <b>312,277</b>       | <b>410,315</b>       | <b>407,077</b>       |
| Non-controlling interests                            | 89,034               | 84,089               | -                    | -                    |
| <b>Total equity</b>                                  | <b>382,399</b>       | <b>396,366</b>       | <b>410,315</b>       | <b>407,077</b>       |
| <b>Net asset value per ordinary share (in cents)</b> | <b>13.61</b>         | <b>14.43</b>         | <b>19.03</b>         | <b>18.82</b>         |

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**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONTINUED)**

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**B1. Review of Financial Position**

The Group's total equity decreased from S\$396.4 million as at 31 December 2022 to S\$382.4 million as at 30 June 2023. This was mainly due to the decrease in revenue reserves and other reserves. The decrease in revenue reserves was mainly due to loss attributable to owners in 1H 2023. The decrease in other reserves was mainly due to the foreign currency translation loss and net fair value changes on debt and equity instruments at FVOCI.

The Group's total assets of S\$1,606.6 million as at 30 June 2023 was S\$7.7 million lower as compared to 31 December 2022. This was mainly attributable to the decrease in properties held for sale, investment properties, cash and bank balances and property, plant and equipment, partially offset by the increase in trade and other receivables, right-of-use assets, intangible assets and inventories. The decrease in properties held for sale and investment properties were mainly due to the weakening of Australian Dollar and Malaysian Ringgit and settlements of units sold for Australia 108 development and a Malaysia property. The increase in trade and other receivables was mainly due to the increase in pledge book for the financial service business.

The Group's total liabilities of S\$1,224.2 million as at 30 June 2023 was S\$6.2 million higher than that as at 31 December 2022. This was largely due to the increase in trade and other payables and lease liabilities, partially offset by the decrease in provision for taxation, deferred tax liabilities, derivatives and loans and borrowings.

## C. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

|   | 1H 2023<br>S\$'000 | 1H 2022<br>S\$'000 |
|---|--------------------|--------------------|
| <b>Operating activities</b>   |                    |                    |
| (Loss)/profit before tax  | (13,485)           | 7,529              |
| Adjustments for:  |                    |                    |
| Property, plant and equipment written-off                           | 347                | 128                |
| Loss on disposal of property, plant and equipment                   | 177                | -                  |
| Loss on termination of lease contracts                              | 9                  | -                  |
| Loss/(gain) on disposal of investment properties                    | 1,895              | (207)              |
| Net fair value gain of derivatives                                  | (694)              | (1,452)            |
| Fair value gain on investment securities                            | -                  | (1,286)            |
| Net fair value gain on investment properties                        | -                  | (530)              |
| Reversal of impairment on investment securities                     | (1)                | (1)                |
| Depreciation of property, plant and equipment                       | 3,968              | 3,932              |
| Depreciation of right-of-use assets                                 | 11,751             | 12,612             |
| Write-back of inventories   | (178)              | (178)              |
| Allowance for expected credit loss on trade and other receivables   | 2,704              | 1,706              |
| Interest expense  | 26,933             | 17,757             |
| Interest income   | (319)              | (240)              |
| Amortisation of prepaid rent  | 1                  | 2                  |
| Amortisation of intangible assets                                   | 445                | 276                |
| Amortisation of medium-term notes issuance fee                      | 321                | 627                |
| Net loss on disposal of investment securities                       | -                  | 68                 |
| Dividend income from equity instruments                             | (1)                | (115)              |
| Share of results of associates and a joint venture                  | (1,108)            | (103)              |
| Unrealised foreign exchange differences                             | 4,312              | 2,548              |
| <b>Operating profit before changes in working capital</b>           | <b>37,077</b>      | <b>43,073</b>      |
| Decrease/(increase) in:   |                    |                    |
| Inventories   | (2,656)            | (18,182)           |
| Development properties and properties held for sale                 | 29,128             | 21,964             |
| Trade and other receivables   | (39,626)           | (33,170)           |
| Prepayments   | (713)              | (1,819)            |
| Restricted cash   | (560)              | 929                |
| Increase in:  |                    |                    |
| Trade and other payables  | 3,283              | 4,326              |
| <b>Net cash flows generated from operations</b>                     | <b>25,933</b>      | <b>17,121</b>      |
| Interest paid   | (18,722)           | (10,285)           |
| Income taxes paid   | (9,805)            | (3,902)            |
| <b>Net cash flows (used in)/generated from operating activities</b> | <b>(2,594)</b>     | <b>2,934</b>       |
| <b>Investing activities</b>   |                    |                    |
| Net cash flow on acquisition of a subsidiary                        | (7,997)            | -                  |
| Purchase of property, plant and equipment                           | (3,391)            | (10,411)           |
| Acquisition of intangible assets                                    | (673)              | (668)              |
| Proceeds from sale of property, plant and equipment                 | 15                 | -                  |
| Interest received   | 325                | 278                |
| Purchase of investment securities                                   | (150)              | (150)              |
| Dividend income from equity instruments received                    | 1                  | 115                |
| Dividend income from an associate received                          | -                  | 356                |
| Proceeds from disposal of investment securities                     | 8                  | 1,690              |
| Proceeds from sale of investment properties                         | 16,089             | 3,196              |
| Acquisition of non-controlling interests in subsidiaries            | -                  | (46)               |
| Due from associates, net  | (616)              | (749)              |
| <b>Net cash flows generated from/(used in) investing activities</b> | <b>3,611</b>       | <b>(6,389)</b>     |

