

AF Global Limited

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

UNAUDITED SECOND QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016
INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group			Group		
		01.04.2016 to 30.06.2016 ("2Q16") S\$'000	01.04.2015 to 30.06.2015 ("2Q15") S\$'000	Change %	01.01.2016 to 30.06.2016 ("6M16") S\$'000	01.01.2015 to 30.06.2015 ("6M15") S\$'000	Change %
Revenue	1	12,343	12,373	-	27,021	26,228	3
Cost of sales	2	(6,804)	(6,839)	(1)	(13,960)	(14,254)	(2)
Gross profit		5,539	5,534	-	13,061	11,974	9
Other operating income	3a	1,487	273	445	3,205	1,062	202
Marketing expenses		(520)	(517)	1	(1,039)	(1,073)	(3)
Administrative expenses		(2,548)	(3,233)	(21)	(5,797)	(9,620)	(40)
Other operating expenses		(1,370)	(2,135)	(36)	(2,729)	(3,465)	(21)
Operating profit/(loss)		2,588	(78)	NM	6,701	(1,122)	NM
Finance costs		(592)	(589)	1	(1,204)	(1,129)	7
Share of results of associated and joint venture companies	4	909	475	91	2,035	1,183	72
Profit/(loss) before taxation	3	2,905	(192)	NM	7,532	(1,068)	NM
Taxation	5	(363)	(345)	5	(1,254)	(794)	58
Profit/(loss) for the period		2,542	(537)	NM	6,278	(1,862)	NM
Other comprehensive (loss)/income :							
<u>Items that may be reclassified subsequently to income statement</u>							
Foreign currency translation	6	(7,224)	(8,576)	(16)	(19,047)	1,045	NM
Transfer from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company		-	-	-	-	(759)	NM
Fair value gain/(loss) on investment securities		16	(89)	NM	125	(75)	NM
Other comprehensive (loss)/income for the period, net of tax		(7,208)	(8,665)	(17)	(18,922)	211	NM
Total comprehensive loss for the period		(4,666)	(9,202)	(49)	(12,644)	(1,651)	666
Profit/(loss) for the period attributable to :							
Shareholders of the Company		2,298	(718)	NM	4,797	(3,124)	NM
Non-controlling interests		244	181	35	1,481	1,262	17
		2,542	(537)	NM	6,278	(1,862)	NM
Total comprehensive loss for the period attributable to :							
Shareholders of the Company		(4,931)	(6,403)	(23)	(12,822)	(2,513)	410
Non-controlling interests		265	(2,799)	NM	178	862	(79)
		(4,666)	(9,202)	(49)	(12,644)	(1,651)	666

Note : With the change of Company's financial year end from 30 June to 31 December in the last financial period from 1 July 2014 to 31 December 2015, the comparative results in this announcement covered the period from 1 April 2015 to 30 June 2015 ("2Q15") which was the fourth quarter of the last financial period.

'NM' : Not meaningful.

Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group			Group		
	2Q16 S\$'000	2Q15 S\$'000	Change %	6M16 S\$'000	6M15 S\$'000	Change %
Interest income from :						
- investment securities	69	-	NM	104	-	NM
- advances to an associated company	1	1	-	1	2	(50)
	<u>70</u>	<u>1</u>	6,900	<u>105</u>	<u>2</u>	5,150
Dividend income from investment securities	127	-	NM	127	176	(28)

