



**SINGAPORE LAND
GROUP LIMITED**

SINGAPORE LAND GROUP LIMITED
(Incorporated in Singapore. Registration Number 196300181E)
AND ITS SUBSIDIARIES

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2021**

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SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT

For the half year ended 30 June 2021

	Note	First Half Ended 30 June		
		2021 S\$'000	2020 S\$'000	Change %
Revenue	5	292,280	335,380	(13)
Cost of sales		(195,314)	(227,275)	14
Gross profit		96,966	108,105	(10)
Other income				
- Interest income	5	4,492	5,409	(17)
- Miscellaneous income	5	4,570	13,331	(66)
Expenses				
- Selling and distribution	6	(9,630)	(11,841)	19
- Administrative	6	(14,551)	(14,838)	2
- Finance	6	(4,671)	(6,110)	24
- Other operating				
- (Impairment loss)/Reversal of impairment loss on financial assets		(1,116)	29	n.m.
- Others	6	(24)	(1,365)	98
Share of results of associates	7	11,019	10,793	2
Share of results of joint ventures	8	13,135	(5,667)	n.m.
Profit before fair value gains/(losses)		100,190	97,846	2
Fair value gain/(loss) on subsidiaries' investment properties		2,438	(125,016)	n.m.
Profit/(Loss) before income tax	6	102,628	(27,170)	n.m.
Income tax expense	9	(14,020)	(17,658)	21
Net profit/(loss)		88,608	(44,828)	n.m.
Attributable to:				
Equity holders of the Company ("PATMI")		92,198	(34,262)	n.m.
Non-controlling interests ("NCI")	10	(3,590)	(10,566)	66
		88,608	(44,828)	n.m.

Net profit/(loss) attributable to equity holders of the Company ("PATMI") can be analysed as follows:

PATMI before fair value gains/(losses)	89,576	83,575	7
Fair value gain/(loss) on subsidiaries' investment properties, net of NCI	2,622	(117,837)	n.m.
PATMI	92,198	(34,262)	n.m.

n.m.: not meaningful

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 30 June 2021

	First Half Ended 30 June		
	2021	2020	Change
Note	S\$'000	S\$'000	%
Net profit/(loss)	88,608	(44,828)	n.m.
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to income statement:			
- Currency translation differences arising from consolidation of foreign operations	12(a) 7,427	2,520	195
- Share of other comprehensive loss of joint venture	-	(29)	100
- Cash flow hedges - Fair value gains/(losses)	1,349	(2,090)	n.m.
	8,776	401	2,089
Items that will not be reclassified subsequently to income statement:			
- Financial assets at fair value through other comprehensive income ("FVOCI") - Fair value gains	12(b) 26,398	-	n.m.
- Currency translation differences arising from consolidation of foreign operations	12(a) 426	303	41
	26,824	303	8,753
Other comprehensive income, net of tax	35,600	704	4,957
Total comprehensive income/(loss)	124,208	(44,124)	n.m.
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	127,288	(33,861)	n.m.
Non-controlling interests	(3,080)	(10,263)	70
	124,208	(44,124)	n.m.

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION – GROUP AND COMPANY

As at 30 June 2021

	Note	The Group		The Company	
		30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Non-current assets					
Other receivables	13	569,661	451,541	-	-
Financial assets at fair value through other comprehensive income	14	19,109	30,635	-	-
Investment in associates		576,037	568,865	-	-
Investment in joint ventures		112,683	110,428	-	-
Investment in subsidiaries		-	-	1,227,084	1,227,084
Investment properties	15	6,269,252	6,242,360	-	-
Property, plant and equipment		1,110,052	1,109,042	3,865	3,915
Goodwill		46,587	46,587	-	-
Deferred income tax assets		1,528	1,599	-	-
		<u>8,704,909</u>	<u>8,561,057</u>	<u>1,230,949</u>	<u>1,230,999</u>
Current assets					
Cash and cash equivalents		155,303	181,053	2,200	2,036
Properties held for sale		112,562	120,739	-	-
Derivative financial instruments		34	-	-	-
Trade and other receivables	16	128,846	83,077	1,726,909	1,756,218
Inventories		2,818	817	-	-
		<u>399,563</u>	<u>385,686</u>	<u>1,729,109</u>	<u>1,758,254</u>
Total assets		<u>9,104,472</u>	<u>8,946,743</u>	<u>2,960,058</u>	<u>2,989,253</u>
LIABILITIES					
Current liabilities					
Trade and other payables		166,463	167,674	543,581	544,149
Derivative financial instruments		1,074	2,530	975	2,324
Current income tax liabilities		35,568	56,555	-	17
Lease liabilities and trade financing		21,061	16,162	1,094	1,094
Bank borrowings	17	428,257	337,913	329,981	304,978
		<u>652,423</u>	<u>580,834</u>	<u>875,631</u>	<u>852,562</u>
Non-current liabilities					
Trade and other payables		46,816	53,126	1,624	1,624
Lease liabilities and trade financing		24,299	22,706	2,189	2,189
Bank borrowings	17	169,645	149,533	149,100	149,533
Derivative financial instruments		50	115	-	-
Deferred income tax liabilities		141,645	142,930	-	-
		<u>382,455</u>	<u>368,410</u>	<u>152,913</u>	<u>153,346</u>
Total liabilities		<u>1,034,878</u>	<u>949,244</u>	<u>1,028,544</u>	<u>1,005,908</u>
NET ASSETS		<u>8,069,594</u>	<u>7,997,499</u>	<u>1,931,514</u>	<u>1,983,345</u>
EQUITY					
Capital & reserves attributable to equity holders of the Company					
Share capital	18	1,565,688	1,565,688	1,565,688	1,565,688
Retained earnings		5,765,165	5,685,564	359,894	413,143
Reserves	19	85,324	87,711	5,932	4,514
		<u>7,416,177</u>	<u>7,338,963</u>	<u>1,931,514</u>	<u>1,983,345</u>
Non-controlling interests		653,417	658,536	-	-
TOTAL EQUITY		<u>8,069,594</u>	<u>7,997,499</u>	<u>1,931,514</u>	<u>1,983,345</u>

