

**AF Global Limited**

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

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2016**

**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		
		01.07.2016 to 30.09.2016 ("3Q16") S\$'000	01.07.2015 to 30.09.2015 ("3Q15") S\$'000	Change %	01.01.2016 to 30.09.2016 ("9M16") S\$'000	01.01.2015 to 30.09.2015 ("9M15") S\$'000	Change %
<b>Revenue</b>	1	13,588	13,933	(2)	40,609	40,161	1
Cost of sales	2	(6,971)	(7,221)	(3)	(20,931)	(21,475)	(3)
<b>Gross profit</b>		6,617	6,712	(1)	19,678	18,686	5
Other operating income	3a	613	135	354	3,807	819	365
Marketing expenses		(553)	(561)	(1)	(1,592)	(1,634)	(3)
Administrative expenses	4	(2,626)	(3,187)	(18)	(8,423)	(12,807)	(34)
Other operating expenses	5	(1,419)	(1,961)	(28)	(4,137)	(5,048)	(18)
<b>Operating profit</b>		2,632	1,138	131	9,333	16	58,231
Finance costs		(501)	(644)	(22)	(1,705)	(1,773)	(4)
Share of results of associated and joint venture companies	6	772	(225)	NM	2,807	958	193
Exceptional item	3j	(780)	-	NM	(780)	-	NM
<b>Profit/(loss) before taxation</b>	3	2,123	269	689	9,655	(799)	NM
Taxation	7	(678)	(555)	22	(1,932)	(1,349)	43
<b>Profit/(loss) for the period</b>		1,445	(286)	NM	7,723	(2,148)	NM
<b>Other comprehensive income/(loss) :</b>							
<u>Items that may be reclassified subsequently to income statement</u>							
Foreign currency translation	8	2,303	3,083	(25)	(16,744)	4,128	NM
Transfer from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company		-	-	-	-	(759)	NM
Fair value loss on investment securities		(238)	(123)	93	(113)	(198)	(43)
<b>Other comprehensive income/(loss) for the period, net of tax</b>		2,065	2,960	(30)	(16,857)	3,171	NM
<b>Total comprehensive income/(loss) for the period</b>		3,510	2,674	31	(9,134)	1,023	NM
<b>Profit/(loss) for the period attributable to :</b>							
Shareholders of the Company		982	(659)	NM	5,779	(3,783)	NM
Non-controlling interests		463	373	24	1,944	1,635	19
		1,445	(286)	NM	7,723	(2,148)	NM
<b>Total comprehensive income/(loss) for the period attributable to :</b>							
Shareholders of the Company		1,653	3,010	(45)	(11,169)	497	NM
Non-controlling interests		1,857	(336)	NM	2,035	526	287
		3,510	2,674	31	(9,134)	1,023	NM

Note : With the change of Company's financial year end from 30 June to 31 December in the last financial period from 1 July 2014 to 31 December 2015, the comparative results in this announcement covered the period from 1 July 2015 to 30 September 2015 ("3Q15") which was the fifth quarter of the last financial period.

'NM' : Not meaningful.

## Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group			Group		
	3Q16	3Q15	Change	9M16	9M15	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from :						
- investment securities	70	47	49	174	47	270
- advances to an associated company	-	1	NM	1	3	(67)
	<u>70</u>	<u>48</u>	46	<u>175</u>	<u>50</u>	250
Dividend income from investment securities	-	-	-	127	176	(28)

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

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

	Group			Group		
	3Q16	3Q15	Change	9M16	9M15	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a) Other operating income :						
Interest income from fixed deposits	16	40	(60)	56	224	(75)
Gain on sale of property, plant and equipment, net	-	30	NM	-	39	NM
Gain on sale of investment securities	-	-	-	-	59	NM
Foreign currency gains (*)	570	-	NM	3,655	296	1,135
Rental income from asset held for sale	-	61	NM	60	174	(66)
Others	27	4	575	36	27	33
	<u>613</u>	<u>135</u>	354	<u>3,807</u>	<u>819</u>	365
(b) Depreciation of property, plant and equipment (^)	(1,688)	(2,118)	(20)	(5,446)	(6,669)	(18)
(c) Depreciation of investment property	-	(46)	NM	-	(165)	NM
(d) Amortisation of club memberships	(1)	(4)	(75)	(2)	(13)	(85)
(e) Loss on sale of investment securities	-	-	-	(15)	-	NM
(f) Allowance for doubtful debts, net	(28)	-	NM	(28)	(2)	1,300
(g) Loss on sale of property, plant and equipment, net	(46)	-	NM	(35)	-	NM
(h) Property, plant and equipment written off	(20)	(225)	(91)	(22)	(261)	(92)
(i) Foreign currency losses (*)	-	(378)	NM	-	-	-
(j) Exceptional item :						
Impairment loss on asset held for sale (#)	(780)	-	NM	(780)	-	NM

'NM' : Not meaningful.

