

AF Global Limited

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

**UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT  
FOR THE PERIOD ENDED 30 SEPTEMBER 2018**

**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			
	01.07.2018 to 30.09.2018 ("3Q18")	01.07.2017 to 30.09.2017 ("3Q17")	Change	01.01.2018 to 30.09.2018 ("9M18")	01.01.2017 to 30.09.2017 ("9M17") (Restated)	Change	
Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Revenue</b>	1	12,941	13,884	(7)	42,005	41,536	1
Cost of sales	2	(6,810)	(7,151)	(5)	(21,871)	(21,281)	3
<b>Gross profit</b>		6,131	6,733	(9)	20,134	20,255	(1)
Other operating income	3a	201	18	1,017	804	87	824
Marketing expenses		(582)	(583)	-	(1,754)	(1,688)	4
Administrative expenses		(2,631)	(2,773)	(5)	(8,795)	(8,511)	3
Other operating expenses		(1,656)	(1,577)	5	(4,697)	(4,601)	2
<b>Operating profit</b>		1,463	1,818	(20)	5,692	5,542	3
Finance costs		(652)	(544)	20	(1,902)	(1,631)	17
Share of results of associated and joint venture companies	4	799	2,342	(66)	4,439	6,696	(34)
<b>Profit before taxation</b>	3	1,610	3,616	(55)	8,229	10,607	(22)
Taxation	5	(602)	(799)	(25)	(2,057)	(2,194)	(6)
<b>Profit for the period</b>		1,008	2,817	(64)	6,172	8,413	(27)
<b>Other comprehensive income :</b>							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation	6	147	2,174	(93)	1,809	1,385	31
Fair value gain/(loss) on investment securities		60	24	150	(64)	76	NM
<b>Other comprehensive income for the period, net of tax</b>		207	2,198	(91)	1,745	1,461	19
<b>Total comprehensive income for the period</b>		1,215	5,015	(76)	7,917	9,874	(20)
<b>Profit for the period attributable to :</b>							
Shareholders of the Company		671	2,318	(71)	3,982	6,312	(37)
Non-controlling interests		337	499	(32)	2,190	2,101	4
		1,008	2,817	(64)	6,172	8,413	(27)
<b>Total comprehensive income for the period attributable to :</b>							
Shareholders of the Company		15	4,343	(100)	4,219	7,614	(45)
Non-controlling interests		1,200	672	79	3,698	2,260	64
		1,215	5,015	(76)	7,917	9,874	(20)

Note : The results for 9M17 were restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) as detailed in paragraph 5 of this announcement.

'NM' : Not meaningful.

**Notes to Statement of Comprehensive Income :**

1. Included in revenue were :

	Group			Group		
	3Q18	3Q17	Change	9M18	9M17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from :						
- investment securities	51	95	(46)	155	214	(28)
- advances to an associated company	-	-	-	1	1	-
	<u>51</u>	<u>95</u>	<u>(46)</u>	<u>156</u>	<u>215</u>	<u>(27)</u>
Dividend income from investment securities	-	-	-	73	82	(11)

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

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

	Group			Group		
	3Q18	3Q17	Change	9M18	9M17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a) Other operating income :						
Interest income from fixed deposits	17	15	13	65	56	16
Gain on sale of property, plant and equipment	-	2	NM	-	2	NM
Gain on sale of investment securities	-	-	-	-	25	NM
Gain on sale of interest in a subsidiary company (^)	-	-	-	454	-	NM
Foreign currency gains (*)	183	-	NM	268	-	NM
Others	1	1	-	17	4	325
	<u>201</u>	<u>18</u>	<u>1,017</u>	<u>804</u>	<u>87</u>	<u>824</u>
(b) Depreciation of property, plant and equipment	(1,629)	(1,700)	(4)	(5,095)	(5,094)	-
(c) Amortisation of club memberships	(1)	(1)	-	(2)	(2)	-
(d) Loss on sale of investment securities	-	-	-	(17)	-	NM
(e) Allowance for doubtful debts, net	(14)	-	NM	(23)	-	NM
(f) Loss on sale of property, plant and equipment	(5)	-	NM	(5)	-	NM
(g) Property, plant and equipment written off	(18)	-	NM	(23)	(5)	360
(h) Foreign currency losses (*)	-	(239)	NM	-	(641)	NM

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

\* The foreign currency gains for both 3Q18 and 9M18 were mainly attributed to the translation gains in respect of Singapore Dollar denominated inter-company interest payable as Singapore Dollar had weakened against Thai Baht. Foreign currency losses for both 3Q17 and 9M17 comprised mainly translation losses arising from Singapore Dollar denominated inter-company loans as Singapore Dollar had weakened against Sterling Pound. Foreign currency losses for 9M17 also included exchange loss on deregistration of a foreign subsidiary company.

