

**AF Global Limited**

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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**
**PART I - 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		Change %
		01.01.2016 to 31.12.2016 ("12M16") S\$'000	01.01.2015 to 31.12.2015 ("12M15") S\$'000	
<b>Revenue</b>	1	54,237	54,576	(1)
Cost of sales	2	(28,099)	(28,480)	(1)
<b>Gross profit</b>		26,138	26,096	-
Other operating income	3a	4,264	1,949	119
Marketing expenses		(2,164)	(2,146)	1
Administrative expenses	4	(11,287)	(16,033)	(30)
Other operating expenses	5	(10,390)	(6,522)	59
<b>Operating profit</b>		6,561	3,344	96
Finance costs		(2,408)	(2,404)	-
Share of results of associated and joint venture companies	6	5,141	1,549	232
<b>Profit before taxation</b>		9,294	2,489	273
Taxation	7	(1,860)	(2,214)	(16)
<b>Profit for the year/period</b>		7,434	275	2,603
<b>Other comprehensive (loss)/income :</b>				
<u>Items that may be reclassified subsequently to income statement</u>				
Foreign currency translation	8	(11,965)	678	NM
Transfer from foreign currency translation reserve to income statement upon deregistration of foreign subsidiary companies		-	(787)	NM
Fair value loss on investment securities		(124)	(250)	(50)
<u>Items that will not be reclassified to income statement</u>				
Surplus on revaluation of property, plant and equipment	9	4,858	39,937	(88)
Adjustments of deferred tax liabilities to asset revaluation reserve	9	928	(5,657)	NM
<b>Other comprehensive (loss)/income for the year/period, net of tax</b>		(6,303)	33,921	NM
<b>Total comprehensive income for the year/period</b>		1,131	34,196	(97)
<b>Profit for the year/period attributable to :</b>				
Shareholders of the Company		4,824	(2,005)	NM
Non-controlling interests		2,610	2,280	14
		7,434	275	2,603
<b>Total comprehensive income for the year/period attributable to :</b>				
Shareholders of the Company		(3,011)	32,149	NM
Non-controlling interests		4,142	2,047	102
		1,131	34,196	(97)

Note : The Company had changed its financial year end from 30 June to 31 December in the last financial period from 1 July 2014 to 31 December 2015 and the comparative results in this announcement is for the period from 1 January 2015 to 31 December 2015 ("12M15").

'NM' : Not meaningful.

**Notes to Statement of Comprehensive Income :**

1. Included in revenue were :

	<b>Group</b>		
	<b>12M16</b>	<b>12M15</b>	<b>Change</b>
	S\$'000	S\$'000	%
Interest income from :			
- investment securities	242	144	68
- advances to an associated company	2	3	(33)
	<u>244</u>	<u>147</u>	66
Dividend income from investment securities	<u>127</u>	<u>176</u>	(28)

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) :

	<b>Group</b>		
	<b>12M16</b>	<b>12M15</b>	<b>Change</b>
	S\$'000	S\$'000	%
(a) Other operating income :			
Interest income from fixed deposits	320	361	(11)
Gain on sale of property, plant and equipment, net	11	-	NM
Gain on sale of investment securities	-	54	NM
Foreign currency gains (*)	3,826	912	320
Rental income from asset held for sale	59	233	(75)
Writeback of impairment loss on property, plant and equipment (~)	-	357	NM
Others	48	32	50
	<u>4,264</u>	<u>1,949</u>	119
(b) Depreciation of property, plant and equipment (^)	(7,233)	(8,520)	(15)
(c) Depreciation of investment property	-	(212)	NM
(d) Amortisation of club memberships	(3)	(16)	(81)
(e) Loss on sale of investment securities	(9)	-	NM
(f) Allowance for doubtful debts, net	(28)	-	NM
(g) Loss on sale of property, plant and equipment, net	-	(19)	NM
(h) Property, plant and equipment written off (+)	(3,904)	(281)	1,289
(i) Loss on sale of club memberships	-	(28)	NM
(j) Impairment loss on asset held for sale (#)	<u>(1,020)</u>	<u>-</u>	NM

'NM' : Not meaningful.

