

**BONVESTS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

Company Registration No. 196900282M

Unaudited Interim Financial Statements for the Period Ended 30 June 2021

Part I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group		Increase/ (Decrease)
	Period Ended		
	30/6/2021	30/6/2020	
	S\$'000	S\$'000	%
Revenue (Note 1a(i))	59,943	70,097	(14.5)
Other income and other loss			
- Interest income	124	307	(59.6)
- Other income (Note 1a(ii))	5,888	7,030	(16.2)
- Other loss (Note 1a(ii))	(75)	(3,024)	(97.5)
Changes in inventories of finished goods	(326)	635	Nm
Materials and consumables purchased (Note 1a(iii))	(4,023)	(5,856)	(31.3)
Employee benefit costs (Note 1a(iv))	(28,201)	(34,715)	(18.8)
Depreciation expenses (Note 1a(v))	(15,818)	(16,572)	(4.6)
Write-back/(impairment loss) on financial assets	6	(5)	Nm
Other operating expenses (Note 1a(ii))	(21,351)	(30,817)	(30.7)
Finance costs (Note 1a(vi))	<u>(3,104)</u>	<u>(4,389)</u>	(29.3)
Loss before income tax	(6,937)	(17,309)	(59.9)
Income tax expense (Note 1a(viii))	<u>(350)</u>	<u>(536)</u>	(34.8)
Total loss	<u>(7,287)</u>	<u>(17,845)</u>	(59.2)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss :</i>			
Currency translation gain on foreign operations (Note 1a(ix))	2,440	9,563	(74.5)
<i>Items that will not be reclassified subsequently to profit or loss :</i>			
Currency translation (loss)/gain on foreign operations	(3)	1	Nm
Financial assets at fair value through other comprehensive income			
- Fair value (loss)/gain - equity investments	(114)	1,071	Nm
Other comprehensive income for the period, net of tax	<u>2,323</u>	<u>10,635</u>	(78.2)
Total comprehensive loss for the period	<u>(4,964)</u>	<u>(7,210)</u>	(31.1)
(Loss)/Profit attributable to:			
Equity holders of the Company	(7,338)	(18,085)	(59.4)
Non-controlling interests	51	240	(78.8)
	<u>(7,287)</u>	<u>(17,845)</u>	(59.2)

	Group		Increase/ (Decrease) %
	Period Ended		
	<u>30/6/2021</u>	<u>30/6/2020</u>	
	<u>S\$'000</u>	<u>S\$'000</u>	
Total comprehensive (loss)/ income attributable to:			
Equity holders of the Company	(5,012)	(7,451)	(32.7)
Non-controlling interests	48	241	(80.2)
	<u>(4,964)</u>	<u>(7,210)</u>	(31.1)
Loss per share attributable to equity holders of the Company			
Basic loss per share (cents)	(1.828)	(4.504)	
Diluted loss per share (cents)	(1.828)	(4.504)	

Nm denotes Not meaningful

Explanatory Notes

Note 1a(i) Revenue

	Group	
	Period Ended	
	<u>30/6/2021</u>	<u>30/6/2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Revenue from contracts with customers:		
Hotel operations	28,225	33,113
Waste disposal and contract cleaning services	20,733	26,011
Car parking fees and service charge	1,280	1,155
Food and beverage operations	1,119	829
	<u>51,357</u>	<u>61,108</u>
Other revenue:		
Rental income	8,558	8,958
Dividend income	28	31
	<u>8,586</u>	<u>8,989</u>
	<u>59,943</u>	<u>70,097</u>
Timing of revenue recognition for revenue from contracts with customers		
At a point in time	17,704	17,444
Over time	33,653	43,664
	<u>51,357</u>	<u>61,108</u>

Note 1a(ii) Included in "Other income", "Other (loss)/gains" and "Other operating expenses" are the following items:

	Group	
	Period Ended	
	<u>30/6/2021</u>	<u>30/6/2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Other income includes:		
Management fee charged to related companies	126	118
Government grants and other rebates	5,449	6,584
Other (loss)/gain includes:		
Foreign exchange loss (Note 1a(vii))	(83)	(3,133)
Net gain on disposal of property, plant and equipment	8	109
Other operating expenses includes:		
Property, plant and equipment written off	47	393
Redevelopment costs	-	2,290

Note 1a(iii) Materials and consumables purchased for the period ended 30 June 2021 decreased mainly due to lower consumption by the Hotel Division as the Group's hotels are operating at reduced capacity.

