



**Half Year
Unaudited Financial Statements
For The Period Ended
30 June 2020**

13 August 2020

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Half Year Unaudited Financial Statements for the Period Ended 30 June 2020
PART I – INFORMATION REQUIRED FOR QUARTERLY AND HALF YEAR ANNOUNCEMENTS

1(a) A Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the half year ended 30 June 2020**

	The Group		
	Six Months ended 30 June		Increase/ (decrease) %
	2020 S\$'000	2019 S\$'000	
Revenue	20,145	28,324	(29%)
Cost of sales	(10,772)	(13,220)	(19%)
Gross profit	9,373	15,104	(38%)
Other income			
- Interest	270	661	(59%)
- Others	2,952	263	n.m.
Other (losses)/gains			
- Impairment loss on trade and other receivables	(53)	(73)	(27%)
- Others	(1,254)	2,467	n.m.
Expenses			
- Distribution and marketing	(1,758)	(2,171)	(19%)
- Administrative	(13,376)	(13,459)	(1%)
- Finance	(2,743)	(1,100)	n.m.
(Loss)/profit before income tax	(6,589)	1,692	n.m.
Income tax expense	(267)	(455)	(41%)
(Loss)/profit for the period	(6,856)	1,237	n.m.
Other comprehensive (loss)/income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation			
- (Losses)/gains	(497)	2,812	n.m.
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation			
- (Losses)/gains	(170)	936	n.m.
Total comprehensive (loss)/income for the period	(7,523)	4,985	n.m.
(Loss)/profit attributable to:			
Equity holders of the Company	(7,295)	(1,800)	n.m.
Non-controlling interests	439	3,037	(86%)
	(6,856)	1,237	n.m.
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(7,792)	1,012	n.m.
Non-controlling interests	269	3,973	(93%)
	(7,523)	4,985	n.m.

n.m. = not meaningful

Notes to Consolidated Statement of Comprehensive Income

(A) Revenue include:-

Rental income	
Golf and country club	
Hotel and hostel	
Revenue of development properties	
Technology solutions	

Group		
Six Months ended 30 June		Increase/ (decrease) %
2020	2019	
S\$'000	S\$'000	
1,268	406	n.m.
3,498	3,810	(8%)
1,814	3,299	(45%)
13,266	20,809	(36%)
299	-	n.m.

(B) Other income include:-

Interest income	
Late interest penalty	
Grants and rebates	
Dividend income	

Group		
Six Months ended 30 June		Increase/ (decrease) %
2020	2019	
S\$'000	S\$'000	
200	509	(61%)
71	153	(54%)
332	30	n.m.
2,240	-	n.m.

(C) Other (losses)/gains include:-

Fair value gains/(losses) on financial assets, at fair value through profit or loss	
Gain/(loss) on disposal of property, plant and equipment	
Foreign exchange (loss)/gain	
Impairment loss on trade and other receivables	

Group		
Six Months ended 30 June		Increase/ (decrease) %
2020	2019	
S\$'000	S\$'000	
(1,435)	2,571	n.m.
1	(125)	n.m.
147	(142)	n.m.
(53)	(73)	(27%)

(D) Distribution and marketing expense include:-

Marketing cost	
Entertainment	
Commission	

Group		
Six Months ended 30 June		Increase/ (decrease) %
2020	2019	
S\$'000	S\$'000	
1,473	1,711	(14%)
53	80	(34%)
165	253	(35%)

(E) Administrative expense include:-

Legal and professional fee	
Employee compensation	
Amortisation of intangible assets	
Depreciation of property, plant and equipment	
Depreciation of investment properties	
Rental expense	
Directors' fees	

Group		
Six Months ended 30 June		Increase/ (decrease) %
2020	2019	
S\$'000	S\$'000	
211	227	(7%)
7,840	9,278	(15%)
90	42	n.m.
1,069	1,164	(19%)
2,452	598	n.m.
47	240	(80%)
120	120	n.m.

