

AF Global Limited

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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 %
		01.01.2019 to 31.12.2019 ("12M19") S\$'000	01.01.2018 to 31.12.2018 ("12M18") S\$'000	
<u>Continuing operations</u>				
Revenue	1	28,266	33,890	(17)
Cost of sales	2	(14,502)	(16,313)	(11)
Gross profit		<u>13,764</u>	<u>17,577</u>	(22)
Other operating income	3a	1,188	1,047	13
Marketing expenses		(1,361)	(1,090)	25
Administrative expenses	4	(8,677)	(8,762)	(1)
Other operating expenses	5	(6,142)	(7,417)	(17)
Operating (loss)/profit		<u>(1,228)</u>	<u>1,355</u>	NM
Finance costs	6	(987)	(1,860)	(47)
Share of results of associated and joint venture companies	7	3,031	4,340	(30)
Profit before taxation from continuing operations		<u>816</u>	<u>3,835</u>	(79)
Taxation	8	(1,186)	(2,065)	(43)
(Loss)/profit from continuing operations, net of tax		<u>(370)</u>	<u>1,770</u>	NM
<u>Discontinued operation (Note)</u>				
Profit from discontinued operation, net of tax	9	20,651	1,990	938
Profit for the year		<u>20,281</u>	<u>3,760</u>	439
<u>Other comprehensive income :</u>				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Foreign currency translation	10	13,287	(1,743)	NM
Fair value loss on investment securities	11	(152)	-	NM
<u>Items that will not be reclassified to profit or loss</u>				
Fair value gain/(loss) on investment securities	11	160	(1,104)	NM
Surplus on revaluation of property, plant and equipment	12	788	1,587	(50)
Other comprehensive income for the year, net of tax		<u>14,083</u>	<u>(1,260)</u>	NM
Total comprehensive income for the year		<u>34,364</u>	<u>2,500</u>	1,275
<u>Profit for the year attributable to :</u>				
Shareholders of the Company				
Loss from continuing operations, net of tax		(1,701)	(1,064)	60
Profit from discontinued operation, net of tax		20,651	1,990	938
		18,950	926	1,946
Non-controlling interests		1,331	2,834	(53)
		<u>20,281</u>	<u>3,760</u>	439
<u>Total comprehensive income for the year attributable to :</u>				
Shareholders of the Company				
Profit from continuing operations, net of tax		5,379	1,052	411
Profit/(loss) from discontinued operation, net of tax		23,376	(2,802)	NM
		28,755	(1,750)	NM
Non-controlling interests		5,609	4,250	32
		<u>34,364</u>	<u>2,500</u>	1,275

Note : On 14 December 2018, the wholly-owned subsidiary of the Company, L.C. Hotels Pte Ltd, entered into a share sale and purchase agreement to sell its entire issued paid-up ordinary shares in the capital of L.C. (London) Ltd ("LCL"). Hence, LCL is classified as "Discontinued operation". The sale was completed on 11 April 2019.

'NM' : Not meaningful.

Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group		
	12M19	12M18	Change
	S\$'000	S\$'000	%
Interest income from :			
- investment securities	400	248	61
- advances to an associated company	1	1	-
	<u>401</u>	<u>249</u>	61
Dividend income from investment securities	-	73	NM

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

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

	Group		
	12M19	12M18	Change
	S\$'000	S\$'000	%
(a) Other operating income :			
Interest income from fixed deposits	574	480	20
Gain on sale of property, plant and equipment	21	-	NM
Gain on sale of interest in a subsidiary company (+)	-	454	NM
Gain on disposal of an associated company (^)	32	-	NM
Foreign currency gains (#)	515	91	466
Others	46	22	109
	<u>1,188</u>	<u>1,047</u>	13
(b) Depreciation of property, plant and equipment	(3,791)	(4,043)	(6)
(c) Depreciation of right-of-use assets	(116)	-	NM
(d) Amortisation of club memberships	(3)	(3)	-
(e) Loss on sale of investment securities	(6)	(20)	(70)
(f) Loss on sale of asset held for sale (@)	(819)	-	NM
(g) Impairment loss on trade receivables	(4)	(23)	(83)
(h) Loss on sale of property, plant and equipment	-	(5)	NM
(i) Property, plant and equipment written off	(51)	(26)	96
(j) Impairment loss on asset held for sale (*)	-	(762)	NM

'NM' : Not meaningful.

