

Financial Statements and Related Announcement::Third Quarter Results**Issuer & Securities**

Issuer/ Manager	HL GLOBAL ENTERPRISES LIMITED
Securities	HL GLOBAL ENTERPRISES LIMITED - SG1AI6000003 - AVX
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	01-Nov-2018 18:47:22
Status	New
Announcement Sub Title	Third Quarter Results
Announcement Reference	SG181101OTHR8VG2
Submitted By (Co./ Ind. Name)	Foo Yang Hym
Designation	Chief Financial Officer
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please refer to the attachment.

Additional Details

For Financial Period Ended	30/09/2018
Attachments	📎 HLGE_3Q2018.pdf Total size =393K

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HL GLOBAL ENTERPRISES LIMITED

Company Registration No.: 196100131N

Unaudited Third Quarter and Nine Months Financial Statement for the period ended 30 September 2018**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 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.

	Note	Group					
		3Q 2018 \$'000	3Q 2017 \$'000 (Restated)	Change %	YTD 3Q 2018 \$'000	YTD 3Q 2017 \$'000 (Restated)	Change %
Revenue	(i)	2,152	3,120	(31.0)	8,920	8,821	1.1
Cost of sales	(i)	(1,025)	(1,302)	(21.3)	(4,435)	(3,737)	18.7
Gross profit		1,127	1,818	(38.0)	4,485	5,084	(11.8)
Other income	(ii)	482	224	115.2	1,245	513	142.7
Selling and marketing expenses		(52)	(48)	8.3	(165)	(160)	3.1
Administrative expenses		(88)	(57)	54.4	(417)	(373)	11.8
Finance costs	(iii)	(16)	(355)	(95.5)	(73)	(1,385)	(94.7)
Other expenses	(iv)	(2,381)	(1,302)	82.9	(4,072)	(3,968)	2.6
Share of results of joint ventures (net of tax)		39	39	-	117	109	7.3
(Loss)/profit before tax		(889)	319	NM	1,120	(180)	NM
Income tax	(v)	(15)	(61)	(75.4)	(48)	(311)	(84.6)
(Loss)/profit for the period attributable to owners of the Company		(904)	258	NM	1,072	(491)	NM

Notes:**(i) Revenue and Cost of Sales**

The decrease in the revenue and cost of sales for 3Q 2018 was mainly due to the absence of revenue contribution from Elite Residences Shanghai as a result of the disposal of the Company's wholly-owned subsidiary, LKN Investment International Pte. Ltd. ("LKNII"), which owned Elite Residences Shanghai. LKNII was disposed in November 2017.

(ii) Other income

	Group					
	3Q 2018 \$'000	3Q 2017 \$'000 (Restated)	Change %	YTD 3Q 2018 \$'000	YTD 3Q 2017 \$'000 (Restated)	Change %
Interest income	236	139	69.8	608	260	133.8
Licence fee	95	66	43.9	299	215	39.1
Currency exchange gain-net	146	-	NM	325	-	NM
Sundry income	5	19	(73.7)	13	38	(65.8)
	482	224	115.2	1,245	513	142.7

The increase in other income for 3Q 2018 was mainly due to:

- placement of surplus funds (sale proceeds from the disposal of LKNII) in fixed deposit;
- the licence fee charged to Copthorne Hotel Qingdao Co., Ltd.; and
- the net currency exchange gain as a result of the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the weakening of Renminbi against the Singapore Dollar.

(iii) Finance costs

	Group					
	3Q 2018 \$'000	3Q 2017 \$'000 (Restated)	Change %	YTD 3Q 2018 \$'000	YTD 3Q 2017 \$'000 (Restated)	Change %
Interest expense	(16)	(361)	(95.6)	(73)	(1,124)	(93.5)
Currency exchange gain/(loss)-net	-	6	NM	-	(261)	NM
	(16)	(355)	(95.5)	(73)	(1,385)	(94.7)

The decrease in interest expense was due to the full prepayment of an unsecured loan of \$68 million in December 2017.

