

AF Global Limited

Company Registration No.197301118N
(Incorporated in the Republic of Singapore)

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL 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

	Note	Group			Group		
		01.07.2019 to 30.09.2019 ("3Q19") S\$'000	01.07.2018 to 30.09.2018 ("3Q18") (Restated) S\$'000	Change %	01.01.2019 to 30.09.2019 ("9M19") S\$'000	01.01.2018 to 30.09.2018 ("9M18") (Restated) S\$'000	Change %
Continuing operations							
Revenue	1	5,544	6,939	(20)	20,828	26,301	(21)
Cost of sales	2	(3,461)	(3,602)	(4)	(10,652)	(12,570)	(15)
Gross profit		2,083	3,337	(38)	10,176	13,731	(26)
Other operating income	3a	122	199	(39)	446	718	(38)
Marketing expenses		(309)	(246)	26	(1,035)	(835)	24
Administrative expenses	4	(1,852)	(1,875)	(1)	(6,371)	(6,694)	(5)
Other operating expenses	5	(1,259)	(1,318)	(4)	(4,630)	(3,684)	26
Operating (loss)/profit		(1,215)	97	NM	(1,414)	3,236	NM
Finance costs	6	(192)	(494)	(61)	(924)	(1,420)	(35)
Share of results of associated and joint venture companies	7	486	799	(39)	2,628	4,439	(41)
(Loss)/profit before taxation from continuing operations		(921)	402	NM	290	6,255	(95)
Taxation	8	(20)	(323)	(94)	(807)	(1,500)	(46)
(Loss)/profit for continuing operations, net of tax		(941)	79	NM	(517)	4,755	NM
Discontinued operation (Note)							
Profit from discontinued operation, net of tax	9	-	929	NM	20,398	1,417	1,340
(Loss)/profit for the period		(941)	1,008	NM	19,881	6,172	222
Other comprehensive income :							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation	10	4,035	147	2,645	14,108	1,809	680
Fair value gain/(loss) on investment securities		121	60	102	(28)	(64)	(56)
Other comprehensive income for the period, net of tax		4,156	207	1,908	14,080	1,745	707
Total comprehensive income for the period		3,215	1,215	165	33,961	7,917	329
(Loss)/profit for the period attributable to :							
Shareholders of the Company							
(Loss)/profit from continuing operations, net of tax		(764)	(258)	196	(1,422)	2,565	NM
Profit from discontinued operation, net of tax		-	929	NM	20,398	1,417	1,340
		(764)	671	NM	18,976	3,982	377
Non-controlling interests		(177)	337	NM	905	2,190	(59)
		(941)	1,008	NM	19,881	6,172	222
Total comprehensive income for the period attributable to :							
Shareholders of the Company							
Profit/(loss) from continuing operations, net of tax		1,714	(895)	NM	5,555	3,481	60
Profit from discontinued operation, net of tax		-	910	NM	23,123	738	3,033
		1,714	15	11,327	28,678	4,219	580
Non-controlling interests		1,501	1,200	25	5,283	3,698	43
		3,215	1,215	165	33,961	7,917	329

Note : On 14 December 2018, the wholly-owned subsidiary of the Company, L.C. Hotels Pte Ltd, entered into a share sale and purchase agreement to sell its entire issued paid-up ordinary shares in the capital of L.C. (London) Ltd ("LCL"). Hence, LCL is classified as "Discontinued operation" and certain comparative figures were restated to conform with current period's presentation. The sale was completed on 11 April 2019.

'NM' : Not meaningful.

Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group			Group		
	3Q19	3Q18	Change	9M19	9M18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from :						
- investment securities	110	51	116	282	155	82
- advances to an associated company	-	-	-	1	1	-
	<u>110</u>	<u>51</u>	<u>116</u>	<u>283</u>	<u>156</u>	<u>81</u>
Dividend income from investment securities	-	-	-	-	73	NM

2. Cost of sales comprised mainly direct costs, depreciation and overheads in respect of the Group's hospitality and leisure businesses.