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

^ This was in respect of the sale of 49% equity interest in Lum Chang (Suzhou) Investments Pte Ltd in June 2019.

The foreign currency gains for 12M19 was mainly attributed to translation gain arising from translating Singapore Dollar denominated inter-company interest payable as Singapore Dollar had weakened against Thai Baht and gain on translating bank deposits in Thai Baht. However, the gain was partially offset by net realised exchange loss from the sale of Sterling Pound.

@ This was in respect of the loss on sale of the Group's apartment unit in London on 11 October 2019.

* This was in respect of the Group's apartment unit in London as a result of a decrease in fair value.

4. Administrative expenses comprised mainly payroll, expenses for the administration of the business including hotel management fee and statutory expenses.

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

5. The lower other operating expenses was mainly due to lower legal and professional fees arising from litigation in respect of shareholders dispute for the joint venture company in Xuzhou, PRC (hereinafter, the "Xuzhou JV"). The breakdown of items under other operating expenses were as follows :

	Group		
	12M19	12M18	Change
	S\$'000	S\$'000	%
Utilities	1,826	1,807	1
Payroll and other indirect overheads	1,875	1,670	12
Legal and professional fees	1,232	2,788	(56)
Loss on sale of asset held for sale	819	-	NM
Impairment loss on asset held for sale	-	762	NM
Others	390	390	-
	<u>6,142</u>	<u>7,417</u>	(17)

6. The significantly lower finance costs was mainly attributed to repayment of bank loans.
7. This constitutes mainly our share of results from joint venture companies in Xuzhou, PRC and Knight Frank group of companies in Singapore. The Group had ceased to equity account for the share of results of Xuzhou JV on 1 October 2019 as advanced negotiation with the joint venture partner of a possible disposal of the Group's 55% equity interest in Xuzhou JV is ongoing. Hence, the investment in Xuzhou JV had been reclassified and reflected as an asset held for sale under current assets.
8. The major components of income tax expense were :

	Group		
	12M19	12M18	Change
	S\$'000	S\$'000	%
Current tax			
- Current year	988	1,666	(41)
- Benefits from previously unrecognised tax losses	-	(11)	NM
- Over provision in respect of prior year	-	(5)	NM
Deferred tax			
- Origination and reversal of temporary differences	228	415	(45)
- Over provision in respect of prior year	(30)	-	NM
	<u>1,186</u>	<u>2,065</u>	(43)

The significantly lower current tax expense was mainly because of lower pre-tax profit of Holiday Inn Resort Phuket owing to the closure of rooms at Busakorn Wing and a restaurant for refurbishment from May 2019 to November 2019.

'NM' : Not meaningful.

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

9. The financial results of Discontinued operation and the effects on disposal were as follows :

	Group		
	12M19 S\$'000	12M18 S\$'000	Change %
Revenue	4,259	21,204	(80)
Cost of sales	(2,303)	(12,412)	(81)
Gross profit	1,956	8,792	(78)
Other operating income	56	128	(56)
Marketing expenses	(264)	(1,208)	(78)
Administrative expenses ¹	(627)	(2,871)	(78)
Other operating expenses ²	(529)	(1,590)	(67)
Operating profit	592	3,251	(82)
Finance costs	(330)	(708)	(53)
Gain on sale of Discontinued operation	20,402	-	NM
Profit before taxation	20,664	2,543	713
Taxation	(13)	(553)	(98)
Profit for the year	20,651	1,990	938
Profit before taxation is stated after crediting/(charging) :			
Other operating income :			
Interest income from fixed deposits	6	13	(54)
Foreign currency gains	50	115	(57)
	56	128	(56)
Depreciation of property, plant and equipment ³			
Property, plant and equipment written off	-	(2,683)	NM
	(26)	-	NM

¹ Administrative expenses comprised mainly payroll, expenses for the administration of the hotel and statutory expenses.