\* The foreign currency gain in both 3Q16 and 9M16 was mainly attributed to the translation gain in respect of Sterling Pound denominated loans as the currency had weakened against Singapore Dollar. The position was the reverse in 3Q15 and 9M15. However, the loss arising from stronger Sterling Pound in 9M15 was fully offset by translation gain realised and transferred from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company.

^ The higher depreciation charge in 9M15 was mainly because of accelerated depreciation of renovation costs and furniture and fittings due to relocation of the head office.

# This was in respect of the Group's apartment unit in London as a result of weaker Sterling Pound.

4. The lower administrative expenses in 3Q16 and 9M16 were mainly due to lower directors' remuneration and staff costs. One-off directors' contractual termination payment and accelerated depreciation charge due to relocation of the head office in 9M15 had also resulted in lower administrative expenses.
5. The lower other operating expenses in 3Q16 was mainly due to foreign currency losses in 3Q15. In 9M16, it was also lower mainly because of legal and professional fees incurred for corporate exercises and write off of fixed assets replaced during the CPLK's refurbishment works in 9M15.
6. This constitutes mainly our share of profits from joint venture companies in Xuzhou, PRC and Knight Frank group of companies in Singapore.

7. The major components of income tax expense were :

	Group			Group		
	3Q16 S\$'000	3Q15 S\$'000	Change %	9M16 S\$'000	9M15 S\$'000	Change %
Current tax						
- Current year	577	522	11	1,649	1,057	56
- Under provision in respect of prior years	-	63	NM	13	98	(87)
Deferred tax						
- Origination and reversal of temporary differences	101	(30)	NM	270	194	39
	<u>678</u>	<u>555</u>	22	<u>1,932</u>	<u>1,349</u>	43

The higher current tax expense in both 3Q16 and 9M16 was mainly because of higher pre-tax profits of Holiday Inn Resort Phuket and Somerset Vientiane. In addition, included in 9M15 were capital allowances arising from the refurbishment of Crowne Plaza London Kensington.

8. 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 the income statement. The translation gain in 3Q16 was mainly attributed to stronger Thai Baht partially offset by weaker Sterling Pound. The translation loss in 9M16 was mainly due to weaker Sterling Pound.

'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	
		30.09.2016 S\$'000	31.12.2015 S\$'000	30.09.2016 S\$'000	31.12.2015 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	308,017	333,367	-	-
Intangible assets		49	52	-	-
Subsidiary companies		-	-	295,742	295,624
Associated company		1,571	1,574	-	-
Joint venture companies		83,487	85,056	-	-
Investment securities		5,061	5,061	-	-
Deferred tax assets		117	126	-	-
		<u>398,302</u>	<u>425,236</u>	<u>295,742</u>	<u>295,624</u>
<b>Current assets</b>					
Asset held for sale	2	7,772	8,552	-	-
Investment securities	3	4,838	2,447	-	-
Inventories		428	414	-	-
Trade receivables		1,016	1,497	-	-
Other receivables		1,121	1,248	78	79
Prepayments		769	769	19	9
Cash and short-term deposits		16,488	18,566	409	506
		<u>32,432</u>	<u>33,493</u>	<u>506</u>	<u>594</u>
<b>Current liabilities</b>					
Provision		36	21	-	-
Trade payables		2,785	3,048	-	-
Other payables and accruals	4	6,417	7,945	1,532	1,282
Amounts due to subsidiary companies		-	-	3,607	3,415
Provision for taxation		679	830	-	-
Hire purchase creditors		20	12	-	-
Term loans	5	11,890	14,538	8,350	9,650
		<u>21,827</u>	<u>26,394</u>	<u>13,489</u>	<u>14,347</u>
<b>Net current assets/(liabilities)</b>		10,605	7,099	(12,983)	(13,753)
<b>Non-current liabilities</b>					
Provision		33	48	-	-
Amount due to a subsidiary company	6	-	-	22,669	26,771
Hire purchase creditors		70	35	-	-
Term loans	5	48,806	60,536	-	-
Deferred tax liabilities		30,471	31,838	-	-
		<u>79,380</u>	<u>92,457</u>	<u>22,669</u>	<u>26,771</u>
<b>Net assets</b>		<u>329,527</u>	<u>339,878</u>	<u>260,090</u>	<u>255,100</u>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		209,518	209,518	209,518	209,518
Reserves		66,977	77,986	50,572	45,582
		<u>276,495</u>	<u>287,504</u>	<u>260,090</u>	<u>255,100</u>
Non-controlling interests		53,032	52,374	-	-
<b>Total equity</b>		<u>329,527</u>	<u>339,878</u>	<u>260,090</u>	<u>255,100</u>