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

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

	Group			Group		
	2Q16 S\$'000	2Q15 S\$'000	Change %	6M16 S\$'000	6M15 S\$'000	Change %
(a) Other operating income :						
Interest income from fixed deposits	25	147	(83)	40	184	(78)
Gain on sale of property, plant and equipment, net	9	-	NM	11	9	22
Gain on sale of investment securities	-	59	NM	-	59	NM
Foreign currency gains (*)	1,448	-	NM	3,085	674	358
Rental income from investment property	5	57	(91)	60	113	(47)
Others	-	10	NM	9	23	(61)
	<u>1,487</u>	<u>273</u>	445	<u>3,205</u>	<u>1,062</u>	202
(b) Depreciation of property, plant and equipment (^)	(1,806)	(1,875)	(4)	(3,665)	(4,551)	(19)
(c) Depreciation of investment property	(47)	(46)	2	(93)	(119)	(22)
(d) Amortisation of club memberships	-	(4)	NM	(1)	(9)	(89)
(e) Loss on sale of investment securities	-	-	-	(15)	-	NM
(f) Allowance for doubtful debts, net	-	(2)	NM	-	(2)	NM
(g) Loss on sale of property, plant and equipment, net	-	(2)	NM	-	-	-
(h) Property, plant and equipment written off	-	(36)	NM	(2)	(36)	(94)
(i) Foreign currency losses (*)	-	(678)	NM	-	-	-

* The foreign currency gain in both 2Q16 and 6M16 was mainly attributed to the translation gain in respect of Sterling Pound denominated loans as this currency had weakened against Singapore Dollar. In 2Q15, the position was the reverse and translation loss arising from weaker Thai Baht further contributed to the foreign currency losses of the quarter. The gain in 6M15 was mainly in respect of translation gain realised and transferred from the foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company.

^ The higher depreciation charge in 6M15 was mainly because of accelerated depreciation of renovation costs and furniture and fittings due to relocation of the head office.

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		
	2Q16 S\$'000	2Q15 S\$'000	Change %	6M16 S\$'000	6M15 S\$'000	Change %
Current tax						
- Current year	366	227	61	1,072	535	100
- Under provision in respect of prior years	13	35	(63)	13	35	(63)
Deferred tax						
- Origination and reversal of temporary differences	(16)	83	NM	169	224	(25)
	<u>363</u>	<u>345</u>	5	<u>1,254</u>	<u>794</u>	58

The higher current tax expense was mainly because of higher pre-tax profit of Somerset Vientiane in both 2Q16 and 6M16. In addition, in 2Q15 and 6M15, there were capital allowances arising from the refurbishment of Crowne Plaza London Kensington.

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 the income statement. The foreign currency translation loss in 2Q16 was mainly attributed to weaker Sterling Pound and Renminbi. Correspondingly, the loss in 2Q15 was mainly due to weaker Thai Baht. In 6M16, all the currencies of countries in which the Group has operations had weakened against Singapore Dollar.

'NM' : Not meaningful.

1(b)(i)

A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		30.06.2016 S\$'000	31.12.2015 S\$'000	30.06.2016 S\$'000	31.12.2015 S\$'000
Non-current assets					
Property, plant and equipment	1	306,616	333,367	-	-
Intangible assets		49	52	-	-
Subsidiary companies		-	-	296,728	295,624
Associated company		1,572	1,574	-	-
Joint venture companies		85,025	85,056	-	-
Investment securities		5,061	5,061	-	-
Deferred tax assets		114	126	-	-
		<u>398,437</u>	<u>425,236</u>	<u>296,728</u>	<u>295,624</u>
Current assets					
Asset held for sale		8,460	8,552		
Investment securities	2	5,010	2,447	-	-
Inventories		408	414	-	-
Trade receivables		942	1,497	-	-
Other receivables		1,217	1,248	77	79
Prepayments		602	769	-	9
Cash and short-term deposits		15,620	18,566	256	506
		<u>32,259</u>	<u>33,493</u>	<u>333</u>	<u>594</u>
Current liabilities					
Provision		36	21	-	-
Trade payables		2,934	3,048	-	-
Other payables and accruals	3	5,881	7,945	1,159	1,282
Amount due to subsidiary companies		-	-	3,747	3,415
Provision for taxation		817	830	-	-
Hire purchase creditor		12	12	-	-
Term loans	2	14,183	14,538	10,650	9,650
		<u>23,863</u>	<u>26,394</u>	<u>15,556</u>	<u>14,347</u>
Net current assets/(liabilities)		8,396	7,099	(15,223)	(13,753)
Non-current liabilities					
Provision		33	48	-	-
Amount due to a subsidiary company	4	-	-	23,093	26,771
Hire purchase creditor		30	35	-	-
Term loans	5	50,897	60,536	-	-
Deferred tax liabilities		30,011	31,838	-	-
		<u>80,971</u>	<u>92,457</u>	<u>23,093</u>	<u>26,771</u>
Net assets		<u>325,862</u>	<u>339,878</u>	<u>258,412</u>	<u>255,100</u>
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		65,169	77,986	48,894	45,582
		<u>274,687</u>	<u>287,504</u>	<u>258,412</u>	<u>255,100</u>
Non-controlling interests		51,175	52,374	-	-
Total equity		<u>325,862</u>	<u>339,878</u>	<u>258,412</u>	<u>255,100</u>