² The breakdown of items under other operating expenses were as follows :

Utilities	(191)	(658)	(71)
Payroll and other indirect overheads	(267)	(789)	(66)
Others	(71)	(143)	(50)
	(529)	(1,590)	(67)

³ In accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 5 - *Non-current Assets Held for Sale and Discontinued Operations*, depreciation ceased when the assets are being classified as held for sale.

<u>Effects on disposal</u>	12M19 S\$'000
Property, plant and equipment	138,141
Inventories	73
Trade receivables	321
Other receivables	109
Prepayments	137
Cash and short-term deposits	4,495
Trade payables	(1,058)
Other payables and accruals	(1,738)
Loans and borrowings	(29,877)
Deferred tax liabilities	(12,785)
Net assets derecognised	97,818
Realisation of foreign currency translation reserve to profit or loss	(57)
Gain on sale of interest in a subsidiary company (Note)	20,402
Consideration, net of transactions costs	118,163
Cash and short-term deposits disposed of	(4,495)
Net cash inflow from the sale of interest in a subsidiary company	113,668
Note	
Consideration	119,310
Transaction costs	(1,147)
Realisation of foreign currency translation reserve to profit or loss	57
Net consideration	118,220
Net assets derecognised	(97,818)
Gain on sale of interest in a subsidiary company	20,402

10. 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 12M19 was mainly attributed to stronger Thai Baht. The translation loss in 12M18 was mainly attributed to weaker Sterling Pound and Renminbi partially offset by stronger Thai Baht.

11. These were mainly in respect of the fair value movements of the Group's investment in quoted debt securities classified under current assets and unquoted equity securities classified under non-current assets.

12. 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	
		31.12.2019 S\$'000	31.12.2018 S\$'000	31.12.2019 S\$'000	31.12.2018 S\$'000
Non-current assets					
Property, plant and equipment	1	247,301	226,402	-	-
Intangible assets		39	42	-	-
Right-of-use assets	2	1,002	-	-	-
Subsidiary companies		-	-	292,682	296,530
Associated company	3	-	1,600	-	-
Joint venture companies	4	32,494	84,295	-	-
Investment securities		4,054	3,991	-	-
Deferred tax assets		414	294	-	-
		285,304	316,624	292,682	296,530
Current assets					
Asset held for sale	4	50,627	5,910	-	-
Investment securities	5	7,649	6,281	-	-
Inventories		224	259	-	-
Trade receivables		779	709	-	-
Other receivables		800	541	126	100
Prepayments		253	320	4	7
Amounts due from subsidiary companies	6	-	-	7,507	2,375
Cash and short-term deposits		23,634	19,511	497	194
		83,966	33,531	8,134	2,676
Assets of disposal group classified as held for sale		-	140,247	-	-
		83,966	173,778	8,134	2,676
Current liabilities					
Trade payables		2,467	2,324	-	-
Other payables and accruals		8,024	7,676	832	1,186
Provision for taxation		446	757	28	5
Lease liabilities	2	76	-	-	-
Loans and borrowings	7	3,304	48,636	1,500	48,250
Dividend payable	8	10,556	-	10,556	-
		24,873	59,393	12,916	49,441
Liabilities directly associated with disposal group classified as held for sale		-	44,718	-	-
		24,873	104,111	12,916	49,441
Net current assets/(liabilities)	9	59,093	69,667	(4,782)	(46,765)
Non-current liabilities					
Amounts due to subsidiary companies		-	-	22,999	22,999
Lease liabilities	2	973	-	-	-
Loans and borrowings	7	4,805	-	-	-
Deferred tax liabilities	10	28,460	26,723	-	-
		34,238	26,723	22,999	22,999
Net assets		310,159	359,568	264,901	226,766
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		32,339	510	55,383	17,248
Reserves of disposal group classified as held for sale		-	84,497	-	-
		241,857	294,525	264,901	226,766
Non-controlling interests		68,302	65,043	-	-
Total equity		310,159	359,568	264,901	226,766

