

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 2017**
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

	Group			Group			
	01.07.2017 to 30.09.2017 ("3Q17") S\$'000	01.07.2016 to 30.09.2016 ("3Q16") S\$'000	Change %	01.01.2017 to 30.09.2017 ("9M17") S\$'000	01.01.2016 to 30.09.2016 ("9M16") S\$'000	Change %	
Revenue	1	13,884	13,588	2	41,536	40,609	2
Cost of sales	2	(7,151)	(6,971)	3	(21,281)	(20,931)	2
Gross profit		6,733	6,617	2	20,255	19,678	3
Other operating income	3a	18	613	(97)	87	3,807	(98)
Marketing expenses		(583)	(553)	5	(1,688)	(1,592)	6
Administrative expenses		(2,773)	(2,626)	6	(8,511)	(8,423)	1
Other operating expenses	4	(1,577)	(2,199)	(28)	(4,222)	(4,917)	(14)
Operating profit		1,818	1,852	(2)	5,921	8,553	(31)
Finance costs		(544)	(501)	9	(1,631)	(1,705)	(4)
Share of results of associated and joint venture companies	5	2,342	772	203	6,696	2,807	139
Profit before taxation	3	3,616	2,123	70	10,986	9,655	14
Taxation	6	(799)	(678)	18	(2,194)	(1,932)	14
Profit for the period		2,817	1,445	95	8,792	7,723	14
Other comprehensive income/(loss) :							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation	7	2,174	2,303	(6)	1,231	(16,744)	NM
Transfer from foreign currency translation reserve to profit or loss upon deregistration of a foreign subsidiary company		-	-	-	(225)	-	NM
Fair value gain/(loss) on investment securities		24	(238)	NM	76	(113)	NM
Other comprehensive income/(loss) for the period, net of tax		2,198	2,065	6	1,082	(16,857)	NM
Total comprehensive income/(loss) for the period		5,015	3,510	43	9,874	(9,134)	NM
Profit for the period attributable to :							
Shareholders of the Company		2,318	982	136	6,691	5,779	16
Non-controlling interests		499	463	8	2,101	1,944	8
		2,817	1,445	95	8,792	7,723	14
Total comprehensive income/(loss) for the period attributable to :							
Shareholders of the Company		4,343	1,653	163	7,614	(11,169)	NM
Non-controlling interests		672	1,857	(64)	2,260	2,035	11
		5,015	3,510	43	9,874	(9,134)	NM

'NM' : Not meaningful.

Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group			Group		
	3Q17	3Q16	Change	9M17	9M16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from :						
- investment securities	95	70	36	214	174	23
- advances to an associated company	-	-	-	1	1	-
	<u>95</u>	<u>70</u>	<u>36</u>	<u>215</u>	<u>175</u>	<u>23</u>
Dividend income from investment securities	-	-	-	82	127	(35)

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

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

	Group			Group		
	3Q17	3Q16	Change	9M17	9M16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a) Other operating income :						
Interest income from fixed deposits	15	16	(6)	56	56	-
Gain on sale of property, plant and equipment, net	2	-	NM	2	-	NM
Gain on sale of investment securities	-	-	-	25	-	NM
Foreign currency gains (*)	-	570	NM	-	3,655	NM
Rental income from investment property	-	-	-	-	60	NM
Others	1	27	(96)	4	36	(89)
	<u>18</u>	<u>613</u>	<u>(97)</u>	<u>87</u>	<u>3,807</u>	<u>(98)</u>
(b) Depreciation of property, plant and equipment (^)	(1,700)	(1,688)	1	(5,094)	(5,446)	(6)
(c) Amortisation of club memberships	(1)	(1)	-	(2)	(2)	-
(d) Loss on sale of investment securities	-	-	-	-	(15)	NM
(e) Allowance for doubtful debts, net	-	(28)	NM	-	(28)	NM
(f) Loss on sale of property, plant and equipment, net	-	(46)	NM	-	(35)	NM
(g) Property, plant and equipment written off	-	(20)	NM	(5)	(22)	(77)
(h) Foreign currency losses (*)	(239)	-	NM	(262)	-	NM
(i) Impairment loss on asset held for sale (#)	-	(780)	NM	-	(780)	NM

