



Unaudited Second Quarter (“Q2”) Financial Statements For the Period Ended 31 July 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		3 months ended		Increase /	6 months ended		Increase /
	Note	31/07/2017	31/07/2016	(Decrease)	31/07/2017	31/07/2016	(Decrease)
		\$'000	\$'000	%	\$'000	\$'000	%
Revenue	1	13,626	8,563	59	30,575	24,406	25
Cost of sales	2	(11,578)	(6,666)	74	(19,525)	(13,113)	49
Gross profit		2,048	1,897	8	11,050	11,293	(2)
Other income	3	4,508	53,852	(92)	7,563	56,501	(87)
Rental income		204	218	(6)	432	505	(14)
Distribution costs		(459)	(23)	n.m.	(667)	(367)	82
Administrative costs	4	(1,771)	(5,096)	(65)	(4,094)	(7,999)	(49)
Other operating expenses	5	(2,643)	(5,445)	(51)	(4,387)	(6,865)	(36)
Finance costs		(1,705)	(1,503)	13	(3,116)	(3,090)	1
Profit from operations		182	43,900	n.m.	6,781	49,978	(86)
Share of results of associated companies and joint ventures	6	791	(850)	n.m.	566	(2,387)	n.m.
Profit before taxation		973	43,050	(98)	7,347	47,591	(85)
Taxation	7	(233)	54	n.m.	(863)	(855)	1
Profit after taxation for the period		740	43,104	(98)	6,484	46,736	(86)
Attributable to:							
Owners of the parent	8	474	43,096	(99)	5,871	46,370	(87)
Non-controlling interests		266	8	n.m.	613	366	67
		740	43,104	(98)	6,484	46,736	(86)
Earnings per share (cents)							
- basic		0.06	5.83		0.79	6.28	
- diluted		0.06	5.83		0.79	6.28	

n.m.: Not Meaningful

A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	3 months ended		Increase /	6 months ended		Increase /
	31/07/2017	31/07/2016	(Decrease)	31/07/2017	31/07/2016	(Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period	740	43,104	(98)	6,484	46,736	(86)
Other comprehensive income/(expense) after tax						
Items that may be reclassified subsequently to profit and loss:						
Fair value gain/(loss) on available-for-sale financial assets recognised directly to equity	753	(1,409)	n.m.	6,164	2,455	n.m.
Fair value gain on available-for-sale financial assets recycled to income statement on derecognition	(1,782)	-	n.m.	(2,351)	-	n.m.
Realisation of reserve upon disposal of subsidiary	-	3,310	n.m.		3,310	n.m.
Exchange differences on translation of the financial statements of foreign entities (net)	1,176	(1,083)	n.m.	80	(948)	n.m.
Other comprehensive income for the period, net of tax	147	818	(82)	3,893	4,817	(19)
Total comprehensive income for the period	887	43,922	(98)	10,377	51,553	(80)
Total comprehensive income / (expense) attributable to:						
Owners of the parent	514	44,095	(99)	9,795	51,356	(81)
Non-controlling interests	373	(173)	n.m.	582	197	n.m.
Total comprehensive income for the period	887	43,922	(98)	10,377	51,553	(80)

n.m.: Not Meaningful

1(a)(ii) Notes to the income statement

- Group revenue increased by \$6.2M to \$30.6M in 1H current year from \$24.4M in 1H previous year. It increased by \$5.0M to \$13.6M in Q2 current year from \$8.6M in Q2 previous year. The increase was mainly due to increased sales in Development segment offset by lower revenue in Hotel segment. Four office units at Paya Lebar Square ("PLS") and four residential units at Parkland Residences were sold during 1H current year. Lower revenue at Duxton Perth was due to lower occupancy and room rates in a slower market condition.
- Cost of sales increased by \$6.4M to \$19.5M in 1H current year from \$13.1M in 1H previous year. It increased by \$4.9M to \$11.6M in Q2 current year from \$6.7M in Q2 previous year. The increase in cost of sales was mainly due to increased sales in Development segment offset by lower cost of sales in Hotel segment and lower write back of construction cost for completed projects upon finalisation of accounts in Investment segment.
- Other Income decreased by \$48.9M to \$7.6M in 1H current year from \$56.5M in 1H previous year. It decreased by \$49.4M to \$4.5M in Q2 current year from \$53.9M in Q2 previous year. The decrease was mainly due to extraordinary gain on the sale of Duxton Hotel Saigon completed in Q2 previous year for an aggregate consideration of US\$49.0M. Excluding this extraordinary gain, other income would have increased by \$1.0M. The increase was mainly due to gains on disposal of long-term quoted equity investment and gains on fair value of short term quoted equity investment offset by lower interest income on junior bonds at AXA Tower and lower bank interest income.