Notes to Statement of Financial Position :

1. Apart from depreciation, the significant decrease in property, plant and equipment was mainly attributed to weaker Sterling Pound and Thai Baht.
2. The Company had utilised its revolving credit facilities in the first quarter to finance the purchase of investment securities by its subsidiary company. The amount utilised was partially repaid in 2Q16.
3. The decrease in other payables and accruals was mainly attributed to payment of expenses accrued at the end of the last financial period.
4. The decrease in amount due to a subsidiary company was due to weaker Sterling Pound.
5. Apart from repayments during the period, the significant decrease in term loans under non-current liabilities was mainly attributed to weaker Sterling Pound.

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

As at 30.06.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
12,445	1,750	13,550	1,000

Amount repayable after one year

As at 30.06.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
50,927	-	60,571	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. 2 term loans of S\$31.1 million and a revolving credit facility of S\$19.0 million secured by :
 - a mortgage on the freehold land and building owned by a company in the Group.
 - a fixed and floating charge over the assets of a company in the Group.
 - a pledge of shares of a company in the Group.
2. A term loan of S\$4.4 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\$8.9 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	
	2Q16 S\$'000	2Q15 S\$'000	6M16 S\$'000	6M15 S\$'000
Cash flows from operating activities :				
Profit/(loss) before taxation	2,905	(192)	7,532	(1,068)
Adjustments for :				
Depreciation of property, plant and equipment	1,806	1,875	3,665	4,551
Depreciation of investment property	47	46	93	119
(Gain)/loss on sale of property, plant and equipment	(9)	2	(11)	(9)
Property, plant and equipment written off	-	36	2	36
(Gain)/loss on sale of investment securities	-	(59)	15	(59)
Share of results of associated and joint venture companies	(909)	(475)	(2,035)	(1,183)
Amortisation of club memberships	-	4	1	9
Dividend income from investment securities	(127)	-	(127)	(176)
Interest income	(95)	(148)	(145)	(186)
Finance costs	592	589	1,204	1,129
Transfer from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company	-	-	-	(759)
Unrealised foreign exchange differences	(1,455)	861	(3,132)	(117)
Operating profit before reinvestment in working capital	2,755	2,539	7,062	2,287
(Increase)/decrease in inventories	(26)	54	(10)	104
Decrease in receivables and prepayments	230	472	470	712
(Decrease)/increase in payables	(72)	550	(1,264)	337
Cash flows generated from operations	2,887	3,615	6,258	3,440
Interest received	121	129	156	200
Interest paid	(678)	(519)	(1,360)	(1,048)
Income taxes paid	(792)	(117)	(1,029)	(866)
Net cash flows from operating activities	1,538	3,108	4,025	1,726
Cash flows from investing activities :				
Dividends received	127	11	127	187
Proceeds from sale of property, plant and equipment	24	32	26	47
Purchase of property, plant and equipment	(232)	(1,924)	(456)	(3,918)
Purchase of investment securities	-	-	(3,480)	-
Proceeds from sale of investment securities	-	221	985	221
Net cash flows used in investing activities	(81)	(1,660)	(2,798)	(3,463)
Cash flows from financing activities :				
Proceeds from bank loans	-	2,872	3,225	12,302
Repayment of bank loans	(3,343)	(2,721)	(5,137)	(4,087)
Proceeds from exercise of share options	-	-	-	304
Repayment of advances by an associated company	-	42	-	42
Return of investment to a non-controlling interest upon deregistration of a subsidiary company	-	-	-	(39)
Decrease in hire purchase creditors	(1)	(24)	(5)	(45)
Acquisition of a non-controlling interest	-	-	-	(7,484)
Dividends paid to non-controlling interests	(1,377)	-	(1,377)	(12)
Net cash flows (used in)/from financing activities	(4,721)	169	(3,294)	981
Net (decrease)/increase in cash and cash equivalents	(3,264)	1,617	(2,067)	(756)
Effects of exchange rate changes on cash and cash equivalents	(173)	(742)	(877)	112
Cash and cash equivalents at beginning of period	18,967	28,935	18,474	30,454
Cash and cash equivalents at end of period	15,530	29,810	15,530	29,810

