

PAVILLON HOLDINGS LTD

Half-Year Results Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR HALF-YEAR AND FULL YEAR RESULTS ANNOUNCEMENTS

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

Financial statements for the 6 months ended 30 June 2021

	Note	Group		Increase/ (Decrease) %
		Jan 2021 - June 2021	Jan 2020 - June 2020	
		S\$'000	S\$'000	
Revenue	4	5,039	3,730	35.1%
Other items of income				
Interest income – bank deposits		34	28	21.4%
Other income		339	848	-60.0%
Items of expenses				
Raw materials and changes in inventories		(1,684)	(1,351)	24.6%
Employee compensation		(2,932)	(2,811)	4.3%
Depreciation expense		(906)	(756)	19.8%
Finance expenses		(64)	(37)	73.0%
Currency exchange gains - net		-	54	-100.0%
Other operating expenses		(949)	(920)	3.2%
Total expenses		(6,535)	(5,821)	12.3%
Share of loss of associated companies		(2,825)	(274)	931.0%
Loss before income tax	6	(3,947)	(1,488)	165.3%
Income tax expenses	7	(10)	(1)	900.0%
Net Loss		(3,957)	(1,489)	165.7%
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss in subsequent periods (net of tax):</i>				
Currency translation differences on consolidation of foreign entities (net)		440	196	124.5%
<i>Items that will not be reclassified subsequently to profit or loss in subsequent periods (net of tax):</i>				
Currency translation differences on consolidation of foreign entities (net)		160	23	
Fair Value gain on finance asset, at FVOCI		290	-	NM
Total comprehensive loss for the period		(3,067)	(1,270)	141.5%
Net Loss attributable to:				
Equity holders of the Company		(3,179)	(1,394)	128.1%
Non-controlling interests		(778)	(95)	715.7%
		(3,957)	(1,489)	165.7%
Total comprehensive loss				
Attributable to :				
Equity holders of the Company		(2,519)	(1,199)	110.1%
Non-controlling interests		(548)	(71)	672.2%
		(3,067)	(1,270)	141.5%
Earnings per share attributable to owners of the Company		Cts	Cts	
Basic		(0.82)	(0.36)	
Diluted		(0.82)	(0.36)	

B. Condensed interim statements of financial position

		Group	
		30 June 2021	31 Decemeber 2020
		S\$'000	S\$'000
ASSETS			
Current assets			
Cash and cash equivalents		7,255	8,372
Trade and other receivables		398	498
Inventories		1,308	450
		<u>8,961</u>	<u>9,321</u>
Non-current assets			
Trade and other receivables - NC		405	405
Financial asset, at FVOCI	10	4,510	4,220
Investments in associated companies		19,889	22,218
Property, plant and equipment	11	3,156	4,032
		<u>27,960</u>	<u>30,875</u>
Total assets		<u>36,921</u>	<u>40,196</u>
LIABILITIES			
Current liabilities			
Trade and other payables		2,557	1,946
Current income tax liabilities		41	31
Borrowings	12	1,854	1,991
		<u>4,452</u>	<u>3,968</u>
Non-current liabilities			
Trade and other payables - NC		100	100
Borrowings - NC	12	1,892	2,585
Provisions - NC		198	198
Deferred tax liabilities - NC		84	84
		<u>2,274</u>	<u>2,967</u>
Total liabilities		<u>6,725</u>	<u>6,935</u>
NET ASSETS		<u>30,195</u>	<u>33,261</u>
EQUITY			
Capital and reserve attributable to equity holders of the Company			
Share capital	13	39,433	39,433
Other reserves		3,957	3,297
Accumulated losses		(18,247)	(15,068)
		<u>25,144</u>	<u>27,662</u>
Non-controlling interests		<u>5,052</u>	<u>5,599</u>
TOTAL EQUITY		<u>30,195</u>	<u>33,261</u>