1(a)(ii) Notes to the income statement

- 4 Administrative costs decreased by \$3.9M to \$4.1M in 1H current year from \$8.0M in 1H previous year. It decreased by \$3.3M to \$1.8M in Q2 current year from \$5.1M in Q2 previous year. The decrease was mainly due to the absence of profit share for managing directors and lower professional fees at Paya Lebar Development Pte Ltd ("PLD"). The service contracts of managing directors have been amended, at the request of the managing directors and approved by Remuneration Committee, to exclude profit share entitlement with effect from Q1FY2018.
- 5 Other operating expenses decreased by \$2.5M to \$4.4M in 1H current year from \$6.9M in 1H previous year. It decreased by \$2.8M to \$2.6M in Q2 current year from \$5.4M in Q2 previous year. The decrease was mainly due to absence of provision for impairment loss on development project Balestier Tower offset by increase in unrealised translation loss on a USD deposit as the USD weakened against SGD.
- 6 Associated companies and joint ventures contributed a profit of \$0.6M in 1H current year compared to a loss of \$2.4M in 1H previous year. They contributed a profit of \$0.8M in Q2 current year compared to a loss of \$0.9M in Q2 previous year. The improvement in share of results of associated companies and joint ventures was mainly from AXA Tower. Our share of profits at AXA Tower is \$2.0M in 1H current year compared to negative \$0.5M in 1H previous year. The higher share of profits at AXA Tower was due to sale of office units
- 7 The basis of tax computation is set out below:

	3 months ended		Increase (Decrease) %	6 months ended		Increase (Decrease) %
	31/07/2017	31/07/2016		31/07/2017	31/07/2016	
	\$'000	\$'000		\$'000	\$'000	
Income tax expense:						
- current	(158)	125	n.m.	(572)	(350)	63
- foreign tax	(75)	(71)	6	(291)	(505)	(42)
	<u>(233)</u>	<u>54</u>	n.m.	<u>(863)</u>	<u>(855)</u>	1

n.m.: Not Meaningful

There was no significant change in income tax for 1H current year compared to 1H previous year.

- 8 Net profit attributable to shareholders decreased by \$40.5M to \$5.9M in 1H current year from \$46.4M in 1H previous year. It decreased by \$42.6M to \$0.5M in Q2 current year from \$43.1M in Q2 previous year. The decrease was due to extraordinary gain on sale of Duxton Hotel Saigon in 1H previous year but higher profits in Investment and Development segments in 1H current year.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Note	Company	
	31/07/2017 \$'000	31/1/2017 \$'000		31/07/2017 \$'000	31/1/2017 \$'000
ASSETS					
Non-current assets					
Investment properties	309,471	309,999	1	18,513	18,613
Property, plant and equipment	139,624	137,191	1	5,427	5,521
Subsidiaries	-	-		478,257	288,256
Joint ventures	91,371	91,104	2	94,134	92,536
Associated companies	53,160	50,826	3	56	56
Long-term quoted equity investments	49,891	51,701	4	1,483	1,433
Other investment	32,000	32,000	15	-	-
Deferred tax assets	335	332		-	-
	<u>675,852</u>	<u>673,153</u>		<u>597,870</u>	<u>406,415</u>
Current assets					
Cash and cash equivalents	111,859	174,979	5	78,070	140,045
Fixed deposits	25,125	91,816	5	-	75,310
Short-term quoted equity investments	5,719	5,097	6	-	-
Trade and other receivables	80,836	90,483	7	3,111	14,068
Inventories	421	420		-	-
Work in progress	-	-		-	709
Properties held for sale	311	7,932	14	-	-
Development properties	297,010	107,454	8	-	-
	<u>521,281</u>	<u>478,181</u>		<u>81,181</u>	<u>230,132</u>
Total assets	<u>1,197,133</u>	<u>1,151,334</u>		<u>679,051</u>	<u>636,547</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	161,863	161,863		161,863	161,863
Capital reserves	(2,005)	(2,005)		-	-
Fair value reserves	11,566	7,764	9	770	713
Retained profits	473,558	497,239		370,458	396,200
Exchange fluctuation account	2,156	2,034		-	-
	<u>647,138</u>	<u>666,895</u>		<u>533,091</u>	<u>558,776</u>
Non-controlling interests	27,945	27,363	12	-	-
Total equity	<u>675,083</u>	<u>694,258</u>		<u>533,091</u>	<u>558,776</u>
LIABILITIES					
Non-current liabilities					
Bank borrowings	349,484	353,084	11	-	-
Amount owing to non-controlling shareholders of subsidiaries	59,240	58,157	10	-	-
Deferred tax liabilities	2,164	2,164		-	-
	<u>410,888</u>	<u>413,405</u>		<u>-</u>	<u>-</u>
Current liabilities					
Trade and other payables	28,922	31,852	13	17,904	21,171
Amount owing to subsidiaries	-	-		56,015	55,855
Joint ventures	450	470	2	197	197
Amount owing to non-controlling shareholders of subsidiaries (non-trade)	444	440	10	-	-
Provisions for reinstatement cost	78	77		-	-
Provision for directors' fee	123	245		123	245
Provision for taxation	2,445	3,387		221	303
Bank borrowings	78,700	7,200	11	71,500	-
	<u>111,162</u>	<u>43,671</u>		<u>145,960</u>	<u>77,771</u>
Total liabilities	<u>522,050</u>	<u>457,076</u>		<u>145,960</u>	<u>77,771</u>
Total equity and liabilities	<u>1,197,133</u>	<u>1,151,334</u>		<u>679,051</u>	<u>636,547</u>

