

AF Global Limited

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

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2018
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			Group			
	01.04.2018 to 30.06.2018 ("2Q18")	01.04.2017 to 30.06.2017 ("2Q17") (Restated)	Change	01.01.2018 to 30.06.2018 ("6M18")	01.01.2017 to 30.06.2017 ("6M17") (Restated)	Change	
Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	1	12,767	12,942	(1)	29,064	27,652	5
Cost of sales	2	(7,251)	(6,968)	4	(15,061)	(14,130)	7
Gross profit		5,516	5,974	(8)	14,003	13,522	4
Other operating income	3a	766	23	3,230	603	69	774
Marketing expenses		(562)	(553)	2	(1,172)	(1,105)	6
Administrative expenses		(2,927)	(2,843)	3	(6,164)	(5,738)	7
Other operating expenses	4	(1,607)	(1,817)	(12)	(3,041)	(3,024)	1
Operating profit		1,186	784	51	4,229	3,724	14
Finance costs		(640)	(547)	17	(1,250)	(1,087)	15
Share of results of associated and joint venture companies	5	1,792	1,783	1	3,640	4,354	(16)
Profit before taxation		2,338	2,020	16	6,619	6,991	(5)
Taxation	6	(320)	(533)	(40)	(1,455)	(1,395)	4
Profit for the period		2,018	1,487	36	5,164	5,596	(8)
Other comprehensive (loss)/income :							
<u>Items that may be reclassified subsequently to profit or loss</u>							
Foreign currency translation	7	(5,572)	3,719	NM	1,662	(789)	NM
Fair value (loss)/gain on investment securities		(102)	(146)	(30)	(124)	52	NM
Other comprehensive (loss)/income for the period, net of tax		(5,674)	3,573	NM	1,538	(737)	NM
Total comprehensive (loss)/income for the period		(3,656)	5,060	NM	6,702	4,859	38
Profit for the period attributable to :							
Shareholders of the Company		1,756	1,152	52	3,311	3,994	(17)
Non-controlling interests		262	335	(22)	1,853	1,602	16
		2,018	1,487	36	5,164	5,596	(8)
Total comprehensive (loss)/income for the period attributable to :							
Shareholders of the Company		(3,464)	4,537	NM	4,204	3,271	29
Non-controlling interests		(192)	523	NM	2,498	1,588	57
		(3,656)	5,060	NM	6,702	4,859	38

Note : The results for 2Q17 and 6M17 were restated following the adoption of the new financial reporting framework, Singapore Financial Reporting Standards (International) as detailed in paragraph 5 of this announcement.

'NM' : Not meaningful.

Notes to Statement of Comprehensive Income :

1. Included in revenue were :

	Group			Group		
	2Q18	2Q17	Change	6M18	6M17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from :						
- investment securities	50	79	(37)	104	119	(13)
- advances to an associated company	1	1	-	1	1	-
	<u>51</u>	<u>80</u>	(36)	<u>105</u>	<u>120</u>	(13)
Dividend income from investment securities	-	-	-	73	82	(11)

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			Group		
	2Q18	2Q17	Change	6M18	6M17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(a) Other operating income :						
Interest income from fixed deposits	30	20	50	48	41	17
Gain on sale of investment securities	-	-	-	-	25	NM
Gain on sale of interest in a subsidiary company (^)	454	-	NM	454	-	NM
Foreign currency gains (*)	278	-	NM	85	-	NM
Others	4	3	33	16	3	433
	<u>766</u>	<u>23</u>	3,230	<u>603</u>	<u>69</u>	774
(b) Depreciation of property, plant and equipment	(1,721)	(1,700)	1	(3,466)	(3,394)	2
(c) Amortisation of club memberships	-	-	-	(1)	(1)	-
(d) Loss on sale of investment securities	-	-	-	(17)	-	NM
(e) Allowance for doubtful debts	(9)	-	NM	(9)	-	NM
(f) Property, plant and equipment written off	-	-	-	(5)	(5)	-
(g) Foreign currency losses (*)	-	(485)	NM	-	(402)	NM

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

* The foreign currency gains in 2Q18 was mainly attributed to the translation gain in respect of Singapore Dollar denominated inter-company loans as Singapore Dollar had strengthened against Sterling Pound. Foreign currency losses for both 2Q17 and 6M17 comprised mainly translation loss from the said Singapore Dollar denominated inter-company loans and exchange loss on deregistration of a foreign subsidiary company.