(F) Finance expense include:-

Interest on bank borrowings	
Interest on lease liabilities	
Facilities fees	

Group		
Six Months ended 30 June		Increase/ (decrease) %
2020	2019	
S\$'000	S\$'000	
2,692	1,050	n.m.
31	40	(38%)
20	-	n.m.

n.m. = not meaningful

1(b)(i) A Statement of Financial Position (for issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30-Jun-20	31-Dec-19	30-Jun-20	31-Dec-18
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	19,144	18,252	5,762	1,286
Financial assets, at fair value through profit or loss ("FVPL")	22	22	–	–
Trade and other receivables	4,426	4,640	126,944	131,695
Inventories	208	281	–	–
Development properties	105,054	104,452	–	–
	125,854	127,647	132,706	132,981
Non-current assets				
Financial assets, at fair value through profit or loss	6,766	8,200	–	–
Financial assets, at fair value through other comprehensive income ("FVOCI")	4,488	4,488	–	–
Other receivables	–	–	506	–
Development properties	173,064	172,993	–	–
Investment in joint ventures	*	*	–	–
Investment in subsidiary corporations	–	–	139,152	139,152
Investment properties	222,603	224,975	–	–
Property, plant and equipment	51,088	53,057	31	197
Deferred income tax assets	473	474	–	–
Intangible assets	1,220	1,266	–	–
	459,702	465,453	132,689	139,349
Total assets	588,556	593,100	272,395	272,330
LIABILITIES				
Current liabilities				
Trade and other payables	35,430	34,164	12,963	9,869
Current income tax liabilities	718	954	–	–
Borrowings	11,801	14,080	–	–
Lease liabilities	591	805	4	170
Provisions	136	168	–	–
	48,676	50,171	12,967	10,039
Non-current liabilities				
Trade and other payables	1,216	1,216	–	–
Borrowings	138,729	133,896	–	–
Lease liabilities	211	436	6	9
Deferred income tax liabilities	5,541	5,616	–	–
Post-employment benefits	5,646	5,660	–	–
Provisions	689	675	–	–
	152,032	147,499	6	9
Total liabilities	200,708	197,670	12,973	10,048
NET ASSETS	387,848	395,430	259,422	262,282
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	265,667	265,667	265,667	265,667
Treasury shares	(101)	(101)	(101)	(101)
Other reserves	(5,073)	(4,516)	4,914	4,914
Accumulated losses	(6,683)	612	(11,058)	(8,198)
	253,810	261,662	259,422	262,282
Non-controlling interests	134,038	133,768	–	–
Total equity	387,848	395,430	259,422	262,282

* Less than S\$1,000

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30.06.2020		As at 31.12.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
11,801	-	14,080	-

Amount repayable after one year

As at 30.06.2020		As at 31.12.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
138,729	-	133,896	-

Details of any collaterals

As at 30 June 2020, the borrowings are secured over investment properties of S\$184.5 million (31 December 2019: S\$178.7 million), building under property, plant and equipment of S\$22.8 million (31 December 2019: S\$23.3 million) and land under development properties of S\$95.4 million (31 December 2019: S\$117.5 million).

1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CASH FLOWS

	The Group	
	Six Months ended 30 June	
	2020	2019
	S\$'000	S\$'000
Cash flows from operating activities		
Net (loss)/profit	(6,856)	1,237
Adjustments for:		
- Income tax expense	267	455
- Depreciation of property, plant and equipment	2,093	2,346
- Depreciation of investment properties	2,452	598
- Amortisation of intangible assets	90	42
- Fair value loss/(gain) on financial assets, at FVPL	1,435	(2,571)
- (Gain)/loss on disposal of property, plant and equipment	(1)	125
- Impairment loss on trade and other receivables	53	73
- Interest income	(270)	(661)
- Finance expense	2,743	1,100
- Unrealised currency translation	(95)	150
Operating cash flow before working capital changes	1911	2,894
Change in working capital		
- Trade and other receivables	151	(652)
- Inventories	73	(18)
- Development properties	(1,345)	(1,633)
- Trade and other payables	956	(4,478)
- Provision for other liabilities and charges	(17)	(50)
Cash generated from/(used in) operations	1,729	(3,937)
- Interest received	270	538
- Income tax paid	(575)	(882)
Net cash generated from/(used in) operating activities	1,424	(4,281)
Cash flows from investing activities		
- Additions to property, plant and equipment	(221)	(331)
- Additions to intangible assets	(45)	(28)
- Additions to investment properties	-	(601)
- Deposit paid for purchase of investment properties	-	(36,000)
- Proceeds from disposal of financial assets, at FVPL	-	17,673
- Proceeds from disposal of property, plant and equipment	2	22
Net cash used in investing activities	(264)	(19,265)
Cash flows from financing activities		
- Cancellation of additional paid-in capital	(60)	-
- Proceeds from borrowings	5,787	3,923
- Repayment of borrowings	(2,246)	(4,736)
- Bank facilities fees paid	(20)	-
- Repayment of lease liabilities	(437)	(410)
- Interest paid	(2,338)	(1,100)
Net cash generated from/(used in) financing activities	686	(2,323)
Net increase/(decrease) in cash and cash equivalents	1,846	(25,869)
Effects of currency translation on cash and cash equivalents	21	(115)
Cash and cash equivalents at beginning of the financial period	11,077	42,547
Cash and cash equivalents at end of the period	12,944	16,563
Cash and bank balances	19,144	16,563
Less: Bank overdraft	(2,198)	-
Less: Bank deposits pledged	(4,000)	-
Cash and cash equivalents at end of the period	12,944	16,563