4. This constitutes mainly our share of profits from joint venture companies in Xuzhou, PRC and Knight Frank group of companies in Singapore.

5. The major components of income tax expense were :

	Group			Group		
	3Q18	3Q17	Change	9M18	9M17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax						
- Current year	514	607	(15)	1,851	1,931	(4)
- Benefits from previously unrecognised tax losses	-	(17)	NM	(11)	(48)	(77)
- (Over)/under provision in respect of prior years	(1)	2	NM	(5)	7	NM
Deferred tax						
- Origination and reversal of temporary differences	89	207	(57)	222	304	(27)
	<u>602</u>	<u>799</u>	<u>(25)</u>	<u>2,057</u>	<u>2,194</u>	<u>(6)</u>

The lower current tax expense in 3Q18 was mainly because of lower pre-tax profit of Holiday Inn Resort Phuket.

6. 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 gain in 9M18 was mainly attributed to stronger Thai Baht partially offset by weaker Renminbi. 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.

'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	
		30.09.2018 S\$'000	31.12.2017 S\$'000	30.09.2018 S\$'000	31.12.2017 S\$'000
<b>Non-current assets</b>					
Property, plant and equipment		364,470	362,187	-	-
Intangible assets		42	44	-	-
Subsidiary companies		-	-	293,422	299,318
Associated company		1,567	1,569	-	-
Joint venture companies		85,476	86,000	-	-
Investment securities	1	5,000	4,825	-	-
Deferred tax assets		284	348	-	-
		<u>456,839</u>	<u>454,973</u>	<u>293,422</u>	<u>299,318</u>
<b>Current assets</b>					
Asset held for sale		6,672	6,672	-	-
Investment securities	2	3,780	7,538	-	-
Inventories		332	402	-	-
Trade receivables		1,146	1,464	-	-
Other receivables		486	650	121	164
Prepayments		864	617	18	8
Amount due from a subsidiary company		-	-	1,161	-
Cash and short-term deposits		23,933	24,428	193	932
		<u>37,213</u>	<u>41,771</u>	<u>1,493</u>	<u>1,104</u>
<b>Current liabilities</b>					
Provision		-	47	-	-
Trade payables		2,085	2,872	-	-
Other payables and accruals		9,318	8,169	987	674
Provision for taxation		829	1,040	-	4
Hire purchase creditors		-	19	-	-
Loans and borrowings	2	14,938	12,455	11,750	8,850
Dividend payable	2	-	10,556	-	10,556
		<u>27,170</u>	<u>35,158</u>	<u>12,737</u>	<u>20,084</u>
<b>Net current assets/(liabilities)</b>	3	10,043	6,613	(11,244)	(18,980)
<b>Non-current liabilities</b>					
Provision		-	22	-	-
Amounts due to subsidiary companies		-	-	56,308	56,876
Hire purchase creditors		-	47	-	-
Loans and borrowings		62,999	64,872	-	-
Deferred tax liabilities		39,022	38,298	-	-
		<u>102,021</u>	<u>103,239</u>	<u>56,308</u>	<u>56,876</u>
<b>Net assets</b>		<u>364,861</u>	<u>358,347</u>	<u>225,870</u>	<u>223,462</u>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		209,518	209,518	209,518	209,518
Reserves		90,852	86,087	16,352	13,944
		<u>300,370</u>	<u>295,605</u>	<u>225,870</u>	<u>223,462</u>
Non-controlling interests		64,491	62,742	-	-
<b>Total equity</b>		<u>364,861</u>	<u>358,347</u>	<u>225,870</u>	<u>223,462</u>

**Notes to Statement of Financial Position :**

- The increase in investment securities was due to the effect of adopting Singapore Financial Reporting Standard (International) 9 – Financial Instruments where the Group's unquoted equity securities carried at cost is to be measured at fair value, with the corresponding increase being recognised in opening retained earnings.
- Proceeds from both the sale of quoted debt securities and utilisation of Company's revolving credit facilities had been used for payment of dividend to shareholders of the Company on 16 January 2018. The Company had partially repaid the revolving credit facilities drawn down since then.
- The decrease in net current liabilities of the Company was mainly due to the payment of dividend as mentioned in Note 2 above.