\* The foreign currency gains in 12M16 was mainly attributed to exchange gain arising from Sterling Pound denominated loans as the currency had weakened against Singapore Dollar. The gain in 12M15 was mainly in respect of translation gain realised and transferred from the foreign currency translation reserve to income statement upon deregistration of foreign subsidiary companies.

~ The writeback of impairment loss on property, plant and equipment was in respect of the land at Rawai in Phuket, Thailand arising from a revaluation exercise carried out.

^ The higher depreciation charge in 12M15 was mainly because of accelerated depreciation of renovation costs and furniture and fittings due to relocation of the head office.

+ The significant increase in property, plant and equipment written off was mainly due to the change in master plan of Rawai project in 12M16 to comply with authority requirements. The development costs in relation to the original design and concept plan were written off in accordance with Financial Reporting Standard 36 "Impairment of Assets".

# 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 lower administrative expenses was 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 12M15 had also resulted in lower administrative expenses.
5. The higher other operating expenses was mainly attributed to write off of development costs and impairment loss on asset held for sale as mentioned in Note 3 above.
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 :

	<b>Group</b>		
	<b>12M16</b>	<b>12M15</b>	<b>Change</b>
	S\$'000	S\$'000	%
Current tax			
- Current year	1,960	1,763	11
- Benefits from previously unrecognised tax losses and temporary differences	(213)	(138)	54
- Under provision in respect of prior years	9	95	(91)
Deferred tax			
- Origination and reversal of temporary differences	117	494	(76)
- Benefits from previously unrecognised tax losses	(13)	-	NM
	<u>1,860</u>	<u>2,214</u>	(16)

'NM' : Not meaningful.

The higher current tax expense was mainly because of higher pre-tax profits of Holiday Inn Resort Phuket and Somerset Vientiane. The lower deferred tax was mainly due to movements in temporary difference in respect of capital allowances.

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 loss in 12M16 was mainly due to weaker Sterling Pound.
9. The surplus was in respect of an increase in the fair values of the Group's land and buildings based on fair values determined by independent external valuers. Provision for deferred tax adjustments were mainly due to a decrease in applicable tax rate in 12M16 and the increase in fair values.

## 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	<b>Group</b>		<b>Company</b>	
		<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>					
Property, plant and equipment	1	312,925	333,367	-	-
Intangible assets		50	52	-	-
Subsidiary companies		-	-	292,583	295,624
Associated company		1,574	1,574	-	-
Joint venture companies		86,005	85,056	-	-
Investment securities		5,061	5,061	-	-
Deferred tax assets		288	126	-	-
		<u>405,903</u>	<u>425,236</u>	<u>292,583</u>	<u>295,624</u>
<b>Current assets</b>					
Asset held for sale	2	7,532	8,552	-	-
Investment securities	3	4,248	2,447	-	-
Inventories		476	414	-	-
Trade receivables		1,461	1,497	-	-
Other receivables		1,079	1,248	78	79
Prepayments		654	769	7	9
Cash and short-term deposits		20,398	18,566	1,038	506
		<u>35,848</u>	<u>33,493</u>	<u>1,123</u>	<u>594</u>
<b>Current liabilities</b>					
Provision		22	21	-	-
Trade payables		3,244	3,048	-	-
Other payables and accruals		7,660	7,945	1,950	1,282
Amounts due to subsidiary companies		-	-	2,991	3,415
Provision for taxation		564	830	4	-
Hire purchase creditors		19	12	-	-
Term loans	4	15,897	14,538	12,550	9,650
		<u>27,406</u>	<u>26,394</u>	<u>17,495</u>	<u>14,347</u>
<b>Net current assets/(liabilities)</b>		<b>8,442</b>	<b>7,099</b>	<b>(16,372)</b>	<b>(13,753)</b>
<b>Non-current liabilities</b>					
Provision		47	48	-	-
Amount due to a subsidiary company	5	-	-	42,341	26,771
Hire purchase creditors		65	35	-	-
Term loans	4	67,978	60,536	-	-
Deferred tax liabilities		30,215	31,838	-	-
		<u>98,305</u>	<u>92,457</u>	<u>42,341</u>	<u>26,771</u>
<b>Net assets</b>		<b>316,040</b>	<b>339,878</b>	<b>233,870</b>	<b>255,100</b>
<b>Equity attributable to shareholders of the Company</b>					
Share capital		209,518	209,518	209,518	209,518
Reserves		51,383	77,986	24,352	45,582
		<u>260,901</u>	<u>287,504</u>	<u>233,870</u>	<u>255,100</u>
Non-controlling interests		55,139	52,374	-	-
<b>Total equity</b>		<b>316,040</b>	<b>339,878</b>	<b>233,870</b>	<b>255,100</b>