Note 1a(iv) Employee benefit costs for the period ended 30 June 2021 decreased mainly due to restructuring measures taken by the Group amid the COVID-19 pandemic.

Note 1a(v) Depreciation expenses decreased mainly due to assets fully depreciated during the period as well as exchange rate fluctuation.

Note 1a(vi) Finance costs for the period ended 30 June 2021 decreased mainly due to lower interest rate as compared to the corresponding period ended 30 June 2020.

Note 1a(vii) Foreign exchange loss for the period ended 30 June 2021 was due mainly to the strengthening of the the United States Dollar against the Singapore Dollar partially offset by the weakening of the Australian Dollar and Euro against the Singapore Dollar.

Note 1a(viii) The tax (credit)/ charge can be analysed as follows:

	Group	
	Period Ended	
	30/6/2021	30/6/2020
	S\$'000	S\$'000
Current taxation charge	1,250	802
Deferred taxation credit recognised	(911)	(249)
Under / (Over) provision in prior years	11	(17)
	<u>350</u>	<u>536</u>

The taxation charge for the period ended 30 June 2021 relates to taxes on profits of certain subsidiaries which cannot be offset against losses of other subsidiaries within the Group.

Note 1a(ix) Currency translation gain for the period ended 30 June 2021 was mainly due to appreciation of the United States Dollar against the Singapore Dollar partially offset by the depreciation of the Australian Dollar against the Singapore Dollar.

Note 1a(x) Related party transactions

In addition to the related party information disclosed elsewhere in the condensed financial statements, the following are transactions with related parties:

	Group	
	Period Ended	
	30/6/2021	30/6/2020
	S\$'000	S\$'000
Sales and purchases of goods and services :		
Cleaning service fee and waste disposal fee income from a company controlled by a director	127	107
Management fee income from:		
- Ultimate holding company	5	7
- Company controlled by a director	121	111
Rental income from a company controlled by a director	11	11
Rental expense paid to a company controlled by a director	5	5
Cleaning service to a director	7	12

1(b)(i) Condensed interim statements of financial position

	Note	Group		Company	
		30/6/2021	31/12/2020	30/6/2021	31/12/2020
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Investment properties		558,247	559,955	-	-
Property, plant and equipment	A	657,672	655,108	-	-
Subsidiaries	B	-	-	853,716	842,801
Financial assets, at fair value through other comprehensive income ("FVOCI")	C	7,204	7,318	-	-
Financial assets, at fair value through profit or loss ("FVPL")	C	-	3,000	-	-
Club memberships		21	21	21	21
Goodwill		10,943	10,964	-	-
Rental lease receivables		318	391	-	-
Long-term prepayments and receivables		2,287	2,544	-	-
Deferred income tax assets		4,288	4,179	-	-
		1,240,980	1,243,480	853,737	842,822
Current assets					
Inventories		6,910	6,830	-	-
Trade and other receivables	D	25,762	26,900	188	217
Income tax recoverable		3,323	3,505	-	-
Advances to subsidiaries (non-trade)		-	-	3,478	3,472
Financial assets, at FVPL	C	3,000	-	-	-
Cash and bank balances	refer to 1(c)	32,840	38,611	723	1,078
	F	71,835	75,846	4,389	4,767
Total assets		1,312,815	1,319,326	858,126	847,589
Equity attributable to equity holders of the Company					
Share capital		254,139	254,139	254,139	254,139
Retained profits	refer to 1(d)(i)	675,542	684,085	87,614	91,814
Other reserves	refer to 1(d)(i)	(101,271)	(103,597)	-	-
		828,410	834,627	341,753	345,953
Non-controlling interests	refer to 1(d)(i)	6,701	6,653	-	-
Total equity		835,111	841,280	341,753	345,953
Non-current liabilities					
Borrowings	G	209,018	209,041	170,000	170,000
Long-term liabilities		6,709	5,582	-	-
Lease liabilities		33,922	34,017	-	-
Deferred income tax liabilities		17,338	18,159	-	-
		266,987	266,799	170,000	170,000
Current liabilities					
Trade and other payables	E	28,850	37,475	586	757
Lease liabilities		975	870	-	-
Current tax payable		4,645	6,452	74	185
Borrowings	G	176,247	166,450	77,130	69,094
Advances from subsidiaries (non-trade)		-	-	268,583	261,600
	F	210,717	211,247	346,373	331,636
Total equity and liabilities		1,312,815	1,319,326	858,126	847,589

The material variances noted from the statement of financial position items as at 30 June 2021 as compared with those of 31 December 2020 are explained as follows:

- (A) Property, plant and equipment increased mainly due to additions partially offset by depreciation expenses. During the six months ended 30 June 2021, the Group acquired property, plant and equipment with an aggregate cost of S\$15,324,000 (30 June 2020: S\$6,507,000) and disposed of property, plant and equipment amounting to S\$54,000 (30 June 2020: S\$507,000). For the financial period ended 30 June 2021, capital expenditure contracted for purchase of property, plant and equipment amounted to S\$10,169,000 (30 June 2020: S\$10,173,000).
- (B) Subsidiaries increased mainly due to amounts owing by subsidiaries on long-term loan account. The amounts owing by subsidiaries on long-term loan account are considered an extension of the Company's net investment in the subsidiaries. These are unsecured, interest-free and are not expected to be repaid within one year.
- (C) Financial assets at FVOCI and FVPL
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:
i) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
ii) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The following table presented the assets

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group - 30 June 2021				
Financial assets, at FVOCI	7,204	-	-	7,204
Financial assets, at FVPL	-	-	3,000	3,000
Group - 31 December 2020				
Financial assets, at FVOCI	7,318	-	-	7,318
Financial assets, at FVPL	-	-	3,000	3,000

The fair value of financial instruments traded in active markets (such as financial assets, at FVOCI) is based on quoted market prices at the end of reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

There were no transfers between Level 1 and Level 2 during the period.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

Financial assets at FVPL has been reclassified from non-current assets to current assets due to the maturity of the convertible bonds in 1Q2022.

The fair value of financial assets with a maturity of less than one year approximate their carrying amounts.

The following table presents the changes in Level 3 instruments:

	<u>30/6/2021</u> <u>S\$'000</u>	<u>31/12/2020</u> <u>S\$'000</u>
Beginning and end of financial period/year - Financial assets, at FVPL	3,000	3,000

Valuation techniques and inputs used in Level 3 fair value measurements

Description	Valuation technique	Fair value at 30 June 2021 (S\$'000)	Unobservable inputs ^(a)	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Non-listed convertible bond	Binomial Option Pricing Model	3,000 (2020: 3,000)	Discount rate	3% (2020: 3%)	The higher the discount rate, the lower the fair value

^(a) There were no significant inter-relationship between unobservable inputs.
There were no transfers between Levels 2 and 3 during the period.

(D) Trade and other receivables

	Group	
	<u>30/6/2021</u>	<u>31/12/2020</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Trade receivables:		
- third parties	12,875	10,955
- related company	119	85
- ultimate holding company	6	3
	<u>13,000</u>	<u>11,043</u>
Loss allowance	<u>(1,000)</u>	<u>(1,045)</u>
Net trade receivables	<u>12,000</u>	<u>9,998</u>
Other receivables:		
Deposits	380	529
Staff loans	1,136	661
VAT recoverable	4,953	6,383
Prepayments	2,689	3,506
Government grant receivables	41	2,460
Advance payment to contractor	2,557	1,619
Rental lease receivables due within 1 year	249	227
Amount owing from ultimate holding	40	40
Others	<u>1,717</u>	<u>1,477</u>
	<u>13,762</u>	<u>16,902</u>
	<u>25,762</u>	<u>26,900</u>

Included in trade and other receivables is an amount of \$165,000 (2020: \$128,000) owing by companies controlled by a director of the Company. Subsequent to the financial period ended 30 June 2021, this amount has been fully paid.

Aging of the Group's trade receivables:

	Amount	Loss	Net
	<u>Owing</u>	<u>Allowance</u>	<u>Net</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Within 30 days	8,756	-	8,756
30 to 60 days	1,728	-	1,728
60 to 90 days	398	-	398
More than 90 days	<u>2,118</u>	<u>(1,000)</u>	<u>1,118</u>
	<u>13,000</u>	<u>(1,000)</u>	<u>12,000</u>

The trade and other receivables are expected to be recovered in the ordinary course of business. In relation to the loss allowance on trade receivables, the Group will continue to follow up and/or take appropriate actions as practicable.

The amounts do not relate to the Group's major customers. The Group will not transact with these customers until the outstanding receivables are recovered. Otherwise, the transactions will be based on cash on delivery terms. The loss allowance relates mainly to sales reported prior to FY2019.

The Board is of the opinion that the methodologies used to determine the value of the impairment of the trade and other receivables is reasonable.

The Board is of the view that there is no indication the remaining trade and other receivables are unrecoverable. The Group continues to closely monitor and follow up on the remaining trade and other receivables.

