

AF GLOBAL LIMITED

(formerly known as LCD Global Investments Ltd)
Company Registration No. 197301118N
(Incorporated in the Republic of Singapore)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENT ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 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

	Group		
	01.01.2016 to 31.03.2016 ("1Q16") S\$'000	01.01.2015 to 31.03.2015 ("1Q15") S\$'000	Change %
Revenue	14,678	13,855	6
Cost of sales	(7,156)	(7,415)	(3)
Gross profit	7,522	6,440	17
Other operating income	1,718	1,469	17
Marketing expenses	(519)	(556)	(7)
Administrative expenses	(3,249)	(6,387)	(49)
Other operating expenses	(1,359)	(2,010)	(32)
Operating profit/(loss)	4,113	(1,044)	NM
Finance costs	(612)	(540)	13
Share of results of associated and joint venture companies	1,126	708	59
Profit/(loss) before taxation	4,627	(876)	NM
Taxation	(891)	(449)	98
Profit/(loss) for the period	3,736	(1,325)	NM
Other comprehensive (loss)/income :			
<u>Items that may be reclassified subsequently to income statement</u>			
Foreign currency translation	(11,823)	9,622	NM
Transfer from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company	-	(759)	NM
Fair value gain on investment securities	109	14	679
Other comprehensive (loss)/income for the period, net of tax	(11,714)	8,877	NM
Total comprehensive (loss)/income for the period	(7,978)	7,552	NM
Profit/(loss) for the period attributable to :			
Shareholders of the Company	2,499	(2,406)	NM
Non-controlling interests	1,237	1,081	14
	3,736	(1,325)	NM
Total comprehensive (loss)/income for the period attributable to :			
Shareholders of the Company	(7,891)	3,890	NM
Non-controlling interests	(87)	3,662	NM
	(7,978)	7,552	NM

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 January 2015 to 31 March 2015 which was the third quarter of the preceding financial period ("1Q15").

'NM' : Not meaningful.

Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group		
	1Q16	1Q15	Change
	S\$'000	S\$'000	%
Interest income from :			
- investment securities	35	-	NM
- advances to an associated company	-	1	NM
	<u>35</u>	<u>1</u>	3,400
Dividend income from investment securities	-	176	NM

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		
	1Q16	1Q15	Change
	S\$'000	S\$'000	%
(a) Other operating income :			
Interest income from fixed deposits	15	37	(59)
Gain on sale of property, plant and equipment, net	2	11	(82)
Foreign currency gains (*)	1,637	1,352	21
Rental income from investment property	55	56	(2)
Others	9	13	(31)
	<u>1,718</u>	<u>1,469</u>	17
(b) Depreciation of property, plant and equipment (^)	(1,859)	(2,676)	(31)
(c) Depreciation of investment property	(46)	(73)	(37)
(d) Amortisation of club memberships	(1)	(5)	(80)
(e) Loss on sale of investment securities	(15)	-	NM
(f) Property, plant and equipment written off	(2)	-	NM

* Foreign currency gain in 1Q16 was mainly attributed to the translation gain in respect of Sterling Pound denominated loans as this currency had weakened against Singapore Dollar. In 1Q15, the gains comprised mainly translation gain realised and transferred from the foreign currency translation reserve to the income statement upon deregistration of a foreign subsidiary company and exchange gain arising from the strengthening of Thai Baht against Singapore Dollar.

^ The lower depreciation charge in 1Q16 was mainly because of accelerated depreciation of renovation costs and furniture and fittings due to relocation of the head office in 1Q15.

4. The major components of income tax expense were :

	Group		
	1Q16	1Q15	Change
	S\$'000	S\$'000	%
Current tax			
- Current year	706	308	129
Deferred tax			
- Origination and reversal of temporary differences	185	141	31
	<u>891</u>	<u>449</u>	98

The higher current tax expense was mainly because Crowne Plaza London Kensington and Somerset Vientiane were in tax loss positions in 1Q15 and higher pre-tax profit of Holiday Inn Resort Phuket in 1Q16.

5. Foreign currency translation comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to the income statement. The translation loss in 1Q16 was mainly due to the weakening of Sterling Pound, Thai Baht, US Dollar and Renminbi against Singapore Dollar whilst Thai Baht, US Dollar and Renminbi had strengthened against Singapore Dollar in 1Q15.

'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.