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 30 June 2021

The Group

	Attributable to equity holders of the Company				Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Asset revaluation reserve	Other reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2021							
Balance at 1 January 2021	1,565,688	5,685,564	58,933	28,778	7,338,963	658,536	7,997,499
Net profit/(loss)	-	92,198	-	-	92,198	(3,590)	88,608
Other comprehensive income	-	-	-	35,090	35,090	510	35,600
Total comprehensive income/(loss)	-	92,198	-	35,090	127,288	(3,080)	124,208
Employee share option scheme							
- value of employee services	-	-	-	69	69	-	69
Dividends paid in cash	-	(50,143)	-	-	(50,143)	(2,039)	(52,182)
Total transactions with owners, recognised directly in equity	-	(50,143)	-	69	(50,074)	(2,039)	(52,113)
Transfer upon disposal of financial asset at fair value through other comprehensive income	-	37,546	-	(37,546)	-	-	-
Balance at 30 June 2021	1,565,688	5,765,165	58,933	26,391	7,416,177	653,417	8,069,594
2020							
Balance at 1 January 2020	1,565,485	5,652,637	58,933	22,694	7,299,749	673,075	7,972,824
Net loss	-	(34,262)	-	-	(34,262)	(10,566)	(44,828)
Other comprehensive income	-	-	-	401	401	303	704
Total comprehensive income/(loss)	-	(34,262)	-	401	(33,861)	(10,263)	(44,124)
Employee share option scheme							
- value of employee services	-	-	-	134	134	-	134
- proceeds from shares issued	203	-	-	-	203	-	203
Dividends payable/paid	-	(57,307)	-	-	(57,307)	(4,079)	(61,386)
Total transactions with owners, recognised directly in equity	203	(57,307)	-	134	(56,970)	(4,079)	(61,049)
Balance at 30 June 2020	1,565,688	5,561,068	58,933	23,229	7,208,918	658,733	7,867,651

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY – COMPANY

For the half year ended 30 June 2021

The Company

	Share capital S\$'000	Retained earnings S\$'000	Share option reserve S\$'000	Hedging reserve S\$'000	Total equity S\$'000
2021					
Balance at 1 January 2021	1,565,688	413,143	6,838	(2,324)	1,983,345
Net loss	-	(3,106)	-	-	(3,106)
Other comprehensive income	-	-	-	1,349	1,349
Total comprehensive income/(loss)	-	(3,106)	-	1,349	(1,757)
Employee share option scheme - value of employee services	-	-	69	-	69
Dividends paid in cash	-	(50,143)	-	-	(50,143)
Total transactions with owners, recognised directly in equity	-	(50,143)	69	-	(50,074)
Balance at 30 June 2021	1,565,688	359,894	6,907	(975)	1,931,514
2020					
Balance at 1 January 2020	1,565,485	409,495	6,829	(1,670)	1,980,139
Net loss	-	(2,955)	-	-	(2,955)
Other comprehensive loss	-	-	-	(2,090)	(2,090)
Total comprehensive loss	-	(2,955)	-	(2,090)	(5,045)
Employee share option scheme - value of employee services	-	-	134	-	134
- proceeds from shares issued	203	-	-	-	203
Dividends payable/paid	-	(57,307)	-	-	(57,307)
Total transactions with owners, recognised directly in equity	203	(57,307)	134	-	(56,970)
Balance at 30 June 2020	1,565,688	349,233	6,963	(3,760)	1,918,124