**Notes to Statement of Financial Position :**

1. Apart from depreciation, the significant decrease in property, plant and equipment was mainly attributed to weaker Sterling Pound.
2. The decrease was mainly attributed to impairment loss in respect of the Group's apartment unit in London arising from weaker Sterling Pound.
3. The increase in investment securities was mainly due to the purchase of quoted debt securities during the period.
4. The decrease in other payables and accruals was mainly attributed to payment of expenses accrued at the end of the last financial period.
5. The decrease in term loans under both current and non-current liabilities was mainly attributed to repayments during the period and weaker Sterling Pound.
6. The decrease in amount due to a subsidiary company was due to weaker Sterling Pound.

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

As at 30.09.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10,910	1,000	13,550	1,000

**Amount repayable after one year**

As at 30.09.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
48,876	-	60,571	-

**Details of any collaterals**

The Group's borrowings which are secured comprised :

- 2 term loans of S\$30.2 million and a revolving credit facility of S\$17.6 million secured by :
  - a mortgage on the freehold land and building owned by a company in the Group.
  - a fixed and floating charge over the assets of a company in the Group.
  - a pledge of shares of a company in the Group.
- A term loan of S\$4.5 million secured by :
  - a mortgage on the freehold land and buildings owned by a company in the Group.
- A revolving credit facility of S\$7.4 million secured by :
  - a pledge of shares of a company in the Group.
- 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	
	3Q16 S\$'000	3Q15 S\$'000	9M16 S\$'000	9M15 S\$'000
<b>Cash flows from operating activities :</b>				
Profit/(loss) before taxation	2,123	269	9,655	(799)
Adjustments for :				
Depreciation of property, plant and equipment	1,688	2,118	5,446	6,669
Depreciation of investment property	-	46	-	165
Loss/(gain) on sale of property, plant and equipment	46	(30)	35	(39)
Property, plant and equipment written off	20	225	22	261
Loss/(gain) on sale of investment securities	-	-	15	(59)
Share of results of associated and joint venture companies	(772)	225	(2,807)	(958)
Amortisation of club memberships	1	4	2	13
Dividend income from investment securities	-	-	(127)	(176)
Interest income	(86)	(88)	(231)	(274)
Finance costs	501	644	1,705	1,773
Exceptional item	780	-	780	-
Transfer from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company	-	-	-	(759)
Unrealised foreign exchange differences	(618)	215	(3,750)	98
<b>Operating profit before reinvestment in working capital</b>	<b>3,683</b>	<b>3,628</b>	<b>10,745</b>	<b>5,915</b>
(Increase)/decrease in inventories	(16)	13	(26)	117
(Increase)/decrease in receivables and prepayments	(104)	(339)	366	373
Increase/(decrease) in payables	254	(333)	(1,010)	4
<b>Cash flows generated from operations</b>	<b>3,817</b>	<b>2,969</b>	<b>10,075</b>	<b>6,409</b>
Interest received	12	52	168	252
Interest paid	(366)	(553)	(1,726)	(1,601)
Income taxes paid	(730)	(247)	(1,759)	(1,113)
<b>Net cash flows from operating activities</b>	<b>2,733</b>	<b>2,221</b>	<b>6,758</b>	<b>3,947</b>
<b>Cash flows from investing activities :</b>				
Dividends received	1,937	2,200	2,064	2,387
Proceeds from sale of property, plant and equipment	2	124	28	171
Purchase of property, plant and equipment	(281)	(444)	(737)	(4,362)
Purchase of investment securities	-	(9,940)	(3,480)	(9,940)
Proceeds from sale of investment securities	-	-	985	221
<b>Net cash flows from/(used in) investing activities</b>	<b>1,658</b>	<b>(8,060)</b>	<b>(1,140)</b>	<b>(11,523)</b>
<b>Cash flows from financing activities :</b>				
Proceeds from bank loans	-	13,044	3,225	25,346
Repayment of bank loans	(3,698)	(4,630)	(8,835)	(8,717)
Proceeds from exercise of share options	-	-	-	304
Repayment of advances by an associated company	-	-	-	42
Return of investment to a non-controlling interest upon deregistration of a subsidiary company	-	-	-	(39)
Decrease in hire purchase creditors	(6)	(102)	(11)	(147)
Acquisition of a non-controlling interest	-	-	-	(7,484)
Dividends paid to non-controlling interests	-	(954)	(1,377)	(966)
<b>Net cash flows (used in)/from financing activities</b>	<b>(3,704)</b>	<b>7,358</b>	<b>(6,998)</b>	<b>8,339</b>
Net increase/(decrease) in cash and cash equivalents	687	1,519	(1,380)	763
Effects of exchange rate changes on cash and cash equivalents	179	374	(698)	486
Cash and cash equivalents at beginning of period	15,530	29,810	18,474	30,454
<b>Cash and cash equivalents at end of period</b>	<b>16,396</b>	<b>31,703</b>	<b>16,396</b>	<b>31,703</b>

