



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

SINJIA LAND LIMITED

Incorporated in the Republic of Singapore
Company Registration Number – 200402180C

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2021

S\$'000		6 month ended 30.6.2021 <u>(Unaudited)</u>	6 month ended 30.6.2020 <u>(Unaudited)</u>	Change
	Note			
Revenue	3	194	252	(23.0%)
Cost of sales		(159)	(286)	(44.4%)
Gross profit / (loss)		<u>35</u>	<u>(34)</u>	NM
Other income		39	14	NM
Other credits		1	268	(99.6%)
Expenses				
- Distribution and marketing		-	(2)	(100.0%)
- Administrative		(977)	(933)	4.7%
- Finance		-	(1)	(100.0%)
- Other charges		(91)	(227)	(59.9%)
Loss before income tax		<u>(993)</u>	<u>(915)</u>	8.5%
Income tax expense		-	-	NM
Loss for the period	4	<u>(993)</u>	<u>(915)</u>	8.5%
Loss attributable to:				
- Owners of the Company		(966)	(900)	7.3%
- Non-controlling interests		(27)	(15)	80.0%
		<u>(993)</u>	<u>(915)</u>	8.5%
Total comprehensive loss attributable to:				
- Owners of the Company		(966)	(900)	7.3%
- Non-controlling interests		(27)	(15)	80.0%
		<u>(993)</u>	<u>(915)</u>	8.5%
Loss per share for loss attributable to owners of the Company				
Basic and diluted loss per share (SGD in cent)	5	(0.55)	(0.51)	7.8%

NM – not meaningful

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

(In S\$'000)

	Note	<u>Group</u>		<u>Company</u>	
		<u>30.06.2021</u> (Unaudited)	<u>31.12.2020</u> (Audited)	<u>30.06.2021</u> (Unaudited)	<u>31.12.2020</u> (Audited)
ASSETS					
Current assets					
Trade and other receivables		22	26	1,310	1,170
Other current assets		152	152	67	67
Financial assets, at fair value through profit or loss	7	191	282	191	282
Cash and cash equivalents		<u>1,601</u>	<u>2,594</u>	<u>1,361</u>	<u>2,365</u>
		<u>1,966</u>	<u>3,054</u>	<u>2,929</u>	<u>3,884</u>
Non-current assets					
Investment in associated companies		212	212	-	-
Investments in subsidiary corporations		-	-	4,091	4,091
Plant and equipment		34	169	3	5
Investment properties	8	<u>1,952</u>	<u>1,966</u>	<u>1,078</u>	<u>1,078</u>
		<u>2,198</u>	<u>2,347</u>	<u>5,172</u>	<u>5,174</u>
		<u>4,164</u>	<u>5,401</u>	<u>8,101</u>	<u>9,058</u>
LIABILITIES					
Current liabilities					
Other payables		360	464	306	407
Borrowings	9	<u>24</u>	<u>164</u>	<u>3,927</u>	<u>3,940</u>
		<u>384</u>	<u>628</u>	<u>4,233</u>	<u>4,347</u>
Total liabilities		<u>384</u>	<u>628</u>	<u>4,233</u>	<u>4,347</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	10	25,247	25,247	25,247	25,247
Treasury shares		(2,602)	(2,602)	(2,602)	(2,602)
Accumulated losses		(15,789)	(14,823)	(15,633)	(14,790)
Other reserves		<u>(3,144)</u>	<u>(3,144)</u>	<u>(3,144)</u>	<u>(3,144)</u>
		<u>3,712</u>	<u>4,678</u>	<u>3,868</u>	<u>4,711</u>
Non-controlling interests		<u>68</u>	<u>95</u>	<u>-</u>	<u>-</u>
Total equity		<u>3,780</u>	<u>4,773</u>	<u>3,868</u>	<u>4,711</u>
Total equity and liabilities		<u>4,164</u>	<u>5,401</u>	<u>8,101</u>	<u>9,058</u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 30 JUNE 2021