(E) Trade and other payables

	Group	
	30/6/2021	31/12/2020
	S\$'000	S\$'000
Trade payables	11,169	11,819
Rental and other deposits	352	2,193
Liabilities incurred for capital expenditure	-	59
Deferred income	176	636
Deferred grant income	1,253	3,672
Social security contributions	729	743
Employee benefits	1,459	1,127
VAT payable	883	766
Other taxes payable	338	1,340
Contract liabilities	5,272	5,135
Accrued staff costs	1,898	1,408
Accrued operating expenses	5,316	8,577
Amount due to a related company	6	-
	28,850	37,475

Included in trade and other payables is an amount of \$6,000 owing to a company controlled by a director of the Company. The carrying amounts have been assessed to be a reasonable approximation of their fair values due to their short-term nature.

- (F) Notwithstanding the Group and the Company having negative working capital as at 30 June 2021, it has sufficient financial resources and liquidity to meet its short-term obligations. The Group has unutilised committed credit facilities available to be drawn upon if required. The management may also further leverage on unencumbered investment properties and hotel properties for new credit facilities to ensure that the Group has adequate amount of credit facilities. Management will continue to strive to preserve cash with cost management measures and deferment of non-essential capital expenditure. The Group expects to fulfil its payment obligations in the next 12 months through (i) its existing cash balance; (ii) external bank facilities; and (iii) cash flows from operations. The Group does not currently have any debt repayment plans with respect to its debt obligations. After reviewing the most recent projections and having considered measures by the Group to conserve cash resources, together with continued support from the financial institutions, the Group is expected to have sufficient cash flows to continue its operations and meet its financial obligations as and when they fall due.

Prior to the date of release of the 1H2021 results, the management has obtained waivers for the compliance with certain loan covenants in relation to its borrowings from two financial institutions. The Group currently complies with all other financial covenants and rolled over all revolving credit facilities as at the date of these financial statements.

- (G) Short-term borrowings increased mainly due to drawdown of loans.

- (H) Subsequent events
There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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

	Group			
	As At 30/6/2021		As At 31/12/2020	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less	176,247	-	166,450	-
Amount repayable after one year	207,827	1,191	208,300	741

Details of collaterals

The collaterals for the group's secured borrowings as at 30 June 2021 are as follows :

- A foreign subsidiary's freehold land and buildings, equipment and business;
- A local subsidiary's investment property, including rental proceeds, interests in tenancy agreements and insurance policies;
- A local subsidiary's freehold land and buildings, including rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies;
- A foreign subsidiary's freehold land and building, and equipment, including rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies; and
- A foreign subsidiary's leasehold land and building, and equipment, including rental proceeds, interests in tenancy agreements, interests in hotel management agreements and insurance policies.

The collateral for the group's secured lease liabilities as at 30 June 2021 is a vehicle of a foreign subsidiary.

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

Condensed interim consolidated statement of cash flows

	Group	
	Period Ended	
	30/6/2021	30/6/2020
	S\$'000	S\$'000
Cash Flows from Operating Activities		
Loss before taxation	(6,937)	(17,309)
Adjustments for:		
Depreciation of property, plant and	15,818	16,572
Dividend income from financial assets at FVOCI	(28)	(31)
Interest income	(124)	(307)
Net gain on disposal of property, plant and equipment	(8)	(109)
Property, plant and equipment written off	47	393
Interest expense	3,104	4,389
(Write-back)/impairment loss on financial assets	(6)	5
Unrealised currency translation loss	221	2,459
Changes in working capital:	12,087	6,062
Inventories	(25)	2,183
Trade and other receivables	1,296	755
Trade and other payables	(7,803)	(6,133)
Cash generated from operations	5,555	2,867
Income tax paid	(2,564)	(1,488)
Net cash provided by operating activities	2,991	1,379
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(15,978)	(6,507)
Payment for long-term prepayments	(337)	(552)
Additions to investment properties	(7)	(1,747)
Government grants received for investment properties	654	-
Proceeds from disposal of financial assets, at fair value through other comprehensive income	-	1,010
Proceeds from disposal of property, plant and equipment	16	222
Interest received	124	307
Dividends received	28	31
Net cash used in investing activities	(15,500)	(7,236)
Cash Flows from Financing Activities		
Proceeds from bank borrowings	17,537	15,410
Repayment of bank borrowings	(9,476)	(4,196)
Principal payment of lease liabilities	(345)	(495)
Interest paid	(1,759)	(5,825)
Dividends paid to equity holders of the Company	(1,205)	-
Net cash provided by financing activities	4,752	4,894
Net decrease in cash and bank balances	(7,757)	(963)
Cash and bank balances		
Beginning of financial year	36,656	46,383
Effect of currency translation of cash and bank balances	116	36
Cash and bank balances at end of period (Note A)	29,015	45,456