B. Condensed interim statements of financial position (Continued)

		Company	
		30 June 2021	31 Decemeber 2020
		S\$'000	S\$'000
ASSETS			
Current assets			
Cash and cash equivalents		17	17
Trade and other receivables		560	481
		<u>577</u>	<u>498</u>
Non-current assets			
Investments in subsidiary corporations		27,558	27,558
Property, plant and equipment	11	0	2
		<u>27,558</u>	<u>27,560</u>
Total assets		<u>28,136</u>	<u>28,058</u>
LIABILITIES			
Current liabilities			
Trade and other payables		2,537	1,503
Borrowings		738	720
		<u>3,276</u>	<u>2,223</u>
Non-current liabilities			
Trade and other payables - NC		100	100
Borrowings - NC		926	1,061
		<u>1,026</u>	<u>1,161</u>
Total liabilities		<u>4,302</u>	<u>3,384</u>
NET ASSETS		<u>23,834</u>	<u>24,674</u>
EQUITY			
Capital and reserve attributable to equity holders of the Company			
Share capital		39,433	39,433
Accumulated losses	13	(15,600)	(14,759)
TOTAL EQUITY		<u>23,834</u>	<u>24,673</u>

C. Condensed interim statements of changes in equity

The Group 2021	Attributable to owners of the Company							Total equity S\$'000
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation Reserve S\$'000	(Accumulated losses)/Retained profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance as at 1 January 2021	39,433	(453)	3,478	272	(15,068)	27,662	5,599	33,261
Profit for the year	-	-	-	-	(3,179)	(3,179)	(778)	(3,957)
Other comprehensive loss	-	-	-	-	-	-	-	-
Foreign currency translation	-	440	-	220	-	440	160	600
Fair value gain on investment	-	-	-	-	-	220	70	290
Total other comprehensive income for the period, net of tax	-	440	-	220	(3,179)	(2,519)	(548)	(3,067)
Balance as at 30 June 2021	39,433	(13)	3,478	492	(18,247)	25,143	5,052	30,195

2020	Attributable to owners of the Company							Total equity S\$'000
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation Reserve S\$'000	(Accumulated losses)/Retained profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance as at 1 January 2020	39,433	(1,556)	3,478	-	(10,961)	30,394	6,113	36,507
Profit for the year	-	-	-	-	(1,395)	(1,395)	(94)	(1,489)
Other comprehensive loss	-	-	-	-	-	-	-	-
Foreign currency translation	-	196	-	-	-	196	23	219
Fair value gain on investment	-	-	-	-	-	-	-	-
Total other comprehensive income for the period, net of tax	-	196	-	-	(1,395)	(1,199)	(71)	(1,270)
Balance as at 30 June 2020	39,433	(1,360)	3,478	-	(12,356)	29,195	6,042	35,237

The Company 2021	Attributable to owners of the Company							Total equity S\$'000
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation Reserve S\$'000	(Accumulated losses)/Retained profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance as at 1 January 2021	39,433	-	-	-	(14,759)	24,674	-	24,674
Profit for the year	-	-	-	-	(841)	(841)	-	(841)
Total other comprehensive income for the period, net of tax	-	-	-	-	(841)	(841)	-	(841)
Balance as at 30 June 2021	39,433	-	-	-	(15,600)	23,834	-	23,834

2020	Attributable to owners of the Company							Total equity S\$'000
	Share capital S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Revaluation Reserve S\$'000	(Accumulated losses)/Retained profits S\$'000	Total S\$'000	Non-controlling interests S\$'000	
Balance as at 1 January 2020	39,433	-	-	-	(11,735)	27,698	-	27,698
Profit for the year	-	-	-	-	(705)	(705)	-	(705)
Total contributions by and distributions to owners	-	-	-	-	(705)	(705)	-	(705)
Balance as at 30 June 2020	39,433	-	-	-	(12,440)	26,993	-	26,993