**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 in asset held for sale 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 year.
4. Apart from repayments, the increase in term loans under both current and non-current liabilities was mainly because the Company and its subsidiary company had utilised their revolving credit facilities during the year.
5. A subsidiary company had utilised its revolving credit facility for advance to the Company. Hence, amount due to a subsidiary company had increased.

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

As at 31.12.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
13,116	2,800	13,550	1,000

**Amount repayable after one year**

As at 31.12.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
68,043	-	60,571	-

**Details of any collaterals**

The Group's borrowings which are secured comprised :

1. A term loan of S\$33.5 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\$3.8 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.
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.**

	<b>Group</b>	
	<b>12M16</b>	<b>12M15</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities :</b>		
Profit before taxation	9,294	2,489
Adjustments for :		
Depreciation of property, plant and equipment	7,233	8,520
Depreciation of investment property	-	212
(Gain)/loss on sale of property, plant and equipment	(11)	19
Property, plant and equipment written off	3,904	281
Loss/(gain) on sale of investment securities	9	(54)
Loss on sale of club memberships	-	28
Share of results of associated and joint venture companies	(5,141)	(1,549)
Amortisation of club memberships	3	16
Dividend income from investment securities	(127)	(176)
Interest income	(564)	(508)
Finance costs	2,408	2,404
Impairment loss on asset held for sale	1,020	-
Writeback of impairment loss on property, plant and equipment	-	(357)
Transfer from foreign currency translation reserve to income statement upon deregistration of foreign subsidiary companies	-	(787)
Unrealised foreign exchange differences	241	155
<b>Operating profit before reinvestment in working capital</b>	<b>18,269</b>	<b>10,693</b>
(Increase)/decrease in inventories	(68)	134
Decrease in receivables and prepayments	254	1,774
Increase in payables	99	60
<b>Cash flows generated from operations</b>	<b>18,554</b>	<b>12,661</b>
Interest received	542	506
Interest paid	(2,155)	(2,067)
Income taxes paid	(2,009)	(1,733)
<b>Net cash flows from operating activities</b>	<b>14,932</b>	<b>9,367</b>
<b>Cash flows from investing activities :</b>		
Dividends received	2,064	2,407
Proceeds from sale of property, plant and equipment	53	343
Purchase of property, plant and equipment	(1,212)	(6,638)
Purchase of investment securities	(3,480)	(9,940)
Proceeds from sale of investment securities	1,474	7,708
Proceeds from sale of club memberships	-	60
<b>Net cash flows used in investing activities</b>	<b>(1,101)</b>	<b>(6,060)</b>
<b>Cash flows from financing activities :</b>		
Proceeds from bank loans	74,366	40,817
Repayment of bank loans	(60,970)	(20,697)
Proceeds from exercise of share options	-	304
Repayment of advances by an associated company	64	100
Return of investment to a non-controlling interest upon deregistration of a subsidiary company	-	(39)
Decrease in hire purchase creditors	(16)	(259)
Acquisition of a non-controlling interest	-	(7,484)
Dividends paid by the Company	(23,752)	(26,391)
Dividends paid to non-controlling interests	(1,377)	(1,722)
<b>Net cash flows used in financing activities</b>	<b>(11,685)</b>	<b>(15,371)</b>
Net increase/(decrease) in cash and cash equivalents	2,146	(12,064)
Effects of exchange rate changes on cash and cash equivalents	(316)	84
Cash and cash equivalents at beginning of year/period	18,474	30,454
<b>Cash and cash equivalents at end of year/period</b>	<b>20,304</b>	<b>18,474</b>