Note A

Cash and bank balances

	Group	
	Period Ended	
	30/6/2021	30/6/2020
	S\$'000	S\$'000
Cash and bank balances comprise:		
Cash and bank balances	19,001	21,486
Fixed deposits	13,839	24,411
Less:		
Bank overdrafts	(3,825)	(441)
	29,015	45,456

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.

Condensed interim statements of changes in equity

The Group

	Attributable to equity holders of the Company							Non-controlling interests	Total equity
	Share capital	Retained profits	Revaluation surplus reserve	Fair value reserve	Currency translation reserve	Premium paid on acquisition of non-controlling interests	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	254,139	684,085	11,921	(5,048)	(72,800)	(37,670)	834,627	6,653	841,280
Loss for the period	-	(7,338)	-	-	-	-	(7,338)	51	(7,287)
Other comprehensive (loss)/income for the period	-	-	-	(114)	2,440	-	2,326	(3)	2,323
Total comprehensive (loss)/income for the period	-	(7,338)	-	(114)	2,440	-	(5,012)	48	(4,964)
2020 final tax-exempt dividend	-	(1,205)	-	-	-	-	(1,205)	-	(1,205)
Total transactions with owners, recognised directly in equity	-	(1,205)	-	-	-	-	(1,205)	-	(1,205)
Balance at 30 June 2021	254,139	675,542	11,921	(5,162)	(70,360)	(37,670)	828,410	6,701	835,111
Balance at 1 January 2020	254,139	725,277	11,921	(5,352)	(71,659)	(37,670)	876,656	9,203	885,859
Loss for the period	-	(18,085)	-	-	-	-	(18,085)	240	(17,845)
Other comprehensive income for the period	-	-	-	1,071	9,563	-	10,634	1	10,635
Total comprehensive (loss)/income for the period	-	(18,085)	-	1,071	9,563	-	(7,451)	241	(7,210)
Transfer upon disposal of investments	-	19	-	(19)	-	-	-	-	-
Balance at 30 June 2020	254,139	707,211	11,921	(4,300)	(62,096)	(37,670)	869,205	9,444	878,649

The Company

	Share capital	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	254,139	91,814	345,953
Total comprehensive loss for the period	-	(2,995)	(2,995)
2020 final tax-exempt dividend	-	(1,205)	(1,205)
Total transactions with owners, recognised directly in equity	-	(1,205)	(1,205)
Balance at 30 June 2021	254,139	87,614	341,753
Balance at 1 January 2020	254,139	79,760	333,899
Total comprehensive loss for the period	-	(5,663)	(5,663)
Balance at 30 June 2020	254,139	74,097	328,236

- 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 has been no change in the Company's share capital since the end of the previous period reported on.

The Company has no treasury shares and no outstanding options 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.

- 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.**

There were no treasury shares as at 30 June 2021 and 31 December 2020. The total number of issued shares as at 30 June 2021 was 401,516,968 (31 December 2020: 401,516,968).

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

Not applicable.

- 1(e) **Corporate information**

The Company is incorporated as limited liability company and domiciled in Singapore whose shares are publicly traded on the Singapore exchange. These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group). The principal activities of the Company are those relating to investment holding and provision of management services to its subsidiaries.

The principal activities of the Group are:

- (a) Property investment
- (b) Hotel operations
- (c) Contract cleaning and waste management services
- (d) Property development

The immediate and ultimate holding company is Goldvein Holdings Pte. Ltd., a company incorporated in Singapore.

- 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.

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

Not applicable.

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

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

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

Not applicable.

- 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 condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

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

Except as disclosed in paragraph 5, the financial statements have been prepared using the same accounting policies and methods of computation as presented in the audited financial statements for the financial year ended 31 December 2020.

Critical accounting estimates

The following are the critical accounting estimates in applying the Group's accounting policies in the financial statements for the half year ended 30 June 2021:

Valuation of Investment properties ("IP") and Impairment of Property, plant

The Group carries its investment properties at fair value with changes in fair value being recognised in profit and loss, determined annually by independent, professionally-qualified property valuers.