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 30 June 2021

	Note	First Half Ended 30 June	
		2021 S\$'000	2020 S\$'000
Cash flows from operating activities			
Profit/(Loss) before income tax		102,628	(27,170)
Adjustments for:			
Depreciation of property, plant and equipment		20,232	28,922
Impairment loss on financial assets		1,116	(29)
Employee share option expense		69	134
Property, plant and equipment written-off and net loss on disposals		76	582
Share of results of associates		(11,019)	(10,793)
Share of results of joint ventures		(13,135)	5,667
Fair value (gain)/loss on investment properties		(2,438)	125,016
Fair value loss/(gain) on derivative financial instruments		74	(424)
Interest income		(4,492)	(5,409)
Interest expense		4,671	6,110
Unrealised currency translation difference		(2,264)	2,308
		<u>95,518</u>	<u>124,914</u>
Change in working capital:			
Properties held for sale	22(a)	8,177	19,382
Derivative financial instruments		(275)	335
Inventories		(2,001)	(670)
Trade and other receivables		(9,986)	(30,315)
Trade and other payables		(7,534)	(21,106)
Cash generated from operations		<u>83,899</u>	<u>92,540</u>
Interest paid		(3,858)	(5,978)
Income tax paid	22(b)	(36,247)	(7,779)
Net cash provided by operating activities		<u>43,794</u>	<u>78,783</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	22(c)	(20,217)	(7,892)
Upgrading of investment properties	22(d)	(24,452)	(2,173)
Loans to associates	22(e)	(27,033)	(36,536)
Loans to a joint venture	22(e)	(85,300)	(3,800)
Investment in an associate		(1,200)	(800)
Dividends received from an associate		10,000	-
Dividends received from a joint venture		13,000	-
Interest received		825	1,174
Net cash used in investing activities		<u>(134,377)</u>	<u>(50,027)</u>
Cash flows from financing activities			
Proceeds from/(Repayment of) borrowings	22(f)	111,921	(44,629)
Expenditure relating to bank borrowings		(900)	-
Principal payment of lease liabilities		(294)	(265)
Proceeds from trade financing		6,659	6,054
Interest paid for lease liabilities and trade financing		(371)	-
Proceeds from issuance of shares		-	203
Dividends paid to equity holders of the Company		(50,143)	-
Dividends paid to non-controlling interests		(2,039)	(4,079)
Net cash from/(used in) financing activities		<u>64,833</u>	<u>(42,716)</u>
Net decrease in cash and cash equivalents		<u>(25,750)</u>	<u>(13,960)</u>
Cash and cash equivalents at beginning of the financial period		<u>178,553</u>	<u>178,606</u>
Cash and cash equivalents at end of the financial period	22(g)	<u>152,803</u>	<u>164,646</u>

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

1. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 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 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.

The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2. New and amended standards adopted by the Group

The Group adopted the standards, amendments and interpretations to existing standards that are mandatory for application for the financial period beginning 1 January 2021 or from their effective date, if later. The following amended financial reporting standards are relevant to the Group:

- Amendments to SFRS(I) 9 Financial Instruments and SFRS(I) 7 Financial Instruments: Interest Rate Benchmark Reform – Phase 2

The adoption of the above amendments did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

3. Key accounting estimates, assumptions and judgements

In preparing the condensed interim financial statements, management has made estimates, assumptions and judgements 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.

Estimates, assumptions and judgements are continually evaluated 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.

The estimates, assumptions and judgements were the same as those applied to the consolidated financial statements for the year ended 31 December 2020, as follows:

- Fair values of investment properties
- Impairment testing of goodwill
- Revenue recognition of technology operations
- Impairment of trade receivables
- Allowance for foreseeable losses of properties held for sale
- Fair value of unquoted financial assets, at FVOCI

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

3. Key accounting estimates, assumptions and judgements (continued)

Information about assumptions and estimation uncertainties that have the most significant risk of resulting in material adjustment within the next interim period is as follows:

Fair values of investment properties

The Group carries its investment properties at fair value with changes in fair value being recognised in the income statement. In determining fair values, the valuers have used valuation techniques which involve certain estimates. The key assumptions to determine the fair value of investment properties include market-corroborated capitalisation rate, adopted value per square feet and estimated rental rates.