D. Condensed interim consolidated statement of cash flows

	Group	
	Jan 2021 - June 2021 S\$'000	Jan 2020 - June 2020 S\$'000
Cash flows from operating activities :		
Net loss	(3,957)	(1,490)
Adjustments for :		
Depreciation of property, plant and equipment	906	756
Gain on disposal of property, plant and equipment	(23)	(236)
Income tax expense	10	1
Interest expense	65	14
Interest income	(34)	(28)
Share of loss on associated company	2,329	274
Property, plant and equipment written off	1	-
Unrealised currency translation difference	499	196
Operating loss before working capital changes	(204)	(513)
Cash flows from operating activities		
Inventories	(857)	(105)
Trade and other receivables	100	102
Trade and other payables	611	(421)
Provisions	-	200
Cash flows used in operations	(350)	(737)
Income taxes paid	-	-
Net cash flows used in operating activities	(350)	(737)
Cash flows from investing activities		
Additions of property, plant and equipment	(36)	(747)
Proceeds from disposal of property, plant and equipment	23	236
Interest received	34	28
Net cash provided by/(used in) investing activities	21	(483)
Cash flows from financing activities		
Principal payment of lease liabilities	(713)	(608)
Proceeds from borrowing	-	1,500
Principal payment of borrowing	(144)	-
Interest Paid	(65)	(14)
Net cash (used in)/ provided by financing activities	(922)	878
Net (decrease)/increase in cash and cash equivalents	(1,251)	(342)
Beginning of the financial year	7,952	8,300
Effect of currency translation on cash and cash equivalents	107	-
Cash and cash equivalents at end of the financial year	6,808	7,958
Reconciliation of Cash and cash equivalents		
Cash and cash equivalents at end of the financial year	7,255	8,353
Less Bank overdraft	(447)	(395)
Cash and cash equivalents per consolidated statement of cashflow	6,808	7,958

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

Pavillon Holdings Ltd. (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange. The registered office and principal place of business of the Company is located at Block 1002 Tai Seng Avenue #01-2536, Singapore 534409.

The principal activities of the Company are those of investment holding, franchising and provision of management services to its subsidiary corporations. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiary corporations are :

- (a) Operation of restaurants
- (b) Financial leasing of all kind of machineries, tools and equipment
- (c) Business development trading, import and export of machineries and investment holdings
- (d) Property management
- (e) Asset Management, enterprise management, mergers and acquisitions and financial advisory services

Related companies in these financial statements refer to the companies within Pavillon Holdings Ltd.'s group of companies.

2. 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 2.1.

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

Going concern assumptions

During the financial period ended 30 June 2021, the Group incurred a net loss of S\$3,957,000 (30 June 2020: S\$1,489,000) and net cash used in operating activities of S\$350,000 (2020: S\$737,000). The Board of Directors has assessed that the going concern basis of preparation for this set of financial statements remains appropriate due to the Group has sufficient cash to fund the operations of the Group as the Group is in net current assets and net assets position of S\$4,508,000, and S\$29,698,000, respectively as at 30 June 2021.

2.1. New and amended standards adopted by the Group

A number of amendments to 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.

2.2. Use of judgements and estimates

In preparing the interim financial statements, the management of the Group (the "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.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The significant judgements made by the 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 2020.

Information about estimates, assumptions and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Impairment of investment in associated companies

There were no significant changes in critical judgements, estimates and assumptions as compared to the consolidated financial statements as at and for the year ended 31 December 2020.

3. Seasonal operations

The Group's businesses for January to April 2021 are not affected significantly by seasonal or cyclical factors. Restaurant business in Singapore was affected by The Phase 2 (Heightened Alert) from 16 May 21 to 13 June 21.

4. Segment and revenue information

The Group is organised into the following main business segments

These operating segments are reported in a manner consistent with internal reporting provided to Mr Lee Tong Soon who are responsible for allocating resources and assessing performance of the operating segments