For the purpose of this condensed consolidated interim financial statements for the half year ended 30 June 2021, the Board of Directors would like to highlight that the carrying amounts of IP as at 30 June 2021 are based on the independent valuations as at 31 December 2020 and receipt of government grants for the green mark incentives scheme and currency translation differences. The management and the Board of Directors are of the view that the valuations of the investment properties as at 30 June 2021 remain substantially the same from those as at 31 December 2020.

PPE is stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Freehold land and asset under construction are not depreciated. Determining whether the carrying value of PPE is impaired requires an estimation of the value in use of the cash-generating units ("CGU"). This requires the Group to estimate the future cash flows expected from the CGUs and an appropriate discount rate in order to calculate the present value of the future cashflows. Based on the assessment, there was no impairment provision required for the first half year ended 30 June 2021.

For illustration purposes, a decline of 5% in the carrying amounts of Group's properties as at 30 June 2021 would have the following estimated impact on the net asset value per ordinary share of the Group. This sensitivity analysis assumes that all other variables remain constant.

	Group		
	30 June 2021	Illustrative impact	Pro forma
Carrying value of Investment properties and Property, plant and equipment (S\$'000)	1,215,919	(60,796)	1,155,123
Number of ordinary shares	401,516,968	-	401,516,968
Net asset value per ordinary share (S\$) of the Group	2.06	(0.15)	1.91

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 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. There were no substantial changes to the Group's accounting policies nor any significant impact on the financial statements arising from the adoption.

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

(Loss)/earnings per ordinary share after deducting any provision for preference dividends:	Group	
	First Half Ended 30/6/2021	First Half Ended 30/6/2020
Based on weighted average number of ordinary shares in issue (cents)	(1.828)	(4.504)
On a fully diluted basis (cents)	(1.828)	(4.504)
Weighted average number of ordinary shares	401,516,968	401,516,968

As at 30 June 2021, there was no outstanding share options.

Loss per ordinary share on existing issued share capital is computed based on the weighted average number of shares in issue of 401,516,968 for both periods.

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 financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	30/6/2021	31/12/2020	30/6/2021	31/12/2020
Net asset value per ordinary share (S\$)	2.06	2.08	0.85	0.86

Net asset value per share for both periods is computed based on the number of shares (excluding treasury shares) in issue of 401,516,968.

8

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Segment Revenue	Group		Increase/ (Decrease) %
	Period Ended		
	30/6/2021 S\$'000	30/6/2020 S\$'000	
Rental	9,838	10,110	(2.7)
Hotel	28,225	33,117	(14.8)
Industrial	20,733	26,011	(20.3)
Investment	28	31	(9.7)
Others	1,119	828	35.1
Total	59,943	70,097	(14.5)
Segment result	Group		Increase/ (Decrease) %
	Period Ended		
	30/6/2021 S\$'000	30/6/2020 S\$'000	
Rental	6,880	7,052	(2.4)
Hotel	3,912	(1,627)	Nm
Industrial	2,551	3,252	(21.6)
Investment	23	20	15.0
Development	(3)	(3)	-
Others ⁽²⁾	(1,362)	(3,059)	(55.5)
Earnings before interests, taxes, depreciation and amortisation ("EBITDA") ⁽¹⁾	12,001	5,635	113.0
Finance costs	(3,104)	(4,389)	(29.3)
Depreciation expenses	(15,818)	(16,572)	(4.6)
Re-development related costs ⁽³⁾	-	(2,290)	Nm
Termination benefits ⁽⁴⁾	(140)	-	Nm
Interest income	124	307	(59.6)
Loss before taxation	(6,937)	(17,309)	(59.9)

Nm denotes Not meaningful

¹ EBITDA is defined as profit/(loss) before interest, depreciation expenses, tax and other gain/ (loss)

² Others mainly include Corporate expenses and foreign currency translation gain/ (loss)

³ Re-development related costs expensed-off for project in Perth, Australia

⁴ Costs pertaining to the restructuring measures undertaken for Hotel Division

HALF YEAR 2021 ANNOUNCEMENT

Overall Performance of the Group

The revenue of the Group for the period ended 30 June 2021 ('1H2021') of S\$59.943 million decreased by 14.5% from S\$70.097 million for the period ended 30 June 2020 ('1H2020').

Revenue of the Group has been adversely impacted by the on-going COVID-19 pandemic. The Hotel division's revenue decreased by 14.8% over the same period last year mainly due to the decline of both corporate and leisure travelers as a result of border controls and travel restrictions around the world. The Group's Property - Rental division has also been affected, mainly due to the tighter COVID-19 measures in Singapore. The industrial division has also been negatively impacted due to the completion and non-renewal of the Jurong sector public waste collection contract in March 2020.