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

|   | 1H 2023<br>S\$'000 | 1H 2022<br>S\$'000 |
|---|--------------------|--------------------|
| <b>Financing activities</b>                                       |                    |                    |
| Dividends paid to non-controlling interests of subsidiaries       | (1,614)            | (2,397)            |
| Proceeds from issuance of medium-term notes                       | -                  | 36,750             |
| Repayment of medium-term notes                                    | (250)              | (7,750)            |
| Purchase of treasury shares                                       | (599)              | -                  |
| Proceeds from term loans  | 55,957             | 14,698             |
| Repayment of term loans   | (75,845)           | (36,969)           |
| Proceeds from short-term bank borrowings                          | 52,226             | 66,700             |
| Repayment of short-term bank borrowings                           | (30,450)           | (58,999)           |
| Interest paid on lease liabilities                                | (1,065)            | (891)              |
| Repayment of principal portion of lease liabilities               | (12,341)           | (12,653)           |
| Medium-term notes issuance fee paid                               | (59)               | (585)              |
| (Repayment to)/advance from immediate holding company (non-trade) | (450)              | 850                |
| <b>Net cash flows used in financing activities</b>                | <b>(14,490)</b>    | <b>(1,246)</b>     |
| Net decrease in cash and cash equivalents                         | (13,473)           | (4,701)            |
| Cash and cash equivalents at beginning of period                  | 51,509             | 40,258             |
| Effect of exchange rate changes on cash and cash equivalents      | (131)              | (367)              |
| <b>Cash and cash equivalents at end of period</b>                 | <b>37,905</b>      | <b>35,190</b>      |

As at 30 June 2023, an amount of S\$2.6 million (30 June 2022: S\$2.1 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.

**C1. Cashflow Analysis**

Net cash used in operating activities was S\$2.6 million in 1H 2023 as compared to net cash generated from operating activities of S\$2.9 million in 1H 2022. This was mainly due to increase in trade and other receivables and inventories, partially offset by decrease in properties held for sale and increase in trade and other payables. The increase in trade and other receivables was mainly due to the increase in pledge book for the financial service business. The decrease in properties held for sale was mainly due to the settlements of units sold for Australia 108 development.

Net cash generated from investing activities of S\$3.6 million in 1H 2023 was largely attributable to the proceeds from disposal of investment properties in 1H 2023, partially offset by the net cash flow on acquisition of a subsidiary.

Net cash used in financing activities was S\$14.5 million in 1H 2023 as compared to S\$1.2 million in 1H 2022. This comprised principally the repayment of term loans, partially offset by the net increase in short-term bank borrowings.

As a result, cash and cash equivalent balances decreased to S\$37.9 million as at 30 June 2023 from S\$51.5 million as at 31 December 2022.

**D. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

|   | Attributable to owners of the Company |                            |                             |                           | Non-controlling interests<br>S\$'000 | Total<br>S\$'000 |
|---|---------------------------------------|----------------------------|-----------------------------|---------------------------|--------------------------------------|------------------|
|   | Share capital<br>S\$'000              | Treasury shares<br>S\$'000 | Revenue reserves<br>S\$'000 | Other reserves<br>S\$'000 |                                      |                  |
| <b>Group</b>  |                                       |                            |                             |                           |                                      |                  |
| 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 period, 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                        | -                                    | -                |
| <b>Balance as at 30 June 2023</b>   | <b>267,574</b>                        | <b>(2,303)</b>             | <b>79,879</b>               | <b>(51,785)</b>           | <b>89,034</b>                        | <b>382,399</b>   |
| <b>Balance as at 1 January 2022</b>   | <b>267,574</b>                        | <b>(1,482)</b>             | <b>117,464</b>              | <b>(30,828)</b>           | <b>84,802</b>                        | <b>437,530</b>   |
| (Loss)/profit for the period  | -                                     | -                          | (532)                       | -                         | 3,525                                | 2,993            |
| <u>Other comprehensive income</u>   |                                       |                            |                             |                           |                                      |                  |
| Net fair value changes on debt and equity instruments at FVOCI  | -                                     | -                          | -                           | (94)                      | (140)                                | (234)            |
| Foreign currency translation  | -                                     | -                          | -                           | (4,559)                   | (393)                                | (4,952)          |
| Share of other comprehensive income of associates   | -                                     | -                          | -                           | (1,962)                   | -                                    | (1,962)          |
| Other comprehensive income for the period, net of tax   | -                                     | -                          | -                           | (6,615)                   | (533)                                | (7,148)          |
| <u>Contributions by and distributions to owners</u>   |                                       |                            |                             |                           |                                      |                  |
| Dividend on ordinary shares   | -                                     | -                          | (5,415)                     | -                         | -                                    | (5,415)          |
| Dividend paid to non-controlling interests of subsidiaries - Cash dividends                             | -                                     | -                          | -                           | -                         | (2,664)                              | (2,664)          |
| Total contributions by and distributions to owners  | -                                     | -                          | (5,415)                     | -                         | (2,664)                              | (8,079)          |
| <u>Changes in ownership interests in subsidiaries</u>   |                                       |                            |                             |                           |                                      |                  |
| Changes in ownership interests in subsidiaries without a change in control                              | -                                     | -                          | -                           | (16)                      | (49)                                 | (65)             |
| Total changes in ownership interests in subsidiaries  | -                                     | -                          | -                           | (16)                      | (49)                                 | (65)             |
| <b>Balance as at 30 June 2022</b>   | <b>267,574</b>                        | <b>(1,482)</b>             | <b>111,517</b>              | <b>(37,459)</b>           | <b>85,081</b>                        | <b>425,231</b>   |



