

AF Global Limited

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
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 %
		01.01.2017 to 31.12.2017 ("12M17") S\$'000	01.01.2016 to 31.12.2016 ("12M16") S\$'000	
Revenue	1	55,741	54,237	3
Cost of sales	2	(28,685)	(28,099)	2
Gross profit		27,056	26,138	4
Other operating income	3a	420	4,264	(90)
Marketing expenses		(2,219)	(2,164)	3
Administrative expenses		(11,564)	(11,287)	2
Other operating expenses	4	(6,604)	(10,390)	(36)
Operating profit		7,089	6,561	8
Finance costs		(2,194)	(2,408)	(9)
Share of results of associated and joint venture companies	5	9,017	5,141	75
Profit before taxation		13,912	9,294	50
Taxation	6	(2,676)	(1,860)	44
Profit for the year		11,236	7,434	51
Other comprehensive income/(loss) :				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	7	818	(11,965)	NM
Transfer from foreign currency translation reserve to profit or loss upon deregistration of a foreign subsidiary company		(225)	-	NM
Fair value gain/(loss) on investment securities		51	(124)	NM
<u>Item that will not be reclassified to profit or loss</u>				
Surplus on revaluation of property, plant and equipment	8	43,762	5,786	656
Other comprehensive income/(loss) for the year, net of tax		44,406	(6,303)	NM
Total comprehensive income for the year		55,642	1,131	4,820
Profit for the year attributable to :				
Shareholders of the Company		8,333	4,824	73
Non-controlling interests		2,903	2,610	11
		11,236	7,434	51
Total comprehensive income for the year attributable to :				
Shareholders of the Company		45,099	(3,011)	NM
Non-controlling interests		10,543	4,142	155
		55,642	1,131	4,820

'NM' : Not meaningful.

Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group		
	12M17	12M16	Change
	S\$'000	S\$'000	%
Interest income from :			
- investment securities	320	242	32
- advances to an associated company	2	2	-
	<u>322</u>	<u>244</u>	32
Dividend income from investment securities	<u>82</u>	<u>127</u>	(35)

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

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

	Group		
	12M17	12M16	Change
	S\$'000	S\$'000	%
(a) Other operating income :			
Interest income from fixed deposits	387	320	21
Gain on sale of property, plant and equipment, net	-	11	NM
Gain on sale of investment securities	26	-	NM
Foreign currency gains (*)	-	3,826	NM
Rental income from asset held for sale	-	59	NM
Others	7	48	(85)
	<u>420</u>	<u>4,264</u>	(90)
(b) Depreciation of property, plant and equipment (^)	(6,814)	(7,233)	(6)
(c) Amortisation of club memberships	(3)	(3)	-
(d) Loss on sale of investment securities	-	(9)	NM
(e) Allowance for doubtful debts, net	-	(28)	NM
(f) Property, plant and equipment written off (+)	(5)	(3,904)	(100)
(g) Foreign currency losses (*)	(162)	-	NM
(h) Impairment loss on asset held for sale (#)	(860)	(1,020)	(16)
(i) Impairment loss on investment securities (@)	(235)	-	NM

'NM' : Not meaningful.

* The foreign currency gains in 12M16 were mainly attributed to the translation gains in respect of Sterling Pound denominated inter-company loans due to weaker Sterling Pound. These Sterling Pound denominated inter-company loans had been settled in 4Q16 and the subsequent inter-company loans were denominated in Singapore Dollar. The foreign currency losses in 12M17 were mainly because of translation losses arising from Singapore Dollar denominated inter-company loans as Singapore Dollar had weakened against Sterling Pound.

^ The lower depreciation charge was mainly because some of the Group's fixed assets had been fully depreciated.

+ With the change in master plan of Rawai project in response to the authority requirements, the development costs of S\$3.8 million in relation to the original design and concept plan were written off in 12M16.

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

@ Impairment loss on investment securities was in respect of the Group's investment in unquoted equity shares classified under non-current assets.

4. The higher other operating expenses in 12M16 was mainly attributed to write-off of development costs of Rawai project.