The majority of valuation reports as at 30 June 2021 contain a 'material valuation uncertainty' clause as valuers continue to be faced with an unprecedented set of circumstances caused by the Coronavirus Disease 2019 ("COVID-19") pandemic and an absence of relevant/sufficient market evidence on which to base their judgement. This clause does not invalidate the valuations but implies that there is substantially more uncertainty than under normal market conditions.

Management has assessed that the valuation methods and estimates are reflective of current market conditions.

4. Seasonal Operations

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

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

5. Revenue, Interest income and Miscellaneous income

	First Half Ended 30 June		
	2021 S\$'000	2020 S\$'000	Change %
<u>Revenue from contracts with customers under SFRS(I) 15</u>			
Revenue from property trading			
- recognised at a point in time	12,230	36,031	(66)
Revenue from hotel operations			
- recognised at a point in time	15,922	16,249	(2)
- recognised over time	18,838	29,389	(36)
Revenue from technology operations			
- recognised at a point in time	103,779	113,226	(8)
- recognised over time	4,106	5,055	(19)
Revenue from marketing and management services			
- recognised over time	1,717	960	79
	156,592	200,910	(22)
<u>Other revenue</u>			
Revenue from property investments	135,688	134,470	1
Total revenue	292,280	335,380	(13)
<u>Interest income from financial assets measured at amortised cost</u>			
Deposit with financial institutions	790	1,128	(30)
Loans to associates	2,148	2,521	(15)
Loans to joint ventures	1,482	1,701	(13)
Others	72	59	22
Total interest income	4,492	5,409	(17)
<u>Miscellaneous income, including government grants</u>			
Government grant income - COVID-19 related	5,031	14,275	(65)
Less: Government grant expense - COVID-19 related rent concession given to tenants	(1,496)	(3,799)	61
Net government grants and assistance - COVID-19 related #	3,535	10,476	(66)
Others	1,035	2,855	(64)
Total miscellaneous income	4,570	13,331	(66)

Included in the net COVID-19 related government grants and assistance are amounts received during the year under the Job Support Schemes by the Singapore government and Singapore property tax rebates and cash grants excluding those on-passed to tenants.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

6. Expenses and Profit/(Loss) before Income Tax

	First Half Ended 30 June		
	2021 S\$'000	2020 S\$'000	Change %
<u>Selling and distribution expenses</u>			
Payroll and related expense	4,517	4,211	(7)
Advertising and promotion expense	1,793	2,151	17
Sales commission	1,081	2,353	54
Showflat expense	1,009	1,741	42
Others	1,230	1,385	11
	9,630	11,841	19
<u>Administrative expenses</u>			
Payroll and related expense	8,938	9,339	4
Information technology and related	1,531	1,233	(24)
Credit card commission	485	493	2
Legal and professional fees	507	339	(50)
Others	3,090	3,434	10
	14,551	14,838	2
<u>Other operating expenses - Others</u>			
Property, plant and equipment written-off and net loss on disposals	76	582	87
Currency exchange (gain)/loss - net	(52)	731	107
Others	-	52	100
	24	1,365	98
<u>Finance expenses</u>			
Bank loans	3,872	5,637	31
Lease liabilities	19	34	44
Bank facility fees	300	300	-
Trade financing	480	139	(245)
	4,671	6,110	24
<u>Profit/(Loss) before income tax</u>			
Profit/Loss before income tax is stated after charging:			
- Depreciation	20,232	28,922	30
- Impairment loss/(Reversal of impairment loss) on financial assets	1,116	(29)	n.m.
- Employee share option expense	69	134	49

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

7. Share of results of associates

Comprise of:

- Share of operating profit
- Share of fair value gain/(loss) on investment properties

First Half Ended 30 June		
2021	2020	Change
S\$'000	S\$'000	%
10,737	15,207	(29)
282	(4,414)	n.m.
11,019	10,793	2

8. Share of results of joint ventures

Comprise of:

- Share of operating profit
- Share of fair value gain/(loss) on investment properties

First Half Ended 30 June		
2021	2020	Change
S\$'000	S\$'000	%
12,909	5,381	140
226	(11,048)	n.m.
13,135	(5,667)	n.m.

9. Income tax expense

Tax expense attributable to profit/loss is made up of:

- Profit/Loss for the financial period:

Current income tax - Singapore
Deferred income tax

- (Over)/Under provision in prior financial year:

Current income tax - Singapore
Deferred income tax

First Half Ended 30 June		
2021	2020	Change
S\$'000	S\$'000	%
15,803	18,293	14
(454)	(637)	(29)
15,349	17,656	(13)
(557)	2	n.m.
(772)	-	n.m.
(1,329)	2	n.m.
14,020	17,658	(21)

10. Non-controlling interest

Comprise of:

- Share of operating loss
- Share of fair value loss on investment properties

First Half Ended 30 June		
2021	2020	Change
S\$'000	S\$'000	%
(3,406)	(3,387)	1
(184)	(7,179)	(97)
(3,590)	(10,566)	(66)

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

11. Earnings/(Losses) per share

	First Half Ended 30 June	
	2021	2020
Basic / Diluted earnings per share:		
- excluding fair value gain/(loss) on investment properties	6.3 cents	5.8 cents
- including fair value gain/(loss) on investment properties	6.4 cents	-2.4 cents

Earnings per share is calculated by reference to the weighted average number of shares in issue during the financial period.