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

|   | Share capital<br>S\$'000 | Treasury shares<br>S\$'000 | Revenue reserves<br>S\$'000 | Other reserves<br>S\$'000 | Non-controlling interests<br>S\$'000 | Total<br>S\$'000 |
|---|--------------------------|----------------------------|-----------------------------|---------------------------|--------------------------------------|------------------|
| <b>Company</b>  |                          |                            |                             |                           |                                      |                  |
| 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)            |
| <b>Balance as at 30 June 2023</b>   | <b>267,574</b>           | <b>(2,303)</b>             | <b>144,131</b>              | <b>913</b>                | <b>-</b>                             | <b>410,315</b>   |
| Balance as at 1 January 2022  | 267,574                  | (1,482)                    | 60,062                      | 913                       | -                                    | 327,067          |
| Profit for the period, representing total comprehensive income for the period | -                        | -                          | 27,409                      | -                         | -                                    | 27,409           |
| <i>Contributions by and distributions to owners</i>                           |                          |                            |                             |                           |                                      |                  |
| Dividend on ordinary shares   | -                        | -                          | (5,415)                     | -                         | -                                    | (5,415)          |
| Total contributions by and distributions to owners                            | -                        | -                          | (5,415)                     | -                         | -                                    | (5,415)          |
| <b>Balance as at 30 June 2022</b>   | <b>267,574</b>           | <b>(1,482)</b>             | <b>82,056</b>               | <b>913</b>                | <b>-</b>                             | <b>349,061</b>   |

**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 2023 comprise of the Company and its subsidiaries (collectively, the "Group"). The principal activities of the Company are investment holding and provision of management 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 2023 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 2022.

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 2023. 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 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.

**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.

The comparative segmental disclosure for 1H 2022 had been restated to reflect the internal re-organisation of the Group's retail segment.

| 1H 2023  | Retail  | Financial Service | Real Estate | Others    | Elimination | Group     |
|--|---------|-------------------|-------------|-----------|-------------|-----------|
| Business Segment                                     | S\$'000 | S\$'000           | S\$'000     | S\$'000   | S\$'000     | S\$'000   |
| <b>Revenue</b>                                       | 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   |
| <b>Results :</b>                                     |         |                   |             |           |             |           |
| 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       |
| <b>Profit/(loss) from operations</b>                 | 13,094  | 16,083            | (13,433)    | 14,197    |             | 13,769    |
| Finance costs  | (2,845) | (7,655)           | (13,856)    | (13,173)  | 10,275      | (27,254)  |
| <b>Profit/(loss) from operations before taxation</b> | 10,249  | 8,428             | (27,289)    | 1,024     |             | (13,485)  |
| Tax (expenses)/credit                                | (2,081) | (1,197)           | 4,870       | (257)     |             | 1,335     |
| <b>Profit/(loss) for the period</b>                  | 8,168   | 7,231             | (22,419)    | 767       |             | (12,150)  |
| <b>Assets and liabilities</b>                        |         |                   |             |           |             |           |
| 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   |
| <b>Total assets</b>                                  | 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 |
| <b>Total liabilities</b>                             |         |                   |             |           |             | 1,224,154 |
| <b>Other segment information</b>                     |         |                   |             |           |             |           |
| 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     |