4. The lower other operating expenses for 2Q18 was mainly because of foreign currency losses in 2Q17.
5. This constitutes mainly our share of profits from joint venture companies in Xuzhou, PRC and Knight Frank group of companies in Singapore.
6. The major components of income tax expense were :

	Group			Group		
	2Q18	2Q17	Change	6M18	6M17	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax						
- Current year	412	544	(24)	1,337	1,324	1
- Benefits from previously unrecognised tax losses	-	7	NM	(11)	(31)	(65)
- (Over)/under provision in respect of prior years	(4)	-	NM	(4)	5	NM
Deferred tax						
- Origination and reversal of temporary differences	(88)	(18)	389	133	97	37
	<u>320</u>	<u>533</u>	(40)	<u>1,455</u>	<u>1,395</u>	4

The lower current tax expense in 2Q18 was mainly because of lower pre-tax profit of Holiday Inn Resort Phuket and included in 2Q17 was withholding tax on dividend from a joint venture company.

7. Foreign currency translation comprised exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency (Singapore Dollar); and the realisation of such exchange differences to profit or loss. The significant loss in 2Q18 was mainly due to translation losses on translating net assets of Crowne Plaza London Kensington and Holiday Inn Resort Phuket as Sterling Pound and Thai Baht had weakened against Singapore Dollar. Sterling Pound and Thai Baht were stronger in 2Q17. The gain in 6M18 was mainly attributed to stronger Thai Baht and the loss in 6M17 was mainly attributed to weaker Renminbi.

'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	
		30.06.2018 S\$'000	31.12.2017 S\$'000	30.06.2018 S\$'000	31.12.2017 S\$'000
Non-current assets					
Property, plant and equipment		362,144	362,187	-	-
Intangible assets		43	44	-	-
Subsidiary companies		-	-	293,352	299,318
Associated company		1,569	1,569	-	-
Joint venture companies		89,804	86,000	-	-
Investment securities	1	5,000	4,825	-	-
Deferred tax assets		277	348	-	-
		<u>458,837</u>	<u>454,973</u>	<u>293,352</u>	<u>299,318</u>
Current assets					
Asset held for sale		6,672	6,672	-	-
Investment securities	2	3,702	7,538	-	-
Inventories		306	402	-	-
Trade receivables		1,085	1,464	-	-
Other receivables		460	650	91	164
Prepayments		551	617	2	8
Amount due from a subsidiary company		-	-	737	-
Cash and short-term deposits		22,604	24,428	587	932
		<u>35,380</u>	<u>41,771</u>	<u>1,417</u>	<u>1,104</u>
Current liabilities					
Provision		-	47	-	-
Trade payables		2,066	2,872	-	-
Other payables and accruals		7,708	8,169	861	674
Provision for taxation		1,246	1,040	2	4
Hire purchase creditors		-	19	-	-
Loans and borrowings	2	17,915	12,455	14,750	8,850
Dividend payable	2	-	10,556	-	10,556
		<u>28,935</u>	<u>35,158</u>	<u>15,613</u>	<u>20,084</u>
Net current assets/(liabilities)	3	6,445	6,613	(14,196)	(18,980)
Non-current liabilities					
Provision		-	22	-	-
Amounts due to subsidiary companies		-	-	55,928	56,876
Hire purchase creditors		-	47	-	-
Loans and borrowings		63,439	64,872	-	-
Deferred tax liabilities		38,568	38,298	-	-
		<u>102,007</u>	<u>103,239</u>	<u>55,928</u>	<u>56,876</u>
Net assets		<u>363,275</u>	<u>358,347</u>	<u>223,228</u>	<u>223,462</u>
Equity attributable to shareholders of the Company					
Share capital		209,518	209,518	209,518	209,518
Reserves		90,466	86,087	13,710	13,944
		<u>299,984</u>	<u>295,605</u>	<u>223,228</u>	<u>223,462</u>
Non-controlling interests		63,291	62,742	-	-
Total equity		<u>363,275</u>	<u>358,347</u>	<u>223,228</u>	<u>223,462</u>

Notes to Statement of Financial Position :

- The increase in investment securities was due to the effect of adopting Singapore Financial Reporting Standard (International) 9 – Financial Instruments where the Group's unquoted equity securities carried at cost is to be measured at fair value, with the corresponding increase being recognised in opening retained earnings.
- Proceeds from both the sale of quoted debt securities and utilisation of Company's revolving credit facilities had been used for payment of dividend to shareholders of the Company on 16 January 2018.
- The decrease in net current liabilities of the Company was mainly due to the payment of dividend as mentioned in Note 2 above.