Notes to Statement of Financial Position :

1. Apart from depreciation, the increase in property, plant and equipment was mainly attributed to strengthening of Thai Baht and capitalisation of refurbishment costs incurred for works carried out at Holiday Inn Resort Phuket.
2. The Group adopted SFRS(I) 16 – *Leases* on 1 January 2019. At the date of initial application, the Group recognised rights to use the leased assets as right-of-use assets and their associated obligations as lease liabilities.
3. As announced on 27 June 2019, the Group disposed of its 49% equity interest in Lum Chang (Suzhou) Investments Pte Ltd ("LCSZ"). Hence, LCSZ ceased to be an associated company of the Group.
4. The significant decrease in joint venture companies was mainly due to the reclassification of the Group's investment in the Xuzhou JV to asset held for sale under current assets. The Group had completed the sale of apartment unit in London, which was classified as asset held for sale as at the end of the last financial year, on 11 October 2019.
5. The increase in investment securities (current) was mainly due to net purchase of quoted debt securities.
6. The increase in amounts due from subsidiary companies was mainly attributed to upstream of dividends.
7. The decrease in loans and borrowings of the Group and the Company was mainly due to repayments of a bank loan (secured by collaterals provided by Discontinued operation) and the revolving credit facilities by the Company. A subsidiary company had simultaneously drawn down a new term loan to finance the refurbishment of its properties. This new term loan is secured by a mortgage on the freehold land and buildings owned by the said subsidiary company.
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 5 November 2019.
9. Apart from the reclassification of investment in the Xuzhou JV and dividend payable to shareholders of the Company as mentioned in Note 4 and Note 8 above respectively, the decrease in net current assets of the Group was mainly due to the effects of the sale of Discontinued operation and the payment of dividends to shareholders of the Company, and the decrease in net current liabilities of the Company was mainly due to repayments of a bank loan and the revolving credit facilities as mentioned in Note 7 above.
10. The increase in deferred tax liabilities was mainly attributed to strengthening of the Thai Baht.

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

As at 31.12.2019		As at 31.12.2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,804	1,500	44,386	4,250

Amount repayable after one year

As at 31.12.2019		As at 31.12.2018	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4,805	-	-	-

Details of any collateral

The Group's secured borrowings relate to a new term loan secured by mortgage on the freehold land and buildings owned by a subsidiary 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.