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

| 1H 2022 (Restated)                                   | Retail  | Financial Service | Real Estate | Others    | Elimination | Group     |
|--|---------|-------------------|-------------|-----------|-------------|-----------|
| Business Segment                                     | S\$'000 | S\$'000           | S\$'000     | S\$'000   | S\$'000     | S\$'000   |
| <b>Revenue</b>                                       | 192,472 | 26,004            | 33,577      | -         | -           | 252,053   |
| Inter-segment revenue                                | 22      | 19,748            | -           | -         | (19,770)    | -         |
|  | 192,494 | 45,752            | 33,577      | -         | (19,770)    | 252,053   |
| <b>Results :</b>                                     |         |                   |             |           |             |           |
| Segment result                                       | 16,544  | 10,435            | (1,498)     | 30,194    | (29,869)    | 25,806    |
| Unallocated expenses                                 | -       | -                 | -           | -         | -           | (133)     |
| Interest income                                      | 233     | -                 | 151         | 9,447     | (9,591)     | 240       |
| <b>Profit/(loss) from operations</b>                 | 16,777  | 10,435            | (1,347)     | 39,641    | -           | 25,913    |
| Finance costs  | (1,205) | (3,856)           | (10,894)    | (12,020)  | 9,591       | (18,384)  |
| <b>Profit/(loss) from operations before taxation</b> | 15,572  | 6,579             | (12,241)    | 27,621    | -           | 7,529     |
| Tax (expenses)/credit                                | (2,767) | (1,172)           | 128         | (725)     | -           | (4,536)   |
| <b>Profit/(loss) for the period</b>                  | 12,805  | 5,407             | (12,113)    | 26,896    | -           | 2,993     |
| <b>Assets and liabilities</b>                        |         |                   |             |           |             |           |
| Segment assets                                       | 298,371 | 427,566           | 705,816     | 1,001,908 | (932,485)   | 1,501,176 |
| Investment in joint ventures                         | 2,238   | -                 | -           | 1,513     | (3,026)     | 725       |
| Investment in associates                             | 17,693  | -                 | 7,730       | 95,543    | -           | 120,966   |
| <b>Total assets</b>                                  | 318,302 | 427,566           | 713,546     | 1,098,964 | -           | 1,622,867 |
| Segment liabilities                                  | 239,242 | 375,197           | 577,734     | 662,478   | (657,015)   | 1,197,636 |
| <b>Total liabilities</b>                             |         |                   |             |           |             | 1,197,636 |
| <b>Other segment information</b>                     |         |                   |             |           |             |           |
| Depreciation and amortisation                        | 9,323   | 5,725             | 113         | 1,661     | -           | 16,822    |
| Share of result from associates                      | 651     | -                 | (43)        | (512)     | -           | 96        |
| Share of result from joint venture                   | 54      | -                 | -           | 47        | (94)        | 7         |
| Capital expenditure                                  | 7,166   | 403               | 2,621       | 221       | -           | 10,411    |
| Other significant non-cash (income)/expenses         | (1,403) | (156)             | (1,538)     | 155       | -           | (2,942)   |

**E5. Disaggregation of Revenue**

| Segments  | Group              |                    |
|---|--------------------|--------------------|
|   | 1H 2023<br>S\$'000 | 1H 2022<br>S\$'000 |
| <b>Major product or service lines</b>                                     |                    |                    |
| Interest income from pawnbroking services                                 | 29,442             | 24,392             |
| Interest income from secured lending                                      | 301                | 1,612              |
| Sale of unredeemed articles - recognised at point in time                 | 1,958              | -                  |
| Sale of jewellery and branded merchandise - recognised at a point in time | 213,095            | 192,472            |
| Sale of development properties - recognised at a point in time            | 37,024             | 33,058             |
| Room revenue - recognised over time                                       | 1,360              | 519                |
|   | 283,180            | 252,053            |
| <b>Geographical information</b>   |                    |                    |
| Singapore   | 218,142            | 191,736            |
| Australia   | 31,163             | 36,579             |
| Malaysia  | 15,607             | 3,738              |
| Greater China   | 3,029              | 3,590              |
| Europe  | 15,239             | 16,410             |
|   | 283,180            | 252,053            |

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

**E6. Related Party Transactions**

|  | Group              |                    |
|--|--------------------|--------------------|
|  | 1H 2023<br>S\$'000 | 1H 2022<br>S\$'000 |
| <b>Related party transactions</b>          |                    |                    |
| Goods purchased from an affiliated company | -                  | 548                |
| Rental received from an associate          | 78                 | 88                 |
| Marketing income paid to an associate      | 72                 | 126                |
| Management fee received from an associate  | 244                | 244                |
| Sales of goods to an associate             | 3,762              | 4,486              |
|  |                    |                    |