(In \$'000)	6 month ended 30.6.2021 (Unaudited)	6 month ended 30.6.2020 (Unaudited)
Cash flows from operating activities		
- Loss before income tax	(993)	(915)
Adjustments for :		
- Depreciation of plant and equipment	136	4
- Interest income	-	(14)
- Interest expense	-	1
- Loss on disposal of property classified as held for sales	-	136
- Gain on disposal of plant and equipment	-	(77)
- Currency exchange loss / (gain)	13	(69)
- Fair value losses of financial assets at fair value through profit or loss	91	92
Operating cash flows before working capital changes	(753)	(842)
Change in working capital:		
- Trade and other receivables	4	1,430
- Other payables	(104)	56
Cash flows (used in) / generated from operating activities	(853)	644
Income tax paid	-	-
Net cash (used in) / generated from operating activities	(853)	644
Cash flows from investing activities		
Additions to plant and equipment	-	21
Proceeds from disposal of property classified as held-for-sale	-	910
Interest received	-	14
Net cash (used in) / generated from investing activities	-	945
Cash flows from financing activities		
Interest paid	-	(1)
Principal payment of lease liabilities	(140)	(138)
Net cash used in financing activities	(140)	(139)
Net (decrease) / increase in cash and cash equivalents	(993)	1,450
Cash and cash equivalents		
Beginning of the financial period	2,594	2,184
End of the financial period	1,601	3,634

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Company					Non-Controlling Interests	Total Equity
	Share Capital	Treasury Shares	Accumulated Losses	Other Reserves	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
<u>Group</u>							
2021							
As at 1 January	25,247	(2,602)	(14,823)	(3,144)	4,678	95	4,773
Loss for the period	-	-	(966)	-	(966)	(27)	(993)
As at 30 June	25,247	(2,602)	(15,789)	(3,144)	3,712	68	3,780
2020							
As at 1 January	25,247	(2,602)	(12,507)	(2,807)	7,331	126	7,457
Loss for the period	-	-	(900)	-	(900)	(15)	(915)
As at 30 June	25,247	(2,602)	(13,407)	(2,807)	6,431	111	6,542
<u>Company</u>							
2021							
As at 1 January	25,247	(2,602)	(14,790)	(3,144)	4,711	-	4,711
Loss for the period	-	-	(843)	-	(843)	-	(843)
As at 30 June	25,247	(2,602)	(15,633)	(3,144)	3,868	-	3,868
2020							
As at 1 January	25,247	(2,602)	(12,442)	(2,807)	7,396	-	7,396
Loss for the period	-	-	(887)	-	(887)	-	(887)
As at 30 June	25,247	(2,602)	(13,329)	(2,807)	6,509	-	6,509

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General information

Sinjia Land Limited (the “Company”) is a Company incorporated in the Republic of Singapore and is listed on the Catalist, the sponsor-supervised listing platform of Singapore Exchange Securities Trading Limited (“SGX-ST”). These 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 Group are

- (a) Investment holding; and
- (b) Lodging and boarding houses and backpackers’ hostel.

2. Basis of Preparation

2.1 Statement of compliance

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 2.2.

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

2.2 New and amended standards

The Group has applied the amendments to SFRS(I) 16 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to hostel premise lease. As a result applying the practical expedient, rent concessions of \$15,000 was recognised as other income in the profit or loss during the period.

The adoption of the above standards do not have any significant impact on the financial statements.

2.3 Use of estimates and judgements

The preparation of condensed interim financial statements in conformity with SFRS(I) requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Estimates and assumptions 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 areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed as follow:

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

2. Basis of Preparation (cont'd)

Valuation of investment properties

As disclosed in Note 8 to the condensed interim financial statements, investment properties are stated at fair value based on valuations performed by an independent professional valuer. In determining the fair value, the valuer has used a valuation method which involves certain estimates. In relying on the valuation reports, management has exercised its judgement and is satisfied that the valuation method is reflective of current market conditions and the estimations used are appropriate.