NM: Not meaningful

(iv) Other expenses

	Group					
	3Q 2018	3Q 2017	Change	YTD	YTD	Change
	\$'000	\$'000	%	3Q 2018	3Q 2017	%
		(Restated)		\$'000	(Restated)	
Depreciation of investment property, property, plant and equipment	(231)	(527)	(56.2)	(744)	(1,572)	(52.7)
Staff costs/directors' fee	(366)	(502)	(27.1)	(1,146)	(1,496)	(23.4)
Additional withholding tax and relevant expenses on disposal of LKNII	(1,600)	-	NM	(1,600)	-	NM
Others	(184)	(273)	(32.6)	(582)	(900)	(35.3)
	(2,381)	(1,302)	82.9	(4,072)	(3,968)	2.6

The decrease in depreciation of investment property, property, plant and equipment, staff costs and others was mainly due to the deconsolidation of the financial statements of Shanghai Hutai Real Estate Development Co., Ltd ("Shanghai Hutai"), a subsidiary of LKNII. LKNII was disposed in November 2017.

(v) Income tax

There was no over provision or under provision of taxation in respect of prior years for YTD 3Q 2018.

(YTD 3Q 2017: There was no over provision or under provision of taxation.)

The decrease in income tax was mainly due to the deconsolidation of the financial statements of Shanghai Hutai and LKNII.

There is no provision for income tax for the profit recognised from the sale of land at Punggol 17th Avenue, Singapore

("Punggol Land") due to tax losses brought forward in LKN Development Pte. Ltd., a wholly-owned subsidiary of the Company.

(vi) Consolidated statement of comprehensive income

	Group					
	3Q 2018	3Q 2017	Change	YTD	YTD	Change
	\$'000	\$'000	%	3Q 2018	3Q 2017	%
		(Restated)		\$'000	(Restated)	
(Loss)/profit for the period	(904)	258	NM	1,072	(491)	NM
Other comprehensive (loss)/income						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation differences for foreign operations	(456)	105	NM	(6)	(358)	(98.3)
Total comprehensive (loss)/income for the period attributable to owners of the Company	(1,360)	363	NM	1,066	(849)	NM

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.

	Group		Company	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
	\$'000	\$'000	\$'000	\$'000
		(Restated)		
Non-current assets				
Property, plant and equipment	17,444	17,679	5	-
Investment property	2,032	2,086	-	-
Subsidiaries	-	-	34,602	34,602
Associate	59	59	-	-
Joint ventures	475	538	-	-
Non-trade receivables	187	127	-	5
Other asset	1	62	-	-
	20,197	20,551	34,607	34,607
Current assets				
Inventories	103	113	-	-
Development properties	1	4,029	-	-
Trade and other receivables	2	1,009	354	6,083
Prepayment	77	62	41	23
Cash and bank balances	63,313	60,486	53,347	46,525
	68,531	72,036	53,742	52,631
Total assets	88,728	92,587	88,349	87,238

		Group 30/09/2018 \$'000	Group 31/12/2017 \$'000 (Restated)	Company 30/09/2018 \$'000	Company 31/12/2017 \$'000
Equity					
Share capital		129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(57,072)	(55,245)	(62,680)	(58,254)
Total equity attributable to owners of the Company		76,701	78,528	71,093	75,519
Non-current liabilities					
Other payables	1	-	1,650	8,277	3,689
Loans and borrowings	3	1,073	2,393	-	-
Deferred tax liabilities		28	28	-	-
		1,101	4,071	8,277	3,689
Current liabilities					
Trade and other payables	4	10,920	9,981	8,972	8,021
Loans and borrowings		-	4	-	-
Current tax payable		6	3	7	9
		10,926	9,988	8,979	8,030
Total liabilities		12,027	14,059	17,256	11,719
Total equity and liabilities		88,728	92,587	88,349	87,238

Notes:

- 1 The decrease was due to the recognition of the sale of Punggol Land, progress payments received and deferred expenses relating to the sale of the Punggol Land were transferred to Profit or Loss.
- 2 The decrease was mainly due to the transfer of retention money for tax payable in respect of the disposal of LKNII, from escrow account to the Company.
- 3 The decrease was due to partial prepayment of secured loan.
- 4 The increase was mainly due to provision made for additional withholding tax and relevant expenses in respect of the disposal of LKNII.

- 1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-
- (a) the amount repayable in one year or less, or on demand;
 - (b) the amount repayable after one year;
 - (c) whether the amounts are secured or unsecured; and
 - (d) details of any collaterals.