**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 2023 and 31 December 2022:

|   | Group                                     |   |                  | Company                                   |   |                  |
|---|---|---|------------------|---|---|------------------|
|   | Carrying Amount                           |   |                  | Carrying Amount                           |   |                  |
|   | Assets at<br>amortised<br>cost<br>S\$'000 | Liabilities<br>at<br>amortised<br>cost<br>S\$'000 | Total<br>S\$'000 | Assets at<br>amortised<br>cost<br>S\$'000 | Liabilities<br>at<br>amortised<br>cost<br>S\$'000 | Total<br>S\$'000 |
| <b>30 June 2023</b>                                     |   |   |                  |   |   |                  |
| <b>Financial assets not measured at fair value</b>      |   |   |                  |   |   |                  |
| Trade and other receivables*                            | 449,372                                   | -   | 449,372          | 36  | -   | 36               |
| Due from subsidiaries (non-trade)                       | -   | -   | -                | 166,425                                   | -   | 166,425          |
| Due from associates                                     | 2,605                                     | -   | 2,605            | 108                                       | -   | 108              |
| Cash and bank balances                                  | 40,477                                    | -   | 40,477           | 287                                       | -   | 287              |
|   | 492,454                                   | -   | 492,454          | 166,856                                   | -   | 166,856          |
| <b>Financial liabilities not measured at fair value</b> |   |   |                  |   |   |                  |
| Trade and other payables**                              | -   | 119,031   | 119,031          | -   | 20,514  | 20,514           |
| Due to immediate holding company (non-trade)            | -   | 1,200   | 1,200            | -   | 1,200   | 1,200            |
| Due to subsidiaries (non-trade)                         | -   | -   | -                | -   | 34,433  | 34,433           |
| Due to an associate (non-trade)                         | -   | -   | -                | -   | -   | -                |
| Interest-bearing loans and borrowings                   | -   | 716,492   | 716,492          | -   | 7,600   | 7,600            |
| Medium-term notes                                       | -   | 253,305   | 253,305          | -   | 49,700  | 49,700           |
|   | -   | 1,090,028   | 1,090,028        | -   | 113,447   | 113,447          |
|   |   |   |                  |   |   |                  |

**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<br>amortised<br>cost<br>S\$'000 | Liabilities<br>at<br>amortised<br>cost<br>S\$'000 | Total<br>S\$'000 | Assets at<br>amortised<br>cost<br>S\$'000 | Liabilities<br>at<br>amortised<br>cost<br>S\$'000 | Total<br>S\$'000 |
| <b>31 December 2022</b>                                 |   |   |                  |   |   |                  |
| <b>Financial assets not measured at fair value</b>      |   |   |                  |   |   |                  |
| Trade and other receivables*                            | 399,047                                   | -   | 399,047          | 49  | -   | 49               |
| Due from subsidiaries (non-trade)                       | -   | -   | -                | 162,182                                   | -   | 162,182          |
| Due from associates                                     | 2,279                                     | -   | 2,279            | 5   | -   | 5                |
| Cash and bank balances                                  | 53,521                                    | -   | 53,521           | 3,358                                     | -   | 3,358            |
|   | 454,847                                   | -   | 454,847          | 165,594                                   | -   | 165,594          |
| <b>Financial liabilities not measured at fair value</b> |   |   |                  |   |   |                  |
| Trade and other payables**                              | -   | 101,968   | 101,968          | -   | 20,468  | 20,468           |
| Due to immediate holding company (non-trade)            | -   | 1,650   | 1,650            | -   | 1,650   | 1,650            |
| Due to subsidiaries (non-trade)                         | -   | -   | -                | -   | 35,495  | 35,495           |
| Due to an associate (non-trade)                         | -   | 117   | 117              | -   | -   | -                |
| Interest-bearing loans and borrowings                   | -   | 717,587   | 717,587          | -   | 8,100   | 8,100            |
| Medium-term notes                                       | -   | 253,468   | 253,468          | -   | 50,000  | 50,000           |
|   | -   | 1,074,790   | 1,074,790        | -   | 115,713   | 115,713          |

\* 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 payable

**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 2023<br>S\$'000 | 1H 2022<br>S\$'000 |
| <b>Current income tax</b>                         |                    |                    |
| Current income taxation                           | 3,532              | 3,539              |
| Under provision in respect of previous years      | 215                | 222                |
| Withholding tax                                   | (2,193)            | 27                 |
| <b>Deferred income tax</b>                        |                    |                    |
| Origination and reversal of temporary differences | (2,835)            | 1,172              |
| Over provision in respect of previous years       | (54)               | (424)              |
|   | (1,335)            | 4,536              |

**E9. Dividends**

|   | Group              |                    |
|---|--------------------|--------------------|
|   | 1H 2023<br>S\$'000 | 1H 2022<br>S\$'000 |
| <b>Ordinary dividends declared:</b>               |                    |                    |
| Final exempt 2021 dividend of 0.25 cent per share | -                  | 5,415              |
|   | -                  | 5,415              |

**E10. Net Asset Value**

|   | Group     |           | Company   |           |
|---|-----------|-----------|-----------|-----------|
|   | 30-Jun-23 | 31-Dec-22 | 30-Jun-23 | 31-Dec-22 |
| Net asset value per ordinary share (in cents)                         | 13.61     | 14.43     | 19.03     | 18.82     |
| Number of ordinary shares in issue (excluding treasury shares) ('000) | 2,155,839 | 2,163,438 | 2,155,839 | 2,163,438 |