	Group	
	12M19	12M18
	S\$'000	S\$'000
Cash flows from operating activities :		
Profit before taxation from continuing operations	816	3,835
Profit before taxation from discontinued operation	<u>20,664</u>	<u>2,543</u>
Profit before taxation, total	21,480	6,378
Adjustments for :		
Depreciation of property, plant and equipment	3,791	6,726
Depreciation of right-of-use assets	116	-
(Gain)/loss on sale of property, plant and equipment	(21)	5
Property, plant and equipment written off	77	26
Loss on sale of investment securities	6	20
Gain on sale of interest in a subsidiary company	(20,402)	(454)
Gain on disposal of an associated company	(32)	-
Loss on sale of asset held for sale	819	-
Share of results of associated and joint venture companies	(3,031)	(4,340)
Amortisation of club memberships	3	3
Dividend income from investment securities	-	(73)
Interest income	(981)	(742)
Finance costs	1,317	2,568
Impairment loss on asset held for sale	-	762
Unrealised foreign exchange differences	<u>(837)</u>	<u>(138)</u>
Operating profit before reinvestment in working capital	2,305	10,741
Decrease/(increase) in inventories	40	(71)
Decrease/(increase) in receivables and prepayments	199	(99)
Increase in payables	<u>134</u>	<u>2,002</u>
Cash flows generated from operations	2,678	12,573
Interest received	939	759
Interest paid	(1,152)	(2,545)
Income taxes paid	<u>(1,596)</u>	<u>(2,482)</u>
Net cash flows from operating activities	<u>869</u>	<u>8,305</u>
Cash flows from investing activities :		
Dividends received	3,300	4,473
Proceeds from sale of property, plant and equipment	27	3
Purchase of property, plant and equipment	(9,805)	(3,830)
Purchase of investment securities	(2,497)	(2,996)
Proceeds from sale of investment securities	1,001	4,231
Net cash inflow from the sale of asset held for sale	5,091	-
Net cash inflow from the sale of interests in subsidiary companies	113,668	728
Proceeds from disposal of an associated company	<u>1,389</u>	<u>-</u>
Net cash flows generated from investing activities	<u>112,174</u>	<u>2,609</u>
Cash flows from financing activities :		
Proceeds from bank loans	18,963	9,150
Repayment of bank loans	(60,090)	(7,426)
Advance from immediate and ultimate holding company	2,000	-
Repayment of advance from immediate and ultimate holding company	(2,000)	-
Repayment of loans from a non-controlling interest	(154)	-
Repayment of advances by an associated company	240	62
Repayment of lease liabilities	(156)	-
Fixed deposit pledged with a bank	(11,845)	-
Fixed deposit discharged by a bank	11,845	-
Repayment to hire purchase creditors	-	(10)
Dividends paid by the Company	(71,256)	(10,556)
Dividends paid to non-controlling interests	<u>(2,196)</u>	<u>(1,949)</u>
Net cash flows used in financing activities	<u>(114,649)</u>	<u>(10,729)</u>
Net (decrease)/increase in cash and cash equivalents	(1,606)	185
Effects of exchange rate changes on cash and cash equivalents	611	16
Cash and cash equivalents at beginning of year	<u>24,580</u>	<u>24,379</u>
Cash and cash equivalents at end of year	<u>23,585</u>	<u>24,580</u>
Note to Statement of Cash Flows :		
Cash and cash equivalents comprised the following amounts :		
Continuing operations		
Fixed deposits	13,796	10,850
Cash and bank balances	9,838	8,661
Cash and short-term deposits per Consolidated Statement of Financial Position	<u>23,634</u>	<u>19,511</u>
Discontinued operation		
Cash and short-term deposits	-	5,118
	<u>23,634</u>	<u>24,629</u>
Less : Fixed deposit pledged	(49)	(49)
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>23,585</u>	<u>24,580</u>

