



## Second Quarter Financial Statement and Dividend Announcement for the Period Ended 30 June 2016

## 1(a)(i) An income statement and statement of comprehensive income or 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		+/(-) %	Group		+/(-) %
		2Q 2016 \$'000	2Q 2015 \$'000		1H 2016 \$'000	1H 2015 \$'000	
<b>Revenue</b>							
- Property developments		154,483	106,524	45.0	196,208	194,131	1.1
- Construction		70,457	86,435	(18.5)	131,592	164,196	(19.9)
- Hospitality		6,807	1,451	NM	13,343	1,451	NM
- Property investments & others		2,549	2,645	(3.6)	5,009	4,390	14.1
		<u>234,296</u>	<u>197,055</u>	18.9	<u>346,152</u>	<u>364,168</u>	(4.9)
Cost of sales		(181,223)	(152,106)	19.1	(272,366)	(285,481)	(4.6)
<b>Gross profit</b>		<u>53,073</u>	<u>44,949</u>	18.1	<u>73,786</u>	<u>78,687</u>	(6.2)
Other items of income							
Interest income		1,194	538	121.9	2,151	944	127.9
Other income		530	629	(15.7)	2,179	1,381	57.8
Other items of expense							
Marketing and distribution	1	(1,151)	(8,529)	(86.5)	(2,933)	(10,440)	(71.9)
Administrative expenses	2	(20,602)	(10,804)	90.7	(34,107)	(19,735)	72.8
Finance costs		(4,229)	(3,846)	10.0	(8,397)	(6,290)	33.5
Share of results of associates		(467)	1,509	(130.9)	(7)	1,613	(100.4)
<b>Profit before tax</b>		<u>28,348</u>	<u>24,446</u>	16.0	<u>32,672</u>	<u>46,160</u>	(29.2)
Income tax expense	3	(11,281)	(4,814)	134.3	(12,975)	(8,301)	56.3
<b>Profit after tax</b>		<u>17,067</u>	<u>19,632</u>	(13.1)	<u>19,697</u>	<u>37,859</u>	(48.0)
<b>Profit attributable to:</b>							
Owners of the Company		14,273	21,411	(33.3)	15,090	39,659	(62.0)
Non-controlling interests		2,794	(1,779)	NM	4,607	(1,800)	NM
		<u>17,067</u>	<u>19,632</u>	(13.1)	<u>19,697</u>	<u>37,859</u>	(48.0)

## 1(a)(ii) Items, which if significant, must be included in the income statement

	Group		+/(-) %	Group		+/(-) %
	2Q 2016 \$'000	2Q 2015 \$'000		1H 2016 \$'000	1H 2015 \$'000	
<b>Other income</b>						
Rental income from development properties	261	55	NM	539	111	385.6
Sales of materials	105	346	(69.7)	238	636	(62.6)
Government grants	64	62	3.2	816	428	90.7
Net gain on disposal of property, plant and equipment	-	-	-	377	-	NM
Others	100	166	NM	209	206	NM
	<u>530</u>	<u>629</u>	(15.7)	<u>2,179</u>	<u>1,381</u>	57.8

## The following items have been included in arriving at profit before tax:

Employee benefits expenses	14,976	15,797	(5.2)	28,469	31,810	(10.5)
Impairment loss on a development property	4,963	-	NM	4,963	-	NM
Net foreign exchange loss	3,035	442	NM	2,291	96	NM
Depreciation of property, plant and equipment	1,737	1,467	18.4	3,499	2,550	37.2
Legal and professional fees	408	337	21.1	4,344	660	NM
Operating lease expenses	156	156	0.0	313	313	-

Note:-

NM - Not meaningful.

1(a)(ii) Items, which if significant, must be included in the income statement (Cont'd)

**Notes to Group Income Statement**

- 1 Lower marketing and distribution expenses in 2Q2016 was due to absence of new property development project launches. The marketing and distribution expenses in 2Q2015 was due principally to marketing expenses incurred for Williamsons Estate (in Melbourne, Australia) which was launched in January 2015 and pre-sales costs for High Park Residences (in Singapore) which was launched in July 2015.
- 2 Higher administrative expenses in 2Q2016 were due to operating expenses incurred from our hotel business which commenced business in May 2015, impairment loss on a development property and foreign exchange loss.
- 3 Higher effective tax rate in 2Q2016 was due to tax expense on sale of the Victoria Street site in Melbourne, Australia and deferred tax assets not recognised.