2.4 Seasonal operations

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

3. Revenue

Segment information

The Chief Executive Officer ("CEO") is the Group's chief operating decision maker. Management has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions, allocate resources and assess performance.

The Group's principal businesses are as follows:

- (1) The Hospitality Management ("HM") segment manages and operates lodging and boarding houses and backpackers' hostels.
- (2) The Corporate ("IH") segment is involved in Group level corporate services, treasury functions and investments. It derives its income substantially from inter-company transactions.

	<u>HM</u> \$'000	<u>IH</u> \$'000	<u>Group</u> \$'000
<u>1H 2021</u>			
Sales to external parties	<u>189</u>	<u>5</u>	<u>194</u>
Adjusted EBITDA	<u>3</u>	<u>(860)</u>	<u>(857)</u>
Depreciation	(135)	(1)	(136)
Segment assets	<u>139</u>	<u>2,424</u>	<u>2,563</u>
<u>30 June 2021</u>			
Segment assets includes:			
Investment in associated companies	-	212	212
Segment liabilities	<u>45</u>	<u>315</u>	<u>360</u>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

Segment information (continued)

	<u>HM</u> \$'000	<u>IH</u> \$'000	<u>Group</u> \$'000
<u>1H 2020</u>			
Sales to external parties	234	-	234
Adjusted EBITDA	(67)	(857)	(924)
Depreciation	(2)	(2)	(4)
Segment assets	260	2,547	2,807
<u>31 December 2020</u>			
Segment assets includes:			
Investment in associated companies	-	212	212
Additions to:			
- Plant and equipment	3	5	8
- Investment properties	-	888	888
Segment liabilities	49	415	464

The management reporting system evaluates performances based on a number of factors. However, the primary profitability measurement to evaluate segment's operating results comprises two major financial indicators: (1) earnings from operations before depreciation, amortisation, interests and income taxes ("**EBITDA**").

No separate segmental assets and liabilities by segment business are presented as management is of the opinion that it is impracticable to separate assets and liabilities for each business segment. Additionally, the measurement of total assets and liabilities for each reportable segment is not used by the Board of Directors when making operating decisions about allocating resources to the business segment and assessing its performance.

(a) Reconciliations

(i) Segment losses

A reconciliation of adjusted EBITDA to loss before tax is as follows:

	1H 2021 \$'000	1H 2020 \$'000
Total adjusted EBITDA	(857)	(924)
Depreciation	(136)	(4)
Interest expense	-	(1)
Interest income	-	14
Loss before tax	(993)	(915)

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

(a) Reconciliations (continued)

(ii) Segment assets

The amounts reported to the Chief Executive Officer with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than cash and cash equivalents, assets of disposal groups classified as held-for-sale and property classified as held-for-sale.

Segment assets are reconciled to total assets as follows:

	30 June 2021	31 December
	\$'000	2020
		\$'000
Segment assets for reportable segments	2,563	2,807
Unallocated:		
- Cash and cash equivalents	1,601	2,594
	<hr/>	<hr/>
Total assets	<u>4,164</u>	<u>5,401</u>

(iii) Segment liabilities

The amounts provided to the Chief Executive Officer with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than borrowings.

Segment liabilities are reconciled to total liabilities as follows:

	30 June 2021	31 December
	\$'000	2020
		\$'000
Segment liabilities for reportable segments	360	464
Unallocated:		
- Borrowings	24	164
	<hr/>	<hr/>
Total liabilities	<u>384</u>	<u>628</u>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

(b) Revenue from lodging service and rental income

Revenues from external customers are derived mainly from lodging service and rental income.

The breakdown of the Group's revenue by services as below:

Disaggregation of revenue from contracts with customers

	6 months ended 30 June 2021 \$'000	<u>Group</u> 6 months ended 30 June 2020 \$'000
<u>At a point in time</u>		
Lodging service(1)	130	178
<u>Over time</u>		
Rental income(2)	64	74
	<hr/>	<hr/>
	194	252
	<hr/> <hr/>	<hr/> <hr/>

(1) The revenue from lodging service and rental income are derived in Singapore and Malaysia.