**Note to Statement of Cash Flows :**

Cash and cash equivalents comprised the following amounts :

	<b>Group</b>	
	<b>12M16</b>	<b>12M15</b>
	S\$'000	S\$'000
Fixed deposits	8,690	7,477
Cash and bank balances	11,708	11,089
Cash and short-term deposits per Consolidated Statement of Financial Position	20,398	18,566
Less : Fixed deposit pledged	(94)	(92)
<b>Cash and cash equivalents per Consolidated Statement of Cash Flows</b>	<b>20,304</b>	<b>18,474</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 YEAR ENDED 31 DECEMBER 2016**

2016 Group	-----Attributable to shareholders of the Company-----									Non-controlling	Total	
	Share capital S\$'000	Treasury shares S\$'000	Total 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	Revenue reserve S\$'000	Total reserves S\$'000	S\$'000	equity S\$'000
<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 year	-	-	-	-	-	-	-	-	4,824	4,824	2,610	7,434
Other comprehensive (loss)/income for the year, net of tax	-	-	(7,835)	-	(13,498)	5,787	-	(124)	-	(7,835)	1,532	(6,303)
Total comprehensive (loss)/income for the year	-	-	(7,835)	-	(13,498)	5,787	-	(124)	4,824	(3,011)	4,142	1,131
<u>Contributions by and distributions to shareholders of the Company</u>												
Dividends paid by the Company	-	-	-	-	-	-	-	-	(23,752)	(23,752)	-	(23,752)
Total contributions by and distributions to shareholders of the Company	-	-	-	-	-	-	-	-	(23,752)	(23,752)	-	(23,752)
<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 reserves of a joint venture company	-	-	-	-	-	-	-	-	5	5	-	5
Total others	-	-	-	-	-	-	-	-	160	160	(1,377)	(1,217)
<b>As at 31 December 2016</b>	<b>209,518</b>	-	<b>69,944</b>	<b>30</b>	<b>(28,922)</b>	<b>98,782</b>	-	<b>54</b>	<b>(18,561)</b>	<b>51,383</b>	<b>55,139</b>	<b>316,040</b>

2015 Group	-----Attributable to shareholders of the Company-----									Non-controlling	Total	
	Share capital S\$'000	Treasury shares S\$'000	Total 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	Revenue reserve S\$'000	Total reserves S\$'000	S\$'000	equity S\$'000
<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	-	-	-	-	-	-	-	-	(2,005)	(2,005)	2,280	275
Other comprehensive income/(loss) for the period, net of tax	-	-	34,154	-	1,074	33,332	-	(252)	-	34,154	(233)	33,921
Total comprehensive income/(loss) for the period	-	-	34,154	-	1,074	33,332	-	(252)	(2,005)	32,149	2,047	34,196
<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
Dividends paid by the Company	-	-	-	-	-	-	-	-	(26,391)	(26,391)	-	(26,391)
Total contributions by and distributions to shareholders of the Company	233	144	(73)	-	-	-	(73)	-	(26,391)	(26,464)	-	(26,087)
<u>Change in 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	-	-	-	-	-	-	-	-	-	-	(1,722)	(1,722)
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 reserves of a joint venture company	-	-	(97)	-	-	-	-	(97)	(95)	(192)	10	(182)
Total others	-	-	(107)	(10)	-	-	-	(97)	163	56	(1,751)	(1,695)
<b>As at 31 December 2015</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>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016**

2016 Company	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 year	-	-	-	2,522	2,522	2,522
<u>Contributions by and distributions to shareholders of the Company</u>						
Dividends paid by the Company	-	-	-	(23,752)	(23,752)	(23,752)
Total contributions by and distributions to shareholders of the Company	-	-	-	(23,752)	(23,752)	(23,752)
<b>As at 31 December 2016</b>	<b>209,518</b>	-	-	<b>24,352</b>	<b>24,352</b>	<b>233,870</b>

  