**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-23<br>S\$'000 | 31-Dec-22<br>S\$'000 |
| <b>At FVOCI</b>                                  |                      |                      |
| Equity securities (quoted)                       |                      |                      |
| - Lippo Malls Indonesia Retail Trust             | 485                  | 1,302                |
| Equity securities (unquoted)                     |                      |                      |
| - Trinity House UK Commercial Property Fund 1 IC | 3,406                | 3,528                |
| - Others   | 2,072                | 2,277                |
|  | 5,963                | 7,107                |

**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<br>30-Jun-2023   |  |  |                  |
|---|--|--|--|------------------|
|   | Quoted prices in active<br>markets for identical<br>assets<br>(Level 1)<br>S\$'000 | Significant observable<br>inputs other than quoted<br>prices<br>(Level 2)<br>S\$'000 | Significant unobservable<br>inputs<br>(Level 3)<br>S\$'000 | Total<br>S\$'000 |
| <b>Assets measured at fair value</b>                  |  |  |  |                  |
| <b>Financial assets</b>                               |  |  |  |                  |
| <u>At FVOCI</u>                                       |  |  |  |                  |
| - Debt securities (quoted)                            | 570  | -  | -  | 570              |
| - Equity securities (quoted)                          | 485  | -  | -  | 485              |
| - Equity securities (unquoted)                        | -  | -  | 5,478  | 5,478            |
| <u>At fair value through profit and loss ("FVPL")</u> |  |  |  |                  |
| - Equity securities (quoted)                          | 92   | -  | -  | 92               |
| - Equity securities (unquoted)                        | -  | -  | 31   | 31               |
| - Derivatives   | -  | 680  | -  | 680              |
|   | 1,147  | 680  | 5,509  | 7,336            |
| <b>Financial liabilities</b>                          |  |  |  |                  |
| <u>At FVPL</u>  |  |  |  |                  |
| - Derivatives   | -  | (185)  | -  | (185)            |
| <b>Assets measured at fair value</b>                  |  |  |  |                  |
| <b>Non-financial assets</b>                           |  |  |  |                  |
| <u>Investment properties</u>                          |  |  |  |                  |
| - Singapore   | -  | -  | 63,310   | 63,310           |
| - Malaysia  | -  | -  | 14,753   | 14,753           |
| - Australia   | -  | -  | 44,689   | 44,689           |
|   | -  | -  | 122,752  | 122,752          |

**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<br>31-Dec-22   |  |  |                  |
|--------------------------------------|--|--|--|------------------|
|                                      | Quoted prices in active<br>markets for identical<br>assets<br>(Level 1)<br>S\$'000 | Significant observable<br>inputs other than quoted<br>prices<br>(Level 2)<br>S\$'000 | Significant unobservable<br>inputs<br>(Level 3)<br>S\$'000 | Total<br>S\$'000 |
| <b>Assets measured at fair value</b> |  |  |  |                  |
| <b>Financial assets</b>              |  |  |  |                  |
| <u>At FVOCI</u>                      |  |  |  |                  |
| - Debt securities (quoted)           | 573  | -  | -  | 573              |
| - Equity securities (quoted)         | 1,302  | -  | -  | 1,302            |
| - Equity securities (unquoted)       | -  | -  | 5,805  | 5,805            |
| <u>At FVPL</u>                       |  |  |  |                  |
| - Equity securities (quoted)         | 92   | -  | -  | 92               |
| - Equity securities (unquoted)       | -  | -  | 31   | 31               |
| - Derivatives                        | -  | 754  | -  | 754              |
|                                      | 1,967  | 754  | 5,836  | 8,557            |
| <b>Financial liabilities</b>         |  |  |  |                  |
| <u>At FVPL</u>                       |  |  |  |                  |
| - Derivatives                        | -  | (1,525)  | -  | (1,525)          |
| <b>Assets measured at fair value</b> |  |  |  |                  |
| <b>Non-financial assets</b>          |  |  |  |                  |
| <u>Investment properties</u>         |  |  |  |                  |
| - Singapore                          | -  | -  | 63,310   | 63,310           |
| - Malaysia                           | -  | -  | 15,456   | 15,456           |
| - Australia                          | -  | -  | 63,696   | 63,696           |
|                                      | -  | -  | 142,462  | 142,462          |

**E12. Intangible assets**

During the six months ended 30 June 2023, the Group acquired intangible assets amounted to S\$673,000 (six months ended 30 June 2022: S\$668,000).

**E13. Property, Plant and Equipment**

During the six months ended 30 June 2023, the Group acquired property, plant and equipment amounted to S\$3,391,000 (six months ended 30 June 2022: S\$10,411,000).

**E14. Investment Properties**

The investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. 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 2023, there was no acquisition of investment properties. The disposal of investment properties amounted to S\$17,996,000 in the six months period ended 30 June 2023 (30 June 2022: S\$2,993,000).