Notes to the balance sheets

- 1 The net book value of investment properties decreased by \$0.5M to \$309.5M as at 31 July 2017 from \$310.0M as at 31 January 2017. The decrease in net book value of property, plant and equipment was mainly due to depreciation. The net book value of property, plant and equipment increased by \$2.4M to \$139.6M as at 31 July 2017 from \$137.2M as at 31 January 2017. The increase was mainly due to development cost of service residential part of Balestier Tower offset by depreciation.
- 2 Joint ventures increased by \$0.3M to \$90.9M as at 31 July 2017 from \$90.6M as at 31 January 2017. The increase was mainly due to decrease in share of losses from Westgate Tower and additional advances to joint venture in 1H current year.
- 3 Associated companies increased by \$2.4M to \$53.2M as at 31 July 2017 from \$50.8M as at 31 January 2017 mainly due to share of profit of \$2.0M from AXA Tower and unrealised exchange translation gain of \$0.4M on amount due from Binakawa Sdn Bhd due to stronger Ringgit against SGD.
- 4 Long-term quoted equity investments decreased by \$1.8M to \$49.9M as at 31 July 2017 from \$51.7M as at 31 January 2017. The decrease was mainly due to disposal of quoted shares.
- 5 Cash and cash equivalents and fixed deposits decreased by \$129.8M to \$137.0M as at 31 July 2017 from \$266.8M as at 31 January 2017 mainly due to payment for land parcel at Perumal Road.
- 6 Short-term quoted equity investments increased by \$0.6M to \$5.7M as at 31 July 2017 from \$5.1M as at 31 January 2017 due to increase in fair value of short-term quoted equity investments.
- 7 Trade and other receivables decreased by \$9.7M to \$80.8M as at 31 July 2017 from \$90.5M as at 31 January 2017 mainly due to receipt of sales proceeds of Vung Tau project in Vietnam and Shanghai Xinfeng in China and collections received from buyers of office units at PLS.
- 8 Development properties increased by \$189.5M to \$297.0M as at 31 July 2017 from \$107.5M as at 31 January 2017 mainly due to land cost at Perumal Road and additional cost incurred at Kismis Residences.
- 9 Fair value reserves increased by \$3.8M to \$11.6M as at 31 July 2017 from \$7.8M as at 31 January 2017 due to increase in fair value for long-term quoted equity investments.
- 10 Total amount owing to non-controlling shareholders of subsidiaries increased by \$1.1M to \$59.7M as at 31 July 2017 from \$58.6M as at 31 January 2017 mainly due to notional interest on shareholders loans for Kismis Residence and retail mall at PLS.
- 11 Bank borrowings increased by \$67.9M to \$428.2M as at 31 July 2017 from \$360.3M as at 31 January 2017 due to drawdown of bank loan. Gearing was 0.45 as at 31 July 2017 compared to 0.14 as at 31 January 2017. The higher gearing is due to the increase in borrowing and decrease in cash and cash equivalents and fixed deposits for funding developments at Kismis Residences and Perumal Road.
- 12 Non-controlling interests increased by \$0.5M to \$27.9M as at 31 July 2017 from \$27.4M as at 31 January 2017 mainly due to increased profit from retail mall at PLS and PLD during 1H current year.
- 13 Trade and other payables decreased by \$3.0M to \$28.9M as at 31 July 2017 from \$31.9M as at 31 January 2017. The decrease is mainly due to payment of profit share entitlement to managing directors.
- 14 Properties held for sale decreased by \$7.6M to \$0.3M as at 31 July 2017 from \$7.9M as at 31 January 2017 due to sales of four office units at PLS and four residential units at Parkland Residences. Both PLS and Parkland Residences are 100% sold as at 12 September 2017.
- 15 The amount of \$32.0M is part of the 20% equity investment in AXA Tower. It is invested in the form of junior bonds which are expected to mature in year 2025 with a coupon rate of not more than 10% per annum repayable semi-annually.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