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

As at 30.06.2018		As at 31.12.2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
13,165	4,750	10,474	2,000

Amount repayable after one year

As at 30.06.2018		As at 31.12.2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
63,439	-	64,919	-

Details of any collaterals

The Group's borrowings which are secured comprised :

1. A term loan of S\$31.2 million and a revolving credit facility of S\$34.0 million secured by :
 - a mortgage on the freehold land and building owned by a company in the Group.
 - a fixed and floating charge over all assets of a company in the Group.
 - a corporate guarantee by the Company.
2. A term loan of S\$1.4 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\$10.0 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	
	2Q18	2Q17 (Restated)	6M18	6M17 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities :				
Profit before taxation	2,338	2,020	6,619	6,991
Adjustments for :				
Depreciation of property, plant and equipment	1,721	1,700	3,466	3,394
Property, plant and equipment written off	-	-	5	5
Loss/(gain) on sale of investment securities	-	-	17	(25)
Gain on sale of interest in a subsidiary company	(454)	-	(454)	-
Share of results of associated and joint venture companies	(1,792)	(1,783)	(3,640)	(4,354)
Amortisation of club memberships	-	-	1	1
Dividend income from investment securities	-	-	(73)	(82)
Interest income	(81)	(100)	(153)	(161)
Finance costs	640	547	1,250	1,087
Unrealised foreign exchange differences	(222)	(23)	(55)	(82)
Operating profit before reinvestment in working capital	2,150	2,361	6,983	6,774
(Increase)/decrease in inventories	(18)	(5)	(39)	61
Decrease in receivables and prepayments	618	979	317	990
Decrease in payables	(883)	(1,051)	(1,079)	(2,037)
Cash flows generated from operations	1,867	2,284	6,182	5,788
Interest received	173	103	236	128
Interest paid	(674)	(550)	(1,268)	(1,080)
Income taxes paid	(615)	(551)	(1,116)	(884)
Net cash flows from operating activities	751	1,286	4,034	3,952
Cash flows from investing activities :				
Dividend received	-	-	73	82
Purchase of property, plant and equipment	(1,164)	(594)	(2,275)	(821)
Purchase of investment securities	-	(4,000)	-	(4,000)
Proceeds from sale of investment securities	-	-	3,734	1,467
Proceeds from sale of interest in a subsidiary company	728	-	728	-
Proceeds from capital reduction of a joint venture company	-	5,531	-	5,531
Net cash flows (used in)/generated from investing activities	(436)	937	2,260	2,259
Cash flows from financing activities :				
Proceeds from bank loans	250	750	6,150	3,650
Repayment of bank loans	(1,286)	(3,007)	(1,999)	(7,894)
Repayment of advances by an associated company	-	-	62	-
Fixed deposit discharged by a bank	-	94	-	94
Fixed deposit pledged with a bank	-	(49)	-	(49)
Repayment to hire purchase creditors	(6)	(4)	(10)	(8)
Dividend paid by the Company	-	-	(10,556)	-
Dividends paid to a non-controlling interest	(1,949)	-	(1,949)	(1,865)
Net cash flows used in financing activities	(2,991)	(2,216)	(8,302)	(6,072)
Net (decrease)/increase in cash and cash equivalents	(2,676)	7	(2,008)	139
Effects of exchange rate changes on cash and cash equivalents	41	89	184	(241)
Cash and cash equivalents at beginning of period	25,190	20,106	24,379	20,304
Cash and cash equivalents at end of period	22,555	20,202	22,555	20,202

Note to Statement of Cash Flows :

Cash and cash equivalents comprised the following amounts :