For the purpose of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than the average market price in the current first half of the year. As the impact of the dilution is insignificant, diluted earnings per share is the same as basic earnings per share.

12. Other comprehensive income

(a) Currency translation differences

Currency translation differences arose mainly from the translation of the net assets of the Group's foreign operations which are denominated in RMB and GBP.

(b) Fair value gains on financial assets

The fair value gains on financial assets at FVOCI in 2021 mainly arose from the upward revision of fair value estimates based on adjusted net asset method as the valuation technique to measure the fair value of the financial assets.

13. Other receivables (Non-current)

The increase was mainly attributed to shareholder's loan extended to an associate for the newly acquired site at Ang Mo Kio Avenue 1 and to a joint venture for the development of Tre Ver residential project.

14. Financial assets at fair value through other comprehensive income

The decrease was due to the disposal of the Group's unquoted equity security in June 2021.

15. Investment properties

Investment properties are stated at valuation as determined by independent professional valuers. The increase in fair value of the Group's investment properties was mainly due to the asset enhancement work carried out in Singapore Land Tower.

16. Trade and other receivables (Current)

The increase was mainly due to the consideration receivable for the disposal of the Group's unquoted equity security in June 2021.

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

17. Bank borrowings

- (a) The increase in total bank borrowings include loans drawn for the shareholders' loan to an associate for the newly acquired site at Ang Mo Kio Avenue 1, shareholders' loan to a joint venture for the development of Tre Ver residential project, and payment to contractor for Singapore Land Tower's asset enhancement initiatives.
- (b) Aggregate amount of group's borrowings and debt securities:

	As at 30 Jun 2021		As at 31 Dec 2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Repayable within one year or less, or on demand	14,876	413,381	13,935	323,978
Repayable after one year	-	169,645	-	149,533
	<u>14,876</u>	<u>583,026</u>	<u>13,935</u>	<u>473,511</u>

- (c) Details of any collaterals:

The secured borrowings are collateralised by way of mortgage over a subsidiary's hotel property.

18. Share capital

- | | The Company | |
|---|----------------------|---|
| | 30 Jun 2021 | 31 Dec 2020 |
| (a) Total number of issued shares, excluding treasury shares: | <u>1,432,667,362</u> | <u>1,432,667,362</u> |
| (b) During the first half ended 30 June 2021, the changes in the issued share capital of the Company were as follows: | | Number of
ordinary
shares
'000 |
| Issued share capital as at 1 January 2021 | | 1,432,667 |
| Issue of ordinary shares arising from the exercise of UIC share options | | - |
| Issued share capital as at 30 June 2021 | | <u>1,432,667</u> |
| (c) As at 30 June 2021, there were 2,218,000 (31 December 2020: 2,062,000) ordinary shares which may be issued upon the exercise of the subscription rights in full by holders of options granted to executives of the Group under the UIC Share Option Scheme. | | |
| (d) The Company did not hold any treasury shares and there were no subsidiary holdings as of 30 June 2021 and 30 June 2020. Accordingly, there was no sales, transfers, disposal, cancellation and/or use of treasury shares or subsidiary holdings during the financial period ended 30 June 2021. | | |

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

19. Reserves

	The Group		The Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
	S\$'000	S\$'000	S\$'000	S\$'000
Asset revaluation reserve	58,933	58,933	-	-
Fair value reserve	15,931	27,164	-	-
Share option reserve	6,907	6,838	6,907	6,838
Hedging reserve	(975)	(2,324)	(975)	(2,324)
Currency translation reserve	4,528	(2,900)	-	-
	85,324	87,711	5,932	4,514

20. Dividends paid/payable

	First Half Ended 30 June	
	2021	2020
	S\$'000	S\$'000
Final one-tier dividend paid in respect of the previous financial year of 3.5 cents (2020: 4.0 cents) per share	50,143	57,307

21. Net asset value

	The Group		The Company	
	30 Jun 2021	31 Dec 2020	30 Jun 2021	31 Dec 2020
Net asset value per ordinary share	S\$5.18	S\$5.12	S\$1.35	S\$1.38
Net tangible asset backing per ordinary share	S\$5.14	S\$5.09	S\$1.35	S\$1.38

22. Cash flows

(a) Cash inflow for properties held for sale

Cash inflow for properties held for sale was mainly from the proceeds for new sales and ongoing billings of V on Shenton residential project.