Amount repayable in one year or less, or on demand

	Group	
	30/09/2018 \$'000	31/12/2017 \$'000
Unsecured	-	4

Amount repayable after one year

	Group	
	30/09/2018 \$'000	31/12/2017 \$'000
Secured	1,073	2,393

The secured loan as at 30 September 2018 was secured on a subsidiary's freehold land and building.

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			
	3Q 2018 \$'000	3Q 2017 \$'000 (Restated)	YTD 3Q 2018 \$'000	YTD 3Q 2017 \$'000 (Restated)
Operating activities				
(Loss)/profit before tax	(889)	319	1,120	(180)
Adjustments for:				
Bad debts written off	-	2	-	2
Depreciation of investment property	18	18	57	55
Depreciation of property, plant and equipment	213	509	687	1,517
Interest expense	16	361	73	1,124
Interest income	(236)	(139)	(608)	(260)
(Gain)/loss on disposal of property, plant and equipment	-	(1)	-	3
Property, plant and equipment written off	-	-	-	1
Share of results of joint ventures (net of tax)	(39)	(39)	(117)	(109)
Unrealised foreign exchange (gain)/loss-net	(149)	(7)	(188)	251
Write-back of trade and other payables	-	(1)	-	(3)
Operating cash flows before changes in working capital	(1,066)	1,022	1,024	2,401
Development properties	(4)	-	856	74
Inventories	14	(14)	10	(21)
Trade and other payables	1,413	403	(711)	246
Trade and other receivables	(71)	1,094	5,568	784
Cash from operating activities	286	2,505	6,747	3,484
Income tax paid	(16)	(91)	(48)	(336)
Interest paid	(16)	(372)	(73)	(1,137)
Interest received	227	160	515	240
Net cash from operating activities	481	2,202	7,141	2,251
Investing activities				
Amount due from a joint venture	-	-	-	(396)
Deposit collected from the disposal of the Company's equity interest in LKNII	-	-	-	4,021
Dividend received from a joint venture	-	-	167	154
Placement of short term fixed deposits and restricted cash at bank	5,187	-	(39,450)	-
Proceeds from disposal of property, plant and equipment	-	1	2	1
Purchase of property, plant and equipment	(46)	(17)	(430)	(145)
Net cash from/(used in) investing activities	5,141	(16)	(39,711)	3,635
Financing activities				
Dividend paid to shareholders/holders of non-redeemable convertible cumulative preference shares	-	-	(2,893)	-
Repayment of borrowings	-	(642)	(1,354)	(963)
Repayment of finance lease liabilities	(1)	(1)	(4)	(3)
Net cash used in financing activities	(1)	(643)	(4,251)	(966)
Net increase/(decrease) in cash and cash equivalents	5,621	1,543	(36,821)	4,920
Cash and cash equivalents at beginning of the period	5,798	23,121	48,297	19,806
Effect of exchange rate changes on balances held in foreign currencies	288	(50)	231	(112)
Cash and cash equivalents at end of the period	11,707	24,614	11,707	24,614
Short term fixed deposits and restricted cash at bank	51,606	-	51,606	-
Cash and bank balances	63,313	24,614	63,313	24,614

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.**

	Share capital	Equity capital contributed by parent	Preference shares	Special reserve	Premium paid on acquisition of non-controlling interests	Currency translation reserve	Accumulated losses	Reserve held for sale	Total equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018 (as previously stated)	129,790	3,980	3	8,529	(192)	(2,024)	(61,482)	-	78,604
Transfer from translation reserve to accumulated losses (refer to item 5)	-	-	-	-	-	2,454	(2,454)	-	-
Depreciation of investment property (refer to item 5)	-	-	-	-	-	(3)	(73)	-	(76)
At 1 January 2018 (Restated)	129,790	3,980	3	8,529	(192)	427	(64,009)	-	78,528
Profit for the period	-	-	-	-	-	-	1,976	-	1,976
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	450	-	-	450
Total comprehensive income for the period	-	-	-	-	-	450	1,976	-	2,426
Contributions by owners									
Conversion of NCCPS	3	-	(3)	-	-	-	-	-	-
Others									
Dividend paid to ordinary shareholders and holders of non-redeemable convertible cumulative preference shares ("NCCPS")	-	-	-	-	-	-	(2,893)	-	(2,893)
At 30 June 2018 and 1 July 2018	129,793	3,980	-	8,529	(192)	877	(64,926)	-	78,061
Loss for the period	-	-	-	-	-	-	(904)	-	(904)
<u>Other comprehensive loss, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	(456)	-	-	(456)
Total comprehensive loss for the period	-	-	-	-	-	(456)	(904)	-	(1,360)
At 30 September 2018	129,793	3,980	-	8,529	(192)	421	(65,830)	-	76,701