**Note to Statement of Cash Flows :**

Cash and cash equivalents comprised the following amounts :

	Group	
	9M16 S\$'000	9M15 S\$'000
Fixed deposits	7,503	17,839
Cash and bank balances	8,985	13,956
Cash and short-term deposits per Consolidated Statement of Financial Position	16,488	31,795
Less : Fixed deposit pledged	(92)	(92)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>16,396</b>	<b>31,703</b>

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 FOR THE THREE MONTHS FROM 1 JULY 2016 TO 30 SEPTEMBER 2016**

										-----Attributable to shareholders of the Company-----		Non-controlling interests	Total equity
2016 Group	Share capital	Treasury shares	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Share-based compensation reserve	Other reserves	Revenue reserve	Total reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>As at 1 July 2016</b>	<b>209,518</b>	-	<b>60,160</b>	<b>30</b>	<b>(33,168)</b>	<b>92,995</b>	-	<b>303</b>	<b>5,009</b>	<b>65,169</b>	<b>51,175</b>	<b>325,862</b>	
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	
<b>As at 30 September 2016</b>	<b>209,518</b>	-	<b>60,831</b>	<b>30</b>	<b>(32,259)</b>	<b>92,995</b>	-	<b>65</b>	<b>6,146</b>	<b>66,977</b>	<b>53,032</b>	<b>329,527</b>	

										-----Attributable to shareholders of the Company-----		Non-controlling interests	Total equity
2015 Group	Share capital	Treasury shares	Capital and other reserves	Legal reserve	Foreign currency translation reserve	Asset revaluation reserve	Share-based compensation reserve	Other reserves	Revenue reserve	Total reserves			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>As at 1 July 2015</b>	<b>209,518</b>	-	<b>44,523</b>	<b>30</b>	<b>(15,810)</b>	<b>59,663</b>	-	<b>640</b>	<b>25,326</b>	<b>69,849</b>	<b>52,899</b>	<b>332,266</b>	
(Loss)/profit for the period	-	-	-	-	-	-	-	-	(659)	(659)	373	(286)	
Other comprehensive income/(loss) for the period, net of tax	-	-	3,669	-	3,792	-	-	(123)	-	3,669	(709)	2,960	
Total comprehensive income/(loss) for the period	-	-	3,669	-	3,792	-	-	(123)	(659)	3,010	(336)	2,674	
<u>Others</u>													
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(954)	(954)	
Increase in net assets of a joint venture company	-	-	-	-	-	-	-	-	248	248	-	248	
Total others	-	-	-	-	-	-	-	-	248	248	(954)	(706)	
<b>As at 30 September 2015</b>	<b>209,518</b>	-	<b>48,192</b>	<b>30</b>	<b>(12,018)</b>	<b>59,663</b>	-	<b>517</b>	<b>24,915</b>	<b>73,107</b>	<b>51,609</b>	<b>334,234</b>	