(b) Income tax paid

Income tax paid in corresponding period last year was lower due to timing of instalment payments, coupled with the deferment of April to June 2020's instalment payment by the government as part of its COVID-19 assistance measure.

(c) Purchase of property, plant and equipment

Payments for property, plant and equipment relates mainly to expenditure for the major refurbishments at Parkroyal Collection Marina Bay.

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

22. Cash flows (continued)

(d) Upgrading of investment properties

Payments for upgrading of investment properties relates mainly to expenditure for the Singapore Land Tower asset enhancement initiatives.

(e) Loans to associates and joint ventures

The loans to an associate and joint venture is to fund the newly acquired residential site at Ang Mo Kio Avenue 1 and for the development of Tre Ver residential project respectively.

(f) Proceeds from/(Repayment of) borrowings

The net proceeds from borrowings was mainly used to fund the shareholders' loan to an associate for the newly acquired site at Ang Mo Kio Avenue 1, shareholders' loan to a joint venture for the development of Tre Ver residential project, and payment to contractor for Singapore Land Tower's asset enhancement initiatives.

(g) Cash and cash equivalents

For the purposes of the Consolidated Statement of Cash Flows, the cash and cash equivalents comprise the following:

	<u>The Group</u>	
	<u>30 Jun 2021</u>	<u>30 Jun 2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Fixed deposits with financial institutions	39,535	52,250
Cash at bank and on hand	115,768	115,396
	<u>155,303</u>	<u>167,646</u>
Less: Bank deposits pledged as security	(2,500)	(3,000)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>152,803</u>	<u>164,646</u>

23. Fair value measurements

(a) Fair value hierarchy

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 which 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 assets or liability which are not based on observable market data (unobservable inputs).

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

23. Fair value measurements (continued)

(a) Fair value hierarchy (continued)

The following table presented the assets and liabilities measured at fair value:

	<u>Level 1</u> S\$'000	<u>Level 2</u> S\$'000	<u>Level 3</u> S\$'000	<u>Total</u> S\$'000
<u>The Group</u>				
30 June 2021				
<i>Assets</i>				
Financial assets, at FVOCI	-	-	19,109	19,109
Derivative financial instruments	-	34	-	34
	-	34	19,109	19,143
<i>Liabilities</i>				
Derivative financial instruments	-	1,124	-	1,124
30 June 2020				
<i>Assets</i>				
Financial assets, at FVOCI	-	-	35,730	35,730
<i>Liabilities</i>				
Derivative financial instruments	-	3,878	-	3,878
<u>The Company</u>				
30 June 2021				
<i>Liabilities</i>				
Derivative financial instruments	-	3,283	-	3,283
30 June 2020				
<i>Liabilities</i>				
Derivative financial instruments	-	4,105	-	4,105

(b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- For financial instruments traded in an active market (e.g. quoted equity shares) (Level 1) – quoted price (i.e. current bid price);
- For interest rate swaps (Level 2) – present value of the estimated future cash flows;
- For forward foreign exchange contracts (Level 2) – quoted forward currency rates at the statement of financial position;
- For other financial assets, at FVOCI (e.g. unquoted equity shares) (Level 3) – net assets of the financial assets at FVOCI, adjusted for lack of liquidity and marketability.

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

23. Fair value measurements (continued)

(c) Reconciliation of fair value measurements categorised within Level 3

	First Half Ended 30 June	
	2021	2020
	S\$'000	S\$'000
Financial assets, at FVOCI		
Beginning of the financial period	30,635	35,730
Fair value gains recognised in other comprehensive income	26,398	-
Disposal of unquoted equity security	(37,924)	-
End of the financial period	19,109	35,730

There is no transfer between Level 1, Level 2, and Level 3 of the fair value hierarchy for the first half ended 30 June 2021 and 30 June 2020.

(d) Financial instruments carried at other than fair value

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

24. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there were the following significant transactions between the Group and related parties during the financial period on terms agreed between the parties concerned:

	First Half Ended 30 June	
	2021	2020
	S\$'000	S\$'000
<u>Transactions with joint ventures</u>		
Marketing fee income	136	312
Project management fee income	-	60
<u>Transactions with associates</u>		
Sales of goods and services	18	18
Project management fee income	120	120
Marketing fee income	1,247	252
<u>Transactions with a firm in which a director has an interest</u>		
Professional fee expense	-	50
<u>Transactions with ultimate holding company</u>		
Sales of goods and services	330	417
Fees paid for software license, project implementation and support services	396	192
<u>Transactions with fellow subsidiaries</u>		
Sales of goods and services	599	485
Income from hotel and function room facilities	21	36
Fees paid for management of hotel	1,350	2,190

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

For the half year ended 30 June 2021

25. Events after balance sheet date

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

26. Group segmental information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

For management purposes, the Group is organised into business segments based on their products and services as follows:

- Property investment – leasing of commercial office properties and retail space;
- Property trading – development of properties for sale;
- Hotel operations – operation of owned hotels;
- Technology operations – distribution of computers and related product, provision of systems integration and networking infrastructure services; and
- Others – investment in shares and provision of marketing management and related services.