	31/07/2017		31/1/2017	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	7,200	71,500	7,200	-
Amount repayable after one year	349,484	-	353,084	-
	<u>356,684</u>	<u>71,500</u>	<u>360,284</u>	<u>-</u>

Details of any collateral

Borrowings are secured by the mortgages on the borrowing subsidiaries' development and investment properties and assignment of all rights and benefits with respect to the development and investment properties mortgaged.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	6 months ended	
	31/07/2017	31/07/2016
	\$'000	\$'000
Cash Flow from Operating Activities		
Profit before taxation	7,347	47,591
Adjustments for:		
Share of results of associated companies and joint ventures	(566)	2,387
Depreciation of:		
-investment properties	1,486	2,713
-property, plant and equipment	1,063	1,605
Gain on disposal of:		
-a subsidiary	-	(49,875)
-property, plant and equipment	(13)	-
Fair value gain recycled from fair value reserve to consolidated income statement on derecognition of available-for-sale financial assets	(2,351)	-
Fair value gain on financial assets at fair value through profit or loss	(622)	(148)
Interest expense	3,116	3,090
Interest income	(2,947)	(4,696)
Operating profit before working capital changes	6,513	2,667
Inventories	(17)	249
Development properties	(181,934)	(1,032)
Receivables	10,242	66,037
Payables	(209)	(6,772)
Cash (used in)/generated from operations	(165,405)	61,149
Interest paid	(3,425)	(3,226)
Income tax paid	(1,794)	(6,299)
Net cash (used in)/generated from operating activities	(170,624)	51,624
Amount carried forward	(170,624)	51,624

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	6 months ended	
	31-07-2017	31-07-2016
	\$'000	\$'000
Amount brought forward	(170,624)	51,624
Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	(3,342)	(1,431)
Acquisition of investment property	(958)	(428)
Acquisition of quoted investments	(511)	(12,346)
Interest received	2,947	4,696
Fixed deposit with maturity more than three months and associated companies	(8,904)	(69,837)
Repayment of loans from joint ventures	(2,366)	(1,858)
Repayment of loans from joint ventures	63	-
Proceeds from disposal of quoted equity investments	8,460	-
Net proceeds from sale of subsidiary (Note A)	-	49,875
Proceeds from disposal of property, plant and equipment	51	16,062
Net cash used in investing activities	<u>(4,560)</u>	<u>(15,267)</u>
Cash Flow from Financing Activities		
Dividends paid to shareholders of the Company	(29,553)	(29,553)
Dividends paid to minority shareholder of a subsidiary	-	(20,933)
Proceeds from bank borrowings	71,500	26,724
Repayment of bank borrowings	(3,600)	(4,140)
Loans from non-controlling shareholders of a subsidiary	1,083	1,127
Fixed deposit pledged	-	(11,480)
Net cash generated from/(used in) financing activities	<u>39,430</u>	<u>(38,255)</u>
Net decrease in cash and cash equivalents	(135,754)	(1,898)
Cash and cash equivalents at beginning of year	250,574	213,876
Exchange differences on translation of cash and cash equivalent at beginning of year	(2,961)	(4,218)
Cash and cash equivalents at end of year	<u>111,859</u>	<u>207,760</u>

The Group has unused bank facilities of \$93.0M as of 31 July 2017.