3. (Loss)/profit before taxation is stated after crediting/(charging) :

	Group			Group		
	3Q19	3Q18	Change	9M19	9M18	Change
	S\$'000	(Restated) S\$'000	%	S\$'000	(Restated) S\$'000	%
(a) Other operating income :						
Interest income from fixed deposits	32	15	113	113	56	102
Gain on sale of property, plant and equipment	6	-	NM	21	-	NM
Gain on sale of interest in a subsidiary company (^)	-	-	-	-	454	NM
Gain on disposal of an associated company (#)	-	-	-	32	-	NM
Foreign currency gains (*)	81	183	(56)	236	191	24
Others	3	1	200	44	17	159
	<u>122</u>	<u>199</u>	<u>(39)</u>	<u>446</u>	<u>718</u>	<u>(38)</u>
(b) Depreciation of property, plant and equipment	(902)	(974)	(7)	(2,762)	(3,088)	(11)
(c) Depreciation of right-of-use assets	(29)	-	NM	(86)	-	NM
(d) Amortisation of club memberships	(1)	(1)	-	(2)	(2)	-
(e) Loss on sale of investment securities	-	-	-	(6)	(17)	(65)
(f) Writeback of impairment/(impairment)						
loss on trade receivables	54	(14)	NM	50	(23)	NM
(g) Loss on sale of property, plant and equipment	-	(5)	NM	-	(5)	NM
(h) Property, plant and equipment written off	(15)	(18)	(17)	(44)	(23)	91
(i) Impairment loss on asset held for sale (+)	-	-	-	(750)	-	NM

'NM' : Not meaningful.

^ This was in respect of the sale of 100% equity interest in ZONE X Leisure Pte Ltd, which owned and operated family entertainment business, in June 2018.

This was in respect of the sale of 49% equity interest in Lum Chang (Suzhou) Investments Pte Ltd in June 2019.

* The foreign currency gains for both 9M19 and 9M18 were mainly attributed to translation gain arising from translating Singapore Dollar denominated inter-company interest payable as Singapore Dollar had weakened against Thai Baht and gain on translating bank deposits in Thai Baht. However, the gain in 9M19 was partially offset by net realised exchange loss from the sale of Sterling Pound.

+ Impairment loss on asset held for sale was in respect of the Group's apartment unit in London as a result of a decrease in fair value.

4. Administrative expenses comprised mainly payroll, expenses for the administration of the business including hotel management fee and statutory expenses.
5. The higher other operating expenses for 9M19 was mainly attributed to impairment loss on the Group's apartment unit in London. The breakdown of items under other operating expenses were as follows :

	Group			Group		
	3Q19	3Q18 (Restated)	Change	9M19	9M18 (Restated)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Utilities	(439)	(471)	(7)	(1,367)	(1,374)	(1)
Payroll and other indirect overheads	(561)	(435)	29	(1,409)	(1,264)	11
Impairment loss on asset held for sale	-	-	-	(750)	-	NM
Legal and professional fees	(173)	(301)	(43)	(820)	(744)	10
Others	(86)	(111)	(23)	(284)	(302)	(6)
	<u>(1,259)</u>	<u>(1,318)</u>	<u>(4)</u>	<u>(4,630)</u>	<u>(3,684)</u>	<u>26</u>

6. The significantly lower finance costs for both 3Q19 and 9M19 was mainly attributed to repayment of bank loans.
7. This constitutes mainly our share of results from joint venture companies in Xuzhou, PRC and Knight Frank group of companies in Singapore.
8. The major components of income tax expense were :

	Group			Group		
	3Q19	3Q18 (Restated)	Change	9M19	9M18 (Restated)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax						
- Current year	(47)	235	NM	634	1,294	(51)
- Benefits from previously unrecognised tax losses	-	-	-	-	(11)	NM
- Over provision in respect of prior year	-	(1)	NM	-	(5)	NM
Deferred tax						
- Origination and reversal of temporary differences	67	89	(25)	203	222	(9)
- Over provision in respect of prior year	-	-	-	(30)	-	NM
	<u>20</u>	<u>323</u>	<u>(94)</u>	<u>807</u>	<u>1,500</u>	<u>(46)</u>

The significantly lower current tax expense for 9M19 was mainly because of lower pre-tax profit of Holiday Inn Resort Phuket owing to the closure of rooms at Busakorn Wing and a restaurant for refurbishment since May 2019.

'NM' : Not meaningful.