	Property investments S\$'000	Property trading S\$'000	Hotel operations S\$'000	Technology operations S\$'000	Others S\$'000	Unallocated cost S\$'000	Total S\$'000
1 January 2021 to 30 June 2021							
Revenue - external sales	135,688	12,230	34,760	107,885	1,717	-	292,280
Segment EBITDA - Company and subsidiaries	96,800	1,129	(3,254)	5,289	1,261	(4,778)	96,447
Share of results of associates	4,912	9,265	(3,158)	-	-	-	11,019
Share of results of joint ventures	3,949	9,186	-	-	-	-	13,135
Segment EBITDA	105,661	19,580	(6,412)	5,289	1,261	(4,778)	120,601
Depreciation	(168)	-	(19,600)	(343)	(121)	-	(20,232)
Segment EBIT	105,493	19,580	(26,012)	4,946	1,140	(4,778)	100,369
Finance income	-	-	-	-	-	4,492	4,492
Finance expense	-	-	-	-	-	(4,671)	(4,671)
Profit before fair value gains/(losses)	105,493	19,580	(26,012)	4,946	1,140	(4,957)	100,190
Fair value gain on subsidiaries' investment properties	2,438	-	-	-	-	-	2,438
Profit/(Loss) before income tax	107,931	19,580	(26,012)	4,946	1,140	(4,957)	102,628
1 January 2020 to 30 June 2020							
Revenue - external sales	134,470	36,031	45,638	118,281	960	-	335,380
Segment EBITDA - Company and subsidiaries	98,058	11,565	11,489	4,960	644	(4,373)	122,343
Share of results of associates	(728)	12,190	(669)	-	-	-	10,793
Share of results of joint ventures	(5,603)	(64)	-	-	-	-	(5,667)
Segment EBITDA	91,727	23,691	10,820	4,960	644	(4,373)	127,469
Depreciation	(233)	-	(28,262)	(355)	(72)	-	(28,922)
Segment EBIT	91,494	23,691	(17,442)	4,605	572	(4,373)	98,547
Finance income	-	-	-	-	-	5,409	5,409
Finance expense	-	-	-	-	-	(6,110)	(6,110)
Profit before fair value gains/(losses)	91,494	23,691	(17,442)	4,605	572	(5,074)	97,846
Fair value loss on subsidiaries' investment properties	(125,016)	-	-	-	-	-	(125,016)
Profit/(Loss) before income tax	(33,522)	23,691	(17,442)	4,605	572	(5,074)	(27,170)

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 June 2021

A. Review

The condensed consolidated statement of financial position of Singapore Land Group Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated income statement and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

B. Review of performance of the Group

GROUP PERFORMANCE

Revenue

Revenue of the Group decreased by \$43.1 million (13%) in the first half of 2021 compared to the corresponding period last year. This is mainly due to lower revenue from property trading by \$23.8 million (66%) as there was lesser units sold for the V on Shenton residential project this year. Revenue from hotel operations decreased by \$10.9 million (24%) due to the continuing impact of COVID-19 pandemic. In the first two month of last year, the impact of the pandemic was not so severe yet. Technology operations also saw a decrease in revenue by \$10.4 million (9%) due to backlog in order delivery as a result of global shortage in computer chips.

Cost of sales

The increase/decrease in cost of sales for the various divisions is in line with their respective increase/decrease in revenue.

Miscellaneous income

Miscellaneous income in the corresponding period last year largely relates to government grant received under the Job Support Scheme and property tax rebate as part of the COVID-19 relief measures. Such grants were substantially reduced this year.

Selling and distribution expenses

Selling and distribution expenses have decreased by \$2.2 million (19%) mainly due to lower sales commission and showflat expense (which is in line with the lower property trading sales this year) and lower advertising and promotion expenses incurred (which is in line with the review of the promotional activities during this pandemic period with a view to maximise advertising and promotional impact at lower costs).

Impairment loss on financial assets

The impairment loss on financial assets increased due to higher provision for doubtful debts as more tenants are expected to be affected by the COVID-19 pandemic.