1(a)(iii) Statement of Comprehensive Income

Note	Group		+ / (-) %	Group		+ / (-) %
	2Q 2016 \$'000	2Q 2015 \$'000		1H 2016 \$'000	1H 2015 \$'000	
<b>Profit after tax</b>	17,067	19,632	(13.1)	19,697	37,859	(48.0)
Other comprehensive income:						
<i>Items that will not be reclassified to profit or loss</i>						
Foreign currency translation loss on revaluation of freehold land and building	-	(60)	NM	-	(125)	NM
Share of gain on property revaluation of associates	-	-		227	191	18.8
Income tax relating to components of other comprehensive income	-	-		-	(11)	NM
	-	(60)		227	55	312.7
<i>Items that may be reclassified subsequently to profit or loss</i>						
Net gain on fair value changes of available-for-sale financial assets	674	870	(22.5)	464	1,401	(66.9)
Foreign currency translation loss	(4,007)	(2,998)	33.7	(3,692)	(6,061)	(39.1)
	(3,333)	(2,128)		(3,228)	(4,660)	(30.7)
Other comprehensive loss for the quarter, net of tax	(3,333)	(2,188)	52.3	(3,001)	(4,605)	(34.8)
<b>Total comprehensive income for the quarter</b>	<b>13,734</b>	<b>17,444</b>	<b>(21.3)</b>	<b>16,696</b>	<b>33,254</b>	<b>(49.8)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	10,940	19,223	(43.1)	12,089	35,054	(65.5)
Non-controlling interests	2,794	(1,779)	NM	4,607	(1,800)	NM
	<b>13,734</b>	<b>17,444</b>	<b>(21.3)</b>	<b>16,696</b>	<b>33,254</b>	<b>(49.8)</b>

**Notes to Statement of Comprehensive Income**

- 1 Foreign currency translation arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. The translation loss for 2Q2016 was due to the weakening of the Australian Dollar against the Singapore Dollar.

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

	The Group		The Company			
	Note	30 Jun 2016 \$'000	31 Dec 2015 \$'000	Note	30 Jun 2016 \$'000	31 Dec 2015 \$'000
<b>Non-current assets</b>						
Property, plant and equipment		222,356	225,206		1,535	1,322
Investment properties		282,469	283,637		-	-
Intangible assets		190	98		184	85
Investment in subsidiaries		-	-		48,302	48,302
Investment in associates		7,586	12,121		650	650
Deferred tax assets		1,173	3,606		-	-
Other receivables		5,416	7,272	8	232,135	180,219
Investment securities		4,327	3,864		4,327	3,864
		523,517	535,804		287,133	234,442
<b>Current assets</b>						
Gross amount due from customers for contract work-in-progress	1	19,962	10,826		-	-
Development properties	2	1,053,033	625,362		-	-
Assets held for sale	3	36	39,463		-	-
Prepayments		4,015	3,854		2,128	1,399
Trade and other receivables	4	131,439	249,272	9	3,187	27,524
Cash and short-term deposits	5	470,250	442,456	10	115,181	49,904
		1,678,735	1,371,233		120,496	78,827
<b>Total assets</b>		<b>2,202,252</b>	<b>1,907,037</b>		<b>407,629</b>	<b>313,269</b>
<b>Deduct: Current liabilities</b>						
Loans and borrowings	6	63,400	120,415		-	-
Gross amount due to customers for contract work-in-progress	1	4,419	8,374		-	-
Trade and other payables	7	87,243	116,632		122	227
Other liabilities		36,970	38,242		3,981	5,764
Income tax payable		30,215	33,001		91	-
		222,247	316,664		4,194	5,991
<b>Net current assets</b>		<b>1,456,488</b>	<b>1,054,569</b>		<b>116,302</b>	<b>72,836</b>
<b>Deduct: Non-current liabilities</b>						
Loans and borrowings	6	1,135,861	738,287	11	270,000	150,000
Trade and other payables		96,571	93,188		-	-
Deferred tax liabilities		12,609	15,931		16	16
		1,245,041	847,406		270,016	150,016
<b>Net assets</b>		<b>734,964</b>	<b>742,967</b>		<b>133,419</b>	<b>157,262</b>
<b>Equity attributable to owners of the Company</b>						
Share capital		79,691	79,691		79,691	79,691
Treasury shares		(33,653)	(33,653)		(33,653)	(33,653)
Retained earnings		713,100	722,851		85,797	110,246
Other reserves		(23,434)	(20,575)		1,584	978
		735,704	748,314		133,419	157,262
<b>Non-controlling interests</b>		<b>(740)</b>	<b>(5,347)</b>		<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>734,964</b>	<b>742,967</b>		<b>133,419</b>	<b>157,262</b>