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to Equity holders of the Company								Non-controlling interests S\$'000	Total equity S\$'000	
	Share capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Tax amnesty reserve S\$'000	General reserve S\$'000	Translation reserve S\$'000	Fair value reserve S\$'000	Retained profit/ (accumulated losses) S\$'000			Total S\$'000
Group											
As at 1 January 2020	265,667	(101)	4,914	60	(51)	(13,846)	4,407	612	261,662	133,768	395,430
Total comprehensive (loss)/income for the period	–	–	–	–	–	(497)	–	(7,295)	(7,792)	269	(7,523)
Contributions from non-controlling shareholders pursuant to incorporation of a subsidiary	–	–	–	–	–	–	–	–	–	1	1
Cancellation of other paid-in capital	–	–	–	(60)	–	–	–	–	(60)	–	(60)
As at 30 June 2020	265,667	(101)	4,914	–	(51)	(14,343)	4,407	(6,683)	253,810	134,038	387,848
As at 31 December 2018	265,667	(101)	4,914	60	(51)	(19,236)	3,139	220	254,612	127,121	381,733
Cumulative effects of adopting SFRS(I) 16	–	–	–	–	–	–	–	(36)	(36)	–	(36)
As adjusted at 1 January 2019	265,667	(101)	4,914	60	(51)	(19,236)	3,139	184	254,576	127,121	381,697
Total comprehensive (loss)/income for the period	–	–	–	–	–	2,812	–	(1,800)	1,012	3,973	4,985
As at 30 June 2019	265,667	(101)	4,914	60	(51)	(16,424)	3,139	(1,616)	255,588	131,094	386,682

	Attributable to Equity holders of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Company					
As at 1 January 2020	265,667	(101)	4,914	(8,198)	262,282
Total comprehensive loss for the period	–	–	–	(2,860)	(2,860)
As at 30 June 2020	265,667	(101)	4,914	(11,058)	259,422
As at 1 January 2019	265,667	(101)	4,914	(14,128)	256,352
Cumulative effects of adopting SFRS(I) 16	–	–	–	(11)	(11)
As adjusted at 1 January 2019	265,667	(101)	4,914	(14,139)	256,341
Total comprehensive loss for the period	–	–	–	(4,248)	(4,248)
As at 30 June 2019	265,667	(101)	4,914	(18,387)	252,093

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of Issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were 4,165,400 outstanding share options as at 30 June 2020 and 30 June 2019.

The total number of issued ordinary shares as at 30 June 2020 was 321,895,299 (30 June 2019: 321,895,299), of which 514,200 (30 June 2019: 514,200) were held by the Company as treasury shares.