**E14.1 Valuation**

Investment properties that are stated at fair value 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 value of the properties as at 30 June 2023. However, the Management had taken into consideration those underlying factors that would have impacts to the fair value 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 2023 |                      | As at 31 December 2022 |                      |
|--------------------|----------------------|------------------------|----------------------|
| Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000     | Unsecured<br>S\$'000 |
| 552,590            | 75,000               | 546,708                | -                    |

Amount repayable after one year

| As at 30 June 2023 |                      | As at 31 December 2022 |                      |
|--------------------|----------------------|------------------------|----------------------|
| Secured<br>S\$'000 | Unsecured<br>S\$'000 | Secured<br>S\$'000     | Unsecured<br>S\$'000 |
| 163,902            | 178,305              | 170,879                | 253,468              |

**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<br>'000 | S\$<br>'000    |
| <b>Issued and fully paid share capital (excluding treasury shares)</b> |                       |                |
| Balance at 1 January 2023  | 2,163,438             | 265,870        |
| Share buyback <sup>Note 1</sup>  | (7,599)               | (599)          |
| <b>Balance at 30 June 2023</b>   | <b>2,155,839</b>      | <b>265,271</b> |

Note 1 - From January to April 2023, the Company purchased an aggregate of 7,599,100 shares, which are held as treasury shares.

**E17. Changes in Treasury Shares**

|                                | Company               |              |
|--------------------------------|-----------------------|--------------|
|                                | No. of shares<br>'000 | S\$<br>'000  |
| Balance at 1 January 2023      | 8,140                 | 1,704        |
| Share buyback                  | 7,599                 | 599          |
| <b>Balance at 30 June 2023</b> | <b>15,739</b>         | <b>2,303</b> |

**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 2022 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 2023 was previously provided.

**F4. Earnings per Share**

|   | Group     |           |
|---|-----------|-----------|
|   | 1H 2023   | 1H 2022   |
| i) Basic earnings per share (cents)                                   | (0.69)    | (0.02)    |
| ii) Diluted earnings per share (cents)                                | (0.69)    | (0.02)    |
| -Weighted average number of shares (excluding treasury shares) ('000) | 2,159,120 | 2,166,194 |

**F5. Review of Corporate Performance**

In 1H 2023, the Group registered strong growth with a 12.3% increase in revenue to S\$283.2 million as compared to S\$252.1 million in 1H2022. All three core businesses recorded revenue growth, led by the Retail Business registering a 10.7% increase in revenue to S\$213.1 million in 1H 2023 from S\$192.5 million in 1H 2022.

Revenue from the Financial Service Business increased by S\$5.7 million or 21.9% to S\$31.7 million in 1H 2023 driven predominantly by higher interest income from its growing Singapore pledge book, complemented by interest income from its newly acquired subsidiary in Malaysia.

Revenue from the Real Estate Business increased by S\$4.8 million or 14.3% to S\$38.4 million in 1H 2023 as compared to S\$33.6 million in 1H 2022. The increase was mainly due to the sale of a property in Malaysia, while the Australia 108 development in Australia continued to contribute to the bulk of the revenue in 1H 2023.

In 1H 2023, the Group recorded higher sales and marketing costs, incurred higher interest expense and foreign exchange loss from its overseas businesses.

The Group recorded a pre-tax loss of S\$13.5 million in 1H 2023 as compared to a pre-tax profit of S\$7.5 million in 1H 2022 mainly due to the higher pre-tax loss recorded by the Real Estate Business.

Pre-tax profit from the Financial Service Business increased significantly by 28.1% to S\$8.4 million in 1H 2023. The higher pre-tax profit was primarily attributable to its Singapore pawnbroking business. This was achieved despite enduring multiple interest rate hikes since March 2022.

The Retail Business recorded a lower pre-tax profit of S\$10.2 million in 1H 2023 as compared to S\$15.6 million in 1H 2022. The lower pre-tax profit for the Retail Business was mainly due to higher operating expenses and finance costs.

The pre-tax loss for the Real Estate Business increased to S\$27.3 million in 1H 2023 from S\$12.2 million in 1H 2022. This was primarily driven by several factors, including a reduction in gross profit, substantial forex losses arising from loans extended to the Group's Malaysian subsidiaries, losses incurred on a bulk sale of tenanted apartments in the Australia 108 development, increased selling cost and higher interest expense. Despite reducing the Group's outstanding loans, the elevated interest rate has resulted in higher interest expense.

Excluding the foreign exchange loss of S\$6.4 million and the non-recurring loss of S\$2.2 million arising from the bulk sale of tenanted apartments, the Group's 1H 2023's pre-tax loss would have been S\$4.9 million.