**Notes to Statement of Financial Position**

Note

**The Group**

- The net increase in gross amount due from customers for contract work-in-progress was due to slower progress claims for certain on-going construction projects in 1H2016.
- The increase in development properties was mainly due to acquisitions of the Gladstone site in Melbourne and the New Upper Changi Road site in Singapore, as well as development costs incurred for the on-going projects (High Park Residences and Williamsons Estate).
- Following the settlement of sales of the Victoria Street site in Melbourne, assets held for sale declined.
- The decrease in trade and other receivables for the Group was mainly due to payments received from buyers of recently completed development projects (Nine Residences & Junction Nine).
- The increase in cash and short term deposits was due to proceeds from the issuance of \$120 million notes, payments received from owners of recently completed development projects (Nine Residences & Junction Nine) and proceed from sale of the Victoria Street site in Melbourne, Australia, partially offset by land purchases in Singapore and Australia.
- The increase in loans and borrowings was due to issuance of \$120 million notes and project financing for the New Upper Changi Road site, partially offset by repayment of bank loans.
- The decrease in trade and other payables was due to de-recognition of deposits held for a development project.

**The Company**

- The increase in other receivables was due to working capital loans extended to a subsidiary.
- The decrease in trade and other receivables was due to repayment of advances from a subsidiary.
- The increase in cash and short-term deposits was due to issuance of \$120 million notes, partially offset by working capital loans extended to a subsidiary.
- The increase in loans and borrowings was due to issuance of \$120 million notes.

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

	As at 30 Jun 2016 \$'000	As at 31 Dec 2015 \$'000
<b>Amount repayable in one year or less, or on demand</b>		
- Secured	63,400	120,415
- Unsecured	-	-
<b>Amount repayable after one year</b>		
- Secured	865,861	588,287
- Unsecured	270,000	150,000

**Details of any collateral**

The Group's borrowings of \$1.2 billion are loans taken to finance property development projects, investment properties and hotel, and for working capital.

The Group's borrowings are mainly secured by :

- (a) legal mortgage on the development properties, investment properties and hotel;
- (b) subordination of shareholder's loan to the property development companies;
- (c) assignment of sale proceeds of the development properties;
- (d) assignment of all rights, title, interest and benefits under contracts in respect of the development properties;
- (e) assignment of construction contracts, performance bonds and fire insurance policy on the development properties;
- (f) assignment of tenancy and sale agreements of the investment properties;
- (g) fixed and floating charge on the hotel; and
- (h) corporate guarantee from the Company.

The unsecured borrowings of the Group comprise the following notes issued under its S\$500 million Multicurrency Debt Issuance Programme :

- (a) \$150 million 3-year fixed rate notes issued on 17 October 2014. The notes bear interest at the rate of 4.25 per cent. per annum payable semi-annually in arrear and will due in October 2017.
- (b) \$120 million 5-year fixed rate notes issued on 14 June 2016. The notes bear interest at the rate of 4.75 per cent. per annum payable semi-annually in arrear and will due in June 2021.