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

As at 30.09.2018		As at 31.12.2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,938	2,000	10,474	2,000

**Amount repayable after one year**

As at 30.09.2018		As at 31.12.2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
62,999	-	64,919	-

**Details of any collaterals**

The Group's borrowings which are secured comprised :

1. A term loan of S\$30.7 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\$1.4 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\$9.8 million secured by :
  - a pledge of shares of 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	
	3Q18	3Q17	9M18	9M17 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>				
Profit before taxation	1,610	3,616	8,229	10,607
Adjustments for :				
Depreciation of property, plant and equipment	1,629	1,700	5,095	5,094
Loss/(gain) on sale of property, plant and equipment	5	(2)	5	(2)
Property, plant and equipment written off	18	-	23	5
Loss/(gain) on sale of investment securities	-	-	17	(25)
Gain on sale of interest in a subsidiary company	-	-	(454)	-
Share of results of associated and joint venture companies	(799)	(2,342)	(4,439)	(6,696)
Amortisation of club memberships	1	1	2	2
Dividend income from investment securities	-	-	(73)	(82)
Interest income	(68)	(110)	(221)	(271)
Finance costs	652	544	1,902	1,631
Unrealised foreign exchange differences	(133)	741	(188)	659
<b>Operating profit before reinvestment in working capital</b>	<b>2,915</b>	<b>4,148</b>	<b>9,898</b>	<b>10,922</b>
Decrease/(increase) in inventories	20	(11)	(19)	50
(Increase)/decrease in receivables and prepayments	(445)	(575)	(128)	415
Increase/(decrease) in payables	1,591	577	512	(1,460)
<b>Cash flows generated from operations</b>	<b>4,081</b>	<b>4,139</b>	<b>10,263</b>	<b>9,927</b>
Interest received	18	19	254	147
Interest paid	(645)	(507)	(1,913)	(1,587)
Income taxes paid	(938)	(879)	(2,054)	(1,763)
<b>Net cash flows from operating activities</b>	<b>2,516</b>	<b>2,772</b>	<b>6,550</b>	<b>6,724</b>
<b>Cash flows from investing activities :</b>				
Dividends received	3,300	2,715	3,373	2,797
Proceeds from sale of property, plant and equipment	2	2	2	2
Purchase of property, plant and equipment	(1,001)	(582)	(3,276)	(1,403)
Purchase of investment securities	-	-	-	(4,000)
Proceeds from sale of investment securities	-	-	3,734	1,467
Proceeds from sale of interest in a subsidiary company	-	-	728	-
Proceeds from capital reduction of a joint venture company	-	-	-	5,531
<b>Net cash flows generated from investing activities</b>	<b>2,301</b>	<b>2,135</b>	<b>4,561</b>	<b>4,394</b>
<b>Cash flows from financing activities :</b>				
Proceeds from bank loans	-	-	6,150	3,650
Repayment of bank loans	(3,443)	(2,600)	(5,442)	(10,494)
Repayment of advances by an associated company	-	-	62	-
Fixed deposit discharged by a bank	-	-	-	94
Fixed deposit pledged with a bank	-	-	-	(49)
Repayment to hire purchase creditors	-	(5)	(10)	(13)
Dividend paid by the Company	-	-	(10,556)	-
Dividends paid to a non-controlling interest	-	-	(1,949)	(1,865)
<b>Net cash flows used in financing activities</b>	<b>(3,443)</b>	<b>(2,605)</b>	<b>(11,745)</b>	<b>(8,677)</b>
Net increase/(decrease) in cash and cash equivalents	1,374	2,302	(634)	2,441
Effects of exchange rate changes on cash and cash equivalents	(45)	30	139	(211)
Cash and cash equivalents at beginning of period	22,555	20,202	24,379	20,304
<b>Cash and cash equivalents at end of period</b>	<b>23,884</b>	<b>22,534</b>	<b>23,884</b>	<b>22,534</b>