* The foreign currency gains for both 3Q16 and 9M16 were mainly attributed to the translation gains in respect of Sterling Pound denominated inter-company loans due to weaker Sterling Pound. These Sterling Pound denominated inter-company loans had been settled in 4Q16 and the subsequent inter-company loans were denominated in Singapore Dollar. The foreign currency losses for both 3Q17 and 9M17 were mainly because of translation losses arising from Singapore Dollar denominated inter-company loans as the currency had weakened against Sterling Pound.

^ The lower depreciation charge in 9M17 was mainly attributed to weaker Sterling Pound and some of the Group's fixed assets had been fully depreciated.

Impairment loss on asset held for sale was in respect of the Group's apartment unit in London as a result of weaker Sterling Pound.

4. The higher other operating expenses in both 3Q16 and 9M16 was mainly due to impairment loss on asset held for sale.
5. This constitutes mainly our share of profits from joint venture companies in Xuzhou, PRC and Knight Frank group of companies in Singapore.
6. The major components of income tax expense were :

	Group			Group		
	3Q17	3Q16	Change	9M17	9M16	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax						
- Current year	607	627	(3)	1,931	1,807	7
- Benefits from previously unrecognised tax losses	(17)	(50)	(66)	(48)	(158)	(70)
- Under provision in respect of prior years	2	-	NM	7	13	(46)
Deferred tax						
- Origination and reversal of temporary differences	207	101	105	304	270	13
	<u>799</u>	<u>678</u>	<u>18</u>	<u>2,194</u>	<u>1,932</u>	<u>14</u>

The higher current tax expense in 9M17 was mainly because of higher pre-tax profits of Crowne Plaza London Kensington and Holiday Inn Resort Phuket. The higher deferred tax provision in 3Q17 was mainly in respect of unremitted foreign interest income.

7. 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 3Q17 and 9M17 were mainly attributed to stronger Sterling Pound and Thai Baht. However, the gain in 9M17 was partially offset by weaker Renminbi. The gain in 3Q16 was mainly attributed to stronger Thai Baht partially offset by weaker Sterling Pound. The loss in 9M16 was mainly because Sterling Pound had weakened significantly against Singapore Dollar.

'NM' : Not meaningful.

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	
		30.09.2017 S\$'000	31.12.2016 S\$'000	30.09.2017 S\$'000	31.12.2016 S\$'000
Non-current assets					
Property, plant and equipment		312,563	312,925	-	-
Intangible assets		46	50	-	-
Subsidiary companies	1	-	-	298,854	292,583
Associated company		1,570	1,574	-	-
Joint venture companies	2	83,315	86,005	-	-
Investment securities		5,061	5,061	-	-
Deferred tax assets		311	288	-	-
		<u>402,866</u>	<u>405,903</u>	<u>298,854</u>	<u>292,583</u>
Current assets					
Asset held for sale	3	7,532	7,532	-	-
Investment securities		7,192	4,248	-	-
Inventories		426	476	-	-
Trade receivables		1,204	1,461	-	-
Other receivables		715	1,079	77	78
Prepayments		920	654	18	7
Cash and short-term deposits		22,583	20,398	647	1,038
		<u>40,572</u>	<u>35,848</u>	<u>742</u>	<u>1,123</u>
Current liabilities					
Provision		47	22	-	-
Trade payables		2,303	3,244	-	-
Other payables and accruals		7,238	7,660	2,520	1,950
Amounts due to subsidiary companies	1	-	-	12,313	2,991
Provision for taxation		701	564	-	4
Hire purchase creditors		19	19	-	-
Term loans	4	11,264	15,897	7,850	12,550
		<u>21,572</u>	<u>27,406</u>	<u>22,683</u>	<u>17,495</u>
Net current assets/(liabilities)	5	19,000	8,442	(21,941)	(16,372)
Non-current liabilities					
Provision		22	47	-	-
Amount due to a subsidiary company		-	-	42,341	42,341
Hire purchase creditors		52	65	-	-
Term loans		66,718	67,978	-	-
Deferred tax liabilities		30,864	30,215	-	-
		<u>97,656</u>	<u>98,305</u>	<u>42,341</u>	<u>42,341</u>
Net assets		<u>324,210</u>	<u>316,040</u>	<u>234,572</u>	<u>233,870</u>
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		59,158	51,383	25,054	24,352
		<u>268,676</u>	<u>260,901</u>	<u>234,572</u>	<u>233,870</u>
Non-controlling interests		55,534	55,139	-	-
Total equity		<u>324,210</u>	<u>316,040</u>	<u>234,572</u>	<u>233,870</u>