EBITDA for 1H2021 of S\$12.001 million increased by 113.0% as compared to 1H2020 EBITDA of S\$5.635 million mainly due to the higher contribution from Hotel Division due to cost containment measures undertaken by the Group and government grants partially offset by the lower contributions from Industrial and Property - Rental Divisions as well as lower foreign currency translation loss.

Accordingly, Group loss before taxation for 1H2021 of S\$6.937 million decreased by 59.9% from S\$17.309 million for 1H2020 after considering the lower foreign currency loss, finance costs, depreciation expenses as well as re-development related costs.

Property - Rental Division

Revenue for the Property - Rental Division of S\$9.838 million for 1H2021 decreased by 2.7% from S\$10.110 million for 1H2020 mainly due to lower rental rates.

Segment EBITDA of S\$6.880 million for 1H2021 decreased by 2.4% from S\$7.052 million for 1H2020 mainly due to the lower revenue.

Hotel Division

Revenue for the Hotel Division of S\$28.225 million for 1H2021 decreased by 14.8% from S\$33.117 million for 1H2020 mainly due to the ongoing impact of the COVID-19 pandemic to the hospitality industry.

Segment EBITDA of S\$3.912 million for 1H2021 as compared to segment negative EBITDA of S\$1.627 million for 1H2020 mainly due to cost containment measures undertaken by the Group and government grants.

Industrial Division

Revenue for the Industrial Division of S\$20.733 million for 1H2021 decreased by 20.3% from S\$26.011 million for 1H2020 is mainly due to the expiry of the public waste collection contract for Jurong sector in March 2020 for the waste disposal segment and lower revenue from the contract cleaning division due to non-renewal of contracts as well as renewal of contracts at lower rates.

Segment EBITDA of S\$2.551 million for 1H2021 decreased by 21.6% from S\$3.252 million for 1H2020 mainly due to decrease in revenue partially offset by government grants and lower operating expenses.

Investment Division

Revenue for the Investment Division of S\$0.028 million for 1H2021 decreased by 9.7% from S\$0.031 million for 1H2020 due to lower dividends received from investments in equity instruments.

Segment EBITDA of S\$0.023 million for 1H2021 increased by 15.0% from S\$0.020 million for 1H2020.

Property - Development Division

Segment negative EBITDA of S\$0.003 million for 1H2021 and 1H2020 were due to general and administrative expenses incurred.

Statement of Cash Flows

Half Year 2021

Net decrease in cash and cash equivalents of S\$7.757 million was due to net cash used in investing activities of S\$15.500 million, partially offset by net cash provided by financing activities of S\$4.752 million and net cash provided by operating activities of S\$2.991 million.

Net cash provided by operating activities was due mainly to government grants and other related rebates as well as from business operations.

Net cash used in investing activities was due mainly to purchase of property, plant and equipment partially offset by the receipt of green mark incentives for one of the its investment properties.

Net cash provided by financing activities was mainly due the proceeds from bank borrowings partially offset by repayment of bank borrowings, interest paid and dividends paid.

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

Not applicable.

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

The Property - Rental Division will continue to be negatively impacted by the subdued sentiment in the property market due to the COVID-19 situation.

The market conditions in the countries in which the Hotel Division operates are expected to remain challenging. Even with the vaccines, new variants of COVID-19 continue to adversely impact the demand for corporate and leisure travellers. The Group's hotels are operating at reduced capacity. The Group will continue to monitor the situation closely. Construction for the hotels in Douz, Tunisia and Medina of Tunis, Tunisia are ongoing and barring any unforeseen circumstances, both hotels are scheduled for operational completion in 2022.

The Industrial Division's businesses continue to remain challenging amid the intense competition from the competitors and the expiry of the public waste collection contract for Jurong sector, coupled with the prevailing COVID-19 pandemic without any certainty on when it will end. Despite these prevailing factors, the Industrial Division will continue to streamline its operations and intensify effort to secure more contracts and look for new business opportunities.

The Investment Division's performance is not expected to have material effect to the Group's financials.

The Property Development Division obtained development approval for the properties in Perth, Australia and is in initial planning stages of development.