**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		Group	
	2Q 2016 \$'000	2Q 2015 \$'000	1H 2016 \$'000	1H 2015 \$'000
<b>Cash flows from operating activities</b>				
<b>Operating profit before taxation</b>	<b>28,348</b>	<b>24,446</b>	<b>32,672</b>	<b>46,160</b>
<b>Adjustments for:</b>				
Depreciation and amortisation	1,742	1,477	3,507	2,571
Interest income	(1,194)	(538)	(2,151)	(944)
Interest expense	4,229	3,846	8,397	6,290
Net gain on disposal of property, plant and equipment	-	(20)	(377)	(25)
Unrealised exchange (gain)/loss	1,132	100	974	225
Share of results of associates	467	(1,509)	7	(1,613)
Property, plant and equipment written off	-	-	-	3
Write-back of impairment loss on receivables	(40)	-	(40)	-
Impairment loss on development properties	4,963	-	4,963	-
Share-based compensation	142	-	142	-
<b>Operating profit before changes in working capital</b>	<b>39,789</b>	<b>27,802</b>	<b>48,094</b>	<b>52,667</b>
Development properties	(412,952)	(61,939)	(435,713)	(94,519)
Assets held for sale	38,859	(251)	38,615	(530)
Trade and other receivables	134,644	5,929	111,947	91,133
Prepayments	(1,281)	(452)	(37)	456
Gross amount due to customers for contract work-in-progress, net	(2,650)	457	(13,042)	9,417
Trade and other payables	(37,622)	10,301	(21,656)	14,546
Other liabilities	(972)	(19,640)	(1,130)	(26,322)
<b>Cash (used in)/generated from operations</b>	<b>(242,185)</b>	<b>(37,793)</b>	<b>(272,922)</b>	<b>46,848</b>
Interest paid	(5,704)	(5,508)	(8,626)	(6,172)
Interest received	1,194	537	2,151	943
Income tax paid	(9,996)	(12,713)	(16,724)	(13,479)
<b>Net cash (used in)/generated from operating activities</b>	<b>(256,691)</b>	<b>(55,477)</b>	<b>(296,121)</b>	<b>28,140</b>
<b>Cash flows from investing activities:</b>				
Purchase of property, plant and equipment	21	(5,005)	(760)	(18,639)
Proceeds from disposal of property, plant and equipment	37	20	601	186
Dividend income	-	74	1,070	130
Repayment of advances from associates, net	1,120	3,698	4,264	6,235
Proceeds from liquidation of an associate	3,582	-	3,582	-
Additions to intangible assets	-	-	(100)	-
Additions to investment properties	(57)	(5)	(224)	(43)
<b>Net cash generated from/(used in) investing activities</b>	<b>4,703</b>	<b>(1,218)</b>	<b>8,433</b>	<b>(12,131)</b>

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 (Cont'd)

	Group		Group	
	2Q 2016	2Q 2015	1H 2016	1H 2015
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from financing activities:</b>				
Repayment of loans and borrowings	(49,250)	(16,025)	(84,715)	(78,725)
Proceeds from loans and borrowings	306,063	132,195	306,063	132,195
Proceeds from issuance of term notes	120,000	-	120,000	-
Dividends paid	(24,841)	(37,384)	(24,841)	(37,384)
Share buyback	-	(3,940)	-	(6,279)
<b>Net cash generated from financing activities</b>	<b>351,972</b>	<b>74,846</b>	<b>316,507</b>	<b>9,807</b>
Net increase in cash and cash equivalents	99,984	18,151	28,819	25,816
Effect of exchange rate changes on cash and cash equivalents	(1,103)	(105)	(1,025)	(199)
Cash and cash equivalents at beginning of the period	371,369	292,620	442,456	285,049
<b>Cash and cash equivalents at end of the period</b>	<b>470,250</b>	<b>310,666</b>	<b>470,250</b>	<b>310,666</b>
<b>Cash and cash equivalents comprise:</b>				
Short term deposits	252,535	200,706	252,535	200,706
Cash and bank balances	217,715	109,960	217,715	109,960
	<b>470,250</b>	<b>310,666</b>	<b>470,250</b>	<b>310,666</b>

**Net cash (used in)/generated from operating activities**

Net cash used in operating activities in 2Q2016 and 1H2016 was due to increased development expenditure and payments of trade and other payables. These cash outflows were offset by cash inflows from payments received from owners of recently completed development projects (Nine Residences & Junction Nine) and proceed from sale of the Victoria Street site in Melbourne, Australia.