9. The financial results of Discontinued operation and the effects on disposal were as follows :

	Group			Group		
	3Q19	3Q18	Change	9M19	9M18	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	-	6,002	NM	4,259	15,704	(73)
Cost of sales	-	(3,208)	NM	(2,303)	(9,301)	(75)
Gross profit	-	2,794	NM	1,956	6,403	(69)
Other operating income	-	2	NM	56	86	(35)
Marketing expenses	-	(336)	NM	(264)	(919)	(71)
Administrative expenses ¹	-	(756)	NM	(627)	(2,101)	(70)
Other operating expenses ²	-	(338)	NM	(529)	(1,013)	(48)
Operating profit	-	1,366	NM	592	2,456	(76)
Finance costs	-	(158)	NM	(330)	(482)	(32)
Gain on sale of Discontinued operation	-	-	-	20,149	-	NM
Profit before taxation	-	1,208	NM	20,411	1,974	934
Taxation	-	(279)	NM	(13)	(557)	(98)
Profit for the period	-	929	NM	20,398	1,417	1,340

Profit before taxation is stated after crediting/(charging) :

Other operating income :						
Interest income from fixed deposits	-	2	NM	6	9	(33)
Foreign currency gains	-	-	-	50	77	(35)
	-	2	NM	56	86	(35)
Depreciation of property, plant and equipment ³						
Property, plant and equipment written off	-	(655)	NM	-	(2,007)	NM
	-	-	-	(26)	-	NM

¹ Administrative expenses comprised mainly payroll, expenses for the administration of the hotel and statutory expenses.

² The breakdown of items under other operating expenses were as follows :

Utilities	-	(152)	NM	(191)	(479)	(60)
Payroll and other indirect overheads	-	(171)	NM	(267)	(468)	(43)
Others	-	(15)	NM	(71)	(66)	8
	-	(338)	NM	(529)	(1,013)	(48)

³ In accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 5 - *Non-current Assets Held for Sale and Discontinued Operations*, depreciation ceased when the assets are being classified as held for sale.

Effects on disposal

	9M19
	S\$'000
Property, plant and equipment	138,141
Inventories	73
Trade receivables	321
Other receivables	109
Prepayments	137
Cash and short-term deposits	4,495
Trade payables	(1,058)
Other payables and accruals	(1,738)
Loans and borrowings	(29,877)
Deferred tax liabilities	(12,785)
Net assets derecognised	97,818
Realisation of foreign currency translation reserve to profit or loss	(57)
Gain on sale of interest in a subsidiary company (Note)	20,149
Consideration, net of transactions costs	117,910
Transaction costs accrued	255
Cash and short-term deposits disposed of	(4,495)
Net cash inflow from the sale of interest in a subsidiary company	113,670

Note

Consideration	119,310
Transaction costs	(1,400)
Realisation of foreign currency translation reserve to profit or loss	57
Net consideration	117,967
Net assets derecognised	(97,818)
Gain on sale of interest in a subsidiary company	20,149

10. Foreign currency translation comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to profit or loss. The gains in both 3Q19 and 9M19 were mainly attributed to stronger Thai Baht. The gain in 9M18 was mainly attributed to stronger Thai Baht partially offset by weaker Renminbi.

1(b)(i)

A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30.09.2019 S\$'000	31.12.2018 S\$'000	30.09.2019 S\$'000	31.12.2018 S\$'000
Non-current assets					
Property, plant and equipment	1	242,502	226,402	-	-
Intangible assets		40	42	-	-
Right-of-use assets	2	1,055	-	-	-
Subsidiary companies		-	-	297,764	296,530
Associated company	3	-	1,600	-	-
Joint venture companies		82,915	84,295	-	-
Investment securities		3,991	3,991	-	-
Deferred tax assets		337	294	-	-
		330,840	316,624	297,764	296,530
Current assets					
Asset held for sale	4	5,160	5,910	-	-
Investment securities	5	7,735	6,281	-	-
Inventories		221	259	-	-
Trade receivables		175	709	-	-
Other receivables		813	541	191	100
Prepayments		537	320	19	7
Amounts due from subsidiary companies	6	-	-	-	2,375
Cash and short-term deposits		18,711	19,511	443	194
		33,352	33,531	653	2,676
Assets of disposal group classified as held for sale		-	140,247	-	-
		33,352	173,778	653	2,676
Current liabilities					
Trade payables		1,679	2,324	-	-
Other payables and accruals	7	5,872	7,676	610	1,186
Provision for taxation		268	757	-	5
Lease liabilities	2	75	-	-	-
Amount due to a subsidiary company	6	-	-	17,215	-
Loans and borrowings	8	3,902	48,636	3,000	48,250
		11,796	59,393	20,825	49,441
Liabilities directly associated with disposal group classified as held for sale		-	44,718	-	-
		11,796	104,111	20,825	49,441
Net current assets/(liabilities)	9	21,556	69,667	(20,172)	(46,765)
Non-current liabilities					
Amount due to a subsidiary company		-	-	22,999	22,999
Lease liabilities	2	1,016	-	-	-
Loans and borrowings	8	2,260	-	-	-
Deferred tax liabilities	10	28,568	26,723	-	-
		31,844	26,723	22,999	22,999
Net assets		320,552	359,568	254,593	226,766
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		42,818	510	45,075	17,248
Reserves of disposal group classified as held for sale		-	84,497	-	-
		252,336	294,525	254,593	226,766
Non-controlling interests		68,216	65,043	-	-
Total equity		320,552	359,568	254,593	226,766