	Note	Group		Company	
		31.03.2016 S\$'000	31.12.2015 S\$'000	31.03.2016 S\$'000	31.12.2015 S\$'000
Non-current assets					
Property, plant and equipment	1	317,243	333,367	-	-
Intangible assets		50	52	-	-
Subsidiary companies		-	-	297,912	295,624
Associated company		1,573	1,574	-	-
Joint venture companies		85,411	85,056	-	-
Investment securities		5,061	5,061	-	-
Deferred tax assets		119	126	-	-
		<u>409,457</u>	<u>425,236</u>	<u>297,912</u>	<u>295,624</u>
Current assets					
Asset held for sale		8,506	8,552	-	-
Investment securities	2	5,036	2,447	-	-
Inventories		387	414	-	-
Trade receivables		1,400	1,497	-	-
Other receivables		1,199	1,248	79	79
Prepayments		563	769	13	9
Cash and short-term deposits		19,057	18,566	281	506
		<u>36,148</u>	<u>33,493</u>	<u>373</u>	<u>594</u>
Current liabilities					
Provision		35	21	-	-
Trade payables		2,382	3,048	-	-
Other payables and accruals		6,940	7,945	1,297	1,282
Amounts due to subsidiary companies		-	-	3,664	3,415
Provision for taxation		1,252	830	-	-
Hire purchase creditor		12	12	-	-
Term loans	2	16,315	14,538	11,650	9,650
		<u>26,936</u>	<u>26,394</u>	<u>16,611</u>	<u>14,347</u>
Net current assets/(liabilities)		9,212	7,099	(16,238)	(13,753)
Non-current liabilities					
Provision		34	48	-	-
Amount due to a subsidiary company	3	-	-	24,886	26,771
Hire purchase creditor		32	35	-	-
Term loans	4	55,932	60,536	-	-
Deferred tax liabilities		30,766	31,838	-	-
		<u>86,764</u>	<u>92,457</u>	<u>24,886</u>	<u>26,771</u>
Net assets		<u>331,905</u>	<u>339,878</u>	<u>256,788</u>	<u>255,100</u>
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		70,100	77,986	47,270	45,582
		<u>279,618</u>	<u>287,504</u>	<u>256,788</u>	<u>255,100</u>
Non-controlling interests		52,287	52,374	-	-
Total equity		<u>331,905</u>	<u>339,878</u>	<u>256,788</u>	<u>255,100</u>

Notes to Statement of Financial Position :

- The decrease in property, plant and equipment was mainly due to weaker Sterling Pound, Thai Baht and US Dollar.
- The Company had utilised its revolving credit facilities to finance the purchase of investment securities by its subsidiary company.
- The decrease in amount due to a subsidiary company was due to weaker Sterling Pound.
- The 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 31.03.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
13,827	2,500	13,550	1,000

Amount repayable after one year

As at 31.03.2016		As at 31.12.2015	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
55,964	-	60,571	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. 2 term loans of S\$33.9 million and a revolving credit facility of S\$20.6 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. 2 term loans of S\$6.1 million secured by :
 - a mortgage on the freehold land and buildings owned by a company in the Group.
3. A revolving credit facility of S\$9.2 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.

	Group	
	1Q16	1Q15
	S\$'000	S\$'000
Cash flows from operating activities :		
Profit/(loss) before taxation	4,627	(876)
Adjustments for :		
Depreciation of property, plant and equipment	1,859	2,676
Depreciation of investment property	46	73
Gain on sale of property, plant and equipment	(2)	(11)
Property, plant and equipment written off	2	-
Loss on sale of investment securities	15	-
Share of results of associated and joint venture companies	(1,126)	(708)
Amortisation of club memberships	1	5
Dividend income from investment securities	-	(176)
Interest income	(50)	(38)
Finance costs	612	540
Transfer from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company	-	(759)
Unrealised foreign exchange differences	(1,677)	(796)
Operating profit/(loss) before reinvestment in working capital	4,307	(70)
Decrease in inventories	16	50
Decrease in receivables and prepayments	240	240
Decrease in payables	(1,192)	(213)
Cash flows generated from operations	3,371	7
Interest received	35	71
Interest paid	(682)	(529)
Income taxes paid	(237)	(749)
Net cash flows from/(used in) operating activities	2,487	(1,200)
Cash flows from investing activities :		
Dividend received	-	176
Proceeds from sale of property, plant and equipment	2	15
Purchase of property, plant and equipment	(224)	(1,994)
Purchase of investment securities	(3,480)	-
Proceeds from sale of investment securities	985	-
Net cash flows used in investing activities	(2,717)	(1,803)
Cash flows from financing activities :		
Proceeds from bank loans	3,225	9,239
Repayment of bank loans	(1,794)	(1,356)
Proceeds from exercise of share options	-	304
Return of investment to a non-controlling interest upon deregistration of a subsidiary company	-	(39)
Decrease in hire purchase creditor	(4)	(21)
Acquisition of a non-controlling interest	-	(7,484)
Dividend paid to a non-controlling interest	-	(13)
Net cash flows from financing activities	1,427	630
Net increase/(decrease) in cash and cash equivalents	1,197	(2,373)
Effects of exchange rate changes on cash and cash equivalents	(704)	854
Cash and cash equivalents at beginning of period	18,474	30,454
Cash and cash equivalents at end of period	18,967	28,935