The Company did not have any subsidiary holdings as at 30 June 2020 and 30 June 2019.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 30 June 2020	As at 31 December 2019
Total number of issued shares	321,895,299	321,895,299
Less: Treasury shares	(514,200)	(514,200)
Total number of issued shares excluding treasury shares	321,381,099	321,381,099

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellation and/or use of treasury shares at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial statements for the period ended June 30, 2020 are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those in the most recently audited consolidated financial statements for the year ended 31 December 2019.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the following amendments to SFRS(I)s which became effective on January 1, 2020. The Group has also early adopted the Amendments to SFRS(I) 16 on COVID-19-Related Rent Concessions. The Group applied the practical expedient not to assess a rent concession occurring as a direct consequence of the COVID-19 pandemic as a lease modification.

- Amendments to SFRS(I) 1-1 and SFRS(I) 1 – 8 *Definition of Material*
- Amendments to SFRS(I) 3 *Definition of a business*
- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendment to SFRS(I) 16 *COVID-19-Related Rent Concessions*

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(a) Basic earnings/(loss) per share

	The Group	
	Six Months ended 30 June	
	2020	2019
Net loss attributable to equity holders of the Company (S\$'000)	(7,295)	(1,800)
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	321,381	321,381
Basic earnings per share (cents)	(2.27)	(0.56)

(b) Diluted earnings/(loss) per share

	The Group	
	Six Months ended 30 June	
	2020	2019
Net loss attributable to equity holders of the Company (S\$'000)	(7,295)	(1,800)
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	321,381 [#]	321,381 [#]
Diluted earnings per share (cents)	(2.27)	(0.56)

[#] The number of shares arising of exercise of outstanding share options are excluded from the diluted weighted average number of ordinary shares calculation as their effects would have been anti-dilutive

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	The Group		The Company	
	As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
Net asset value ("NAV") (S\$'000)	253,810	261,662	259,422	262,282
Number of shares ('000)	321,381	321,381	321,381	321,381
NAV per share (Singapore cents)	78.97	81.42	80.72	81.61

The NAV per ordinary share was calculated based on the number of shares in issue (excluding treasury shares) of 321,381,099 (31 December 2019: 321,381,099).

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.

Group performance

Revenue

Revenue of the Group mainly comprises revenue from property development, hospitality management, property management, investment and others.

The Group recorded S\$20.1 million in revenue for the half year ended 30 June 2020 ("1H2020") as compared to S\$28.3 million in the same corresponding period ("1H2019"). The decrease of S\$8.2 million was mainly due to:

- i) Decrease in revenue from the property development business in Indonesia by S\$7.5 million due to lockdown imposed in Jakarta beginning April 2020; and
- ii) Decrease in revenue from hospitality management by S\$1.8 million due the disruption in the tourism industry as a result of travel restrictions implemented worldwide arising from the COVID-19 pandemic; offset by
- iii) Increase in rental income amounting to S\$0.8 million mainly due to the acquisition of Thong Teck Building in Singapore in the second half of FY2019; and
- iv) Increase in service income arising by S\$0.3 million from our research and development business.

Cost of sales

Cost of sales mainly comprises land costs, construction costs, other development expenditure, borrowing costs and other related expenditure.

Cost of sales for 1H2020 decreased by S\$2.4 million as compared to 1H2019 due to the following factors:-

- i) Decrease in cost of sales is mainly due to the effect of the COVID-19 pandemic has on the Group's property development and hospitality management business. The impact is particularly significant for the Group's operations in Indonesia, where cost of sales for the segment in 1H2020 has decreased by S\$3.2 million as compared to 1H2019; offset by
- ii) Increase in properties management cost of sales by S\$0.4 million, arising from increase in management costs in relation to the acquisition of Thong Teck Building in Singapore; and
- iii) Increase in other direct costs by S\$0.4 million mainly due to material and labour costs for research and development of computer software

Gross profit

The Group's gross profit for 1H2020 decreased by S\$5.7 million and the gross profit margins in 1H2020 was lower as compared to 1H2019. The decline in gross profit margin was mainly due lower profit margin obtained from sale of development properties by Suryamas in 1H2020 as compared to 1H2019.

Other income

Other income increased by S\$2.3 million mainly due to dividend income and government grant and rebates received in 1H2020.

Other (losses)/gains

Other losses of S\$1.3 million in 1H2020 as compared to other gains of S\$2.4 million in 1H2019 was mainly due to fair value losses of S\$1.4 million recognised on the financial assets at fair value through profit or loss, whereas fair value gains of S\$2.5 million were recognised on the financial assets at fair value through profit or loss in 1H2019.