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

	Group	
	6M16 S\$'000	6M15 S\$'000
Fixed deposits	6,160	19,007
Cash and bank balances	9,460	10,897
Cash and short-term deposits per Consolidated Statement of Financial Position	15,620	29,904
Less : Fixed deposit pledged	(90)	(94)
Cash and cash equivalents per Consolidated Statement of Cash Flows	15,530	29,810

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS FROM 1 APRIL 2016 TO 30 JUNE 2016

-----Attributable to shareholders of the Company-----										Non-controlling interests	Total equity	
Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	S\$'000	S\$'000	
2016 Group												
As at 1 April 2016	209,518	-	67,389	30	(25,923)	92,995	-	287	2,711	70,100	52,287	331,905
Profit for the period	-	-	-	-	-	-	-	2,298	2,298	244	2,542	
Other comprehensive (loss)/income for the period, net of tax	-	-	(7,229)	-	(7,245)	-	-	16	(7,229)	21	(7,208)	
Total comprehensive (loss)/income for the period	-	-	(7,229)	-	(7,245)	-	-	16	(4,931)	265	(4,666)	
<u>Others</u>												
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	(1,377)	(1,377)	
Total others	-	-	-	-	-	-	-	-	-	(1,377)	(1,377)	
As at 30 June 2016	209,518	-	60,160	30	(33,168)	92,995	-	303	5,009	65,169	51,175	325,862

-----Attributable to shareholders of the Company-----										Non-controlling interests	Total equity	
Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	S\$'000	S\$'000	
2015 Group												
As at 1 April 2015	209,518	-	50,208	30	(10,214)	59,663	-	729	26,044	76,252	55,698	341,468
(Loss)/profit for the period	-	-	-	-	-	-	-	(718)	(718)	181	(537)	
Other comprehensive loss for the period, net of tax	-	-	(5,685)	-	(5,596)	-	-	(89)	(5,685)	(2,980)	(8,665)	
Total comprehensive loss for the period	-	-	(5,685)	-	(5,596)	-	-	(89)	(6,403)	(2,799)	(9,202)	
As at 30 June 2015	209,518	-	44,523	30	(15,810)	59,663	-	640	25,326	69,849	52,899	332,266

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS FROM 1 JANUARY 2016 TO 30 JUNE 2016

2016 Group	-----Attributable to shareholders of the Company-----								Non-controlling	Total		
	Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	S\$'000	S\$'000
As at 1 January 2016	209,518	-	77,779	30	(15,424)	92,995	-	178	207	77,986	52,374	339,878
Profit for the period	-	-	-	-	-	-	-	-	4,797	4,797	1,481	6,278
Other comprehensive (loss)/income for the period, net of tax	-	-	(17,619)	-	(17,744)	-	-	125	-	(17,619)	(1,303)	(18,922)
Total comprehensive (loss)/income for the period	-	-	(17,619)	-	(17,744)	-	-	125	4,797	(12,822)	178	(12,644)
<u>Others</u>												
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(1,377)	(1,377)
Share of reserve of a joint venture company	-	-	-	-	-	-	-	-	5	5	-	5
Total others	-	-	-	-	-	-	-	-	5	5	(1,377)	(1,372)
As at 30 June 2016	209,518	-	60,160	30	(33,168)	92,995	-	303	5,009	65,169	51,175	325,862