4.1. Reportable segments

	Food & beverages	Leasing	Properties	Other	Total
1 Jan 2021 to 30 Jun 2021	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	4,922	7	63	536	5,529
Inter-segment revenue	-	-	-	490	490
Revenue from external parties	4,922	7	63	46	5,039
Interest Income	-	34	-	-	34
Miscellaneous Income	270	-	23	46	339
Total other income	270	34	23	46	373
Total revenue and other income	5,192	41	86	92	5,412
Depreciation of property, plant and equipment	(703)	-	(201)	(2)	(906)
Finance expenses	(37)	-	(1)	(26)	(64)
Segment profit Unallocated expenses	(3,676)	(435)	(57)	(1,395)	(5,563)
Share of loss of associated company	-	(2,825)	-	-	(2,825)
Profit/(Loss) before taxation	776	(3,219)	(173)	(1,331)	(3,947)
Taxation	-	-	-	-	(10)
Net Loss	-	-	-	-	(3,957)
Segment assets	7,282	9,411	280	58	17,031
Investment in associated companies	-	19,889	-	-	19,889
Total assets per statement of financial position					36,921
Expenditures for segment non-current assets					
- Additions to PPE	34	1	-	-	36
Segment liabilities	3,796	709	108	1,987	6,600
Current income tax liabilities	41	-	-	-	41
Deferred income tax liabilities	84	-	-	-	84
Total liabilities per statement of financial position					6,725

4.1. Reportable segments (cont'd)

1 Jan 2020 to 30 Jun 2020	Food & beverages S\$'000	Leasing S\$'000	Properties S\$'000	Other S\$'000	Total S\$'000
Revenue	3,616	-	44	426	4,086
Inter-segment revenue	6	-	-	350	356
Revenue from external parties	3,610	-	44	76	3,730
Interest Income	-	28	-	-	28
Miscellaneous Income	713	2	-	133	848
Total other income	713	30	-	133	876
Total revenue and other income	4,323	30	44	209	4,606
Depreciation of property, plant and equipment	(570)	(2)	(183)	(1)	(756)
Finance expenses	(24)	-	(7)	(6)	(37)
Segment profit	(3,468)	(290)	(14)	(1,255)	(5,027)
Unallocated expenses	-	(274)	-	-	(274)
Share of loss of associated company	-	(274)	-	-	(274)
Profit/(Loss) before taxation	261	(536)	(161)	(1,052)	(1,488)
Taxation	(1)	-	-	-	(1)
Net Loss	-	-	-	-	(1,489)
Segment assets	7,775	9,538	537	128	17,978
Investment in associated companies	-	22,218	-	-	22,218
Total assets per statement of financial position					40,196
Expenditures for segment non-current assets					
- Additions to PPE	3,053	-	2	5	3,060
Segment liabilities	3,478	715	313	2,314	6,820
Current income tax liabilities	31	-	-	-	31
Deferred income tax liabilities	84	-	-	-	84
Total liabilities per statement of financial position					6,935

4.2. Disaggregation of Revenue

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major revenue stream and geographical regions. Revenue is attributed to countries by location of customers.

	The Group 6 months ended 30 June 2021				
	Food & beverages	Leasing	Properties	Other	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Types of goods or service:					
Sale of goods	4,922	-	-	46	4,969
Rental income	-	7	63	-	71
Total revenue	4,922	7	63	46	5,039
Timing of revenue recognition:					
At a point in time	4,922	-	-	-	4,922
Over time	-	7	63	46	117
Total revenue	4,922	7	63	46	5,039
Geographical information:					
Singapore	4,922	-	-	-	4,922
Vietnam	-	-	-	24	24
PRC	-	7	63	22	93
Total revenue:	4,922	7	63	46	5,039

	The Group 6 months ended 30 June 2020				
	Food & beverages	Leasing	Properties	Other	Total
	Types of goods or service:				
Sale of goods	3,611	-	-	75	3,686
Rental income	-	-	44	-	44
Total revenue	3,611	-	44	75	3,730
Timing of revenue recognition:					
At a point in time	3,611	-	-	-	3,611
Over time	-	-	44	75	119
Total revenue	3,611	-	44	75	3,730
Geographical information:					
Singapore	3,611	-	-	-	3,611
Vietnam	-	-	-	52	52
PRC	-	-	44	23	67
Total revenue:	3,611	-	44	75	3,730

5. 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 2021 and 31 December 2020