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS FROM 1 JANUARY 2016 TO 30 SEPTEMBER 2016**

	-----Attributable to shareholders of the Company-----								Revenue reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000				
<b>2016 Group</b>												
<b>As at 1 January 2016</b>	<b>209,518</b>	-	<b>77,779</b>	<b>30</b>	<b>(15,424)</b>	<b>92,995</b>	-	<b>178</b>	<b>207</b>	<b>77,986</b>	<b>52,374</b>	<b>339,878</b>
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)
<b>As at 30 September 2016</b>	<b>209,518</b>	-	<b>60,831</b>	<b>30</b>	<b>(32,259)</b>	<b>92,995</b>	-	<b>65</b>	<b>6,146</b>	<b>66,977</b>	<b>53,032</b>	<b>329,527</b>

	-----Attributable to shareholders of the Company-----								Revenue reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000				
<b>2015 Group</b>												
<b>As at 1 January 2015</b>	<b>209,285</b>	<b>(144)</b>	<b>43,805</b>	<b>40</b>	<b>(16,498)</b>	<b>59,663</b>	<b>73</b>	<b>527</b>	<b>32,838</b>	<b>76,643</b>	<b>55,164</b>	<b>340,948</b>
(Loss)/profit for the period	-	-	-	-	-	-	-	-	(3,783)	(3,783)	1,635	(2,148)
Other comprehensive income/(loss) for the period, net of tax	-	-	4,280	-	4,480	-	-	(200)	-	4,280	(1,109)	3,171
Total comprehensive income/(loss) for the period	-	-	4,280	-	4,480	-	-	(200)	(3,783)	497	526	1,023
<u>Contributions by and distributions to shareholders of the Company</u>												
Issue of ordinary shares on exercise of share options	218	-	(41)	-	-	-	(41)	-	-	(41)	-	177
Transfer of treasury shares on exercise of share options	15	144	(32)	-	-	-	(32)	-	-	(32)	-	127
Total contributions by and distributions to shareholders of the Company	233	144	(73)	-	-	-	(73)	-	-	(73)	-	304
<u>Change of ownership interest in a subsidiary company</u>												
Acquisition of a non-controlling interest without a change in control	-	-	-	-	-	-	-	-	(4,398)	(4,398)	(3,086)	(7,484)
Total change in ownership interest in a subsidiary company	-	-	-	-	-	-	-	-	(4,398)	(4,398)	(3,086)	(7,484)
<u>Others</u>												
Transfer from legal reserve	-	-	(10)	(10)	-	-	-	-	10	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(966)	(966)
Return of investment to a non-controlling interest upon deregistration of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Increase in net assets of a joint venture company	-	-	-	-	-	-	-	-	248	248	-	248
Share of reserve of a joint venture company	-	-	190	-	-	-	-	-	-	190	10	200
Total others	-	-	180	(10)	-	-	-	190	258	438	(995)	(557)
<b>As at 30 September 2015</b>	<b>209,518</b>	-	<b>48,192</b>	<b>30</b>	<b>(12,018)</b>	<b>59,663</b>	-	<b>517</b>	<b>24,915</b>	<b>73,107</b>	<b>51,609</b>	<b>334,234</b>



**STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS FROM 1 JULY 2016 TO 30 SEPTEMBER 2016**

<b>2016 Company</b>	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>As at 1 July 2016</b>	<b>209,518</b>	-	-	<b>48,894</b>	<b>48,894</b>	<b>258,412</b>
Total comprehensive income for the period	-	-	-	1,678	1,678	1,678
<b>As at 30 September 2016</b>	<b>209,518</b>	-	-	<b>50,572</b>	<b>50,572</b>	<b>260,090</b>

<b>2015 Company</b>	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>As at 1 July 2015</b>	<b>209,518</b>	-	-	<b>69,104</b>	<b>69,104</b>	<b>278,622</b>
Total comprehensive income for the period	-	-	-	1,578	1,578	1,578
<b>As at 30 September 2015</b>	<b>209,518</b>	-	-	<b>70,682</b>	<b>70,682</b>	<b>280,200</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS FROM 1 JANUARY 2016 TO 30 SEPTEMBER 2016**