2015 Group	-----Attributable to shareholders of the Company-----								Non-controlling	Total		
	Share capital S\$'000	Treasury shares S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Share-based compensation reserve S\$'000	Other reserves S\$'000	Revenue reserve S\$'000	Total reserves S\$'000	S\$'000	S\$'000
As at 1 January 2015	209,285	(144)	43,805	40	(16,498)	59,663	73	527	32,838	76,643	55,164	340,948
(Loss)/profit for the period	-	-	-	-	-	-	-	-	(3,124)	(3,124)	1,262	(1,862)
Other comprehensive income/(loss) for the period, net of tax	-	-	611	-	688	-	-	(77)	-	611	(400)	211
Total comprehensive income/(loss) for the period	-	-	611	-	688	-	-	(77)	(3,124)	(2,513)	862	(1,651)
<u>Contributions by and distributions to shareholders of the Company</u>												
Issue of ordinary shares on exercise of share options	218	-	(41)	-	-	-	(41)	-	-	(41)	-	177
Transfer of treasury shares on exercise of share options	15	144	(32)	-	-	-	(32)	-	-	(32)	-	127
Total contributions by and distributions to shareholders of the Company	233	144	(73)	-	-	-	(73)	-	-	(73)	-	304
<u>Change of ownership interest in a subsidiary company</u>												
Acquisition of a non-controlling interest without a change in control	-	-	-	-	-	-	-	-	(4,398)	(4,398)	(3,086)	(7,484)
Total change in ownership interest in a subsidiary company	-	-	-	-	-	-	-	-	(4,398)	(4,398)	(3,086)	(7,484)
<u>Others</u>												
Transfer from legal reserve	-	-	(10)	(10)	-	-	-	-	10	-	-	-
Dividend paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	-	(12)	(12)
Return of investment to a non-controlling interest upon deregistration of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(39)	(39)
Share of reserve of a joint venture company	-	-	190	-	-	-	-	190	-	190	10	200
Total others	-	-	180	(10)	-	-	-	190	10	190	(41)	149
As at 30 June 2015	209,518	-	44,523	30	(15,810)	59,663	-	640	25,326	69,849	52,899	332,266

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS FROM 1 APRIL 2016 TO 30 JUNE 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
As at 1 April 2016	209,518	-	-	47,270	47,270	256,788
Total comprehensive income for the period	-	-	-	1,624	1,624	1,624
As at 30 June 2016	209,518	-	-	48,894	48,894	258,412

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
As at 1 April 2015	209,518	-	-	69,407	69,407	278,925
Total comprehensive loss for the period	-	-	-	(303)	(303)	(303)
As at 30 June 2015	209,518	-	-	69,104	69,104	278,622

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS FROM 1 JANUARY 2016 TO 30 JUNE 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
As at 1 January 2016	209,518	-	-	45,582	45,582	255,100
Total comprehensive income for the period	-	-	-	3,312	3,312	3,312
As at 30 June 2016	209,518	-	-	48,894	48,894	258,412

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
As at 1 January 2015	209,285	(144)	73	69,976	70,049	279,190
Total comprehensive loss for the period	-	-	-	(872)	(872)	(872)
<u>Contributions by and distributions to shareholders of the Company</u>						
Issue of ordinary shares on exercise of share options	218	-	(41)	-	(41)	177
Transfer of treasury shares on exercise of share options	15	144	(32)	-	(32)	127
Total contributions by and distributions to shareholders of the Company	233	144	(73)	-	(73)	304
As at 30 June 2015	209,518	-	-	69,104	69,104	278,622

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

The Company has no treasury shares or outstanding convertibles as at 30 June 2016 and 30 June 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.**

	30.06.2016	31.12.2015
Total number of ordinary shares excluding treasury shares	1,055,639,464	1,055,639,464

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

Not applicable.