	Share capital	Equity capital contributed by parent	Preference shares	Special reserve	Premium paid on acquisition of non-controlling interests	Currency translation reserve	Accumulated losses	Reserve held for sale	Total equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2017 (as previously stated)	129,790	3,980	3	8,529	(192)	(2,454)	(147,721)	3,132	(4,933)
Cumulative effects of adopting SFRS(I)	-	-	-	-	-	2,454	(2,454)	-	-
At 1 January 2017 (Restated)	129,790	3,980	3	8,529	(192)	-	(150,175)	3,132	(4,933)
Loss for the period	-	-	-	-	-	-	(749)	-	(749)
<u>Other comprehensive loss, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	(463)	-	-	(463)
Total comprehensive loss for the period	-	-	-	-	-	(463)	(749)	-	(1,212)
At 30 June 2017 and 1 July 2017	129,790	3,980	3	8,529	(192)	(463)	(150,924)	3,132	(6,145)
Profit for the period	-	-	-	-	-	-	258	-	258
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	105	-	-	105
Total comprehensive income for the period	-	-	-	-	-	105	258	-	363
At 30 September 2017	129,790	3,980	3	8,529	(192)	(358)	(150,666)	3,132	(5,782)

	Share capital	Equity capital contributed by parent	Preference shares	Special reserve	Accumulated losses	Total
Company	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018	129,790	3,980	3	12,471	(70,725)	75,519
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(128)	(128)
Contributions by owners						
Conversion of NCCPS	3	-	(3)	-	-	-
Others						
Dividend paid to ordinary shareholders/holders of NCCPS	-	-	-	-	(2,893)	(2,893)
At 30 June 2018 and 1 July 2018	129,793	3,980	-	12,471	(73,746)	72,498
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(1,405)	(1,405)
At 30 September 2018	129,793	3,980	-	12,471	(75,151)	71,093

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2017	129,790	3,980	3	12,471	(145,502)	742
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(408)	(408)
At 30 June 2017 and 1 July 2017	129,790	3,980	3	12,471	(145,910)	334
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(539)	(539)
At 30 September 2017	129,790	3,980	3	12,471	(146,449)	(205)

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

Movements in the Share Capital

During the three months ended 30 September 2018, there was no change in the Company's issued ordinary share capital.

	Number of shares	Share Capital \$'000
Ordinary shares		
At 1 July 2018 and 30 September 2018 (As per Accounting and Corporate Regulatory Authority's records)	96,334,254	133,773
Trust Shares	(2,418,917)	(3,980)
At 30 September 2018	93,915,337	129,793

As at 30 September 2018 and as at 30 September 2017, there were no ordinary shares held as treasury shares or as subsidiary holdings in the Company.

- 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.

	Total number of issued shares	
	30/9/2018	31/12/2017
Ordinary Shares	96,334,254	96,321,318
NCCPS	-	129,396

The Company did not hold any treasury shares as at 30 September 2018 and as at 31 December 2017.

The ordinary shares issued includes 2,418,917 ordinary shares held as Trust Shares by Amicorp Trustees (Singapore) Limited as trustee of the Trust established by the Company to facilitate the implementation of the HL Global Enterprises Share Option Scheme 2006 (the "Share Option Scheme").

Pursuant to the terms of the Trust Deed, the Trustee will, *inter alia*, acquire and hold existing shares in the capital of the Company (collectively, the "Trust Shares") for the benefit of participants who are employees of the Company and/or its subsidiaries and who have been granted share options under the Share Option Scheme (the "Beneficiaries") and transfer such Trust Shares to the Beneficiaries upon the exercise of their share options under the Share Option Scheme.

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

There were no sales, transfers, cancellation and/or use of treasury shares/subsidiary holdings during the three months ended 30 September 2018.