**Note to Statement of Cash Flows :**

Cash and cash equivalents comprised the following amounts :

	Group	
	9M18 S\$'000	9M17 S\$'000
Fixed deposits	12,825	11,770
Cash and bank balances	11,108	10,813
Cash and short-term deposits per Consolidated Statement of Financial Position	23,933	22,583
Less: Fixed deposit pledged	(49)	(49)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>23,884</b>	<b>22,534</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 OF THE GROUP**

	-----Attributable to shareholders of the Company-----						Revenue reserve S\$'000	Total reserves S\$'000	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	equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>3Q18</b>										
<b>As at 1 July 2018</b>	<b>209,518</b>	<b>136,879</b>	<b>30</b>	<b>1,674</b>	<b>135,219</b>	<b>(44)</b>	<b>(46,413)</b>	<b>90,466</b>	<b>63,291</b>	<b>363,275</b>
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
<b>As at 30 September 2018</b>	<b>209,518</b>	<b>136,223</b>	<b>30</b>	<b>958</b>	<b>135,219</b>	<b>16</b>	<b>(45,371)</b>	<b>90,852</b>	<b>64,491</b>	<b>364,861</b>
<b>3Q17</b>										
<b>As at 1 July 2017</b>										
- as previously reported	209,518	68,842	30	(30,076)	98,782	106	(14,188)	54,654	54,862	319,034
- Effect of adopting SFRS(I) 1	-	29,301	-	29,301	-	-	(29,301)	-	-	-
<b>- as restated</b>	<b>209,518</b>	<b>98,143</b>	<b>30</b>	<b>(775)</b>	<b>98,782</b>	<b>106</b>	<b>(43,489)</b>	<b>54,654</b>	<b>54,862</b>	<b>319,034</b>
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
<b>As at 30 September 2017</b>	<b>209,518</b>	<b>100,143</b>	<b>30</b>	<b>1,226</b>	<b>98,782</b>	<b>105</b>	<b>(40,985)</b>	<b>59,158</b>	<b>55,534</b>	<b>324,210</b>
<b>9M18</b>										
<b>As at 1 January 2018</b>										
- 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
<b>- as restated</b>	<b>209,518</b>	<b>135,986</b>	<b>30</b>	<b>657</b>	<b>135,219</b>	<b>80</b>	<b>(49,724)</b>	<b>86,262</b>	<b>62,742</b>	<b>358,522</b>
Profit for the period	-	-	-	-	-	-	3,982	3,982	2,190	6,172
Other comprehensive income/(loss) for the period, net of tax	-	237	-	301	-	(64)	-	237	1,508	1,745
Total comprehensive income/(loss) 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)
<b>As at 30 September 2018</b>	<b>209,518</b>	<b>136,223</b>	<b>30</b>	<b>958</b>	<b>135,219</b>	<b>16</b>	<b>(45,371)</b>	<b>90,852</b>	<b>64,491</b>	<b>364,861</b>
<b>9M17</b>										
<b>As at 1 January 2017</b>										
- as previously reported	209,518	69,944	30	(28,922)	98,782	54	(18,561)	51,383	55,139	316,040
- Effect of adopting SFRS(I) 1	-	28,922	-	28,922	-	-	(28,922)	-	-	-
<b>- as restated</b>	<b>209,518</b>	<b>98,866</b>	<b>30</b>	<b>-</b>	<b>98,782</b>	<b>54</b>	<b>(47,483)</b>	<b>51,383</b>	<b>55,139</b>	<b>316,040</b>
Profit for the period	-	-	-	-	-	-	6,312	6,312	2,101	8,413
Other comprehensive income for the period, net of tax	-	1,302	-	1,226	-	76	-	1,302	159	1,461
Total comprehensive income for the period	-	1,302	-	1,226	-	76	6,312	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)
<b>As at 30 September 2017</b>	<b>209,518</b>	<b>100,143</b>	<b>30</b>	<b>1,226</b>	<b>98,782</b>	<b>105</b>	<b>(40,985)</b>	<b>59,158</b>	<b>55,534</b>	<b>324,210</b>