The Group generated a net decrease of \$135.8M cash flow during 1H current year compared to net decrease of \$1.9M during 1H previous year. The net decrease in cash and cash equivalents was due to net cash used in operating activities of \$170.6M, net cash used in investing activities of \$4.6M offset by net cash generated from financing activities of \$39.4M.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Note A:

The Group disposed of its subsidiary on 12 May 2016. The carrying value of assets disposed of and liabilities discharged were as follows:

	31 July 2017	31 July 2016
	\$'000	\$'000
Property, plant and equipment	-	16,105
Deferred tax assets	-	198
Inventory	-	71
Trade receivables	-	1,132
Other receivables	-	657
Deferred expenses	-	147
Cash and bank balances	-	878
Trade payables	-	(733)
Other payables	-	(461)
Provision for taxation	-	(199)
Provision for severance pay	-	(245)
Net assets disposed	-	17,550
Gain on disposal	-	49,875
Proceeds received	-	67,425
Less:		
Cash balance in subsidiary disposed	-	(878)
Cash outflow to settle amount owing by subsidiary	-	(14,608)
Cash outflow on expenses relating to disposal of subsidiary	-	(2,027)
Exchange difference on cash outflow	-	(37)
Net cash inflow on disposal	-	49,875

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 year

	Share capital \$'000	Reserves \$'000	Retained profits \$'000	Total \$'000
The Company				
Balance at 1/2/2017	161,863	713	396,190	558,766
Total comprehensive income and loss for the period	-	57	3,820	3,877
Transaction with owners -				
Dividends paid in respect of financial year ended 31 January 2017	-	-	(29,552)	(29,552)
Balance at 31/7/2017	<u>161,863</u>	<u>770</u>	<u>370,458</u>	<u>533,091</u>
Balance at 1/2/2016	161,863	622	333,236	495,721
Total comprehensive income and loss for the period	-	201	57,569	57,770
Balance at 31/7/2016	<u>161,863</u>	<u>823</u>	<u>390,805</u>	<u>553,491</u>

	Share capital \$'000	Reserves \$'000	Retained profits \$'000	Exchange fluctuation account \$'000	Sub-total \$'000	Non- controlling interests \$'000	Total \$'000
The Group							
Balance at 1/2/2017	161,863	5,759	497,239	2,034	666,895	27,363	694,258
Total comprehensive income and loss for the period	-	3,802	5,871	122	9,795	582	10,377
Transaction with owners -							
Dividends paid in respect of financial year ended 31 January 2017	-	-	(29,552)	-	(29,552)	-	(29,552)
Balance at 31/7/2017	<u>161,863</u>	<u>9,561</u>	<u>473,558</u>	<u>2,156</u>	<u>647,138</u>	<u>27,945</u>	<u>675,083</u>
Balance at 1/2/2016	161,863	564	467,606	(2,475)	627,558	47,366	674,924
Total comprehensive income and loss for the period	-	2,416	49,680	(740)	51,356	197	51,553
Realisation of reserve upon disposal of a subsidiary	-	-	-	(3,310)	(3,310)	-	(3,310)
Transaction with owners -							
Dividends paid in respect of financial year ended 31 January 2016	-	-	(29,553)	-	(29,553)	(20,933)	(50,486)
Balance at 31/7/2016	<u>161,863</u>	<u>2,980</u>	<u>487,733</u>	<u>(6,525)</u>	<u>646,051</u>	<u>26,630</u>	<u>672,681</u>

- 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 as at 31 July 2017 compared to 31 January 2017.

There were no outstanding executives' share options granted as at 31 July 2017 and 31 January 2017.

There was no treasury share held or issued as at 31 July 2017 and 31 January 2017.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares at the end of the current financial period and as at the end of the immediately preceding financial year**

	As at 31/7/2017	As at 31/7/2016
Number of issued shares excluding treasury shares	738,816,000	738,816,000

- 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.**

There were no sales, transfers, disposal, cancellation and / or use of treasury shares as at 31 July 2017.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Review Engagements 2400 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 January 2017.

- 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 all the new and revised Financial Reporting Standards ("FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 February 2016. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current period or prior years.

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

	3 months ended		6 months ended	
	31/7/2017	31/7/2016	31/7/2017	31/7/2016
Earnings per ordinary share for the period based on net profit attributable to shareholders of the Company:				
(i) Based on weighted average number of ordinary shares in issue	0.06 cents	5.83 cents	0.79 cents	6.28 cents
(ii) On a fully diluted basis	0.06 cents	5.83 cents	0.79 cents	6.28 cents

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	31-07-2017	31-01-2017	31-07-2017	31-01-2017
Net asset value per ordinary share	88 cents	90 cents	72 cents	76 cents
Net tangible assets backing per ordinary share	88 cents	90 cents	72 cents	76 cents

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 discuss any significant factors that affected the turnover, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Investments

Investment revenue decreased by \$0.4M to \$8.7M in 1H current year from \$9.1M in 1H previous year. It decreased by \$0.2M to \$4.3M in Q2 current year from \$4.5M in Q2 previous year. The decrease was due to lower revenue from PLS retail mall.