	Group	
	6M18 S\$'000	6M17 S\$'000
Fixed deposits	10,723	10,044
Cash and bank balances	11,881	10,207
Cash and short-term deposits per Consolidated Statement of Financial Position	22,604	20,251
Less: Fixed deposit pledged	(49)	(49)
Cash and cash equivalents per Consolidated Statement of Cash Flows	22,555	20,202

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-----						Revenue reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Capital and other reserves S\$'000	Legal reserve S\$'000	Foreign currency translation reserve S\$'000	Asset revaluation reserve S\$'000	Other reserves S\$'000				
2018										
As at 1 April 2018										
- as previously reported	209,518	141,720	30	6,413	135,219	58	(47,790)	93,930	65,432	368,880
- Effect of adopting SFRS(I) 1	-	379	-	379	-	-	(379)	-	-	-
- as restated	209,518	142,099	30	6,792	135,219	58	(48,169)	93,930	65,432	368,880
Profit for the period	-	-	-	-	-	-	1,756	1,756	262	2,018
Other comprehensive loss for the period, net of tax	-	(5,220)	-	(5,118)	-	(102)	-	(5,220)	(454)	(5,674)
Total comprehensive (loss)/income for the period	-	(5,220)	-	(5,118)	-	(102)	1,756	(3,464)	(192)	(3,656)
<u>Others</u>										
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	(1,949)	(1,949)
Total others	-	-	-	-	-	-	-	-	(1,949)	(1,949)
As at 30 June 2018	209,518	136,879	30	1,674	135,219	(44)	(46,413)	90,466	63,291	363,275
2017										
As at 1 April 2017										
- as previously reported	209,518	65,836	30	(33,228)	98,782	252	(15,719)	50,117	54,339	313,974
- Effect of adopting SFRS(I) 1	-	28,922	-	28,922	-	-	(28,922)	-	-	-
- as restated	209,518	94,758	30	(4,306)	98,782	252	(44,641)	50,117	54,339	313,974
Profit for the period	-	-	-	-	-	-	1,152	1,152	335	1,487
Other comprehensive income/(loss) for the period, net of tax	-	3,385	-	3,531	-	(146)	-	3,385	188	3,573
Total comprehensive income/(loss) for the period	-	3,385	-	3,531	-	(146)	1,152	4,537	523	5,060
As at 30 June 2017	209,518	98,143	30	(775)	98,782	106	(43,489)	54,654	54,862	319,034
6M18										
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 period	-	-	-	-	-	-	3,311	3,311	1,853	5,164
Other comprehensive income/(loss) for the period, net of tax	-	893	-	1,017	-	(124)	-	893	645	1,538
Total comprehensive income/(loss) for the period	-	893	-	1,017	-	(124)	3,311	4,204	2,498	6,702
<u>Others</u>										
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	(1,949)	(1,949)
Total others	-	-	-	-	-	-	-	-	(1,949)	(1,949)
As at 30 June 2018	209,518	136,879	30	1,674	135,219	(44)	(46,413)	90,466	63,291	363,275
6M17										
As at 1 January 2017										
- as previously reported	209,518	69,944	30	(28,922)	98,782	54	(18,561)	51,383	55,139	316,040
- Effect of adopting SFRS(I) 1	-	28,922	-	28,922	-	-	(28,922)	-	-	-
- as restated	209,518	98,866	30	-	98,782	54	(47,483)	51,383	55,139	316,040
Profit for the period	-	-	-	-	-	-	3,994	3,994	1,602	5,596
Other comprehensive (loss)/income for the period, net of tax	-	(723)	-	(775)	-	52	-	(723)	(14)	(737)
Total comprehensive (loss)/income for the period	-	(723)	-	(775)	-	52	3,994	3,271	1,588	4,859
<u>Others</u>										
Dividends paid to a non-controlling interest	-	-	-	-	-	-	-	-	(1,865)	(1,865)
Total others	-	-	-	-	-	-	-	-	(1,865)	(1,865)
As at 30 June 2017	209,518	98,143	30	(775)	98,782	106	(43,489)	54,654	54,862	319,034