**STATEMENT OF CHANGES IN EQUITY OF THE COMPANY**

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<b>3Q18</b>			
<b>As at 1 July 2018</b>	<b>209,518</b>	<b>13,710</b>	<b>223,228</b>
Total comprehensive income for the period	-	2,642	2,642
<b>As at 30 September 2018</b>	<b>209,518</b>	<b>16,352</b>	<b>225,870</b>
<b>3Q17</b>			
<b>As at 1 July 2017</b>	<b>209,518</b>	<b>23,715</b>	<b>233,233</b>
Total comprehensive income for the period	-	1,339	1,339
<b>As at 30 September 2017</b>	<b>209,518</b>	<b>25,054</b>	<b>234,572</b>
<b>9M18</b>			
<b>As at 1 January 2018</b>	<b>209,518</b>	<b>13,944</b>	<b>223,462</b>
Total comprehensive income for the period	-	2,408	2,408
<b>As at 30 September 2018</b>	<b>209,518</b>	<b>16,352</b>	<b>225,870</b>
<b>9M17</b>			
<b>As at 1 January 2017</b>	<b>209,518</b>	<b>24,352</b>	<b>233,870</b>
Total comprehensive income for the period	-	702	702
<b>As at 30 September 2017</b>	<b>209,518</b>	<b>25,054</b>	<b>234,572</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 2018 comprised 1,055,639,464 (30 September 2017 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 30 September 2018 and 30 September 2017.

- 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>30.09.2018</b>	<b>31.12.2017</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, 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 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.**

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 2017.

The adoption of other Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on 1 January 2018 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 has adopted SFRS(I) on 1 January 2018. Accordingly, the Group has elected the following relevant optional exemption provided in SFRS(I) 1 - First-time Adoption of SFRS(I) and has adopted SFRS(I) 9 - Financial Instruments and SFRS(I) 15 - Revenue from Contracts with Customers.

(i) SFRS(I) 1 - First-time Adoption of SFRS(I)

The Group has elected the option to deem the cumulative translation differences for foreign operations to be zero and has reclassified the amount in foreign currency translation reserve at the date of transition on 1 January 2017 to opening retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. In this respect, gains from translation differences that arose before the date of transition of S\$379,000 that were realised in 9M17, had been excluded. Consequently, comparative figures in the consolidated statements of comprehensive income, cash flows and changes in equity were restated.

It has been determined that the revaluation model better reflects the business model under which the Group's freehold and leasehold land and buildings are held. Hence, the Group will continue to measure these assets under the revaluation model.

(ii) SFRS(I) 9 - Financial Instruments

The Group has elected to measure its currently held available-for-sale unquoted equity securities at fair value through other comprehensive income. The difference between the carrying amount and the fair value has been recognised in the opening retained earnings. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and record lifetime expected losses on all its trade receivables. The adoption of expected loss model does not have a material impact on the financial statements.

(iii) SFRS(I) 15 - Revenue from Contracts with Customers

Under this standard, the revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption does not have a material impact on the financial statements.

The adoption of SFRS(I) does not have an impact on the opening SFRS(I) statement of financial position.



**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	
	30.09.2018	30.09.2017
(a) Based on weighted average number of ordinary shares in issue	0.06 cent	0.22 cent
(b) On a fully diluted basis	0.06 cent	0.22 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 2017 : 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 2018 and 30 September 2017.

**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	
	30.09.2018	31.12.2017	30.09.2018	31.12.2017
Net asset <sup>(1)</sup> value per ordinary share <sup>(2)</sup> attributable to shareholders of the Company	S\$0.28	S\$0.28	S\$0.21	S\$0.21

<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 3Q18 of S\$12.9 million was S\$1.0 million lower than 3Q17. For 9M18, the revenue of S\$42.0 million was S\$0.5 million higher than 9M17.

**Hotel and Serviced Residence**

Revenue of S\$12.8 million for 3Q18 was S\$0.3 million lower than 3Q17. For 9M18, the revenue of S\$40.5 million was S\$1.4 million higher than 9M17.

The higher revenue of Crowne Plaza London Kensington ("CPLK") for 3Q18 was mainly due to higher average room rate. For 9M18, higher revenue was mainly attributed to higher occupancies and stronger Sterling Pound. However, the higher room revenues was partially offset by lower revenue from food and beverage.

The lower revenue of Holiday Inn Resort Phuket ("HIRP") for 3Q18 was mainly because of lower room revenue owing to lower occupancies and average room rate as well as lower revenue from food and beverage. For 9M18, the revenue was higher mainly because of stronger Thai Baht.