Distribution and marketing expenses

Distribution and marketing expenses decreased by S\$0.4 million in 1H2020 as compared to 1H2019 mainly due to lower marketing expenses incurred for Indonesian development projects.

Administrative expenses

Administrative expenses decreased by S\$0.1 million in 1H2020 as compared to 1H2019 mainly due to:

- i) Decrease in employee compensation of S\$1.4 million; and
- ii) Decrease in depreciation of property, plant and equipment of S\$0.1 million; and
- iii) Decrease in rental expenses of S\$0.2 million; and
- iv) Decrease in other expenses of S\$ 0.2 million; offset by
- v) Increase in depreciation of investment properties of S\$1.8 million; and

Consolidated Statement of Financial Position

Total assets

As of 30 June 2020, the Group's total assets stood at S\$588.6 million which was S\$4.5 million lower than as at 31 December 2019. The decrease was mainly attributable to the following:

- (i) Decrease in investment properties by S\$ 2.4 million is due to depreciation during the period; and
- (ii) Decrease in property, plant and equipment by S\$2.0 million due to depreciation net of additions and disposals; and
- (iii) Decrease in financial assets, at FVPL by S\$1.4 million is due to the fair value loss recognised; and
- (iv) Decrease in trade and other receivables (current and non-current) of S\$0.2 million mainly attributable to the collections from trade receivables in 1H2020; offset by
- (v) Increase in development properties (current and non-current) of S\$0.7 million mainly due to construction of properties for sale , offset by weakening of Indonesia Rupiah against Singapore Dollars; and
- (vi) Increase in cash and cash equivalents amounting to S\$0.9 million mainly due to loan drawn down.

Total liabilities

As of 30 June 2020, the Group's total liabilities stood at S\$200.7 million, which was S\$3.0 million more than as at 31 December 2019. The increase was mainly due to the following:

- (i) Increase in borrowings by S\$2.6 million due to loans drawn down, net of repayment of borrowings; and
- (ii) Increase in trade and other payables (current and non-current) of S\$1.3 million mainly due to slower repayment; offset by
- (iii) Decrease in lease liabilities by S\$0.4 million due to repayment of lease liabilities; and
- (iv) Decrease in current income tax liabilities amounting to S\$0.2 million due to lower sales in Indonesia; and
- (v) Decrease in other liabilities amounting to S\$0.2 million.

Consolidated Statement of Cash Flows

Net cash generated from operating activities of S\$1.4 million in 1H2020 was mainly due to working capital changes and interest received.

Net cash used in investing activities of S\$0.3 million in 1H2020 was mainly due to additions to property, plant and equipment and development costs incurred to develop computer software which was capitalised as intangible assets.

Net cash generated from financing activities of S\$0.7 million in 1H2020 was mainly due to the drawdown of borrowings net of repayment of borrowings and interests.

As a result of the aforesaid, cash and cash equivalents increased to S\$12.9 million as at 30 June 2020 from S\$11.1 million as at 31 December 2019.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

Since the COVID-19 pandemic broke out in 2019, we are beginning to see the impact on the economy in 2020 as business activities have been greatly affected with travel restrictions and other safety measures put in place in various countries. Singapore government had also implemented the “circuit breaker” measures from 7 April 2020 – 1 June 2020 and the country entered a technical recession after its economy contracted 41.2 per cent in the second quarter from the previous three months¹.

The general activity in the Singapore property market is muted and investment sales has decreased to \$1.7 billion for Q2 2020 which is a 73.4% year-on-year drop \$6.4 billion in Q2 2019 and a 41.4% quarter-on-quarter decrease from Q1 2020². Market analysts have also expressed that the office rental rates for Grade A (Core CBD) have peaked. In 2020, vacancy levels are expected to trend upwards and demand levels are expected to be moderated due to the COVID-19 situation as companies delay expansion and relocation plans. The combination of these 2 factors would result in downward pressure on office rental rates.