Notes to Statement of Financial Position :

1. The increase in property, plant and equipment was mainly attributed to strengthening of Thai Baht.
2. The Group adopted SFRS(I) 16 – *Leases* on 1 January 2019. At the date of initial application, the Group recognised rights to use the leased assets as right-of-use assets and their associated obligations as lease liabilities.
3. As announced on 27 June 2019, the Group disposed of its 49% equity interest in Lum Chang (Suzhou) Investments Pte Ltd ("LCSZ"). Hence, LCSZ ceased to be an associated company of the Group.
4. The decrease in asset held for sale was attributed to impairment loss in 2Q19 arising from a decrease in fair value of the Group's apartment unit in London.
5. The increase in investment securities (current) was mainly due to net purchase of quoted debt securities.
6. The movements were mainly due to advances from a subsidiary company to the Company.
7. The decrease in other payables and accruals was mainly attributed to payment of expenses accrued as at the end of the last financial year.
8. The decrease in loans and borrowings of the Group and the Company was mainly due to repayments of a bank loan (secured by collaterals provided by Discontinued operation) and the revolving credit facilities by the Company. A subsidiary company had simultaneously drawn down a new term loan to finance the refurbishment of its properties. This new term loan is secured by a mortgage on the freehold land and buildings owned by the said subsidiary company.
9. The decrease in net current assets of the Group was mainly due to the effects of the sale of Discontinued operation and the payment of dividends to shareholders of the Company. The decrease in net current liabilities of the Company was mainly due to repayments of a bank loan and the revolving credit facilities as mentioned in Note 8 above.
10. The increase in deferred tax liabilities was mainly attributed to strengthening of Thai Baht.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 30.09.2019		As at 31.12.2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,152	2,750	44,386	4,250