The revenues of both Somerset Vientiane ("SV") and Cityview Apartments and Commercial Centre ("CV") for both 3Q18 and 9M18 were comparable with 3Q17 and 9M17.

**Leisure and Others**

The revenues of S\$0.1 million for 3Q18 and S\$1.5 million for 9M18 were S\$0.7 million and S\$0.9 million lower than 3Q17 and 9M17 respectively. The lower revenue was mainly because no revenue was recognised for the Group's family entertainment business in 3Q18 as the Company had disposed of its 100% equity interest in a subsidiary company which had owned and operated the family entertainment business, in June 2018.

#### Property

No revenue was recorded for both 3Q18 and 9M18 and corresponding periods last year.

#### **Profit Before Tax**

The Group's pre-tax profits of S\$1.6 million for 3Q18 and S\$8.2 million for 9M18 were S\$2.0 million and S\$2.4 million lower than 3Q17 and 9M17 respectively

#### Hotel and Serviced Residence

This sector's pre-tax profit of S\$1.8 million in 3Q18 was comparable with 3Q17. For 9M18, the pre-tax profit of S\$6.0 million was S\$0.6 million higher than 9M17.

The higher pre-tax profits of CPLK for both 3Q18 and 9M18 was mainly because included in both 3Q17 and 9M17 were translation losses arising from Singapore Dollar denominated inter-company loans as Singapore Dollar had weakened against Sterling Pound. The lower pre-tax profit of HIRP in 3Q18 was mainly because of lower revenue. For 9M18, the higher pre-tax profit was mainly attributed to stronger Thai Baht.

The pre-tax profits of both SV and CV for both 3Q18 and 9M18 were comparable with 3Q17 and 9M17.

#### Leisure and Others

No profit was recorded in 3Q18 and the family entertainment business broke even in 9M18 compared to pre-tax profits of S\$0.1 million in 3Q17 and S\$0.3 million in 9M17. The subsidiary company which operated family entertainment business was disposed in June 2018.

Corporate office's pre-tax losses of S\$0.7 million in 3Q18 and S\$1.7 million in 9M18 were S\$0.1 million and S\$0.2 million higher than 3Q17 and 9M17 respectively. The higher pre-tax loss in 3Q18 was mainly due to higher interest expense arising from higher borrowings and lower interest income from investment securities. For 9M18, one-off gain on sale of interest in a subsidiary company was fully offset by higher interest expense and staff costs as well as lower interest income from investment securities.

#### Property

This sector's pre-tax profits of S\$0.5 million in 3Q18 and S\$3.9 million in 9M18 were S\$1.8 million and S\$2.5 million lower than 3Q17 and 9M17 respectively. Our share of profit from the joint venture company in Xuzhou, PRC was significantly lower as its residential project had reached its tail end. As such, the number of apartment units handed over to buyers in both 3Q18 and 9M18 were significantly lower than 3Q17 and 9M17. Our share of profit from Knight Frank group of companies was higher in 3Q18 mainly because of the share of higher profit of its associated company. For 9M18, our share of higher profit was mainly attributed to higher commission and fee income.

**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.**

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 asset enhancement initiatives. We will continue to seek potential acquisitions and divestment opportunities for our portfolio of assets.

In China, our Xuzhou Gulou Square commercial plot has achieved 30% sale of office spaces and the curtain wall of the commercial towers are almost completed. The dispute with the Xuzhou joint venture partner is under court proceedings. Consequently, we are still unable to quantify or estimate the financial impact on the carrying value of our investment in the joint venture.

In Thailand, the Phuket tourism industry has softened recently since the Phuket boat ferry sank incident in July 2018. However, we are confident of the prospects of the market in the long term and have submitted the preliminary planning design for our Rawai project to the authorities for approval.

In Singapore, the residential property market has been dampened by the July 2018 cooling measures. The Knight Frank agency business is expected to be slow and stable.

**11 Dividend.**

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

Any dividend declared for the current financial period reported on?

None.

**(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	:	1.00 cent per ordinary share
Tax Rate	:	Tax exempt (one-tier)

**(c) Date payable.**

Not applicable.

**(d) Books closure date.**

Not applicable.

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

No dividend has been declared or recommended for the current financial period reported on.

**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 2018 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 2018