(2) Rental income from subleasing the hostel premise.

(c) Geographical information

The Group's business segments operate in Singapore.

The Company is headquartered and has operations in Singapore. The operations in this area are principally hospitality management and investment holding.

	<u>Non-current assets</u>	
	30 June 2021 \$'000	31 December 2020 \$'000
Malaysia	874	888
Singapore	33	169
Thailand	212	212
United States	1,078	1,078
	<hr/>	<hr/>
	2,198	2,347
	<hr/> <hr/>	<hr/> <hr/>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

4. Loss for the period

4.1 Significant Items credited/(charged) to arrive at the loss before taxation

	6 months ended 30 June 2021 \$'000	<u>Group</u> 6 months ended 30 June 2020 \$'000
Depreciation of plant and equipment	(136)	(4)
Currency exchange (loss)/gain	(13)	69
Loss on disposal of property classified as held for sales	-	(136)
Gain on disposal of plant and equipment	-	77
Fair value losses of financial assets, at FVPL	(91)	(92)
	<hr/>	<hr/>

4.2. Related Party Transactions

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

5. Loss per share

Basic and diluted loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of shares outstanding during the financial period.

	<u>Group</u>
<u>30 June 2021</u>	
Loss attributable to the equity holders of the Company (\$'000)	(966)
	<hr/>
Weighted average number of ordinary shares ('000)	177,073
	<hr/>
Basic and diluted loss per share (cents per share)	(0.55)
	<hr/>
<u>30 June 2020</u>	
Loss attributable to the equity holders of the Company (\$'000)	(900)
	<hr/>
Weighted average number of ordinary shares ('000)	177,073
	<hr/>
Basic and diluted loss per share (cents per share)	(0.51)
	<hr/> <hr/>

6. Net asset value per share

	<u>Group</u>		<u>Company</u>	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Net asset value per share based on existing issued share capital as at the respective dates (cents)	2.10	2.64	2.18	2.66
	<hr/>	<hr/>	<hr/>	<hr/>

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

6. Net asset value per share (continued)

Net asset value per share of the Group and the Company is calculated based on 177,072,685 issued shares (excluding treasury shares) as at 30 June 2021 (31 December 2020: 177,072,685 issued shares (excluding treasury shares)).

7. Financial assets, at FVPL

In previous financial years, the Group had subscribed for redeemable participating shares in an investment fund named Fortune Asia Long Short Fund (the "Fund").

The investment objective of the Fund is to achieve long term capital growth through investments in equities which are publicly traded and listed in recognised stock exchanges in Asia (excluding Japan) and/or equities which are publicly traded or listed in recognised stock exchanges outside Asia, of issuers whose revenue is derived substantially from business activities or operations in Asia.

	<u>Group and Company</u>	
	<u>30 June 2021</u>	<u>31 December</u>
	<u>\$'000</u>	<u>2020</u>
		<u>\$'000</u>
Beginning of financial period/year	282	831
Fair value losses	(91)	(549)
	<hr/>	<hr/>
End of financial period/year	191	282
	<hr/>	<hr/>
Current		
- Non-listed equity security, Singapore	191	282
	<hr/>	<hr/>

The instruments are all mandatorily measured at fair value through profit or loss.

7.1 Fair value measurements

The table below presents assets recognised and measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) 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
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<u>Group and Company</u>				
30 June 2021				
Asset				
Financial assets, at FVPL	-	191	-	191
31 December 2020				
Assets				
Financial assets, at FVPL	-	282	-	282

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy level as at the end of the reporting period.

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

8. Investment properties

	<u>Group</u>		<u>Company</u>	
	30 June 2021 \$'000	31 December 2020 \$'000	30 June 2021 \$'000	31 December 2010 \$'000
Beginning of financial period/year	1,966	1,078	1,078	1,078
Addition ^(a)	-	888	-	-
Currency translation differences	(14)	-	-	-
End of financial period/year	1,952	1,966	1,078	1,078
<i>Accumulated depreciation and impairment losses</i>				
Beginning of financial period/year	-	-	-	-
Depreciation charged for the period	-	-	-	-
Currency translation differences	-	-	-	-
End of financial period/year	-	-	-	-
Net book value	1,952	1,966	1,078	1,078

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

- (a) At 31 December 2020, the two plots of shop-offices were exchanged from the disposal of the associated company, Ace Empire Capital Sdn. Bhd. with MYR 150,000 cash consideration paid for the acquisition.