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY OF THE GROUP

	-----Attributable to shareholders of the Company-----						Non-controlling	Total			
	Share capital S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Other reserves S\$'000	Reserves of disposal group classified as held for sale S\$'000	Reserves S\$'000	interests S\$'000	equity S\$'000	
2019											
As at 1 January 2019	209,518	48,813	30	232	49,575	(1,024)	(48,303)	84,497	85,007	65,043	359,568
Profit for the year	-	-	-	-	-	-	18,950	-	18,950	1,331	20,281
Other comprehensive income for the year, net of tax	-	7,080	-	6,338	734	8	-	2,725	9,805	4,278	14,083
Total comprehensive income for the year	-	7,080	-	6,338	734	8	18,950	2,725	28,755	5,609	34,364
<u>Contributions by and distributions to shareholders of the Company</u>											
Dividends paid	-	-	-	-	-	-	(71,256)	-	(71,256)	-	(71,256)
Dividend payable	-	-	-	-	-	-	(10,556)	-	(10,556)	-	(10,556)
Total contributions by and distributions to shareholders of the Company	-	-	-	-	-	-	(81,812)	-	(81,812)	-	(81,812)
<u>Others</u>											
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(2,196)	(2,196)
Repayment of loans from a non-controlling interest	-	-	-	-	-	-	-	-	-	(154)	(154)
Sale of interest in a subsidiary company	-	-	-	-	-	-	87,222	(87,222)	-	-	-
Increase in net assets of a joint venture company	-	-	-	-	-	-	371	-	371	-	371
Share of reserves of a joint venture company	-	12	-	-	-	12	6	-	18	-	18
Total others	-	12	-	-	-	12	87,599	(87,222)	389	(2,350)	(1,961)
As at 31 December 2019	209,518	55,905	30	6,570	50,309	(1,004)	(23,566)	-	32,339	68,302	310,159
2018											
As at 1 January 2018											
- as previously reported	209,518	106,685	30	(28,644)	135,219	80	(20,598)	-	86,087	62,742	358,347
- Effect of adopting SFRS(I) 1	-	29,301	-	29,301	-	-	(29,301)	-	-	-	-
- Effect of adopting SFRS(I) 9	-	-	-	-	-	-	175	-	175	-	175
- as restated	209,518	135,986	30	657	135,219	80	(49,724)	-	86,262	62,742	358,522
Profit for the year	-	-	-	-	-	-	926	-	926	2,834	3,760
Other comprehensive income for the year, net of tax	-	(2,676)	-	(3,150)	1,578	(1,104)	-	-	(2,676)	1,416	(1,260)
Total comprehensive income for the year	-	(2,676)	-	(3,150)	1,578	(1,104)	926	-	(1,750)	4,250	2,500
<u>Others</u>											
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	-	(1,949)	(1,949)
Increase in net assets of a joint venture company	-	-	-	-	-	-	495	-	495	-	495
Reserves of disposal group classified as held for sale	-	(84,497)	-	2,725	(87,222)	-	-	84,497	-	-	-
Total others	-	(84,497)	-	2,725	(87,222)	-	495	84,497	495	(1,949)	(1,454)
As at 31 December 2018	209,518	48,813	30	232	49,575	(1,024)	(48,303)	84,497	85,007	65,043	359,568

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<u>2019</u>			
As at 1 January 2019	209,518	17,248	226,766
Profit for the year, representing total comprehensive income for the year	-	119,947	119,947
<u>Contributions by and distributions to shareholders of the Company</u>			
Dividends paid	-	(71,256)	(71,256)
Dividend payable	-	(10,556)	(10,556)
Total contributions by and distributions to shareholders of the Company	-	(81,812)	(81,812)
As at 31 December 2019	209,518	55,383	264,901
<u>2018</u>			
As at 1 January 2018	209,518	13,944	223,462
Profit for the year, representing total comprehensive income for the year	-	3,304	3,304
As at 31 December 2018	209,518	17,248	226,766

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2019 comprised 1,055,639,464 (31 December 2018 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 31 December 2019 and 31 December 2018.

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.

	31.12.2019	31.12.2018
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.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion :

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

Except as disclosed in paragraph 5 below, the financial statements have been prepared based on the accounting policies and methods of computation consistent with those adopted in the most recent audited financial statements for the year ended 31 December 2018.

The adoption of other SFRS(I) and Interpretations of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on 1 January 2019 does not have a material impact on the financial statements.

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

The Group adopted SFRS(I) 16 – *Leases* on 1 January 2019. This standard requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding depreciation charges and interest expense.

The Group applied this standard using the modified retrospective approach and recognised right-of-use assets of S\$1,119,000 with equal amount recognised as lease liabilities at the date of initial application. The Group also elected the practical expedients where applicable.

The adoption of SFRS(I) 16 does not have a material impact on the financial statements.

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.