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

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

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

Not applicable.

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

The financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the period ended 31 December 2015.

The adoption of the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS relevant to the Group's operations which are effective for annual periods beginning on 1 January 2016 does not have a material impact on the financial statements.

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

Not applicable.

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

Earnings/(loss) per ordinary share of the Group after deducting any provision for preference dividends :-	Group Quarter Ended	
	30.06.2016	30.06.2015
(a) Based on weighted average number of ordinary shares in issue	0.22 cent	(0.07) cent
(b) On a fully diluted basis	0.22 cent	(0.07) 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 June 2015 : 1,055,639,464 shares).

Fully diluted earnings per ordinary share is computed based on the weighted average number of ordinary shares in issue after adjusting for the dilutive effect on the exercise of all outstanding convertibles. There were no outstanding convertibles as at 30 June 2016 and 30 June 2015.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group		Company	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.26	S\$0.27	S\$0.24	S\$0.24

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

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

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 2Q16 of S\$12.3 million was comparable with 2Q15. For 6M16, the revenue of S\$27.0 million was S\$0.8 million higher than 6M15.

Hotel and Serviced Residence

Revenue of S\$11.4 million for 2Q16 was S\$0.2 million lower than 2Q15. For 6M16, the revenue of S\$25.4 million was S\$0.7 million higher than 6M15.

The lower revenue of Crowne Plaza London Kensington ("CPLK") in 2Q16 was mainly attributed to weaker Sterling Pound. Despite the weaker Sterling Pound, revenue of CPLK for 6M16 was higher mainly because of higher occupancies as some rooms had been closed for refurbishment works from January to May 2015.

Revenue of Holiday Inn Resort Phuket ("HIRP") for both 2Q16 and 6M16 were lower than 2Q15 and 6M15. Although average room rates had improved, the higher room revenue and revenue from food and beverage were offset by weaker Thai Baht.

The higher revenue of Somerset Vientiane ("SV") for both 2Q16 and 6M16 were mainly because occupancies in 2Q15 and 6M15 were significantly lower arising from the effects of a refurbishment and rebranding exercise.

Revenue of Cityview Apartments and Commercial Centre ("CV") for both 2Q16 and 6M16 were comparable with 2Q15 and 6M15.

Leisure and Others

Revenue of S\$0.8 million for 2Q16 and S\$1.5 million for 6M16 were S\$0.1 million and S\$0.2 million higher than 2Q15 and 6M15 respectively.

The higher revenue in 2Q16 was mainly because of interest income from investment securities. Revenue from the Group's family entertainment business had improved in 6M16, particularly in the first quarter, with all remaining outlets turning in a higher revenue.

Property

Revenue of S\$0.1 million in 2Q16 and 6M16 were in respect of dividend income received. No revenue was recorded in 2Q15. Revenue for 6M16 was S\$0.1 million lower than 6M15 mainly because the dividend income of S\$0.2 million was received in the first quarter of the corresponding period last year.

Costs and Expenses

The lower administrative expenses in 2Q16 was mainly due to lower directors' remuneration, staff costs and overheads. In 6M16, it was also lower mainly because of lower directors' remuneration and non-recurring expenses in 6M15 comprising contractual termination provision and accelerated depreciation charge due to relocation of the head office.

The lower other operating expenses in 2Q16 and 6M16 were mainly attributed to foreign currency losses in 2Q15 and legal and professional fees incurred for corporate exercises in 6M15 respectively.

Profit Before Tax

The Group made a pre-tax profit of S\$2.9 million in 2Q16 and S\$7.5 million in 6M16 compared to a loss of S\$0.2 million in 2Q15 and S\$1.1 million in 6M15.