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

Notes to Statement of Comprehensive Income (cont'd) :

6. The major components of income tax expense were :

	Group		
	12M17	12M16	Change
	S\$'000	S\$'000	%
Current tax			
- Current year	2,523	1,960	29
- Benefits from previously unrecognised tax losses and temporary differences	(65)	(213)	(69)
- Under provision in respect of prior years	112	9	1,144
Deferred tax			
- Origination and reversal of temporary differences	106	117	(9)
- Benefits from previously unrecognised tax losses	-	(13)	NM
	2,676	1,860	44

'NM' : Not meaningful.

The higher current tax expense was mainly because of higher pre-tax profits of Crowne Plaza London Kensington.

7. Foreign currency translation comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to profit or loss. The translation gain in 12M17 was mainly attributed to stronger Sterling Pound and Thai Baht. The translation loss in 12M16 was mainly due to weaker Sterling Pound.
8. The surplus was in respect of an increase in the fair values of the Group's land and buildings arising from revaluation exercises carried out.

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	
		31.12.2017 S\$'000	31.12.2016 S\$'000	31.12.2017 S\$'000	31.12.2016 S\$'000
Non-current assets					
Property, plant and equipment	1	362,187	312,925	-	-
Intangible assets		44	50	-	-
Subsidiary companies	2	-	-	299,318	292,583
Associated company		1,569	1,574	-	-
Joint venture companies		86,000	86,005	-	-
Investment securities		4,825	5,061	-	-
Deferred tax assets		348	288	-	-
		<u>454,973</u>	<u>405,903</u>	<u>299,318</u>	<u>292,583</u>
Current assets					
Asset held for sale	3	6,672	7,532	-	-
Investment securities	4	7,538	4,248	-	-
Inventories		402	476	-	-
Trade receivables		1,464	1,461	-	-
Other receivables		650	1,079	164	78
Prepayments		617	654	8	7
Cash and short-term deposits		24,428	20,398	932	1,038
		<u>41,771</u>	<u>35,848</u>	<u>1,104</u>	<u>1,123</u>
Current liabilities					
Provision		47	22	-	-
Trade payables		2,872	3,244	-	-
Other payables and accruals	5	8,169	7,660	674	1,950
Amounts due to subsidiary companies	6	-	-	-	2,991
Provision for taxation		1,040	564	4	4
Hire purchase creditors		19	19	-	-
Term loans	7	12,455	15,897	8,850	12,550
Dividend payable	8	10,556	-	10,556	-
		<u>35,158</u>	<u>27,406</u>	<u>20,084</u>	<u>17,495</u>
Net current assets/(liabilities)	9	6,613	8,442	(18,980)	(16,372)
Non-current liabilities					
Provision		22	47	-	-
Amounts due to subsidiary companies	10	-	-	56,876	42,341
Hire purchase creditors		47	65	-	-
Term loans	7	64,872	67,978	-	-
Deferred tax liabilities	11	38,298	30,215	-	-
		<u>103,239</u>	<u>98,305</u>	<u>56,876</u>	<u>42,341</u>
Net assets		<u>358,347</u>	<u>316,040</u>	<u>223,462</u>	<u>233,870</u>
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		86,087	51,383	13,944	24,352
		<u>295,605</u>	<u>260,901</u>	<u>223,462</u>	<u>233,870</u>
Non-controlling interests		62,742	55,139	-	-
Total equity		<u>358,347</u>	<u>316,040</u>	<u>223,462</u>	<u>233,870</u>

Notes to Statement of Financial Position :

- The significant increase in property, plant and equipment was mainly attributed to an increase in the fair values of the Group's properties arising from revaluation exercises carried out.
- The increase in subsidiary companies was mainly attributed to net advances between the Company and its subsidiary companies arising from the Group's restructuring its equity interests in Rawai project. The Group had completed the restructuring process in 2Q17.
- The decrease in asset held for sale was mainly attributed to impairment loss arising from a decrease in fair value of the Group's apartment unit in London.

Notes to Statement of Financial Position (cont'd) :

4. The increase in investment securities was mainly due to the purchase of quoted debt securities.
5. The Company had reclassified interest payable on inter-company advances to amounts due to subsidiary companies under non-current liabilities.
6. An amount due to a subsidiary company outstanding as at the end of the last financial year had been settled in full while the Company had also reclassified an amount owing to another subsidiary company to amounts due to subsidiary companies under non-current liabilities.
7. The decrease in term loans under both current and non-current liabilities was mainly due to repayments of revolving credit facilities and term loans by the Company and its subsidiary companies respectively.
8. Dividend payable was in respect of an interim dividend of 1.00 cent per ordinary share announced by the Company in the third quarter's results announcement on 6 November 2017.
9. The increase in net current liabilities was mainly attributed to dividend payable to the shareholders of the Company.
10. The increase in amounts due to subsidiary companies was mainly attributed to an advance from a subsidiary company arising from the restructuring of the Group's equity interests in Rawai project and reclassifications as mentioned in Notes 5 and 6 above.
11. The increase in deferred tax liabilities was mainly due to provision for deferred tax arising from the increase in fair values of the Group's properties.