The details of the Group's investment properties are as follows:

<u>Location</u>	<u>Description</u>	<u>Existing use</u>	<u>Tenure</u>	<u>Valuation Date</u>
30th Avenue SW and Interstate 94 Dickinson, North Dakota 58601	125 acres land	Vacant	Freehold	31 December 2020
Nos. 22 & 23, Jalan Dataran Kulai 2, Taman Dataran Kulai, 81000 Kulai, Johor	5,306 sq. ft. Building	Partial rent	Freehold	31 December 2020

8.1 Valuation

The investment properties are measured at fair value using significant other observable inputs (Level 2).

Valuation techniques and inputs used to derive Level 2 fair values

Level 2 fair values of the Group's properties were derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the comparative indicators that are abstracted from sales of similar sites and applied to the appraised site.

Valuation processes of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of the financial year based on the properties' highest and best use.

9. Borrowings

	<u>Group</u>		<u>Company</u>	
	<u>30 June</u> <u>2021</u> <u>\$'000</u>	<u>31</u> <u>December</u> <u>2020</u> <u>\$'000</u>	<u>30 June</u> <u>2021</u> <u>\$'000</u>	<u>31</u> <u>December</u> <u>2020</u> <u>\$'000</u>
Current				
Loan from subsidiary corporation (unsecured) ^(a)	-	-	3,927	3,940
Lease liabilities(secured)	24	164	-	-
Total borrowings	24	164	3,927	3,940

- (a) The loan from subsidiary corporation is unsecured, interest-bearing at the monthly SIBOR rate plus 1.5% and repayable on demand.

Total borrowings include secured liabilities of \$24,000 (2020: \$164,000) for the Group. Lease liabilities of the Group are effectively secured over the leased hostel premise.

SELECTED NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)

10. Share capital and treasury shares

	<u>No. of ordinary shares</u>		<u>Amount</u>	
	<u>Issued share capital</u> <u>'000</u>	<u>Treasury shares</u> <u>'000</u>	<u>Issued share capital</u> <u>\$'000</u>	<u>Treasury shares</u> <u>\$'000</u>
Group and Company				
As at 1 Jan 2021 and 30 June 2021	192,051	(14,978)	25,247	(2,602)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividend as and when declared by the Company.

OTHER INFORMATION

SHARE CAPITAL AND TREASURY SHARES

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

	<u>Issued and paid-up ordinary shares</u>	<u>Share capital S\$'000</u>
Balance as at 31 December 2020 and 30 June 2021 (excluding treasury shares)	177,072,685	25,247

	<u>Number of treasury shares</u>	<u>Number of shares outstanding</u>	<u>Percentage of the aggregate number of treasury shares held against the total number of shares outstanding</u>
As at 30 June 2020 and 30 June 2021	14,978,000	177,072,685	8.46%

There were no outstanding convertibles or subsidiary holdings as at 30 June 2020 and 30 June 2021.

1(a) 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

Total number of issued shares excluding treasury shares as at 30 June 2021 was 177,072,685 (31 December 2020: 177,072,685).

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

There was no sale, transfer, cancellation and/or use of treasury shares for the financial period ended 30 June 2021.

1(c) 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. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

AUDIT

1. 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 external auditors.

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

Not applicable.

3. 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 issue.

Not applicable.

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

Not applicable.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

ACCOUNTING POLICIES

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

The Group has applied the same accounting policies and methods of computation in the condensed interim financial statements for the current financial period compared with those used in the audited financial statements for the financial year ended 31 December 2020.

2. 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

Not applicable.