<b>2016 Company</b>	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>As at 1 January 2016</b>	<b>209,518</b>	-	-	<b>45,582</b>	<b>45,582</b>	<b>255,100</b>
Total comprehensive income for the period	-	-	-	4,990	4,990	4,990
<b>As at 30 September 2016</b>	<b>209,518</b>	-	-	<b>50,572</b>	<b>50,572</b>	<b>260,090</b>

<b>2015 Company</b>	Share capital S\$'000	Treasury shares S\$'000	Share-based compensation reserve S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>As at 1 January 2015</b>	<b>209,285</b>	<b>(144)</b>	<b>73</b>	<b>69,976</b>	<b>70,049</b>	<b>279,190</b>
Total comprehensive income for the period	-	-	-	706	706	706
<u>Contributions by and distributions to shareholders of the Company</u>						
Issue of ordinary shares on exercise of share options	218	-	(41)	-	(41)	177
Transfer of treasury shares on exercise of share options	15	144	(32)	-	(32)	127
Total contributions by and distributions to shareholders of the Company	233	144	(73)	-	(73)	304
<b>As at 30 September 2015</b>	<b>209,518</b>	-	-	<b>70,682</b>	<b>70,682</b>	<b>280,200</b>

**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 2016 comprised 1,055,639,464 (30 September 2015 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares or outstanding convertibles as at 30 September 2016 and 30 September 2015.

**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.**

	<b>30.09.2016</b>	<b>31.12.2015</b>
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 period ended 31 December 2015.

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 2016 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/(loss) per ordinary share of the Group after deducting any provision for preference dividends :-	Group Quarter Ended	
	30.09.2016	30.09.2015
(a) Based on weighted average number of ordinary shares in issue	0.09 cent	(0.06) cent
(b) On a fully diluted basis	0.09 cent	(0.06) 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 2015 : 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 2016 and 30 September 2015.

**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	
	30.09.2016	31.12.2015	30.09.2016	31.12.2015
Net asset <sup>(1)</sup> value per ordinary share <sup>(2)</sup> attributable to shareholders of the Company	S\$0.26	S\$0.27	S\$0.25	S\$0.24

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

<sup>(2)</sup> 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.**

**Revenue**

Revenue of the Group for 3Q16 of S\$13.6 million was S\$0.3 million lower than 3Q15. For 9M16, the revenue of S\$40.6 million was S\$0.5 million higher than 9M15.

**Hotel and Serviced Residence**

Revenue of S\$12.9 million for 3Q16 was S\$0.3 million lower than 3Q15. For 9M16, the revenue of S\$38.3 million was S\$0.4 million higher than 9M15.

The lower revenue of Crowne Plaza London Kensington ("CPLK") for both 3Q16 and 9M16 was attributed to weaker Sterling Pound. In its functional currency, the revenue for 3Q16 was comparable with 3Q15. For 9M16, it was higher than 9M15 mainly because of higher occupancies as some rooms had been closed for refurbishment works from January to May 2015.

The higher revenue of Holiday Inn Resort Phuket ("HIRP") for both 3Q16 and 9M16 was mainly attributed to higher occupancies, average room rates and revenue from food and beverage.

The higher revenue of Somerset Vientiane ("SV") for both 3Q16 and 9M16 was mainly because of higher occupancies achieved. Revenue of Cityview Apartments and Commercial Centre ("CV") for both 3Q16 and 9M16 were comparable with 3Q15 and 9M15.

**Leisure and Others**

Revenue of S\$0.7 million for 3Q16 was comparable with 3Q15. For 9M16, the revenue of S\$2.2 million was S\$0.2 million higher than 9M15 mainly because of higher interest income from investment securities. The revenue from the Group's family entertainment business for both 3Q16 and 9M16 were comparable with 3Q15 and 9M15 respectively.

### Property

No revenue were recorded for both 3Q16 and 3Q15. For 9M16, the revenue of S\$0.1 million was S\$0.1 million lower than 9M15 mainly because of lower dividend income.