In the Indonesian property market, Indonesia’s housing index continues to increase to 211.93 in Q1 2020³. While the country is managing the economic blow dealt by COVID-19 pandemic, a recent report has indicated that Indonesia is set to relax property rules for foreign buyers⁴. This is likely to bring about more foreign investment in the Indonesian market and we will continue to capitalise on opportunities that arise through our land bank in our 3 developments of Rancamaya Estate, Royal Tajur and Harvest City and remain alert to the changes in landscape in Indonesia.

In the hospitality segment, visitor arrivals in Singapore dropped drastically based on Singapore Tourism Board (“STB”) hotel statistics. The average monthly arrivals for 1H 2019 was at 1.5 million visitors but due to shut down of borders, only 3,800 visitors arrived in the entire Q2 2020⁵. The harshest blow has undoubtedly been felt by the airlines and hospitality industry. Apart from the travel restrictions, there is also a need to restore travellers’ confidence that their safety is not compromised when travelling abroad.

In the midst of the severe disruption brought about by the pandemic, the Group is firmly focused on providing our smart solutions as an answer to our hospitality partners. Amongst our smart solutions, we have products and services which are targeted at providing a contactless or light-touch experience for travellers. They are our Ultron Automated check-in solution using our kiosks and the mobile check-in solution where guest can use their own device to check-in without using common property shared with others. In addition, we have also developed our own temperature checking device that can be used together with our check-in solution or as a standalone at the hotels so as to replace manual temperature taking and thereby increasing the safety of hotel guests and staff alike.

Our smart solutions will help hospitality owners in the region unlock and optimise the potential of their assets by improving on productivity, efficiency and safety. Additionally, the Group will be leveraging on our competencies in the areas of AI, IoT and embedded technologies so as to innovate and provide new product offerings to the hospitality and other sectors.

¹ <https://www.channelnewsasia.com/news/business/gdp-singapore-technical-recession-contraction-q2-mti-12927168>

² <https://content.knightfrank.com/research/561/documents/en/singapore-investment-market-q2-2020-7300.pdf>

³ <https://tradingeconomics.com/indonesia/housing-index>

⁴ <https://www.straitstimes.com/asia/se-asia/in-major-change-indonesian-minister-says-govt-to-relax-property-rules-for-foreign>

⁵ <https://stan.stb.gov.sg/portal/tourism-statistics.html>

11. If a decision regarding dividend has been made:-

None

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None

**(b) (i) Amount per share cents
(Optional) Rate: %**

Not applicable

**(ii) Previous corresponding period cents
(Optional) Rate: %**

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

(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 Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared for half year ended 30 June 2020 as the Group intends to conserve cash for working capital and to expand the Group's business.

13. Aggregate value of interested person transactions conducted pursuant to shareholders' mandate for the period ended 30 June 2020:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
N/A	N/A	N/A

14. Negative confirmation pursuant to Rule 705(5).

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company for the half year ended 30 June 2020 presented in this announcement, to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings 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 of its directors and executive officers in the required format.

16. Acquisitions and realisations pursuant to Rule 706A.

The Group through its wholly-owned subsidiaries, TG Innovation Pte. Ltd. (“TGI”) and Top Global Hospitality Pte. Ltd. (“TGH”) have incorporated a 90%-owned subsidiary in Singapore, known as I Innovations Pte. Ltd. (“I IPL”) with the initial issued and paid up share capital of S\$10,000. The details of which are as follows:

<u>Name of subscribers</u>	<u>Percentage of share capital</u>	<u>Contribution to paid up share capital</u>
TG Innovation Pte. Ltd.	85%	S\$8,500
Top Global Hospitality Pte. Ltd.	5%	S\$500
Kho Oon Chian	10%	S\$1,000

The principal activities of I IPL are information technology consultancy and sale of machinery and equipment.

The transactions are funded through internal resources and are not expected to have any material financial impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 December 2020.

None of the Directors or the controlling shareholder of Top Global Limited has any interest, direct or indirect, in the Acquisition, save for their interests arising from their directorships and/or shareholdings, as the case may be, in Top Global Limited.

On behalf of the board of directors

Hano Maeloa
Chief Executive Officer and Executive Director

Chang Shyre Gwo
Chief Operating Officer and Executive Director

BY ORDER OF THE BOARD

Hano Maeloa
Chief Executive Officer and Executive Director
13 August 2020