	Note	Group		Company	
		30-Jun-21 S\$'000	31-Dec-20 S\$'000	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Financial Assets					
Financial assets at fair value through other comprehensive income (FVOCI)	10	4,510	4,220	0	0
Cash and bank balances and trade and other receivables (Amortised cost)		7,922	9,186	565	460
		12,432	13,406	565	460
Financial Liabilities					
Trade and other payables and borrowings (Amortised cost)		6,403	6,622	4,302	3,384

6. Loss before taxation

6.1. Significant Items

	Group	
	6 months ended June 2021	6 months ended 30 June 2020
	S\$'000	S\$'000
Income		
Interest income	34	28
Expenses		
Interest on borrowings	35	14
Depreciation of property, plant and equipment and investment properties	906	756
Other income		
Government Grant	253	487
Rebate due to Covid-19	29	59
Recoverable of rental deposit previously written off	22	-
Gain on disposal of property, plant and equipment	23	236
Others	14	66
	<u>341</u>	<u>848</u>

6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. 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 profit or loss are:

	Group	
	Jan 2021 - June 2021	Jan 2020 - June 2020
	S\$'000	S\$'000
Current year	10	1
Under/Over provision in prior years	-	-
Total	<u>10</u>	<u>1</u>

8. Dividends

(a) Whether an interim (final) ordinary dividend has been declared (recommended).
No dividends declared during the year.

(b) (i) Amount per share: Not applicable
(ii) Previous corresponding period: None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which the Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

9. Net Asset Value

	Group		Company	
	As at 30/06/2021	As at 31/12/2020	As at 30/06/2021	As at 31/12/2020
	Cts	Cts	Cts	Cts
Net asset value per ordinary share	6.48	7.13	6.15	6.36

10. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise the following

	Group	
	30-Jun-21 S\$'000	31-Dec-20 S\$'000
Unquoted equity security – Lingbao Gold Group Co., Ltd (“Lingbao”)		
Beginning of financial year	4,220	3,862
Fair value gains	290	358
End of financial year	4,510	4,220

The financial asset, at FVOCI represents 1.15% equity interests in a company - Lingbao that is engaged in the mining, processing, smelting and sale of gold and other metallic products. Lingbao is a joint stock limited company incorporated in PRC, which partially of its shares are listed on the Stock Exchange of Hong Kong Limited.

The Group has elected to measure the above financial asset, at FVOCI due to management's intention to hold the financial asset for strategic investment purpose.

10.1. Fair value measurement

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

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**).
- b) 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) (**Level 2**); and
- c) Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (**Level 3**).

The following table presented the assets measured at fair value :

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group – 30 June 2021				
Financial assets				
FVOCI investments (Quoted investments)	-	4,510	-	4,510
Group – 31 December 2020				
Financial assets				
FVOCI investments (Quoted investments)	-	4,220	-	4,220

11. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to \$36,000 (30 June 2020: \$747,000) and disposed of assets amounting to \$23,000 (30 June 2020: \$236,000)

12. Borrowings

	Group	
	30-Jun-21	31-Dec-20
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdrafts - Unsecured	447	420
Bank borrowings - Unsecured	291	300
Lease liabilities Unsecured	1,116	1,271
	<u>1,854</u>	<u>1,991</u>
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	926	1,061
Lease liabilities Unsecured	965	1,524
	<u>1,892</u>	<u>2,585</u>

	Company	
	30-Jun-21	31-Dec-20
	S\$'000	S\$'000
<u>Amount repayable within one year or on demand</u>		
Bank overdrafts - Unsecured	447	420
Bank borrowings - Unsecured	291	300
	<u>738</u>	<u>720</u>
<u>Amount repayable after one year</u>		
Bank borrowings - Unsecured	926	1,061
	<u>926</u>	<u>1,061</u>

13. Share capital

	Group		Company	
	As at 30/6/2021		As at 31/12/2020	
	Number of shares	Amount S\$	Number of shares	Amount S\$
Beginning of interim period	387,748,700	39,433,461	387,748,700	39,433,461
Issue of ordinary shares by virtue of exercise of share options	-	-	-	-
End of interim period	<u>387,748,700</u>	<u>39,433,461</u>	<u>387,748,700</u>	<u>39,433,461</u>

The Company did not hold any treasury shares as at 30 June 2021

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

14. Subsequent events

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

OTHER INFORMATION

1. Review

The condensed consolidated statement of financial position of Pavillon Holdings Ltd and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss 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.