**Net cash generated from/(used in) investing activities**

Net cash generated from investing activities in 2Q2016 and 1H2016 as compared to net cash used in investing activities in 2Q2015 and 1H2016 was mainly due to proceeds from liquidation of an associate and absence of construction costs for Park Hotel Alexandra in 2Q2016.

**Net cash generated from financing activities**

Higher net cash generated from financing activities in 2Q2016 and 1H2016 was due to issuance of \$120 million notes under the \$500 million Multicurrency Debt Issuance Programme in June 2016 and drawdown of bank loans for a property development project along New Upper Changi Road.

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

Group	Attributable to owners of the Company										Non-controlling interests	Total equity
	Issued capital	Treasury shares	Treasury shares reserve	Share-based compensation reserve	Capital reserve	Fair value adjustment reserve	Asset revaluation reserve	Currency translation reserve	Retained earnings	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2016</b>	79,691	(33,653)	(533)	-	674	1,511	2,482	(24,709)	722,851	748,314	(5,347)	742,967
Total comprehensive income for the period	-	-	-	-	-	(210)	227	315	817	1,149	1,813	2,962
<b>At 31 March 2016</b>	79,691	(33,653)	(533)	-	674	1,301	2,709	(24,394)	723,668	749,463	(3,534)	745,929
Total comprehensive income for the period	-	-	-	-	-	674	-	(4,007)	14,273	10,940	2,794	13,734
Share-based payment transactions	-	-	-	142	-	-	-	-	-	142	-	142
Dividends paid	-	-	-	-	-	-	-	-	(24,841)	(24,841)	-	(24,841)
<b>At 30 June 2016</b>	79,691	(33,653)	(533)	142	674	1,975	2,709	(28,401)	713,100	735,704	(740)	734,964

Group	Attributable to owners of the Company										Non-controlling interests	Total equity
	Issued capital	Treasury shares	Treasury shares reserve	Capital reserve	Fair value adjustment reserve	Asset revaluation reserve	Currency translation reserve	Retained earnings	Total equity			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2015</b>	79,691	(27,374)	(533)	674	445	4,110	(18,243)	697,245	736,015	397	736,412	
Total comprehensive income for the period	-	-	-	-	531	115	(3,063)	18,248	15,831	(21)	15,810	
Share buyback	-	(2,339)	-	-	-	-	-	-	(2,339)	-	(2,339)	
<b>At 31 March 2015</b>	79,691	(29,713)	(533)	674	976	4,225	(21,306)	715,493	749,507	376	749,883	
Total comprehensive income for the period	-	-	-	-	870	(60)	(2,998)	21,411	19,223	(1,779)	17,444	
Share buyback	-	(3,940)	-	-	-	-	-	-	(3,940)	-	(3,940)	
Dividends paid	-	-	-	-	-	-	-	(37,384)	(37,384)	-	(37,384)	
<b>At 30 June 2015</b>	79,691	(33,653)	(533)	674	1,846	4,165	(24,304)	699,520	727,406	(1,403)	726,003	

**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**

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Fair value adjustment reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2016</b>	79,691	(33,653)	(533)	-	1,511	110,246	157,262
Total comprehensive income for the period	-	-	-	-	(210)	(1,139)	(1,349)
<b>At 31 March 2016</b>	79,691	(33,653)	(533)	-	1,301	109,107	155,913
Total comprehensive income for the period	-	-	-	-	674	1,531	2,205
Share-based payment transactions	-	-	-	142	-	-	142
Dividends paid	-	-	-	-	-	(24,841)	(24,841)
<b>At 30 June 2016</b>	79,691	(33,653)	(533)	142	1,975	85,797	133,419

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Fair value adjustment reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2015</b>	79,691	(27,374)	(533)	445	108,826	161,055
Total comprehensive income for the period	-	-	-	531	(920)	(389)
Share buyback	-	(2,339)	-	-	-	(2,339)
<b>At 31 March 2015</b>	79,691	(29,713)	(533)	976	107,906	158,327
Total comprehensive income for the period	-	-	-	870	(1,269)	(399)
Share buyback	-	(3,940)	-	-	-	(3,940)
Dividends paid	-	-	-	-	(37,384)	(37,384)
<b>At 30 June 2015</b>	79,691	(33,653)	(533)	1,846	69,253	116,604

**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 the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

As at 30 June 2016, the Company held 46,501,100 (30 June 2015 : 46,501,100) ordinary shares as treasury shares. The total number of issued shares excluding treasury shares as at 30 June 2016 was 621,014,061 (30 June 2015 : 621,014,061).