Notes to Statement of Financial Position :

- The increase in both subsidiary companies and amounts due to subsidiary companies was mainly attributed to net advances between the Company and its subsidiary companies arising from the Group's restructuring its equity interests in Rawai project amongst the subsidiary companies. The Group had completed the restructuring process in 2Q17.
- The decrease in joint venture companies was mainly attributed to capital reduction of a joint venture company and dividends received from the Group's other joint venture companies.
- The increase in investment securities was mainly due to the purchase of quoted debt securities in 2Q17.
- The decrease in term loans under current liabilities was mainly due to partial repayment of revolving credit facilities by the Company.
- The increase in net current liabilities was mainly due to restructuring of equity interests in Rawai project.

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

As at 30.09.2017		As at 31.12.2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10,283	1,000	13,116	2,800

Amount repayable after one year

As at 30.09.2017		As at 31.12.2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
66,770	-	68,043	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. A term loan of S\$33.1 million and a revolving credit facility of S\$34.0 million secured by :
 - a mortgage on the freehold land and building owned by a company in the Group.
 - a fixed and floating charge over all assets of a company in the Group.
 - a corporate guarantee by the Company.
2. A term loan of S\$3.0 million secured by :
 - a mortgage on the freehold land and buildings owned by a company in the Group.
3. A revolving credit facility of S\$6.9 million secured by :
 - a pledge of shares of a company in the Group.
4. Finance leases of motor vehicle and office equipment for S\$0.1 million.

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	
	3Q17 S\$'000	3Q16 S\$'000	9M17 S\$'000	9M16 S\$'000
Cash flows from operating activities :				
Profit before taxation	3,616	2,123	10,986	9,655
Adjustments for :				
Depreciation of property, plant and equipment	1,700	1,688	5,094	5,446
(Gain)/loss on sale of property, plant and equipment	(2)	46	(2)	35
Property, plant and equipment written off	-	20	5	22
(Gain)/loss on sale of investment securities	-	-	(25)	15
Share of results of associated and joint venture companies	(2,342)	(772)	(6,696)	(2,807)
Amortisation of club memberships	1	1	2	2
Dividend income from investment securities	-	-	(82)	(127)
Interest income	(110)	(86)	(271)	(231)
Finance costs	544	501	1,631	1,705
Impairment loss on asset held for sale	-	780	-	780
Transfer from foreign currency translation reserve to profit or loss upon deregistration of a foreign subsidiary company	-	-	(225)	-
Unrealised foreign exchange differences	741	(618)	505	(3,750)
Operating profit before reinvestment in working capital	4,148	3,683	10,922	10,745
(Increase)/decrease in inventories	(11)	(16)	50	(26)
(Increase)/decrease in receivables and prepayments	(575)	(104)	415	366
Increase/(decrease) in payables	577	254	(1,460)	(1,010)
Cash flows generated from operations	4,139	3,817	9,927	10,075
Interest received	19	12	147	168
Interest paid	(507)	(366)	(1,587)	(1,726)
Income taxes paid	(879)	(730)	(1,763)	(1,759)
Net cash flows from operating activities	2,772	2,733	6,724	6,758
Cash flows from investing activities :				
Dividends received	2,715	1,937	2,797	2,064
Proceeds from sale of property, plant and equipment	2	2	2	28
Purchase of property, plant and equipment	(582)	(281)	(1,403)	(737)
Purchase of investment securities	-	-	(4,000)	(3,480)
Proceeds from sale of investment securities	-	-	1,467	985
Proceeds from capital reduction of a joint venture company	-	-	5,531	-
Net cash flows generated from/(used in) investing activities	2,135	1,658	4,394	(1,140)
Cash flows from financing activities :				
Proceeds from bank loans	-	-	3,650	3,225
Repayment of bank loans	(2,600)	(3,698)	(10,494)	(8,835)
Fixed deposit discharged by a bank	-	-	94	-
Fixed deposit pledged with a bank	-	-	(49)	-
Repayment to hire purchase creditors	(5)	(6)	(13)	(11)
Dividends paid to a non-controlling interest	-	-	(1,865)	(1,377)
Net cash flows used in financing activities	(2,605)	(3,704)	(8,677)	(6,998)
Net increase/(decrease) in cash and cash equivalents	2,302	687	2,441	(1,380)
Effects of exchange rate changes on cash and cash equivalents	30	179	(211)	(698)
Cash and cash equivalents at beginning of period	20,202	15,530	20,304	18,474
Cash and cash equivalents at end of period	22,534	16,396	22,534	16,396