2. Review of performance of the Group

Revenue

Total revenue of the Group has increased by approximately S\$1.3 million as compared to the period ended 30/06/2020 mainly due to the following reasons :

- i) This year the revenue rebounded until 16 May 21 when phase 2(Heightened Alert) was implemented.

Interest Income

Interest income was from bank deposits placed with financial institutions in China.

Other Income

Other income for period January to June 2020 was higher mainly due to support grants of S\$487K given by the Singapore government to assist local companies during circuit breaker and gain in the disposal of company's motor vehicles.

For the period Jan to Jun 2021, other income consists of S\$253K support grants from the Singapore government, rental concession S\$20K and gain on disposal of property, plant, and equipment of S\$23K.

Raw materials and changes in inventories

Raw materials consumption has increased due to the improvement of the Food and Beverages business in 2021.

Depreciaton expenses

Depreciation increased by S\$151k as compared to 30 June 2020. This was due to rent reduction by the landlord in 2020 and lead to the reduction of the right of use.

Finance expenses

Finance expenses comprise Bank borrowing expenses of S\$27k and S\$38K for lease interest expenses. Finance expenses increased by S\$27K as a bank loan was obtained in Jun 2020.

Other operating expenses

Other operating expenses increased mainly due to higher GTO charged by landlord and higher credit card charges as compared to the period from January to June 2020 due to the improvement of sales for the first 6 months of the year.

Share of loss of associated companies

There is a share of loss from the associated company at S\$2.825M for the period Jan to Jun 2021. These are mainly made up of operational losses, loan interest and depreciation of the logistic hub.

Review of Financial Position as at 30 Jun 2021

Property, plant and equipment

Reduction of fixed assets mainly due to the disposal of most of China's office assets and reduction of right-of- use assets in China.

Trade and other receivable - Current

Trade and other receivables were reduced mainly due to the 4th JSS payout for the year 2020 was received in March 2021.

Inventories

Inventories increased due to the new shipment arrived in June 2021.

Unquoted investment

Unquoted Investment has increased by \$290k due to exchange gain.

Investment in Associated companies

Value decreased due to loss recognition for associated companies for the period January to June 2021 .

Liabilities

Trade and other payables - Current

The Trade & other payables have increased mainly due to favorable payment term given by suppliers.

Finance lease liabilities - Current/non-current

Increase in right-of-use liabilities due to re-contract leasing for the restaurant at Goodwood Park Singapore.

Borrowings

Borrowing reduced due to repayment of bank loan and lease liabilities .

Review of Consolidated Cash Flows

Net cash outflow improved for operating activities as compared to last year's first-half period mainly due to better credit terms given by suppliers.

Net cash outflow of \$922K used in financing activities for period January to June 2021 compared to net cash inflow of \$878K for period 1 January 2020 to 30 June 2020 mainly due to bridging loan of \$1.5M obtained in June 2020 .

Cash and cash equivalent as of 30 June 2021 was S\$6.8, which consists of a Fixed deposit of S\$2.6m and a Cash & bank Balance of S\$4.2m compared to \$7.9m from Cash and Bank Balance as of 30 June 2020.

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

Consistent with previous statements.

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

The group F & B business continues to remain challenging due to Covid 19 pandemic and also the absence of tourists.

Construction of the Tianjin logistic hub has been completed. Sales and marketing of the office tower and the warehouses have begun.

5. Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on?

No dividends declared during the period.

The company require capital for operation needs and development of new business. Therefore the company will not be declaring any dividend.

(b) (i) Amount per share: Not applicable

(ii) Previous corresponding period: None

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated.)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which the Registrable Transfers received by the company (up to 5:00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

5b. Corresponding Period of the Immediate Preceding Financial Year

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

No dividends declared during the period.

6. Interested person transactions

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

7. 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 has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, 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 financial statements for the six-month period ended 30 June 2021 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Tong Soon
Managing Director

Singapore
13-08-21