As at 30 June 2016, the number of outstanding share options under the Company's Share Option Schemes was 40,000,000 (30 June 2015 : nil).

**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**

The total number of issued shares excluding treasury shares of 46,501,100 (31 December 2015 : 46,501,100) shares as at 30 June 2016 was 621,014,061 (31 December 2015 : 621,014,061) shares.

**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 as no treasury shares had been sold, transferred, disposed, cancelled or used in any other manner.

**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 Company's auditors.

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

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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2015, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2016.

The adoption of those new and revised FRSs has no material effect on the current financial statements for the current period.

**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**

Please refer to paragraph 4 above.

**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		Group	
	2Q 2016	2Q 2015	1H 2016	1H 2015
Earnings per ordinary share for the period :-				
(i) Based on weighted average number of ordinary shares in issue (in cents)	2.30	3.42	2.43	6.34
(ii) On a fully diluted basis (in cents)	2.28	3.42	2.41	6.34

**Notes:**

- (i) The computation of basic earnings per share was based on the weighted average of 621,014,061 ordinary shares (30 June 2015 : 625,159,848 ordinary shares).
- (ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 626,489,844 ordinary shares (30 June 2015 : 625,159,848 ordinary shares).

**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 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	118.47	120.50	21.48	25.32

The computation of net asset value per ordinary share was based on 621,014,061 ordinary shares (excluding treasury shares of 46,501,100) (31 December 2015 : 621,014,061 ordinary shares excluding treasury shares of 46,501,100).

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of 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. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Quarterly results : 2Q2016 vs 2Q2015**

**Overall**

The Group's total revenue increased by 18.9% to \$234.3 million in 2Q2016 from \$197.1 million in 2Q2015 due to higher revenue from the Property Development and Hospitality Divisions. In line with higher revenue, both gross and pre-tax profits had also increased. However, with higher tax expense, the Group's net profit after tax ended lower than that of the previous corresponding period.

**Property Developments**

Revenue increased from \$106.5 million in 2Q2015 to \$154.5 million in 2Q2016 was due to completion of sale of the Victoria Street site in Melbourne, Australia. Apart from this one-off divestment, revenue was also recognised from High Park Residences and Fulcrum in 2Q2016 whilst Junction Nine and Nine Residences contributed to 2Q2015 revenue.

**Construction**

Revenue dipped from \$86.4 million in 2Q2015 to \$70.5 million in 2Q2016 due to fewer active projects.

**Hospitality**

Revenue from the Hospitality Division was mainly derived from room and food & beverage sales of Park Hotel Alexandra. Higher revenue in 2Q2016 was mainly attributable to full quarter sales in 2Q2016 compared to partial quarter sales in 2Q2015 as the hotel commenced its business in May 2015.

**Property Investments & others**

Revenue from the Property Investment Division in 2Q2016 remained flat compared with that of 2Q2015.

**Half-yearly results : 1H2016 vs 1H2015**

**Overall**

The Group's total revenue declined by 4.9% to \$346.2 million in 1H2016 from \$364.2 million in 1H2015 due to lower contributions from the Construction Division. With the declining revenue, gross profit fell by 6.2% to \$73.8 million in 1H2016 as compared to \$78.7 million in 1H2015. Pre-tax profit had also slid but with a larger percentage of 29.2% to \$32.7 million in 1H2016 on the back of larger foreign exchange losses, impairment loss on a development property, depreciation charges, legal and financing costs.

**Property Developments**

Revenue remained comparable to that of 1H2015. Revenue for 1H2016 was primarily contributed by divestment of the Victoria Street site (Melbourne, Australia), progressive recognition of High Park Residences, and sales of completed units of Fulcrum which was relaunched in April 2016. Back in 1H2015, revenue was primarily recognised from Nine Residences and Junction Nine.