(Loss)/earnings per ordinary share of the Group after deducting any provision for preference dividends :-	Group Year Ended	
	31.12.2019	31.12.2018
<u>Continuing operations</u>		
(i) Based on weighted average number of ordinary shares in issue	(0.16) cent	(0.10) cent
(ii) On a fully diluted basis	(0.16) cent	(0.10) cent
<u>Discontinued operation</u>		
(i) Based on weighted average number of ordinary shares in issue	1.96 cents	0.19 cent
(ii) On a fully diluted basis	1.96 cents	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 under review of 1,055,639,464 shares (31 December 2018 : 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 2019 and 31 December 2018.

- 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	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.23	S\$0.28	S\$0.25	S\$0.21

(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.

Continuing operations

Revenue

Revenue of the Group for 12M19 of S\$28.3 million was S\$5.6 million lower than 12M18.

Hotel and Serviced Residence

Revenue of S\$27.9 million was S\$4.4 million lower than 12M18. It was mainly attributed to lower revenue of Holiday Inn Resort Phuket ("HIRP") owing to the closure of rooms at Busakorn Wing and a restaurant for refurbishment from May 2019 to November 2019.

The revenues of both Somerset Vientiane ("SV") and Cityview Apartments and Commercial Centre ("CV") were comparable with 12M18.

Leisure and Others

The revenue of S\$0.4 million was S\$1.2 million lower than 12M18. ZONE X Leisure Pte Ltd which owned and operated the family entertainment business had been disposed of in June 2018.

Property

No revenue was recorded for both 12M19 and 12M18.

Profit Before Tax

The Group's pre-tax profit of S\$0.9 million was S\$3.0 million lower than 12M18.

Hotel and Serviced Residence

This sector's pre-tax profit of S\$1.5 million was S\$3.6 million lower than 12M18. It was mainly attributed to lower pre-tax profit of HIRP as a result of lower revenue and the additional provision for retirement benefits due to changes in the Thai labour protection laws.

The pre-tax profits of both SV and CV were comparable with 12M18.

Leisure and Others

This sector's pre-tax loss of S\$1.7 million was S\$0.6 million lower than 12M18. The lower pre-tax losses were mainly attributed to lower interest expense arising from lower borrowings. There was a one-off gain on sale of interest in a subsidiary company recorded in 12M18.

Property

This sector's pre-tax profit of S\$1.1 million was comparable with 12M18. Our share of lower profits from the joint venture companies were cushioned by lower legal and professional fees incurred on litigation in respect of shareholders dispute for the Xuzhou JV.

Our share of profits from Knight Frank group of companies were lower mainly because of its lower commission and fee income, share of loss (compared to the share of profit in the corresponding period) of its associated company and impact arising from the adoption of SFRS(I) 16 – *Leases*. The Group had ceased to equity account for the share of results of Xuzhou JV on 1 October 2019.

Discontinued operation

Hotel and Serviced Residence

The Group completed the sale of L.C. (London) Ltd which owned Crowne Plaza London Kensington ("CPLK") in April 2019. CPLK had ceased to contribute to the Group's revenue and pre-tax profit since then. The Group had recognised the gain on sale of S\$20.4 million in 12M19.

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.

Global economy is expected to be dampened by the coronavirus disease (COVID-19) pandemic. The virus, which began in China and spread to 27 countries has slowed down global travel demand.

In Thailand, Phuket is facing a sharp decline in tourist arrivals from China due to the Chinese government banning overseas tour groups and tourists taking precautionary measures of the COVID-19 outbreak. The Tourism Authority of Thailand expects 2 million fewer Chinese tourists in 2020.

Arising from the outbreak, we are putting in place strategies to manage the hospitality assets in our Group to mitigate the impact of weaker demand.

In the long term, we are dedicated to managing and enhancing our existing assets to stay competitive and create value through asset enhancement initiatives. We will continue to seek growth and mitigation opportunities through acquisitions and divestments for our portfolio of assets.