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

	Group	
	1Q16	1Q15
	S\$'000	S\$'000
Fixed deposits	10,214	13,603
Cash and bank balances	8,843	15,431
Cash and short-term deposits per Consolidated Statement of Financial Position	19,057	29,034
Less : Fixed deposits pledged	(90)	(99)
Cash and cash equivalents per Consolidated Statement of Cash Flows	18,967	28,935

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

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	interests S\$'000	equity 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	-	-	-	-	-	-	-	-	2,499	2,499	1,237	3,736
Other comprehensive (loss)/income for the period, net of tax	-	-	(10,390)	-	(10,499)	-	-	109	-	(10,390)	(1,324)	(11,714)
Total comprehensive (loss)/income for the period	-	-	(10,390)	-	(10,499)	-	-	109	2,499	(7,891)	(87)	(7,978)
<u>Others</u>												
Share of reserve of a joint venture company	-	-	-	-	-	-	-	-	5	5	-	5
Total others	-	-	-	-	-	-	-	-	5	5	-	5
As at 31 March 2016	209,518	-	67,389	30	(25,923)	92,995	-	287	2,711	70,100	52,287	331,905

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	interests S\$'000	equity 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	-	-	-	-	-	-	-	-	(2,406)	(2,406)	1,081	(1,325)
Other comprehensive income for the period, net of tax	-	-	6,296	-	6,284	-	-	12	-	6,296	2,581	8,877
Total comprehensive income/(loss) for the period	-	-	6,296	-	6,284	-	-	12	(2,406)	3,890	3,662	7,552
<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	-	-	-	-	-	-	-	-	-	-	(13)	(13)
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	(42)	148
As at 31 March 2015	209,518	-	50,208	30	(10,214)	59,663	-	729	26,044	76,252	55,698	341,468

STATEMENT OF CHANGES IN EQUITY

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	-	-	-	1,688	1,688	1,688
As at 31 March 2016	209,518	-	-	47,270	47,270	256,788

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	-	-	-	(569)	(569)	(569)
<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 share options	15	144	(32)	-	(32)	127
Total contributions by and distributions to shareholders of the Company	233	144	(73)	-	(73)	304
As at 31 March 2015	209,518	-	-	69,407	69,407	278,925

- 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 31 March 2016 comprised 1,055,639,464 (31 March 2015 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares or outstanding convertibles as at 31 March 2016 and 31 March 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.**

	31.03.2016	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	
	31.03.2016	31.03.2015
(a) Based on weighted average number of ordinary shares in issue	0.24 cents	(0.23) cents
(b) On a fully diluted basis	0.24 cents	(0.23) cents

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 (31 March 2015 : 1,054,677,075 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 March 2016 and 31 March 2015.

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

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group		Company	
	31.03.2016	31.12.2015	31.03.2016	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.**

Period from 1 January 2016 to 31 March 2016 ("1Q16") vs Period from 1 January 2015 to 31 March 2015 ("1Q15")

Revenue

Revenue of the Group for 1Q16 of S\$14.7 million was S\$0.8 million or 6% higher than the revenue in 1Q15. The breakdown by sector is as follows :

Hotel and Serviced Residence

Revenue of S\$14.0 million was S\$0.9 million or 7% higher than 1Q15.

The higher revenue of Crowne Plaza London Kensington ("CPLK") was mainly attributed to higher occupancy and average room rates. In 1Q15, some rooms were closed for refurbishment works. The higher revenue of Holiday Inn Resort Phuket ("HIRP") due to higher average room rate in 1Q16 was fully offset by weaker Thai Baht.

The higher revenue of Somerset Vientiane ("SV") was mainly because occupancy rate in 1Q15 was affected by the refurbishment exercise for rebranding from July to December 2014 as a significant number of long term guests had moved out. Revenue of Cityview Apartments and Commercial Centre ("CV") was comparable with 1Q15.