The share of results from associates and a joint venture in 1H 2023 increased by S\$1.0 million to S\$1.1 million, mainly attributable to higher profit contributions from both the bullion and hospitality businesses.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONTINUED)****F6. Business Outlook**

The outlook for 2H 2023 remains uncertain in the countries where the Group conducts its business given the global uncertainties, high inflation, elevated interest rates and volatile currency movements. Having successfully consolidated its Singapore retail business under Aspial Lifestyle Limited in FY2022, the Group remains steadfast on its plans to pursue new business opportunities, optimize its resources, and enhance the effectiveness and efficiency of its existing operations this year. The Group's strategy of transforming and consolidating its businesses will allow it to achieve better outcomes and position itself for long-term success.

**Retail Business**

The Group expects its Retail Business to perform reasonably well in 2H 2023 in view of the pre-GST hike and year-end festive buying. The Group plans to build on its successes by leveraging its strong branding, extensive store network, innovation capabilities and employee training initiatives to further enhance the effectiveness and efficiency of its Retail Business.

**Financial Service Business**

The pawnbroking business continues to see healthy growth as demand for short-term loans rises with increased economic activities. With the acquisition of Maxion Holding Sdn Bhd in Malaysia, the Group expects its Malaysia pawnbroking operations to contribute positively to the Group's results in FY2023.

**AF Global Limited**

Most of the Group's hospitality assets have shown improvement in 1H 2023, achieving higher sales, occupancy and profitability. The trend is expected to continue for the rest of the year driven by the recovery in business and leisure travel. The Group will be working closely with its appointed hotel operators to capture pent-up demand, optimise rates and occupancy, manage operational costs and efficiency.

**Real Estate Business**

In Singapore, the Group intends to accelerate its efforts in the marketing of the commercial units in its portfolio for sale.

As at end of July 2023, Core Logic reported that Australian residential property prices increased by 4.1% since finding its low in February 2023, marking a fifth consecutive month of housing value recovery. Melbourne, in particular, recorded a rise of 2% in the 3 months to July 2023 and is expected to hold these gains and according to Westpac's forecast (7 August 2023's Bulletin), it will end the year 2023 with at least a 4% increase.

The momentum for price gains looks to be mainly coming from a sharp acceleration in migration inflows (which is forecast to be 400,000 in 2022-2023) and an associated tightening in rental markets due to a lack of supply (pushing vacancy rates to sub-1%) and all against a backdrop of low levels of 'on-market' supply.

The turnaround in price growth has been strongest for markets where population growth has seen the sharpest pick-up (Sydney and Melbourne). The RBA held the interest rate at 4.1% for two consecutive months to August 2023 providing further support to demand for residential property.

In 1H 2023, the Group saw increased traction in the sale of its remaining apartments in the Australia 108 development. The Group sold a total of 88 units (including 43 tenanted units in a bulk sale) and received net sales proceeds of S\$42.0 million in the period from 1 January to 31 July 2023.

As at 31 July 2023, the Group has contracted sales of 20 apartments at Australia 108 for about S\$15.7 million. Demand for apartments at Australia 108 is expected to remain robust for 2H 2023.

In Malaysia, the Group opened its first "Citadines Connect" hotel in Georgetown, Penang in December 2022. The Group expects to complete the construction of 3 more hotels with a total of 198 keys in 2H 2023 which will also be operated by The Ascott Limited under the "Citadines Connect" brand.

The Group expects its Real Estate Business' performance (excluding forex and revaluation gain/loss) to improve in 2H 2023 due to several factors such as better margins for apartment sales, higher revenue for its hotel business and lower interest expense.

**Group Debt and Cashflow**

The Group has improved its debt and cash position in the first seven months of 2023.

During the period from January to July 2023, the Group received net sales proceeds of S\$77.5 million and generated net cash (after loan payments) of \$37.5 million from the sale of apartments at Australia 108 development, the sale of the Margaret Street site in Brisbane and a site in Georgetown, Penang. The sale of these properties will further contribute to reducing holding costs and lowering interest expense for the Real Estate Business in 2H 2023.

As at 31 July 2023, the Group's overseas property assets has a total value of S\$406.2 million with an outstanding loan of S\$140.1 million and a low loan-to-value ratio of 34.5%. The Group will be able to generate a net positive cashflow through the sale of these properties or refinancing them in future.

**F. OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2 (CONTINUED)****F6. Business Outlook (Continued)****Group Debt and Cashflow (Continued)**

To further improve the Group's equity and debt positions, subject to shareholders' approval, the Group intends to offer to the holders of the existing 3 series of notes to exchange any or all of their notes for a like principal amount of perpetual securities.

The rationale for the exchange is to refinance the existing notes, minimise costs associated with the refinancing and improve leverage ratio. The perpetual securities is likely to be classified as equity like instrument in the Group's financial statements.

In conclusion, the ongoing initiatives as outlined above, including the successful property sales and the forthcoming proposed exchange offer, are poised to enhance the Group's debt-to-equity and cashflow position.

This strategic progression also signifies a strengthened ability to drive future growth opportunities and ultimately augment shareholder value.

**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 2023 to be false or misleading in any material respect.

On behalf of the Board of Directors,

Koh Wee Seng  
CEO

Koh Lee Hwee  
Director

14 August 2023