Amount repayable after one year

As at 30.09.2019		As at 31.12.2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
2,260	-	-	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. A revolving credit facility of S\$0.2 million secured by :
 - a pledge of shares of a company in the Group.
2. A new term loan of S\$3.2 million secured by :
 - a mortgage on the freehold land and buildings owned by a company in the Group.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	3Q19 S\$'000	3Q18 S\$'000	9M19 S\$'000	9M18 S\$'000
Cash flows from operating activities :				
(Loss)/profit before taxation from continuing operations	(921)	402	290	6,255
Profit before taxation from discontinued operation	-	1,208	20,411	1,974
(Loss)/profit before taxation, total	(921)	1,610	20,701	8,229
Adjustments for :				
Depreciation of property, plant and equipment	902	1,629	2,762	5,095
Depreciation of right-of-use assets	29	-	86	-
(Gain)/loss on sale of property, plant and equipment	(6)	5	(21)	5
Property, plant and equipment written off	15	18	70	23
Loss on sale of investment securities	-	-	6	17
Gain on sale of interests in subsidiary companies	-	-	(20,149)	(454)
Gain on disposal of an associated company	-	-	(32)	-
Share of results of associated and joint venture companies	(486)	(799)	(2,628)	(4,439)
Amortisation of club memberships	1	1	2	2
Dividend income from investment securities	-	-	-	(73)
Interest income	(142)	(68)	(402)	(221)
Finance costs	192	652	1,254	1,902
Impairment loss on asset held for sale	-	-	750	-
Unrealised foreign exchange differences	(60)	(133)	(49)	(188)
Operating (loss)/profit before reinvestment in working capital	(476)	2,915	2,350	9,898
(Increase)/decrease in inventories	(7)	20	41	(19)
(Increase)/decrease in receivables and prepayments	(132)	(445)	571	(128)
(Decrease)/increase in payables	(140)	1,591	(3,017)	512
Cash flows (used in)/generated from operations	(755)	4,081	(55)	10,263
Interest received	36	18	370	254
Interest paid	(194)	(645)	(1,132)	(1,913)
Income taxes paid	(398)	(938)	(1,472)	(2,054)
Net cash flows (used in)/generated from operating activities	(1,311)	2,516	(2,289)	6,550
Cash flows from investing activities :				
Dividend received	3,300	3,300	3,300	3,373
Proceeds from sale of property, plant and equipment	7	2	26	2
Purchase of property, plant and equipment	(2,823)	(1,001)	(4,221)	(3,276)
Purchase of investment securities	(2,497)	-	(2,497)	-
Proceeds from sale of investment securities	503	-	1,001	3,734
Net cash inflow from the sale of interests in subsidiary companies	(32)	-	113,670	728
Proceeds from disposal of an associated company	-	-	1,389	-
Net cash flows (used in)/generated from investing activities	(1,542)	2,301	112,668	4,561
Cash flows from financing activities :				
Proceeds from bank loans	3,073	-	15,564	6,150
Repayment of bank loans	(22,750)	(3,443)	(58,585)	(5,442)
Advance from immediate and ultimate holding company	-	-	2,000	-
Repayment of advance from immediate and ultimate holding company	-	-	(2,000)	-
Repayment of loans from a non-controlling interest	(154)	-	(154)	-
Repayment of advances by an associated company	-	-	240	62
Repayment of lease liabilities	(15)	-	(139)	-
Fixed deposit pledged with a bank	-	-	(11,845)	-
Fixed deposit discharged by a bank	11,845	-	11,845	-
Repayment to hire purchase creditors	-	-	-	(10)
Dividends paid by the Company	-	-	(71,256)	(10,556)
Dividends paid to a non-controlling interest	-	-	(1,956)	(1,949)
Net cash flows used in financing activities	(8,001)	(3,443)	(116,286)	(11,745)
Net (decrease)/increase in cash and cash equivalents	(10,854)	1,374	(5,907)	(634)
Effects of exchange rate changes on cash and cash equivalents	115	(45)	(11)	139
Cash and cash equivalents at beginning of period	29,401	22,555	24,580	24,379
Cash and cash equivalents at end of period	18,662	23,884	18,662	23,884

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

Continuing operations

Fixed deposits	10,544	11,142
Cash and bank balances	8,167	7,394
Cash and short-term deposits per Consolidated Statement of Financial Position	18,711	18,536

Discontinued operation

Cash and short-term deposits	-	5,397
	18,711	23,933
Less: Fixed deposits pledged	(49)	(49)
Cash and cash equivalents per Consolidated Statement of Cash Flows	18,662	23,884

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.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP

-----Attributable to shareholders of the Company-----							Non-controlling	Total		
Share capital	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Other reserves	Revenue reserve	interests	equity		
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
						Total reserves				
3019										
As at 1 July 2019	209,518	53,315	30	4,880	49,575	(1,170)	(12,597)	40,718	66,869	317,105
Loss for the period	-	-	-	-	-	-	(764)	(764)	(177)	(941)
Other comprehensive income for the period, net of tax	-	2,478	-	2,357	-	121	-	2,478	1,678	4,156
Total comprehensive income for the period	-	2,478	-	2,357	-	121	(764)	1,714	1,501	3,215
<u>Others</u>										
Repayment of loans from a non-controlling interest	-	-	-	-	-	-	-	-	(154)	(154)
Increase in net assets of a joint venture company	-	-	-	-	-	-	371	371	-	371
Share of reserves of a joint venture company	-	7	-	-	-	7	8	15	-	15
Total others	-	7	-	-	-	7	379	386	(154)	232
As at 30 September 2019	209,518	55,800	30	7,237	49,575	(1,042)	(12,982)	42,818	68,216	320,552
3018										
As at 1 July 2018	209,518	136,879	30	1,674	135,219	(44)	(46,413)	90,466	63,291	363,275
Profit for the period	-	-	-	-	-	-	671	671	337	1,008
Other comprehensive income for the period, net of tax	-	(656)	-	(716)	-	60	-	(656)	863	207
Total comprehensive income for the period	-	(656)	-	(716)	-	60	671	15	1,200	1,215
<u>Others</u>										
Increase in net assets of a joint venture company	-	-	-	-	-	-	371	371	-	371
Total others	-	-	-	-	-	-	371	371	-	371
As at 30 September 2018	209,518	136,223	30	958	135,219	16	(45,371)	90,852	64,491	364,861