STATEMENT OF CHANGES IN EQUITY OF THE COMPANY

	Share capital S\$'000	Revenue reserve S\$'000	Total equity S\$'000
<u>2Q18</u>			
As at 1 April 2018	209,518	13,394	222,912
Total comprehensive income for the period	-	316	316
As at 30 June 2018	209,518	13,710	223,228
<u>2Q17</u>			
As at 1 April 2017	209,518	24,023	233,541
Total comprehensive loss for the period	-	(308)	(308)
As at 30 June 2017	209,518	23,715	233,233
<u>6M18</u>			
As at 1 January 2018	209,518	13,944	223,462
Total comprehensive loss for the period	-	(234)	(234)
As at 30 June 2018	209,518	13,710	223,228
<u>6M17</u>			
As at 1 January 2017	209,518	24,352	233,870
Total comprehensive loss for the period	-	(637)	(637)
As at 30 June 2017	209,518	23,715	233,233

- 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 2018 comprised 1,055,639,464 (30 June 2017 : 1,055,639,464) ordinary shares with voting rights.

The Company has no treasury shares, subsidiary holdings or outstanding convertibles as at 30 June 2018 and 30 June 2017.

- 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.**

	30.06.2018	31.12.2017
Total number of ordinary shares excluding treasury shares	1,055,639,464	1,055,639,464

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

Not applicable.

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

Not applicable.

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

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

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

Not applicable.

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

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 2017.

The adoption of other Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations of SFRS(I) relevant to the Group's operations which are effective for annual periods beginning on 1 January 2018 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 has adopted SFRS(I) on 1 January 2018. Accordingly, the Group has elected the following relevant optional exemption provided in SFRS(I) 1 - First-time Adoption of SFRS(I) and has adopted SFRS(I) 9 - Financial Instruments and SFRS(I) 15 - Revenue from Contracts with Customers.

(i) SFRS(I) 1 - First-time Adoption of SFRS(I)

The Group has elected the option to deem the cumulative translation differences for foreign operations to be zero and has reclassified the amount in foreign currency translation reserve at the date of transition on 1 January 2017 to opening retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition. In this respect, gains from translation differences that arose before the date of transition of S\$379,000 that were realised in 2Q17, had been excluded. Consequently, comparative figures in the consolidated statements of comprehensive income, cash flows and changes in equity were restated.

It has been determined that the revaluation model better reflects the business model under which the Group's freehold and leasehold land and buildings are held. Hence, the Group will continue to measure these assets under the revaluation model.

(ii) SFRS(I) 9 - Financial Instruments

The Group has elected to measure its currently held available-for-sale unquoted equity securities at fair value through other comprehensive income. The difference between the carrying amount and the fair value has been recognised in the opening retained earnings. In assessing for impairment losses on financial assets, the Group has adopted the simplified approach and record lifetime expected losses on all its trade receivables. The adoption of expected loss model does not have a material impact on the financial statements.

(iii) SFRS(I) 15 - Revenue from Contracts with Customers

Under this standard, the revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption does not have a material impact on the financial statements.

The adoption of SFRS(I) does not have an impact on the opening SFRS(I) statement of financial position.

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

Earnings per ordinary share of the Group after deducting any provision for preference dividends :-	Group Quarter Ended	
	30.06.2018	30.06.2017 (Restated)
(a) Based on weighted average number of ordinary shares in issue	0.17 cent	0.11 cent
(b) On a fully diluted basis	0.17 cent	0.11 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 2017 : 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 2018 and 30 June 2017.

**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	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Net asset ⁽¹⁾ value per ordinary share ⁽²⁾ attributable to shareholders of the Company	S\$0.28	S\$0.28	S\$0.21	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 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 2Q18 of S\$12.8 million was S\$0.1 million lower than 2Q17. For 6M18, the revenue of S\$29.1 million was S\$1.5 million higher than 6M17.

Hotel and Serviced Residence

Revenue of S\$12.1 million for 2Q18 was comparable with 2Q17. For 6M18, the revenue of S\$27.7 million was S\$1.7 million higher than 6M17.

The higher revenue of Crowne Plaza London Kensington ("CPLK") for both 2Q18 and 6M18 was mainly attributed to higher occupancy and stronger Sterling Pound.