### **Profit Before Tax**

The Group made a pre-tax profit of S\$2.1 million in 3Q16 compared to S\$0.3 million in 3Q15. For 9M16, the pre-tax profit was S\$9.7 million as compared to a pre-tax loss of S\$0.8 million in 9M15.

### Hotel and Serviced Residence

This sector's pre-tax profit of S\$2.0 million in 3Q16 was S\$0.8 million higher than 3Q15 mainly because of lower directors' remuneration and staff costs. For 9M16, the pre-tax profit of S\$4.6 million was S\$2.7 million higher than 9M15. This was mainly due to lower directors' remuneration in 9M16, the absence of one-off director's contractual termination payment and accelerated depreciation arising from relocation of office recorded in 9M15.

Both CPLK and HIRP were profitable. CPLK's pre-tax profits for both 3Q16 and 9M16 were comparable with 3Q15 and 9M15. The higher pre-tax profits of HIRP in both 3Q16 and 9M16 were mainly attributed to higher revenue, lower depreciation charge as some of its fixed assets had been fully depreciated, and lower finance costs.

SV performed better in both 3Q16 and 9M16 mainly because of higher revenue, and CV's profits for 3Q16 and 9M16 were comparable with 3Q15 and 9M15.

### Leisure and Others

Excluding corporate office, this sector's pre-tax profit of S\$0.1 million in 3Q16 was comparable with 3Q15. For 9M16, the pre-tax profit was S\$0.2 million whereas it was a breakeven in 9M15. The Group's family entertainment business turned profitable in 9M16 through cost savings and the closure of a non-performing outlet in April 2015.

Corporate office broke even in 3Q16 compared to a loss of S\$0.8 million in 3Q15. The exchange gain arising from translating Sterling Pound denominated loans due to weaker Sterling Pound was fully offset by its overheads in 3Q16 while it was a translation loss in 3Q15. For 9M16, corporate office turned in a pre-tax profit of S\$2.8 million compared to a loss of S\$3.5 million in 9M15. It was mainly due to exchange gain in 9M16, the absence of one-off director's contractual termination payment and legal and professional fees for corporate exercises in 9M15. Interest income from investment securities was also higher than 9M15.

### Property (including share of profits of joint venture companies)

Excluding an exceptional item arising from impairment loss in respect of the Group's apartment unit in London, this sector made a pre-tax profit of S\$0.7 million in 3Q16 compared to a loss of S\$0.2 million in 3Q15. For 9M16, the pre-tax profit of S\$2.8 million was S\$2.0 million higher than 9M15. Our share of profit from the joint venture company in Xuzhou, PRC was higher for both 3Q16 and 9M16 mainly because more apartment units were handed over to the buyers. Our share of profit from Knight Frank group of companies was also higher for both 3Q16 and 9M16 mainly because of higher commission and fee income as well as share of lower loss incurred by its associated company.

### **Working Capital**

As at 30 September 2016, the Group's working capital was positive. The negative working capital of the Company was mainly attributed to utilisation of revolving credit facilities as well as advances from subsidiary companies in the last financial period from 1 July 2014 to 31 December 2015 for payments of dividends to shareholders.

**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.**

Although the global economic outlook remains uncertain, our hotels and service residences are expected to provide stable income amidst the strong headwind. The Group will continue to focus on improving the value of our hospitality assets with sustainable growth strategies.

In China, our Xuzhou Gulou Square project achieved a total sale of 1,019 units or 84% of the total apartments (1,206 units). The Group continues to move residential sales in Xuzhou project and explore various development options for the commercial site.

In Thailand, the Group sees steady growth in the tourism industry in Phuket of 17%<sup>1</sup> increase of tourist arrivals this year. It is envisaged that with the opening of the new Phuket International Airport in September this year, passenger capacity would be expanded from 6.5 million to 12.5 million<sup>1</sup> per year. At the same time, the Group is in the process of restructuring its interests in the Rawai project and evaluating various development options for the site.

In Singapore, the property agency market remains challenging as on-going cooling measures continue to weigh on the property market. The agency business of Knight Frank Singapore is expected to remain slow but stable.

<sup>1</sup> *The Nation, Thailand's Independent Newspaper, 16 September 2016.*

**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	:	1.25 cents 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	:	Second Interim Dividend
Dividend Type	:	Cash
Dividend per Share	:	1 cent 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 2016 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**

7 November 2016