2015 Company	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	-	-	-	1,997	1,997	1,997
<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
Dividends paid by the Company	-	-	-	(26,391)	(26,391)	(26,391)
Total contributions by and distributions to shareholders of the Company	233	144	(73)	(26,391)	(26,464)	(26,087)
<b>As at 31 December 2015</b>	<b>209,518</b>	-	-	<b>45,582</b>	<b>45,582</b>	<b>255,100</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 year. The Company's issued and fully paid-up shares as at 31 December 2016 comprised 1,055,639,464 (31 December 2015 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares or outstanding convertibles as at 31 December 2016 and 31 December 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>31.12.2016</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 auditor.



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

Not applicable.

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

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.**

	Group	
	12M16 (01.01.2016 to 31.12.2016)	12M15 (01.01.2015 to 31.12.2015)
Earnings/(loss) per ordinary share of the Group after deducting any provision for preference dividends :-		
(a) Based on weighted average number of ordinary shares in issue	0.46 cent	(0.19) cent
(b) On a fully diluted basis	0.46 cent	(0.19) 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 year/period under review of 1,055,639,464 shares (31 December 2015 : 1,055,402,163 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 31 December 2016 and 31 December 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	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Net asset <sup>(1)</sup> value per ordinary share <sup>(2)</sup> attributable to shareholders of the Company	S\$0.25	S\$0.27	S\$0.22	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 year/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 12M16 of S\$54.2 million was S\$0.3 million lower than 12M15.

#### Hotel and Serviced Residence

Revenue of S\$51.2 million was S\$0.3 million lower than 12M15.

The lower revenue of Crowne Plaza London Kensington ("CPLK") was mainly attributed to weaker Sterling Pound. In its functional currency, the revenue was higher mainly because of higher occupancies as some rooms had been closed for refurbishment works from January to May 2015. The revenue of Holiday Inn Resort Phuket ("HIRP") was comparable with 12M15.

The revenue of both Cityview Apartments and Commercial Centre ("CV") and Somerset Vientiane ("SV") were higher mainly because of higher occupancies achieved.

#### Leisure and Others

Revenue of S\$2.9 million was comparable with 12M15.

#### Property

Revenue of S\$0.1 million was comparable with 12M15.

### **Profit Before Tax**

The Group's pre-tax profit of S\$9.3 million was S\$6.8 million higher than 12M15.

#### Hotel and Serviced Residence

Excluding the write off of development costs of S\$3.8 million in relation to Rawai project as a result of the change in master plan in 12M16 and writeback of impairment loss on property, plant and equipment of S\$0.4 million in 12M15, this sector's pre-tax profit of S\$6.4 million was S\$2.5 million higher than 12M15. It was mainly because in 12M15, this sector had incurred higher directors' remuneration, one-off director's contractual termination payment and accelerated depreciation arising from relocation of office.

CPLK's pre-tax profit was lower mainly because revenue was affected by weaker Sterling Pound. The higher pre-tax profit of HIRP was mainly attributed to lower depreciation charge as some of its fixed assets had been fully depreciated in 12M15 and lower finance costs in 12M16.

SV performed better because of higher revenue, and CV's pre-tax profit was higher mainly because of higher revenue and interest income from fixed deposits.

#### Leisure and Others

Excluding corporate office, this sector's pre-tax profit of S\$0.3 million was S\$0.2 million higher than 12M15 mainly because the Group's family entertainment business reported higher profit through cost savings and the closure of a non-performing outlet.

Corporate office, which is ordinarily not a profit centre, turned in a pre-tax profit of S\$2.3 million in 12M16 compared to a loss of S\$3.1 million in 12M15. It was mainly attributed to exchange gain arising from Sterling Pound denominated loans as the currency had weakened against Singapore Dollar, the absence of one-off director's contractual termination payment and legal and professional fees for corporate exercises in 12M15.

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

Excluding impairment loss of S\$1.0 million in respect of the Group's apartment unit in London, this sector's pre-tax profit of S\$5.1 million was S\$3.9 million higher than 12M15. Our share of profit from the joint venture company in Xuzhou, PRC, was higher mainly because more apartment units were handed over to the buyers. Our share of profit from Knight Frank group of companies was also higher mainly because of higher commission and fee income as well as share of lower loss incurred by its associated company.