Revenue of Holiday Inn Resort Phuket ("HIRP") for 2Q18 was lower mainly because of lower average room rate and lower revenue from food and beverage partially offset by stronger Thai Baht. For 6M18, the revenue was higher mainly because of higher room revenue owing to higher occupancy and average room rates. Stronger Thai Baht had also contributed to the increase.

The revenues of both Somerset Vientiane ("SV") and Cityview Apartments and Commercial Centre ("CV") for both 2Q18 and 6M18 were comparable with 2Q17 and 6M17.

Leisure and Others

The revenues of S\$0.7 million for 2Q18 and S\$1.4 million for 6M18 were S\$0.1 million and S\$0.2 million lower than 2Q17 and 6M17 respectively mainly because of lower revenue from the Group's family entertainment business.

Property

No revenue was recorded in both 2Q18 and 6M18. Dividend income from investment securities of S\$0.1 million recorded in 6M17 had been reclassified to Leisure and Others segment.

Profit Before Tax

The Group's pre-tax profit of S\$2.3 million for 2Q18 was S\$0.3 million higher than 2Q17. The pre-tax profit of S\$6.6 million for 6M18 was S\$0.4 million lower than 6M17.

Hotel and Serviced Residence

This sector's pre-tax profits of S\$1.1 million in 2Q18 and S\$4.3 million in 6M18 were S\$0.2 million and S\$0.7 million higher than 2Q17 and 6M17 respectively.

The higher pre-tax profit of CPLK for 2Q18 was mainly because of translation gain arising from Singapore Dollar denominated inter-company loans as Singapore Dollar had strengthened against Sterling Pound. It was the reverse in 2Q17. For 6M18, the pre-tax profit of CPLK was comparable with 6M17. The pre-tax profits of HIRP were lower in 2Q18 but higher in 6M18 mainly because of revenue.

The pre-tax profits of both SV and CV for both 2Q18 and 6M18 were comparable with 2Q17 and 6M17.

Leisure and Others

Excluding corporate office, this sector recorded a marginal profit in both 2Q18 and 6M18 compared to pre-tax profits of S\$0.1 million in 2Q17 and S\$0.2 million in 6M17. It was mainly attributed to lower revenue from the Group's family entertainment business.

Corporate office's pre-tax loss of S\$0.3 million in 2Q18 was S\$0.3 million lower than 2Q17. The lower pre-tax loss was mainly attributed to one-off gain on sale of interest in a subsidiary company but the gain was partially offset by higher interest expense arising from higher borrowings. The pre-tax loss of S\$1.0 million in 6M18 was comparable with 6M17 mainly because the gain on sale of interest in a subsidiary company was fully offset by higher staff costs and interest expense.

Property

This sector's pre-tax profits of S\$1.5 million in 2Q18 and S\$3.3 million in 6M18 were S\$0.1 million and S\$0.9 million lower than 2Q17 and 6M17 respectively. The lower pre-tax profits was mainly attributed to our share of lower profit from the joint venture company in Xuzhou, PRC. Xuzhou Gulou Square residential project is at tail end and the number of apartment units handed over to buyers in 2Q18 and 6M18 were significantly lower than 2Q17 and 6M17. Our share of profit from Knight Frank group of companies was higher mainly because of higher commission and fee income.

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 provide stable income to the Group. We will continue to focus on improving our business operations and conduct strategic review on how to enhance return on our assets which may include asset enhancement initiatives and possible divestments.

In China, our Xuzhou Gulou Square commercial plot is under construction. For further update, please see a separate announcement today.

In Thailand, the Phuket International airport hosted a total of 3.5 million¹ passengers during the first four months of the year, registering a 19%¹ growth compared to the same period last year. The Rawai resort hotel is in the design planning submission stage.

In Singapore, the new set of cooling measures introduced in July 2018 is expected to dampen the residential market as well as reduce activity in the enbloc sale market. The Knight Frank Singapore business is expected to be slow but stable.

¹ *Phuket Hotel Market Update May 2018, C9 Hotelworks Market Research.*

11 Dividend.

(a) Current Financial Period Reported On.

Any dividend declared for the current financial period reported on?

None.

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

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

None.

(c) Date payable.

Not applicable.

(d) Books closure date.

Not applicable.

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

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

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 2018 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

6 August 2018