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

As at 31.12.2017		As at 31.12.2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
10,474	2,000	13,116	2,800

Amount repayable after one year

As at 31.12.2017		As at 31.12.2016	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
64,919	-	68,043	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. A term loan of S\$32.2 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\$2.2 million secured by :
 - a mortgage on the freehold land and buildings owned by a company in the Group.
3. A revolving credit facility of S\$6.9 million secured by :
 - a pledge of shares of a company in the Group.
4. Finance leases of motor vehicle and office equipment for S\$0.1 million.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	12M17	12M16
	S\$'000	S\$'000
Cash flows from operating activities :		
Profit before taxation	13,912	9,294
Adjustments for :		
Depreciation of property, plant and equipment	6,814	7,233
Gain on sale of property, plant and equipment	-	(11)
Property, plant and equipment written off	5	3,904
(Gain)/loss on sale of investment securities	(26)	9
Share of results of associated and joint venture companies	(9,017)	(5,141)
Amortisation of club memberships	3	3
Dividend income from investment securities	(82)	(127)
Interest income	(709)	(564)
Finance costs	2,194	2,408
Impairment loss on asset held for sale	860	1,020
Impairment loss on investment securities	235	-
Transfer from foreign currency translation reserve to profit or loss upon deregistration of a foreign subsidiary company	(225)	-
Unrealised foreign exchange differences	382	241
Operating profit before reinvestment in working capital	14,346	18,269
Decrease/(increase) in inventories	73	(68)
Decrease in receivables and prepayments	499	254
Increase in payables	138	99
Cash flows generated from operations	15,056	18,554
Interest received	761	542
Interest paid	(2,260)	(2,155)
Income taxes paid	(2,080)	(2,009)
Net cash flows from operating activities	11,477	14,932
Cash flows from investing activities :		
Dividends received	2,797	2,064
Proceeds from sale of property, plant and equipment	13	53
Purchase of property, plant and equipment	(2,303)	(1,212)
Purchase of investment securities	(5,007)	(3,480)
Proceeds from sale of investment securities	1,968	1,474
Proceeds from capital reduction of a joint venture company	5,531	-
Net cash flows generated from/(used in) investing activities	2,999	(1,101)
Cash flows from financing activities :		
Proceeds from bank loans	5,650	74,366
Repayment of bank loans	(12,761)	(60,970)
Repayment of advances by an associated company	-	64
Fixed deposit discharged by a bank	94	-
Fixed deposit pledged with a bank	(49)	-
Repayment to hire purchase creditors	(18)	(16)
Dividends paid by the Company	-	(23,752)
Dividends paid to a non-controlling interest	(2,940)	(1,377)
Net cash flows used in financing activities	(10,024)	(11,685)
Net increase in cash and cash equivalents	4,452	2,146
Effects of exchange rate changes on cash and cash equivalents	(377)	(316)
Cash and cash equivalents at beginning of year	20,304	18,474
Cash and cash equivalents at end of year	24,379	20,304

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

	Group	
	12M17	12M16
	S\$'000	S\$'000
Fixed deposits	11,351	8,690
Cash and bank balances	13,077	11,708
Cash and short-term deposits per Consolidated Statement of Financial Position	24,428	20,398
Less : Fixed deposit pledged	(49)	(94)
Cash and cash equivalents per Consolidated Statement of Cash Flows	24,379	20,304