Net profit before tax and non-controlling interests for investment segment increased by \$5.2M to \$6.7M in 1H current year from \$1.6M in 1H previous year. It increased by \$2.9M to \$4.1M in Q2 current year from \$1.2M in Q2 previous year. The increase was mainly due to increased profits at AXA tower on sale of office units and gain on sale of long term quoted equity investment.

Development

Development revenue increased by \$8.3M to \$10.1M in 1H current year from \$1.8M in 1H previous year. Development revenue of \$3.6M was recognised in Q2 current year while none was recognised in Q2 previous year. Four office units and four residential units at PLS and Parkland Residences were sold respectively during 1H current year. All office units at PLS and residential units at Parkland Residences are 100% sold as at 12 September 2017. The target date for sales launch at Kismis Residences is Q3 FY2018. Perumal is in planning and designing stage.

Net profit before tax and non-controlling interests for development segment increased by \$1.3M to \$1.6M in 1H current year from \$0.3M in 1H previous year. Net loss before tax and non-controlling interests for Q2 current year was \$2.1M compared to \$1.1M in Q2 previous year.

Hotel and F&B business

Revenue for hotel and F&B business decreased by \$1.5M to \$11.8M in 1H current year from \$13.3M in 1H previous year. The decrease was due to lower occupancy and average room rate at Duxton Hotel Perth. It increased by \$1.8M to \$5.7M in Q2 current year from \$3.9M in Q2 previous year.

Net loss before tax and non-controlling interests in Hotel segment was \$1.1M in 1H current year compared to net profit before tax and non-controlling interests of \$46.2M in 1H previous year. Net loss before tax and non-controlling interests decreased by \$2.5M if extraordinary gain on sale of Duxton Hotel Saigon in 1H previous year was excluded. The decrease in net loss before tax and non-controlling interests was due to lower expenses in service apartment project at Balestier Tower offset by higher translation loss in our USD sales proceed from sale of Duxton Hotel Saigon.

Net profit attributable to shareholders

Net profit attributable to shareholders decreased by \$40.5M to \$5.9M in 1H current year from \$46.4M in 1H previous year. It decreased by \$42.6M to \$0.5M in Q2 current year from \$43.1M in Q2 previous year. The decrease was due to extraordinary gain on sale of Duxton Hotel Saigon in 1H previous year but higher profits in Investment and Development segments in 1H current year.

Balance Sheet

Group shareholders' funds decreased by \$19.8M to \$647.1M as at 31 July 2017 from \$666.9M as at 31 January 2017. Cash and cash equivalents and fixed deposits decreased by \$129.8M to \$137.0M as at 31 July 2017 from \$266.8M as at 31 January 2017. The Group's bank borrowings increased by \$67.9M to \$428.2M as at 31 July 2017 from \$360.3M as at 31 January 2017 due to drawdown of bank loan. Gearing was 0.45 as at 31 July 2017 compared to 0.14 as at 31 January 2017. The higher gearing is due to the increase in borrowing and decrease in cash and cash equivalents and fixed deposits for funding the developments at Kismis Residences and Perumal Road.

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 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 property market appears to be recovering from the recent en-bloc sales activity and the recent land sales by the government which have attracted foreign developers and high bidding prices. The Group will continue to be selective in land bidding and investment projects.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on? No

Name of Dividend	:	NIL
Dividend Type	:	NIL
Dividend Amount	:	NIL
Tax Rate	:	NIL

Name of Dividend	:	NIL
Dividend Type	:	NIL
Dividend Amount	:	NIL
Tax Rate	:	NIL

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend	:	NIL
Dividend Type	:	NIL

Dividend Amount : NIL
Tax Rate : NIL

Name of Dividend : NIL
Dividend Type : NIL
Dividend Amount : NIL
Tax Rate : NIL

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

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.

Not applicable

14. Confirmation by Directors

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors, which may render the unaudited consolidated financial results for the 6 months ended 31 July 2017 to be false or misleading in any material aspect.

15. Confirmation that the issuer 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

The Company confirms that it 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

Low Keng Boon @ Lau Boon Sen
Joint Managing Director

Dato' Marco Low Peng Kiat
Joint Managing Director

15 September 2017