**Construction**

Revenue decreased by 19.9% to \$131.6 million in 1H2016 compared to \$164.2 million in 1H2015 due to fewer active projects.

**Hospitality**

Revenue from the Hospitality Division was mainly derived from room and food & beverage sales of Park Hotel Alexandra. Higher revenue in 1H2016 was mainly attributable to full half-year sales in 1H2016 compared to partial half-year sales in 1H2015 as the hotel commenced its business in May 2015.

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of 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. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)**

#### **Property Investments & Others**

Revenue from Property Investment Division grew by 14.1% to \$5.0 million in 1H2016, compared to \$4.4 million in 1H2015 due to higher occupancy of CES Centre.

#### **Group Statement of Financial Position Review**

The Group's net current assets increased by \$0.40 billion to \$1.46 billion due largely to proceeds from issuance of \$120 million notes and acquisition of the site along New Upper Changi Road. These factors had also resulted in a corresponding increase in non-current liabilities which saw an increase of \$0.40 billion to \$1.25 billion.

Shareholders' equity decreased from \$743.0 million to \$735.0 million. The decrease was mainly attributed by dividend payment of \$24.8 million, which was partly offset by the current period profit of \$16.7 million. Net debts soared by \$312.8 million from \$416.2 million to \$729.0 million as the Group used more cash for property developments and obtained project financing for its New Upper Changi Road project. As a result of lower equity and higher net debts, the Group's net debt to equity ratio increased to 0.99 at the end of 1H2016 as compared to 0.56 at the close of 2015.

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

No prospects statements for 2Q2016 was previously provided.

- 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**

#### **Property Developments**

As the Group expects Singapore private residential market to remain challenging, it will be selective and cautious in its land purchases in Singapore. Presently, the Group is working on its private residential site along New Upper Changi Road with the planned debut of this project in 1H2017. On the sales side, the overall sales of High Park Residences raised further to 98.4% whilst Fulcrum registered 39.1% sales to-date.

In Australia, the sales at Willow Apartments (part of the Williamsons Estate project) have lifted to 47.2%. The Group intends to launch the South Melbourne project within the next 12 months.

Following the failure to obtain the required approval for Tower Melbourne, the Group has submitted a new demolition plan for lift and plant motor room (referred to as Stage 1 in our previous announcement) to the relevant building surveyor (RBS) and is awaiting RBS' determinations. As for the demolition plan for remaining building to ground level (referred to as Stage 2 in our previous announcement), the adjoining owner has filed an appeal to the Supreme Court against the determinations issued by Building Appeal Board. The Group will update again on the further developments in due course.

#### **Construction**

The Group expects competition for public housing projects to become more intense. Whilst continuing to participate in the tender of these projects, it is also looking for ways to expand its portfolio beyond public housing to include other public projects. At the end of 2Q2016, the Group's construction order book stood at \$437.4 million.

#### **Property Investments**

With the softening commercial rental market in Singapore, the Group will continue to exercise prudence in expanding its commercial building portfolio.

#### **Hospitality**

The performance of the Group's hospitality segment has improved in 1H2016 amid increasingly challenging hotel business environment. The Group will continue to look out for suitable hotels around the region to add to the Group's Hospitality Division.

- 11 Dividend**

- (a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

- (b) Corresponding Period of the Immediately Preceding Financial Year**

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

No.

- (c) Date payable**

Not applicable.

- (d) Books closure date**

Not applicable.

- 12 If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared/recommendeded for the quarter ended 30 June 2016.



- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

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

**14 Confirmation**

We, Chia Lee Meng Raymond and Hoon Tai Meng, being two Directors of CHIP ENG SENG CORPORATION LTD (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Company and of the Group for the second quarter ended 30 June 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Chia Lee Meng Raymond  
Executive Chairman

Hoon Tai Meng  
Executive Director

**15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1).

**BY ORDER OF THE BOARD**

Chia Lee Meng Raymond  
Executive Chairman and Group Chief Executive Officer  
8 August 2016