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 2017

	-----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	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				
2017										
As at 1 January 2017	209,518	69,944	30	(28,922)	98,782	54	(18,561)	51,383	55,139	316,040
Profit for the year	-	-	-	-	-	-	8,333	8,333	2,903	11,236
Other comprehensive income for the year, net of tax	-	36,766	-	278	36,437	51	-	36,766	7,640	44,406
Total comprehensive income for the year	-	36,766	-	278	36,437	51	8,333	45,099	10,543	55,642
<u>Contributions by and distributions to shareholders of the Company</u>										
Dividend payable	-	-	-	-	-	-	(10,556)	(10,556)	-	(10,556)
Total contributions by and distributions to shareholders of the Company	-	-	-	-	-	-	(10,556)	(10,556)	-	(10,556)
<u>Others</u>										
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	(2,940)	(2,940)
Increase in net assets of a joint venture company	-	-	-	-	-	-	186	186	-	186
Share of reserves of a joint venture company	-	(25)	-	-	-	(25)	-	(25)	-	(25)
Total others	-	(25)	-	-	-	(25)	186	161	(2,940)	(2,779)
As at 31 December 2017	209,518	106,685	30	(28,644)	135,219	80	(20,598)	86,087	62,742	358,347
2016										
As at 1 January 2016	209,518	77,779	30	(15,424)	92,995	178	207	77,986	52,374	339,878
Profit for the 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)
As at 31 December 2016	209,518	69,944	30	(28,922)	98,782	54	(18,561)	51,383	55,139	316,040

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
2017			
As at 1 January 2017	209,518	24,352	233,870
Total comprehensive income for the year	-	148	148
<u>Contributions by and distributions to shareholders of the Company</u>			
Dividend payable	-	(10,556)	(10,556)
Total contributions by and distributions to shareholders of the Company	-	(10,556)	(10,556)
As at 31 December 2017	209,518	13,944	223,462
2016			
As at 1 January 2016	209,518	45,582	255,100
Total comprehensive income for the year	-	2,522	2,522
<u>Contributions by and distributions to shareholders of the Company</u>			
Dividends paid by the Company	-	(23,752)	(23,752)
Total contributions by and distributions to shareholders of the Company	-	(23,752)	(23,752)
As at 31 December 2016	209,518	24,352	233,870

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital since the end of the previous period reported on up to the end of the current financial year. The Company's issued and fully paid-up shares as at 31 December 2017 comprised 1,055,639,464 (31 December 2016 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 31 December 2017 and 31 December 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31.12.2017	31.12.2016
Total number of ordinary shares excluding treasury shares	1,055,639,464	1,055,639,464

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

The financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2016.

The adoption of the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS relevant to the Group's operations which are effective for annual periods beginning on 1 January 2017 does not have a material impact on the financial statements.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share of the Group after deducting any provision for preference dividends :-	Group Year Ended	
	31.12.2017	31.12.2016
(a) Based on weighted average number of ordinary shares in issue	0.79 cent	0.46 cent
(b) On a fully diluted basis	0.79 cent	0.46 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 under review of 1,055,639,464 shares (31 December 2016 : 1,055,639,464 shares).

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding convertibles. There were no outstanding convertibles as at 31 December 2017 and 31 December 2016.

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

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.28	S\$0.25	S\$0.21	S\$0.22

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

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

- 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 12M17 of S\$55.7 million was S\$1.5 million higher than 12M16.

Hotel and Serviced Residence

Revenue of S\$52.6 million was S\$1.4 million higher than 12M16.

The higher revenue of Crowne Plaza London Kensington ("CPLK") was mainly attributed to higher occupancies and average room rate as well as higher revenue from food and beverage. However, the higher revenue was affected by weaker Sterling Pound. The revenue of Holiday Inn Resort Phuket ("HIRP") was also higher mainly because of higher average room rate and revenue from food and beverage. Stronger Thai Baht had also contributed to the increase.

The lower revenue of Somerset Vientiane ("SV") was mainly because of lower occupancies. The revenue of Cityview Apartments and Commercial Centre ("CV") was comparable with 12M16.

Leisure and Others

Revenue of S\$3.0 million was S\$0.1 million higher than 12M16 mainly because of higher revenue from the Group's family entertainment business and higher interest income from investment securities.

Property

Revenue of S\$0.1 million in both 12M17 and 12M16 were in respect of dividend income from investment securities.

Profit Before Tax

The Group's pre-tax profit of S\$13.9 million was S\$4.6 million higher than 12M16.

Hotel and Serviced Residence

This sector's pre-tax profit of S\$7.7 million was S\$5.1 million higher than 12M16. The pre-tax profit of 12M16 included the write-off of development costs of S\$3.8 million in relation to the original design and concept plan following the change in master plan of Rawai project.