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

	Group	
	9M17 S\$'000	9M16 S\$'000
Fixed deposits	11,770	7,503
Cash and bank balances	10,813	8,985
Cash and short-term deposits per Consolidated Statement of Financial Position	22,583	16,488
Less: Fixed deposit pledged	(49)	(92)
Cash and cash equivalents per Consolidated Statement of Cash Flows	22,534	16,396

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 S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Other reserves S\$'000	interests S\$'000	equity S\$'000		
3Q17										
As at 1 July 2017	209,518	68,842	30	(30,076)	98,782	106	(14,188)	54,654	54,862	319,034
Profit for the period	-	-	-	-	-	-	2,318	2,318	499	2,817
Other comprehensive income for the period, net of tax	-	2,025	-	2,001	-	24	-	2,025	173	2,198
Total comprehensive income for the period	-	2,025	-	2,001	-	24	2,318	4,343	672	5,015
<u>Others</u>										
Increase in net assets of a joint venture company	-	-	-	-	-	-	186	186	-	186
Share of reserve of a joint venture company	-	(25)	-	-	-	(25)	-	(25)	-	(25)
Total others	-	(25)	-	-	-	(25)	186	161	-	161
As at 30 September 2017	209,518	70,842	30	(28,075)	98,782	105	(11,684)	59,158	55,534	324,210
3Q16										
As at 1 July 2016	209,518	60,160	30	(33,168)	92,995	303	5,009	65,169	51,175	325,862
Profit for the period	-	-	-	-	-	-	982	982	463	1,445
Other comprehensive income/(loss) for the period, net of tax	-	671	-	909	-	(238)	-	671	1,394	2,065
Total comprehensive income/(loss) for the period	-	671	-	909	-	(238)	982	1,653	1,857	3,510
<u>Others</u>										
Increase in net assets of a joint venture company	-	-	-	-	-	-	155	155	-	155
Total others	-	-	-	-	-	-	155	155	-	155
As at 30 September 2016	209,518	60,831	30	(32,259)	92,995	65	6,146	66,977	53,032	329,527
9M17										
As at 1 January 2017	209,518	69,944	30	(28,922)	98,782	54	(18,561)	51,383	55,139	316,040
Profit for the period	-	-	-	-	-	-	6,691	6,691	2,101	8,792
Other comprehensive income for the period, net of tax	-	923	-	847	-	76	-	923	159	1,082
Total comprehensive income for the period	-	923	-	847	-	76	6,691	7,614	2,260	9,874
<u>Others</u>										
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	(1,865)	(1,865)
Increase in net assets of a joint venture company	-	-	-	-	-	-	186	186	-	186
Share of reserve of a joint venture company	-	(25)	-	-	-	(25)	-	(25)	-	(25)
Total others	-	(25)	-	-	-	(25)	186	161	(1,865)	(1,704)
As at 30 September 2017	209,518	70,842	30	(28,075)	98,782	105	(11,684)	59,158	55,534	324,210
9M16										
As at 1 January 2016	209,518	77,779	30	(15,424)	92,995	178	207	77,986	52,374	339,878
Profit for the period	-	-	-	-	-	-	5,779	5,779	1,944	7,723
Other comprehensive (loss)/income for the period, net of tax	-	(16,948)	-	(16,835)	-	(113)	-	(16,948)	91	(16,857)
Total comprehensive (loss)/income for the period	-	(16,948)	-	(16,835)	-	(113)	5,779	(11,169)	2,035	(9,134)
<u>Others</u>										
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	(1,377)	(1,377)
Increase in net assets of a joint venture company	-	-	-	-	-	-	155	155	-	155
Share of reserve of a joint venture company	-	-	-	-	-	-	5	5	-	5
Total others	-	-	-	-	-	-	160	160	(1,377)	(1,217)
As at 30 September 2016	209,518	60,831	30	(32,259)	92,995	65	6,146	66,977	53,032	329,527