Note 10a The above note contains forward looking statements that involve a fair amount of uncertainties pertaining to future operating conditions. Actual future performance may differ from those views expressed as a result of a number of uncertainties and assumptions such as the general economy and industry conditions, level of market competition and shift in supply or demand patterns. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11 **Dividend**

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

Any dividend declared for the current financial period reported on? No

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

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) **Date payable**

Not applicable

(d) **Books closure date**

Not applicable

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

No dividend has been declared or recommended for the period ended 30 June 2021 as it is not the usual practice of the Company to declare interim dividend.

13 **If no IPT mandate has been obtained, a statement to that effect**

The Company has not obtained a general mandate from shareholders.

14 **Segment analysis**

Business segments

For management purposes, the Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group's reportable operating segments are as follows:

(a) Property - Rental: Operations in this segment comprise the owning and letting of properties.

(b) Hotel: Activities in this segment include development and operation of hotels and a golf course.

(c) Industrial: This segment of activities covers waste collection and disposal and contract cleaning.

(d) Investment: These activities relate to securities trading and investment holding.

(e) Property - Development: Activities in this segment include the development of properties

(f) Others: Operations in this segment include mainly the provision of management services and the operation of restaurants. Unallocated net expenses incurred by the Group are included here.

Except as indicated above, there are no operating segments that have been aggregated to form the above reportable operating segments.

The Managing Director is the Group's chief operating decision-maker and monitors the operating results of the Group's operating segments for the purpose of making decisions about resource allocation and performance assessment. The Managing Director assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and excluding the effects of fair value and other gains and losses ("Segment results") which are not operational in nature.

Group financing and income taxes are managed on a group basis and are not allocated to operating segments.

The amounts provided to the Managing Director with respect to total assets and total liabilities are measured in a manner consistent with that of these financial statements. All assets and all liabilities are allocated to reportable segments other than tax assets and liabilities.

	Rental		Hotel		Industrial		Investment		Development		Others		Consolidated	
	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000	1H2021 S\$'000	1H2020 S\$'000
Revenue														
External revenue	9,838	10,110	28,225	33,117	20,733	26,011	28	31	-	-	1,119	828	59,943	70,097
Inter-segment revenue	60	37	176	654	342	347	-	-	-	-	469	470	1,047	1,508
Total revenue	<u>9,898</u>	<u>10,147</u>	<u>28,401</u>	<u>33,771</u>	<u>21,075</u>	<u>26,358</u>	<u>28</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>1,588</u>	<u>1,298</u>	<u>60,990</u>	<u>71,605</u>
Result														
Segment results	6,880	7,052	3,912	(1,627)	2,551	3,252	23	20	(3)	(3)	(1,362)	(3,059)	12,001	5,635
Termination benefits	-	-	(140)	-	-	-	-	-	-	-	-	-	(140)	-
Redevelopment costs	-	(2,290)	-	-	-	-	-	-	-	-	-	-	-	(2,290)
Depreciation of property, plant and equipment	(53)	(53)	(13,639)	(14,451)	(1,994)	(1,836)	-	-	-	-	(131)	(232)	(15,818)	(16,572)
Finance costs													(3,104)	(4,389)
Interest income													124	307
Loss before tax													<u>(6,937)</u>	<u>(17,309)</u>
Segment assets	563,730	555,713	688,423	712,301	40,990	57,151	10,306	11,217	-	14	1,755	6,641	1,305,204	1,343,037
Unallocated assets														
- deferred tax assets													4,288	1,830
- tax recoverable													3,323	2,987
Consolidated total assets													<u>1,312,815</u>	<u>1,347,854</u>
Segment liabilities	5,336	6,219	194,219	180,597	8,108	10,489	15	20	7	7	248,036	246,120	455,721	443,452
Unallocated liabilities														
- deferred tax liabilities													17,338	18,235
- current tax payable													4,645	7,518
Consolidated total liabilities													<u>477,704</u>	<u>469,205</u>
OTHER SEGMENT INFORMATION														
Capital expenditure														
- property, plant and equipment	11	49	14,859	5,975	445	440	-	-	-	-	9	43	15,324	6,507
- investment properties	7	1,747	-	-	-	-	-	-	-	-	-	-	7	1,747
Property, plant and equipment written off	-	-	-	297	46	94	-	-	-	-	1	2	47	393

15 Confirmation of procurement of undertakings from all directors and executives officers

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

16 Confirmation pursuant to Rule 705(5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Directors which may render the interim financial statements to be false or misleading in any material aspect.

17 Additional information required pursuant to Rule 706A of the Listing Manual

During the period ended 30 June 2021, the Company did not incorporate or acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

BY ORDER OF THE BOARD
 Foo Soon Soo
 Company Secretary
 5 August 2021