CPLK's pre-tax profit was higher mainly because of higher revenue. The higher pre-tax profit of HIRP was mainly attributed to higher revenue and lower depreciation charge as some of the fixed assets had been fully depreciated.

The lower pre-tax profit of SV was mainly because of lower revenue and higher overheads. CV's pre-tax profit was comparable with 12M16.

Leisure and Others

Excluding corporate office, this sector's pre-tax profit of S\$0.6 million was comparable with 12M16.

Corporate office incurred pre-tax loss of S\$2.3 million in 12M17 compared to pre-tax profit S\$2.0 million in 12M16. The corporate office, which is ordinarily not a profit centre, recorded translation gains in 12M16 in respect of Sterling Pound denominated inter-company loans due to weaker Sterling Pound. These loans had been settled in 4Q16.

Property

Excluding impairment losses of S\$0.9 million in 12M17 and S\$1.0 million in 12M16 in respect of the Group's apartment unit in London and S\$0.2 million in 12M17 in respect of investment in unquoted equity shares, this sector's pre-tax profit of S\$9.0 million was S\$3.9 million higher than 12M16. Our share of profit recognised by the joint venture company in Xuzhou, PRC was higher mainly because larger units and villas that were sold were handed over to the buyers. Our share of profits of Knight Frank group of companies was also higher mainly because of higher commission and fee income earned, along with a share of profit (compared to a share of loss in 12M16) of its associated company.

- 9** **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

In 2017, the global economic growth reached 3%¹, the highest growth rate since 2011 and growth is expected to remain steady for the coming year. Our hospitality assets are expected to continue to contribute positively to the Group. We will continue to focus on improving our business operations and enhancing the return from our assets.

In China, our Xuzhou Gulou Square commercial plot which comprises two towers and a podium have structurally topped-out and the office tower units are ready for a soft launch.

In Phuket, the airport passenger arrivals posted a 11.3%² year-over-year growth and have surpassed 8.4 million² arrivals in 2017. The soaring tourism numbers together with the planned light rail network would have a positive impact on our premium 5-star resort hotel development at Rawai. We have engaged a renowned architect and consultants for the project and will be submitting the plans to the authorities in due course.

In Singapore, property market sentiment remains positive. The Knight Frank Singapore business is expected to benefit from improved economic outlook and increased confidence in the real estate sector.

¹ *World Economic Situation & Prospects for 2018*

² *Phuket Hotel Market Update January 2018, 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?

None.

(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.**

	Hotel and Serviced Residence	Leisure and Others	Property	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000
BUSINESS SEGMENTS				
12M17				
Segment revenue				
Total segment sales	52,611	5,386	82	58,079
Inter-segment sales	-	(2,338)	-	(2,338)
Revenue	52,611	3,048	82	55,741
Segment results	8,524	(316)	(1,119)	7,089
Finance costs	(797)	(1,397)	-	(2,194)
Share of results of associated and joint venture companies	-	(4)	9,021	9,017
Profit/(loss) before taxation	7,727	(1,717)	7,902	13,912
Taxation	(2,551)	(25)	(100)	(2,676)
Profit/(loss) for the year	5,176	(1,742)	7,802	11,236
12M16				
Segment revenue				
Total segment sales	51,200	4,293	127	55,620
Inter-segment sales	(30)	(1,353)	-	(1,383)
Revenue	51,170	2,940	127	54,237
Segment results	4,124	3,432	(995)	6,561
Finance costs	(1,555)	(853)	-	(2,408)
Share of results of associated and joint venture companies	-	63	5,078	5,141
Profit before taxation	2,569	2,642	4,083	9,294
Taxation	(1,936)	110	(34)	(1,860)
Profit for the year	633	2,752	4,049	7,434

- 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		
	12M17	12M16	Change
	S\$'000	S\$'000	%
Sales reported for first half year	27,652	27,021	2
Operating profit after taxation before deducting non-controlling interests reported for first half year	5,975	6,278	(5)
Sales reported for second half year	28,089	27,216	3
Operating profit after taxation before deducting non-controlling interests reported for second half year	5,261	1,156	355

- 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 31.12.2017	Year Ended 31.12.2016
Ordinary	S\$'000 10,556	S\$'000 23,752
Preference	-	-
Total	10,556	23,752

- 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

21 February 2018