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
3Q17			
As at 1 July 2017	209,518	23,715	233,233
Total comprehensive income for the period	-	1,339	1,339
As at 30 September 2017	209,518	25,054	234,572
3Q16			
As at 1 July 2016	209,518	48,894	258,412
Total comprehensive income for the period	-	1,678	1,678
As at 30 September 2016	209,518	50,572	260,090
9M17			
As at 1 January 2017	209,518	24,352	233,870
Total comprehensive income for the period	-	702	702
As at 30 September 2017	209,518	25,054	234,572
9M16			
As at 1 January 2016	209,518	45,582	255,100
Total comprehensive income for the period	-	4,990	4,990
As at 30 September 2016	209,518	50,572	260,090

- 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 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 2017 comprised 1,055,639,464 (30 September 2016 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares or outstanding convertibles as at 30 September 2017 and 30 September 2016.

- 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.**

	30.09.2017	31.12.2016
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, disposal, cancellation and/or use of treasury shares 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 auditors.

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.

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 2016.

The adoption of the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS relevant to the Group's operations which are effective for annual periods beginning on 1 January 2017 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.

Not applicable.

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.

Earnings per ordinary share of the Group after deducting any provision for preference dividends :-	Group Quarter Ended	
	30.09.2017	30.09.2016
(a) Based on weighted average number of ordinary shares in issue	0.22 cent	0.09 cent
(b) On a fully diluted basis	0.22 cent	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 2016 : 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 2017 and 30 September 2016.

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	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.25	S\$0.25	S\$0.22	S\$0.22

⁽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.

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.

Revenue

Revenue of the Group for 3Q17 of S\$13.9 million was S\$0.3 million higher than 3Q16. For 9M17, the revenue of S\$41.5 million was S\$0.9 million higher than 9M16.

Hotel and Serviced Residence

Revenue of S\$13.1 million for 3Q17 was S\$0.2 million higher than 3Q16. For 9M17, the revenue of S\$39.1 million was S\$0.8 million higher than 9M16.

The higher revenue of Crowne Plaza London Kensington ("CPLK") for both 3Q17 and 9M17 was mainly attributed to higher average room rate and revenue from food and beverage. The higher occupancies in 3Q17 had also contributed to the increase in revenue. However, the higher revenue was partially offset by weaker Sterling Pound. Revenue of Holiday Inn Resort Phuket ("HIRP") for both 3Q17 and 9M17 were higher mainly because of stronger Thai Baht.

The lower revenue of Somerset Vientiane ("SV") for both 3Q17 and 9M17 was mainly because of lower occupancies. The revenue of Cityview Apartments and Commercial Centre ("CV") located in Ho Chi Minh City were comparable with 3Q16 and 9M16.

Leisure and Others

Revenue of S\$0.8 million and S\$2.3 million for 3Q17 and 9M17 were both S\$0.1 million higher than 3Q16 and 9M16. The higher revenue was mainly attributed to higher revenue from the Group's family entertainment business and higher interest income from investment securities in 3Q17.