Interest income

The lower interest income by \$0.9 million (17%) is mainly due to lower interest rates earned from deposits with financial institutions and loans to associates and joint ventures.

Finance expenses

Finance expense decreased by \$1.4 million (24%) mainly due to a decline in interest expense on bank borrowings amidst the low interest rate environment.

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 June 2021

B. Review of performance of the Group (continued)

Share of results of associates

Share of operating profits of associates decreased by \$4.5 million (29%), mainly due to lower contribution from Park Eleven (Shanghai project) arising from fewer handover of units this year and poorer performance by the hotels due to the current COVID-19 situation. This is largely offset by the fair value gain on investment properties of \$0.3 million recorded, as opposed to the \$4.4 million loss in the corresponding period last year. Overall, the Group's share of results of associates increased by \$0.2 million (2%) compared to the corresponding period last year.

Share of results of joint ventures

Share of operating profits of joint ventures increased by \$7.5 million (140%), mainly due to the recognition of progress of development for The Tre Ver residential project this year. In addition, the joint ventures also recorded a fair value gain on investment properties of \$0.2 million, as opposed to a \$11.0 million loss in the corresponding period last year. Overall, the Group's share of results of joint ventures increased by \$18.8 million compared to the corresponding period last year.

Profit & loss

For the first half of 2021 ("1H2021"), the Group recorded a net profit attributable to equity holders ("PATMI") before fair value and other gains/(losses) of \$89.6 million, an increase of \$6.0 million (or 7%) compared to the previous corresponding period. This was mainly due to higher share of results of associates and joint ventures. This is partly offset by lower contribution from the hotel divisions as a result of the continuing impact of the COVID-19 pandemic, and lower contribution from property trading division as there were fewer units sold for the V on Shenton residential project.

The Group recorded a fair value gain on investment properties (net of non-controlling interests), amounting to \$2.6 million (1H2020: fair value loss \$117.8 million). Accordingly, the Group recorded a net profit attributable to equity holders of \$92.2 million, compared to a loss of \$34.3 million in the last corresponding period.

NET CURRENT LIABILITIES

As at 30 June 2021, total current liabilities exceed current assets mainly due to bank borrowings amounting to \$428.3 million due within the next 12 months. These borrowings are drawn under various short-term revolving credit facilities with banks, which the Group intends to rollover the loans upon maturity.

NET ASSET VALUE ("NAV") AND GEARING

The Group shareholder's fund increased marginally by 1.1% to \$7.4 billion. Accordingly, NAV per ordinary share of the Group increased slightly from \$5.12 as at 31 December 2020 to \$5.18 as at 30 June 2021.

The Group's gearing ratio (net of cash) increased from 3.8% as at 31 December 2020 to 5.5% as at 30 June 2021 due to drawdown of bank borrowings in the first six months of the year.

As at 30 June 2021, the Group has sufficient liquidity with unutilised credit facilities exceeding \$1.4 billion in aggregate.

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 June 2021

C. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

D. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Singapore economy is on the mend after a challenging COVID-19 year in 2020 with a GDP growth forecast of 4-6% for 2021 by the Ministry of Trade and Industry. Looking ahead, robust demand globally and accelerating vaccination rates are expected to help Singapore rebound from the impact caused by the COVID-19 pandemic.

With a differentiated global economic recovery across countries and sectors, we are anticipating a varying pace of recovery across asset classes within the Group's portfolio.

The emergence of hybrid working models will potentially redefine tenants' workplace criterion and office rents are likely to remain competitive as businesses continue to evaluate their office space requirements. The overall retail climate continues to be challenging with secondary outbreaks in the pandemic resulting in heightened measures and the accelerating threat from digital commerce. For the remainder of 2021, we are committed to assist our tenants disrupted by the social and workplace restrictions as we embark on a path towards sustained recovery.

For the second half of 2021, border restrictions arising out of the COVID-19 pandemic will continue to hinder the pace of recovery for the hospitality sector. Unlike our Singapore hotels, our hotels in Tianjin will likely be less impacted as domestic tourism remains the main driver for their performance.

Given the low mortgage rates and strong underlying demand, we remain cautiously optimistic regarding sales for new private residential homes.

E. Dividend information

No dividend has been declared/recommended for the half year ended 30 June 2021 as it is not the usual practice of the Group to declare interim dividends.

F. Interested person transactions

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

CONFIRMATION BY DIRECTORS

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the first half ended 30 June 2021 to be false or misleading.

SINGAPORE LAND GROUP LIMITED AND ITS SUBSIDIARIES

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

For the half year ended 30 June 2021

CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKING FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 in accordance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Teo Hwee Ping
Company Secretary

6 August 2021