REVIEW OF GROUP PERFORMANCE

Income Statement

Revenue decreased by 23% from S\$0.25 million in 1HFY2020 to S\$0.19 million in 1HFY2021. The decrease was primarily due to the governments measures to fight against the Covid-19 pandemic has resulted in restriction of tourist into the Singapore since April 2020. The Group reported a gross profits of S\$0.03 million in 1HFY2021 compared to a gross loss of S\$0.03 million was reported in 1HFY2020 due to the decline in cost of sales as result of adoption of SFRS(I) 16 Leases where lease of hostel premises was classified as depreciation under administrative expense.

Other income in 1HFY2021 relates to mainly from (i) rental rebates of S\$15,000 and (ii) Job Support Scheme from Singapore Government of S\$20,000 and (iii) Other Singapore Government Grants of approximately of S\$3,000.

Other credits decreased by approximately S\$0.27 million from S\$0.27 million in 1HFY2020 to S\$1,000 in 1HFY2021, mainly due to absence of (i) gain on disposal of motor vehicle of S\$0.08 million, (ii) reversal of impairment of Investment in Ace Empire (which was impaired in prior year) of S\$0.06 million due to completion of disposal in 1HFY2020 (iii) currency exchange gain of S\$0.07 million in 1HFY2020, as a result of depreciation of Renminbi and United States Dollar against Singapore Dollars in 1HFY2020 compare to 1HFY2021 of S\$1,000 and (iv) Job Support Scheme from Singapore Government of S\$0.06 million in 1HFY2020 was reclassified to Other income.

Administrative expenses increased by S\$0.05 million, from S\$0.93 million in 1HFY2020 to S\$0.98 million in 1HFY2021, mainly due to the increase in depreciation costs by S\$0.13 million as a result of adoption of SFRS(I) 16 Leases offset against decrease in legal fees and professional fees by S\$0.07 million and upkeep of motor vehicle by S\$0.02 million.

Finance costs in 1HFY2020 mainly relates to hire purchase of company motor vehicle.

Other charges of S\$0.09 million in 1HFY2021 (1HFY2020: S\$0.23 million) mainly due to (i) fair value loss of S\$0.09 million on financial assets (at fair value through profit or loss) in the Company's investment fund (namely, Fortune Asia Long Short Fund) in 1HFY2021 (1HFY2020: S\$0.09 million) and (ii) absence of loss on disposal of property classified held-for-sale in 1HFY2021 (1HFY2020: S\$0.14 million).

As a result of the above, the Group registered a net loss before tax of S\$0.99 million in 1HFY2021, as compared to S\$0.92 million in 1HFY2020. The Group posted a loss attributable to owners of the Company of S\$0.97 million in 1HFY2021, as compared to S\$0.90 million in 1HFY2020.

Financial Position

Current Assets

The Group's current assets decreased by S\$1.09 million to S\$1.97 million as at 30 June 2021, from S\$3.05 million as at 31 December 2020. The Group's current assets as at 30 June 2021 comprised trade and other receivables of S\$0.02 million, other current assets of S\$0.15 million, financial assets (at fair value through profit or loss) of S\$0.19 million and cash and cash equivalents of S\$1.60 million.

Financial assets, at fair value through profit or loss decreased by S\$0.09 million, from S\$0.28 million as at 31 December 2020 to S\$0.19 million as at 30 June 2021, due to a decrease in the fair value of the Company's investment fund (namely, Fortune Asia Long Short Fund).

Cash and cash equivalents decreased by S\$0.99 million, from S\$2.59 million as at 31 December 2020 to S\$1.60 million as at 30 June 2021. Please refer to the section on "Consolidated Statement on Cash Flows" below for the reasons on the decrease in cash and cash equivalents.

REVIEW OF GROUP PERFORMANCE (continued)

Non-current Assets

The Group's non-current assets decreased by S\$0.15 million to S\$2.20 million as at 30 June 2021, from S\$2.35 million as at 31 December 2020. The Group's non-current assets as at 30 June 2021 comprised investment in associated company of S\$0.21 million, investment property of S\$1.95 million and plant and equipment of approximately S\$0.03 million.