### **Working Capital**

As at 31 December 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 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 in 2017 remains uncertain, our hotels and serviced residences are expected to contribute positively to the Group.

In China, our Xuzhou Gulou Square project has achieved sales of 1,087 units or 90% of the total 1,206 units residential apartments. The Group will continue to focus on the sale of the remaining 119 residential units and work on the overall development strategy for the balance components of hotel, retail and office mixed-use development.

In Thailand, the tourist arrivals to Phuket in 2016 surpassed 7.5 million<sup>1</sup> passengers, registering a growth of 18% compared to last year. The Group is proceeding with the final phase of restructuring its interest in the Rawai project as well as the development planning of the Rawai site to realise its full potential.

In Singapore, the property market continue to experience downward pressure due to weak demand and uncertain world economy. Knight Frank Singapore business is expected to be slow but stable.

The Group will continue to focus on improving our business and profitability and strategies to enhance the value of our hospitality assets. We are open to acquire new assets if and when the opportunities arise.

<sup>1</sup> *Phuket Hotel Market Update February 2017, C9 Hotelworks Market Research.*

**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 immediately preceding financial period was as follows :

Name of Dividend	:	Final Dividend
Dividend Type	:	Cash
Dividend per share	:	1 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.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13** **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	<b>Property</b>	<b>Hotel and Serviced Residence</b>	<b>Leisure and Others</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>BUSINESS SEGMENTS</b>				
<b>12M16 (01.01.2016 to 31.12.2016)</b>				
<b>Segment revenue</b>				
Total segment sales	127	51,200	4,293	55,620
Inter-segment sales	-	(30)	(1,353)	(1,383)
Revenue	127	51,170	2,940	54,237
Segment results	(995)	4,124	3,432	6,561
Finance costs	-	(1,555)	(853)	(2,408)
Share of results of associated and joint venture companies	5,078	-	63	5,141
Profit before taxation	4,083	2,569	2,642	9,294
Taxation	(34)	(1,936)	110	(1,860)
Profit for the year	4,049	633	2,752	7,434

	<b>Property</b>	<b>Hotel and Serviced Residence</b>	<b>Leisure and Others</b>	<b>Consolidated</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>BUSINESS SEGMENTS</b>				
<b>12M15 (01.01.2015 to 31.12.2015)</b>				
<b>Segment revenue</b>				
Total segment sales	205	51,526	5,161	56,892
Inter-segment sales	(13)	(18)	(2,285)	(2,316)
Revenue	192	51,508	2,876	54,576
Segment results	(221)	6,013	(2,448)	3,344
Finance costs	-	(1,759)	(645)	(2,404)
Share of results of associated and joint venture companies	1,440	-	109	1,549
Profit/(loss) before taxation	1,219	4,254	(2,984)	2,489
Taxation	(125)	(2,089)	-	(2,214)
Profit/(loss) for the period	1,094	2,165	(2,984)	275

**14** **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

The factors leading to material changes in contributions to revenue and earnings by the business segments have been explained in paragraph 8 above.

**15 A breakdown of sales.**

	Group		
	12M16 (01.01.2016 to 31.12.2016)	12M15 (01.01.2015 to 31.12.2015)	Change
	S\$'000	S\$'000	%
Sales reported for first six months	27,021	26,228	3
Operating profit/(loss) after taxation before deducting non-controlling interests reported for first six months	6,278	(1,862)	NM
Sales reported for last six months	27,216	28,348	(4)
Operating profit after taxation before deducting non-controlling interests reported for last six months	1,156	2,137	(46)

**16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	Company	
	Year Ended 31.12.2016	Eighteen Months Ended 31.12.2015
	S\$'000	S\$'000
Ordinary	23,752	26,391
Preference	-	-
Total	23,752	26,391

**17 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.

**18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that, to the best of its knowledge, belief and information, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or the chief executive officer or substantial shareholder of the Company.

**19 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**

17 February 2017