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP (CONTINUED)

	-----Attributable to shareholders of the Company-----						Non-controlling	Total			
	Share capital	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Other reserves	Reserves of disposal group classified as held for sale	Total reserves	interests	equity	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	Revenue reserve S\$'000	S\$'000	S\$'000	S\$'000	
9M19											
As at 1 January 2019	209,518	48,813	30	232	49,575	(1,024)	(48,303)	84,497	85,007	65,043	359,568
Profit for the period	-	-	-	-	-	-	18,976	-	18,976	905	19,881
Other comprehensive income for the period, net of tax	-	6,977	-	7,005	-	(28)	-	2,725	9,702	4,378	14,080
Total comprehensive income for the period	-	6,977	-	7,005	-	(28)	18,976	2,725	28,678	5,283	33,961
<u>Contributions by and distributions to shareholders of the Company</u>											
Dividends paid by the Company	-	-	-	-	-	-	(71,256)	-	(71,256)	-	(71,256)
Total contributions by and distributions to shareholders of the Company	-	-	-	-	-	-	(71,256)	-	(71,256)	-	(71,256)
<u>Others</u>											
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	(1,956)	(1,956)
Repayment of loans from a non-controlling interest	-	-	-	-	-	-	-	-	-	(154)	(154)
Sale of interest in a subsidiary company	-	-	-	-	-	-	87,222	(87,222)	-	-	-
Increase in net assets of a joint venture company	-	-	-	-	-	-	371	-	371	-	371
Share of reserves of a joint venture company	-	10	-	-	-	10	8	-	18	-	18
Total others	-	10	-	-	-	10	87,601	(87,222)	389	(2,110)	(1,721)
As at 30 September 2019	209,518	55,800	30	7,237	49,575	(1,042)	(12,982)	-	42,818	68,216	320,552
9M18											
As at 1 January 2018											
- as previously reported	209,518	106,685	30	(28,644)	135,219	80	(20,598)	-	86,087	62,742	358,347
- Effect of adopting SFRS(I) 1	-	29,301	-	29,301	-	-	(29,301)	-	-	-	-
- Effect of adopting SFRS(I) 9	-	-	-	-	-	-	175	-	175	-	175
- as restated	209,518	135,986	30	657	135,219	80	(49,724)	-	86,262	62,742	358,522
Profit for the period	-	-	-	-	-	-	3,982	-	3,982	2,190	6,172
Other comprehensive income for the period, net of tax	-	237	-	301	-	(64)	-	-	237	1,508	1,745
Total comprehensive income for the period	-	237	-	301	-	(64)	3,982	-	4,219	3,698	7,917
<u>Others</u>											
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	(1,949)	(1,949)
Increase in net assets of a joint venture company	-	-	-	-	-	-	371	-	371	-	371
Total others	-	-	-	-	-	-	371	-	371	(1,949)	(1,578)
As at 30 September 2018	209,518	136,223	30	958	135,219	16	(45,371)	-	90,852	64,491	364,861

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
3Q19			
As at 1 July 2019	209,518	42,011	251,529
Profit for the period, representing total comprehensive income for the period	-	3,064	3,064
As at 30 September 2019	209,518	45,075	254,593
3Q18			
As at 1 July 2018	209,518	13,710	223,228
Profit for the period, representing total comprehensive income for the period	-	2,642	2,642
As at 30 September 2018	209,518	16,352	225,870
9M19			
As at 1 January 2019	209,518	17,248	226,766
Profit for the period, representing total comprehensive income for the period	-	99,083	99,083
<u>Contributions by and distributions to shareholders of the Company</u>			
Dividends paid by the Company	-	(71,256)	(71,256)
Total contributions by and distributions to shareholders of the Company	-	(71,256)	(71,256)
As at 30 September 2019	209,518	45,075	254,593
9M18			
As at 1 January 2018	209,518	13,944	223,462
Profit for the period, representing total comprehensive income for the period	-	2,408	2,408
As at 30 September 2018	209,518	16,352	225,870