Hotel and Serviced Residence

This sector's pre-tax profit of S\$0.4 million in 2Q16 was S\$0.3 million higher than 2Q15 mainly due to lower administrative expenses as the sector incurred lower directors' remuneration and staff costs. For 6M16, the pre-tax profit of S\$2.6 million was S\$2.0 million higher than 6M15. This was mainly due to lower administrative expenses as there was an one-off contractual termination provision in 6M15.

CPLK's pre-tax profit in 2Q16 was lower mainly because revenue was affected by weaker Sterling Pound. Despite the weaker Sterling Pound, CPLK performed better in 6M16 mainly due to higher revenue from higher occupancies achieved. The higher pre-tax profits of HIRP in both 2Q16 and 6M16 were mainly attributed to lower overheads, depreciation charge as some of its fixed assets had been fully depreciated and finance costs due to lower borrowings.

SV performed better in both 2Q16 and 6M16 mainly because of higher revenue and lower overheads, and CV's profits were comparable with 2Q15 and 6M15.

Leisure and Others

Excluding corporate office, this sector's pre-tax profit was S\$0.2 million in 2Q16 and S\$0.3 million in 6M16 compared to S\$0.1 million in 2Q15 and breakeven in 6M15. The higher pre-tax profit in 2Q16 was mainly because of interest income from investment securities. The Group's family entertainment business was profitable with higher revenue achieved in 6M16 and the closure of a non-performing outlet in April 2015.

Corporate office recorded a pre-tax profit of S\$1.3 million in 2Q16 and S\$2.6 million in 6M16 compared to a loss of S\$0.8 million in 2Q15 and S\$2.7 million in 6M15 mainly because of translation gain arising from translating Sterling Pound denominated loans due to weaker Sterling Pound. Also, the lower administrative and other operating expenses was mainly due to the absence of contractual termination provision and legal and professional fees incurred for corporate exercises respectively.

Property

This sector made a pre-tax profit of S\$1.0 million in 2Q16 and S\$2.0 million in 6M16 which were S\$0.6 million and S\$1.0 million higher than 2Q15 and 6M15 respectively. It was mainly attributed to our share of profit recognised by the joint venture company in Xuzhou, PRC for apartment units handed over to buyers. Our share of profits of Knight Frank group of companies for both 2Q16 and 6M16 remain comparable with 2Q15 and 6M15.

Working Capital

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

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

Not applicable.

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

Our hospitality assets are expected to contribute positively to the Group. We 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 right opportunities arise.

In China, our Xuzhou Gulou Square project has achieved sales of 113 units of apartments in the last quarter or about 10% of the total 1,206 units of the residential apartments in the project. To date, a total of 937 units or 78% of the total apartments are sold; of which 910 units have signed the sales and purchase agreements and 27 units were reserved. We will continue to market the residential apartments and review the development strategy, market positioning and plans for the commercial site which comprises hotel, retail and office.

In Singapore, the property market remains sluggish as cooling measures are expected to remain and lingering economic uncertainty is expected to continue to weigh on buyer sentiments in the residential sector. The industrial, office and retail sectors will continue to face pressure from ample supply, weak demand and volatile economic fundamentals globally. Accordingly, Knight Frank Singapore business is expected to be slow but stable. The Group plans to continue to explore opportunities to strengthen and grow its agency business.

In Thailand, the tourism industry grew steadily and the Group is proceeding with the master planning of the Rawai site to maximise its potential. At the same time, the Group is in the process of restructuring its interests in the Rawai project to be in line with the directives of the Thai authority.

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.

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 Second Quarter ended 30 June 2016 to be false or misleading in any material respect.

On behalf of the Board of Directors

Koh Wee Seng
Chairman

Chay Yue Kai
Director

15 Confirmation pursuant to Rule 720(1) of the Listing Manual.

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
Lim Swee Ann
Company Secretary

5 August 2016