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

The figures have not been audited or reviewed by the auditors.

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

The figures have not been audited or reviewed by the auditors.

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 item 5 below, the Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual 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.

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on Singapore Exchange Securities Trading Limited ("SGX-ST") are required to adopt Singapore Financial Reporting Standards (International) ("SFRS(I)", a new financial reporting framework identical to International Financial Reporting Standards. The Group adopted SFRS(I) on 1 January 2018.

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The Group reclassified an amount of \$2,454,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

The Group also elected the option to treat the carrying amount of investment property amounting to \$2,109,000, revalued under the previous accounting policy as its deemed cost as at 1 January 2017 and depreciated it based on its expected useful life. Accordingly, the Group's balance sheet as at 31 December 2017 and income statement for the period ended 30 September 2017 have been restated to reflect the said adoptions. Below are the effects of the abovementioned election on the financial statements.

	Group
	As at
	31 December 2017
	\$'000
	(Restated)
<u>Consolidated balance sheet</u>	
Decrease in investment property	(76)
Decrease in reserves	(76)
	Group
	YTD
	3Q 2017
	\$'000
	(Restated)
<u>Consolidated income statement</u>	
Increase in other expenses	55

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.

	Group			
	3Q 2018	3Q 2017	YTD 3Q 2018	YTD 3Q 2017
	¢	¢	¢	¢
	(Restated)		(Restated)	
(Loss)/earnings per share (Based on the weighted average number of ordinary shares in issue)				
- Basic (3Q 2018: 93,915,337, YTD 3Q 2018: 93,909,651) (3Q 2017 and YTD 3Q 2017: 93,902,401)	(0.96)	0.27	1.14	(0.52)
- Diluted (3Q 2018 and YTD 3Q 2018: 93,915,337) (3Q 2017 and YTD 3Q 2017: 93,902,401)	NA	0.27	NA	(0.52)

The diluted loss per share for YTD 3Q 2017 was shown as the same amount as the basic loss per share as the preference shares were considered anti-dilutive and disregarded in the computation of diluted loss per share.

**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 30/09/2018	Group 31/12/2017	Company 30/09/2018	Company 31/12/2017
	\$	\$	\$	\$
	(Restated)			
Net asset value per issued share, excluding Trust Shares	0.82	0.84	0.76	0.80

The net asset value per issued share, excluding Trust Shares is computed based on 93,915,337 issued ordinary shares as at 30 September 2018 and 93,902,401 issued ordinary shares as at 31 December 2017.

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.**

Results for 3 months ended 30 September ("3Q") 2018 versus 3Q 2017 (Restated)

The Group reported revenue of \$2.2 million for 3Q 2018, a decline of \$0.9 million compared to 3Q 2017. The decrease in revenue was attributed to (a) a consequence of the disposal of the Company's wholly-owned subsidiary, LKN Investment International Pte. Ltd., which owned Elite Residences Shanghai, in November 2017 ("LKNII Disposal"); and (b) intense competition in Cameron Highlands, Malaysia arising from the oversupply of hotel rooms and a drop in foreign travellers to Copthorne Hotel Cameron Highlands.

As a result, the Group's operating profit before other income, finance costs and share of results of joint ventures reduced from \$0.4 million for 3Q 2017 to \$0.2 million for 3Q 2018.

Other income comprised mainly interest income, licence fee and currency exchange gain. Compared to 3Q 2017, the increases in interest income and licence fee were due to the placement of surplus funds (sale proceeds from the disposal of LKNII) in fixed deposit and licence fee charged to Copthorne Hotel Qingdao Co., Ltd. ("CHQ") respectively. The net currency exchange gain of approximately \$0.1 million for 3Q 2018 was largely due to the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the weakening of Renminbi against the Singapore Dollar. Interest expense reduced substantially due to the full prepayment of an unsecured loan of \$68 million in December 2017 (the "Unsecured Loan").

The Company made provision for additional withholding tax and relevant expenses amounting to \$1.6 million in relation to the LKNII Disposal, hence, resulted in a net loss attributable to shareholders of the Company of \$0.9 million for 3Q 2018 compared to a net profit of \$0.3 million for 3Q 2017.