Property

No revenue was recorded in both 3Q17 and 3Q16. The revenue of S\$0.1 million in both 9M17 and 9M16 were in respect of dividend income from investment securities.

Profit Before Tax

The Group's pre-tax profit of S\$3.6 million in 3Q17 was S\$1.5 million higher than 3Q16. The pre-tax profit of S\$11.0 million in 9M17 was S\$1.3 million higher than 9M16.

Hotel and Serviced Residence

This sector's pre-tax profit of S\$1.7 million in 3Q17 was S\$0.3 million lower than 3Q16. For 9M17, the pre-tax profit of S\$5.6 million was S\$1.0 million higher than 9M16.

Despite higher revenue, CPLK's pre-tax profit in 3Q17 was lower mainly because of translation losses arising from Singapore Dollar denominated inter-company loans as the currency had weakened against Sterling Pound. For 9M17, the pre-tax profit was higher mainly because of higher revenue. The higher pre-tax profits of HIRP for both 3Q17 and 9M17 was mainly attributed to higher revenue and lower depreciation charge as some of the fixed assets had been fully depreciated.

The lower pre-tax profits of SV for both 3Q17 and 9M17 was mainly because of lower revenue and higher overheads. CV's pre-tax profits were comparable with 3Q16 and 9M16.

Leisure and Others

Excluding corporate office, this sector's pre-tax profit of S\$0.1 million in 3Q17 was comparable with 3Q16. For 9M17, the pre-tax profit of S\$0.5 million was S\$0.1 million higher than 9M16 mainly because of higher revenue.

Corporate office incurred pre-tax losses of S\$0.5 million in 3Q17 and S\$1.8 million in 9M17 compared to breakeven in 3Q16 and pre-tax profit of S\$2.6 million in 9M16. It was mainly because of translation gains in respect of Sterling Pound denominated inter-company loans due to weaker Sterling Pound recorded in both 3Q16 and 9M16. These Sterling Pound denominated inter-company loans had been settled in 4Q16.

Property

Excluding impairment loss arising from the Group's apartment unit in London recorded in both 3Q16 and 9M16, this sector's pre-tax profits of S\$2.3 million in 3Q17 and S\$6.7 million in 9M17 were S\$1.5 million and S\$3.9 million higher than 3Q16 and 9M16 respectively. Our share of profit recognised by the joint venture company in Xuzhou, PRC was higher mainly because larger units and villas were sold and handed over to the buyers. Our share of profits of Knight Frank group of companies was also higher mainly because of higher commission and fee income earned, along with a share of profit (compared to a share of loss in 3Q16 and 9M16) of its associated company.

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 global economic outlook is expected to improve and business conditions are likely to turn positive in the coming quarter. Our hospitality assets are expected to provide stable income to the Group. We will continue to focus on improving our business operations, and conduct strategic review on how to enhance return on our assets.

In China, our Xuzhou Gulou Square project has achieved sales of 99.3% of the total 1,206 units of residential apartments. At present, we are focusing on the sales of the office units and leasing of the retail mall, which are currently under construction.

In Phuket, the retrofitting works at the domestic airport terminal is scheduled for completion by December 2017 and in time for the peak tourist season. The development of a new underpass and expressway and the planning of a light rail network in Phuket will substantially improve accessibility to our Rawai site. The Group is planning to develop the seafront Rawai site into a premium 5-star resort hotel managed by an international brand.

In Singapore, the collective-sale market continues to hog headlines in recent months with strong pricing levels. This trend would likely continue in the coming quarter. An upbeat market sentiment also sees demand for grade A office and logistic facilities firming up. The Knight Frank Singapore business is expected to benefit from the improving sentiments in the property market.

11 Dividend.

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period reported on?

The Company is declaring an interim dividend as follows :

Name of Dividend	:	Interim Dividend
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?

Dividend declared for the corresponding period of the immediate preceding financial period was as follows :

Name of Dividend	:	Interim Dividend
Dividend Type	:	Cash
Dividend per Share	:	1.25 cents per ordinary share
Tax Rate	:	Tax exempt (one-tier)

(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 2017 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

6 November 2017