Plant and equipment decreased by S\$0.14 million from S\$0.17 million as at 31 December 2020 to S\$0.03 million as at 30 June 2021 mainly due to the depreciation charges of S\$0.14 million recognised in 1HFY2021.

Investment property of S\$1.95 million as at 30 June 2021 was relates to the Vista Property of S\$1.08 million where property agent being engaged to market and sell the said property and S\$0.87 million relates to the two plots of shop-offices which in exchange as consideration for the disposal of associated company, Ace Empire Capital Sdn. Bhd. One of the plot was rented out and the property agent was engaged to market and sell the said properties.

Current Liabilities

The Group's current liabilities decreased by S\$0.24 million, from S\$0.63 million as at 31 December 2020 to S\$0.38 million as at 30 June 2021. The Group's current liabilities as at 30 June 2021 comprised mainly other payables of S\$0.36 million and borrowings of S\$0.02 million.

Other payables decreased by S\$0.10 million, from S\$0.46 million as at 31 December 2020 to S\$0.36 million as at 30 June 2021, mainly due to payment made on external audit fees and director's fees for FY2020 in 1HFY2021.

Total borrowings decreased from S\$0.16 million as at 31 December 2020 to S\$0.02 million as at 30 June 2021, due to the payment of lease of rental of premises with the adoption of SFRS(I) 16 Leases from 1 January 2019 of approximately S\$0.14 million.

The Group reported a positive working capital approximately of S\$1.58 million as at 30 June 2021.

Equity

Total equity decreased by S\$0.99 million, from approximately S\$4.77 million as at 31 December 2020 to S\$3.78 million as at 30 June 2021, mainly due to an increase in accumulated losses of S\$0.99 million as at 30 June 2021, as a result of net loss incurred in 1HFY2021.

Consolidated Statement of Cash Flows

Net cash outflow for operating activities for 1HFY2021 amounted to S\$0.85 million, mainly due to cash used in operations activities of S\$0.75 million and net cash outflow arising from working capital changes of S\$0.10 million mainly due to decrease in other payables of S\$0.10 million.

Net cash outflow from investing activities of S\$2,000 in 1HFY2021 was mainly due to plant and equipment additions.

Net cash outflow from financing activities of S\$0.14 million in 1HFY2021 was due to the settlement of finance lease liabilities.

As a result of the above, the Group had cash and cash equivalents of S\$1.60 million as at 30 June 2021, representing an decrease of S\$0.99 million as compared to at 31 December 2020.

FORECAST

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

PROSPECT

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 Board of Directors remain cautious in FY2021 due to business uncertainties arising from the Covid 19 pandemic have negatively affected the Group's operations, will continue to stay lean and maintain sufficient cash flow to navigate through the crisis.

The Group continues exploring future business opportunities which can enhance shareholders value.

DIVIDEND

1. Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No dividend has been declared for the current financial period.

2. Corresponding Period of the Immediately Preceding Financial Year

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

No dividend was declared for the previous financial period.

3. Date payable

Not applicable.

4. Books closure date

Not applicable.

5. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the current financial period in view that the Company was loss making.

INTERESTED PARTIES TRANSACTIONS

If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.,

The Group has not obtained an IPT general mandate from the Company's shareholders. There was no interested person transaction exceeding S\$100,000 entered into during 1HFY2021.

CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that it has procured all the required undertakings under Rule 720(1) of the Catalist Rules from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

NEGATIVE ASSURANCE CONFIRMATION ON INTERIM FINANCIAL RESULTS PURSUANT TO RULE 705 (5) OF THE LISTING MANUAL

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Company for the six-month ended 30 June 2021 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Cheong Weixiong
Executive Director
12 August 2021

Li Anhua
Non-Executive Chairman

This announcement has been reviewed by the Company's Sponsor, Asian Corporate Advisors Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr. Liao H.K., at 160 Robinson Road, #21-05 SBF Center, Singapore 068914, Telephone number: 6221 0271