Leisure and Others

Revenue of S\$0.7 million was S\$0.1 million or 16% higher than 1Q15.

The Group's family entertainment business had improved with all remaining outlets turning in a higher revenue in 1Q16.

Property

No revenue in 1Q16 compared to S\$0.2 million of dividend income received in 1Q15.

Costs and Expenses

The lower administrative expenses was mainly attributed to lower directors' remuneration in 1Q16 and accrual of contractual employment termination payments and accelerated depreciation charge due to relocation of the head office in 1Q15 which were non-recurring.

The lower other operating expenses was mainly because of legal and professional fees incurred for corporate exercises in 1Q15.

The higher finance costs was mainly due to higher borrowings.

Profit Before Tax

The Group made a pre-tax profit of S\$4.6 million in 1Q16 compared to a loss of S\$0.9 million in 1Q15. The breakdown by sector is as follows :

Hotel and Serviced Residence

This sector made a pre-tax profit of S\$2.1 million which was S\$1.6 million or 265% higher than 1Q15 mainly because of the accrual of contractual employment termination payment and accelerated depreciation charge in 1Q15 as explained under "Costs and Expenses" above. The higher expenses in 1Q15 was partially offset by translation gain realised and transferred from foreign currency translation reserve to income statement upon deregistration of a foreign subsidiary company.

CPLK's pre-tax loss was lower mainly because of higher revenue. The higher profit of HIRP was mainly attributed to higher revenue, lower depreciation charge as some of its fixed assets have been fully depreciated, lower finance costs due to lower borrowings and lower overheads.

The profit of SV in 1Q16 was mainly attributed to higher revenue. CV's profit was comparable with 1Q15.

Leisure and Others

Excluding corporate office, this sector made a pre-tax profit of S\$0.1 million compared to a loss of S\$0.1 million in 1Q15 mainly because the Group's family entertainment business had turned profitable with higher revenue and the closure of a non-performing outlet in April 2015.

Corporate office's pre-tax profit of S\$1.3 million was mainly because of the translation gain in respect of Sterling Pound denominated loans owing to weaker Sterling Pound. The loss of S\$1.9 million in 1Q15 was mainly due to accrual of contractual employment termination payment which was non-recurring and legal and professional fees incurred for corporate exercises in 1Q15.

Property

This sector made a pre-tax profit of S\$1.1 million which was S\$0.5 million or 106% higher than 1Q15 mainly due to our share of profit recognised by the joint venture company in Xuzhou, PRC for apartment units handed over to buyers. Our share of profit of Knight Frank group of companies was comparable with 1Q15.

Working Capital

As at 31 March 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 preceding financial period 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 despite the slowdown in the world economy. Going forward, we will continue to focus on improving our business and profitability and strategies to enhance our assets. We are open to acquire new assets if and when the right opportunities arise.

As at the date of this announcement, we have achieved a sale of 823 units and reservations of 43 units, totalling 866 units or 72% of the 1,206 units residential apartments in Gulou Square project in Xuzhou. The recent lifting of the cooling measures by the PRC government improved the demand of residential property in Xuzhou. We will continue to push sale and ride on the momentum of upswing in the interest and demand in the property market. We are reviewing the development strategy, market positioning and plans for the commercial site which comprises hotel, retail and office. The construction works of the commercial plot has commenced and the full basement works will be completed this year.

In Singapore, the property market remains weak and the agency business of Knight Frank Singapore is expected to be slow but stable. As the agency offers a full suite of real estate services which include auction, consultancy and research, investment sales, asset and estate management, sales and leasing of residential, retail and commercial properties, local and overseas project marketing and valuation of properties, the company is better-placed to weather the slowdown in the Singapore property market. The company plans to strengthen its management team by nurturing its internal staffs and recruiting external real estate professionals.

11 Dividend.

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year.

Any dividend declared for the corresponding period of the immediately preceding financial year?

Dividend declared for the corresponding period of the immediately preceding financial period was as follows :

Name of Dividend	:	Interim Dividend
Dividend Type	:	Cash
Dividend per share	:	1.5 cents per ordinary share
Tax Rate	:	Tax exempt (one-tier)

(c) Date payable.

Not applicable.

(d) Books closure date.

Not applicable.

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

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

13 Confirmation pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

The Company does not have a general mandate from shareholders for interested person transactions.

14 Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual.

The Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors which may render the Unaudited Financial Statements for the First Quarter ended 31 March 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 officer under Rule 720(1).

BY ORDER OF THE BOARD
Lim Swee Ann
Company Secretary

10 May 2016