- 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 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.**

There was no change in the Company's share capital since the end of the previous period reported on up to the end of the current financial period. The Company's issued and fully paid-up shares as at 30 September 2019 comprised 1,055,639,464 (30 September 2018 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 30 September 2019 and 30 September 2018.

- 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.**

	30.09.2019	31.12.2018
Total number of ordinary shares excluding treasury shares	1,055,639,464	1,055,639,464

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

Not applicable.

- 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.

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

The figures in this announcement have not been audited or reviewed by the Company's auditor.

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

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.**

Except as disclosed in paragraph 5 below, the financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2018.

The adoption of other SFRS(I) and Interpretations of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on 1 January 2019 does not have a material impact on the financial statements.

- 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 SFRS(I) 16 – *Leases* on 1 January 2019. This standard requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding depreciation charges and interest expense.

The Group applied this standard using the modified retrospective approach and recognised right-of-use assets of S\$1,119,000 with equal amount recognised as lease liabilities at the date of initial application. The Group also elected the practical expedients where applicable.

The adoption of SFRS(I) 16 does not have a material impact on the financial statements.

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 of the Group after deducting any provision for preference dividends :-	Group Quarter Ended	
	30.09.2019	30.09.2018 (Restated)
<u>Continuing operations</u>		
(a) Based on weighted average number of ordinary shares in issue	(0.07) cent	(0.03) cent
(b) On a fully diluted basis	(0.07) cent	(0.03) cent
<u>Discontinued operation</u>		
(a) Based on weighted average number of ordinary shares in issue	-	0.09 cent
(b) On a fully diluted basis	-	0.09 cent

Basic earnings per ordinary share is computed based on the weighted average number of ordinary shares (excluding treasury shares which have no voting rights) in issue during the quarter under review of 1,055,639,464 shares (30 September 2018 : 1,055,639,464 shares).

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding convertibles. There were no outstanding convertibles as at 30 September 2019 and 30 September 2018.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.09.2019	31.12.2018	30.09.2019	31.12.2018
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.24	S\$0.28	S\$0.24	S\$0.21

⁽¹⁾ Net asset is defined as total equity less non-controlling interests and intangible assets.

⁽²⁾ Based on total number of shares (excluding treasury shares which have no voting rights) as at the end of the financial period.

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.

Continuing operations

Revenue

Revenue of the Group for 3Q19 of S\$5.5 million was S\$1.4 million lower than 3Q18. For 9M19, the revenue of S\$20.8 million was S\$5.5 million lower than 9M18.

Hotel and Serviced Residence

Revenue of S\$5.4 million for 3Q19 and S\$20.5 million for 9M19 were S\$1.4 million and S\$4.3 million lower than 3Q18 and 9M18 respectively. It was mainly because of lower revenue from Holiday Inn Resort Phuket ("HIRP") owing to the closure of rooms at Busakorn Wing and a restaurant for refurbishment since May 2019.

The revenues of both Somerset Vientiane ("SV") and Cityview Apartments and Commercial Centre ("CV") for both 3Q19 and 9M19 were comparable with 3Q18 and 9M18.

Leisure and Others

Revenue of S\$0.1 million for 3Q19 was comparable with 3Q18. For 9M19, the revenue of S\$0.3 million was S\$1.2 million lower than 9M18 mainly because of revenue from the Group's family entertainment business recorded in 9M18. ZONE X Leisure Pte Ltd which owned and operated the family entertainment business had been disposed in June 2018.

Property

No revenue was recorded in both 3Q19 and 9M19 and the corresponding periods last year.

Profit Before Tax

The Group incurred a pre-tax loss of S\$0.9 million in 3Q19 compared to a pre-tax profit of S\$0.4 million in 3Q18. The pre-tax profit of S\$0.3 million in 9M19 was S\$6.0 million lower than 9M18.