Results for 9 months ended 30 September ("YTD 3Q") 2018 versus YTD 3Q 2017 (Restated)

The Group's revenue increased marginally from \$8.8 million for YTD 3Q 2017 to \$8.9 million for YTD 3Q 2018. The property development segment recorded an improvement in its revenue through the recognition of the sale of 2 plots of land at Punggol 17th Avenue, Singapore ("Land") for a sum of \$3.3 million in YTD 3Q 2018. However, this improvement was offset by the decrease of \$3.1 million in revenue from the hospitality segment, mainly due to the absence of revenue contribution from Elite Residences Shanghai as a result of the LKNII Disposal.

For the period under review, the sale of Land contributed to a higher Group operating profit before other income, finance costs and share of results of joint ventures of \$1.4 million versus \$0.6 million in YTD 3Q 2017.

Other income saw an increase of \$0.7 million to \$1.2 million for YTD 3Q 2018. This increase was largely due to (a) the surplus funds from the disposal of LKNII which contributed to higher interest income, (b) the licence fee charged to CHQ and (c) net currency exchange gain as a result of the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the strengthening of the US Dollar against the Singapore Dollar and weakening of the Renminbi against the Singapore Dollar. Interest expense reduced substantially due to the full prepayment of the Unsecured Loan.

After taking into account the said provision of additional withholding tax and relevant expenses, the net profit attributable to shareholders of the Company for YTD 3Q 2018 was \$1.1 million compared to a net loss of \$0.5 million recorded for YTD 3Q 2017.

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

The Group's performance for the period under review is in line with its expectations as disclosed in the Company's announcement of its results for the second quarter and half year ended 30 June 2018 which was released on 2 August 2018.

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.

The increased supply of hotel rooms and apartments in Cameron Highlands, Malaysia, coupled with weaker consumer spending will continue to impact the hotel operations in Copthorne Hotel Cameron Highlands. As the Group's assets are substantially located in Malaysia, it will also continue to be exposed to currency fluctuation risks. The Company will continue to source for sustainable and viable business opportunities.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b)(i) Amount per share cents

(ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

NA - Not applicable

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

No dividend is declared (recommended) for the period under review.

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.

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
9 months ended 30 September 2018				
Revenue	74	5,546	3,300	8,920
- external revenue	-	-	32	32
- inter-segment revenue	74	5,546	3,332	8,952
				(32)
Elimination				8,920
Reportable segment results	(1,064)	972	1,523	1,431
Other income (excluding interest income)	634	-	3	637
Interest income	456	66	86	608
Interest expense	-	(73)	-	(73)
Non-operating expenses	(1,600)	-	-	(1,600)
Share of results of joint ventures	-	118	(1)	117
(Loss)/profit before tax	(1,574)	1,083	1,611	1,120
Income tax expense				(48)
Profit for the period				1,072

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
9 months ended 30 September 2017 (Restated)				
Revenue				
- external revenue	63	8,614	144	8,821
- inter-segment revenue	-	-	30	30
	63	8,614	174	8,851
Elimination				(30)
				8,821
Reportable segment results	(979)	1,722	(160)	583
Other income (excluding interest income)	225	10	18	253
Interest income	24	165	71	260
Interest expense	(968)	(156)	-	(1,124)
Exchange loss-net	(5)	(233)	(23)	(261)
Share of results of joint ventures	-	109	-	109
(Loss)/profit before tax	(1,703)	1,617	(94)	(180)
Income tax expense				(311)
Loss for the period				(491)

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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.

Not applicable.

15 A breakdown of sales as follows:

Not applicable.

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

- (a) Ordinary**
- (b) Preference**
- (c) Total**

Not applicable.

17 Interested persons transactions

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of SGX-ST ("Listing Manual").

18 Undertakings with regard to Directors and Executive Officers

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Listing Manual and according to the format set out in Appendix 7.7 of the Listing Manual.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer

Singapore
1 November 2018

Confirmation by the Board of Directors (the "Board") pursuant to Rule 705(5) of the Listing Manual

The Board hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the Group's unaudited interim financial results for the third quarter and nine months ended 30 September 2018 to be false or misleading in any material aspect.

On behalf of the Board

Dato' Gan Khai Choon
Chairman

Philip Ting Sii Tien
Director

Singapore
1 November 2018