In China, the Xuzhou Gulou Square project is still under court proceedings. At present, we are in advanced negotiation with our joint venture partner regarding the possible disposal of our entire shareholdings in the joint venture company to them. As the COVID-19 pandemic may have an impact on this matter, we will provide an update when there is any further material development.

In Singapore, the Knight Frank agency business is expected to be slow and stable as the property market is likely to face downward pressure due to the pandemic. The office sector remains a bright spot amid higher interest from Hong Kong.

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?

Dividends declared for the corresponding period of the immediately preceding financial period were as follows :

Name of Dividend	:	Special	Final
Dividend Type	:	Cash	Cash
Dividend per share	:	0.75 cent per ordinary share	0.50 cent per ordinary share
Tax Rate	:	Tax exempt (one-tier)	Tax exempt (one-tier)

(c) Date payable.

Not applicable.

(d) Record date.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the current financial period reported on. The Company had paid a Special Dividend of 5.5 Singapore cents per ordinary share on 28 May 2019 and had also declared an Interim Dividend of 1.0 Singapore cent per ordinary share on 5 November 2019 for the financial year ended 31 December 2019.

**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.

	Continuing operations				Discontinued operation	Consolidated
	Hotel and Serviced Residence	Leisure and Others	Property	Subtotal	Hotel and Serviced Residence	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
BUSINESS SEGMENTS						
12M19						
Segment revenue						
Total segment sales	27,866	120,806	-	148,672	4,259	152,931
Inter-segment sales	-	(120,406)	-	(120,406)	-	(120,406)
Revenue	27,866	400	-	28,266	4,259	32,525
Segment results	1,620	(905)	(1,943)	(1,228)	20,994	19,766
Finance costs	(119)	(868)	-	(987)	(330)	(1,317)
Share of results of associated and joint venture companies	-	(2)	3,033	3,031	-	3,031
Profit/(loss) before taxation	1,501	(1,775)	1,090	816	20,664	21,480
Taxation	(1,151)	(39)	4	(1,186)	(13)	(1,199)
Profit/(loss) for the year	350	(1,814)	1,094	(370)	20,651	20,281
12M18						
Segment revenue						
Total segment sales	32,342	6,842	-	39,184	21,204	60,388
Inter-segment sales	-	(5,294)	-	(5,294)	-	(5,294)
Revenue	32,342	1,548	-	33,890	21,204	55,094
Segment results	5,160	(553)	(3,252)	1,355	3,251	4,606
Finance costs	(97)	(1,763)	-	(1,860)	(708)	(2,568)
Share of results of associated and joint venture companies	-	93	4,247	4,340	-	4,340
Profit/(loss) before taxation	5,063	(2,223)	995	3,835	2,543	6,378
Taxation	(1,997)	(56)	(12)	(2,065)	(553)	(2,618)
Profit/(loss) for the year	3,066	(2,279)	983	1,770	1,990	3,760

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		
	12M19	12M18	Change
	S\$'000	S\$'000	%
Continuing operations			
Sales reported for first half year	15,284	19,362	(21)
Operating profit after taxation before deducting non-controlling interests reported for first half year	424	4,676	(91)
Sales reported for second half year	12,982	14,528	(11)
Operating loss after taxation before deducting non-controlling interests reported for second half year	(794)	(2,906)	(73)
Discontinued operation			
Sales reported for first half year	4,259	9,702	(56)
Operating profit after taxation before deducting non-controlling interests reported for first half year	20,398	488	4,080
Sales reported for second half year	-	11,502	NM
Operating profit after taxation before deducting non-controlling interests reported for second half year	253	1,502	(83)
'NM' : Not meaningful.			

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 31.12.2019	Year Ended 31.12.2018
	S\$'000	S\$'000
Ordinary	68,617	13,195
Preference	-	-
Total	68,617	13,195

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