Hotel and Serviced Residence

This sector incurred a pre-tax loss of S\$0.9 million in 3Q19 compared to a pre-tax profit of S\$0.6 million in 3Q18. HIRP incurred a pre-tax loss in 3Q19 owing to its lower revenue whilst it was a pre-tax profit in 3Q18. This sector's pre-tax profit of S\$0.7 million in 9M19 was S\$3.4 million lower than 9M18. It was mainly attributed to lower revenue of HIRP.

The pre-tax profits of both SV and CV for both 3Q19 and 9M19 were comparable with 3Q18 and 9M18.

Leisure and Others

Corporate office's pre-tax losses of S\$0.3 million in 3Q19 and S\$1.5 million in 9M19 were S\$0.4 million and S\$0.2 million lower than 3Q18 and 9M18 respectively. The lower pre-tax losses were mainly attributed to lower interest expense arising from lower borrowings. There was a one-off gain on sale of interest in a subsidiary company recorded in 9M18.

Property

This sector's pre-tax profits of S\$0.3 million in 3Q19 and S\$1.1 million in 9M19 were S\$0.2 million and S\$2.8 million lower than 3Q18 and 9M18 respectively. The lower pre-tax profit for 3Q19 was mainly attributed to our share of lower profits from Knight Frank group of companies ("KF group") partially offset by our share of lower loss of the joint venture company in Xuzhou, PRC ("Xuzhou JV"). The lower pre-tax profit for 9M19 was mainly due to our share of lower profits from both KF group and Xuzhou JV as well as impairment loss in respect of the Group's apartment unit in London recorded in 2Q19. The residential project in Xuzhou is at its tail end and nearly all its revenue had been recognised in the previous financial years. The lower profits of KF group in both 3Q19 and 9M19 were mainly attributed to its lower commission and fee income as well as share of loss (compared to the share of profit in 3Q18 and 9M18) of its associated company.

Discontinued operation

Hotel and Serviced Residence

The Group completed the sale of L.C. (London) Ltd which owned Crowne Plaza London Kensington ("CPLK") in April 2019 and had recognised the gain on sale of S\$20.1 million in 2Q19. CPLK had ceased to contribute to the Group's revenue and pre-tax profit since then.

Cash Flow

The deficit in cash flows from operations for 3Q19 and 9M19 were mainly attributed to lower revenue of HIRP.

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.**

Global economy remains delicate as trade tensions and Brexit continue to weigh on business confidence. Our hospitality assets are expected to provide stable income to the Group. We are dedicated to managing and enhancing our existing assets to stay competitive through assets enhancement initiatives. We will continue to seek potential acquisitions opportunities and divestments for our portfolio of assets.

In China, the Xuzhou Gulou Square is still under court proceedings. We will provide the necessary update when there is any further material development.

In Thailand, Phuket is facing a decline in tourist arrivals from China. Trade tensions with the US have led to less Chinese taking holidays owing to the uncertainty back home, while Thai Baht has risen around 10 per cent¹ against Renminbi this year. The Phuket hoteliers and tour package operators are targeting visitors from elsewhere, particularly India.

The refurbishment of the Busakorn Wing of our Holiday Inn Resort Phuket is progressing well with some rooms back in operation. By end of the year, it is expected to operate with full room capacity.

In Singapore, given challenging property market conditions, the agency business of Knight Frank is expected to remain slow but stable.

¹ Shunned by Chinese tourists and hit by stronger baht, Phuket braces for rare slump, Straits Times, 20 October 2019.

11 Dividend.

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period reported on?

Name of Dividend	:	Special
Dividend Type	:	Cash
Dividend per share	:	1.00 cent per ordinary share
Tax Rate	:	Tax exempt (one-tier)

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

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

None.

(c) Date payable.

To be announced at a later date.

(d) Books closure date.

To be announced at a later date.

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

Not applicable.

13 Confirmation pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

The Company does not have a general mandate from shareholders for interested person transactions.

14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the Unaudited Financial Statements for the Third Quarter ended 30 September 2019 to be false or misleading in any material respect.

On behalf of the Board of Directors

Koh Wee Seng
Chairman

Chay Yue Kai
Director

15 Confirmation pursuant to Rule 720(1) of the Listing Manual.

The Company has procured 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.

BY ORDER OF THE BOARD
Lim Swee Ann
Company Secretary

5 November 2019