

**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

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.**

**Consolidated Statement of Comprehensive Income**

	3 months ended 30 June			6 months ended 30 June		
	2017	2016	Increase / (Decrease) %	2017	2016	Increase / (Decrease) %
	<b>S\$'000</b>	<b>S\$'000</b>		<b>S\$'000</b>	<b>S\$'000</b>	
Sales	<b>36,016</b>	44,695	(19.4)	<b>75,426</b>	95,783	(21.3)
Cost of sales	<b>(24,716)</b>	(32,664)	(24.3)	<b>(50,591)</b>	(66,890)	(24.4)
Gross profit	<b>11,300</b>	12,031	(6.1)	<b>24,835</b>	28,893	(14.0)
Other income	<b>904</b>	2,173	(58.4)	<b>2,079</b>	4,296	(51.6)
Other (losses)/gains – net	<b>(1,499)</b>	(2,333)	(35.7)	<b>1,240</b>	(2,540)	nm
Expenses						
- Distribution and marketing	<b>(2,317)</b>	(2,580)	(10.2)	<b>(4,522)</b>	(5,155)	(12.3)
- Administrative	<b>(7,352)</b>	(8,255)	(10.9)	<b>(14,395)</b>	(15,688)	(8.2)
- Finance	<b>(710)</b>	(1,313)	(45.9)	<b>(2,067)</b>	(2,385)	(13.3)
- Other	<b>(77)</b>	(501)	(84.6)	<b>(87)</b>	(693)	(87.4)
Share of profit of						
- joint ventures	<b>57</b>	36,691	(99.8)	<b>1,319</b>	57,551	(97.7)
- associated companies	<b>706</b>	626	12.8	<b>1,383</b>	1,293	7.0
Profit before income tax	<b>1,012</b>	36,539	(97.2)	<b>9,785</b>	65,572	(85.1)
Income tax expense	<b>(721)</b>	(2,366)	(69.5)	<b>(2,733)</b>	(9,409)	(71.0)
<b>Total profit</b>	<b>291</b>	34,173	(99.1)	<b>7,052</b>	56,163	(87.4)
<b>Other comprehensive income/(loss):</b>						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Share of other comprehensive income/(loss) of:						
- joint ventures	<b>137</b>	19	>100	<b>62</b>	(34)	nm
- associated companies	<b>737</b>	(552)	nm	<b>737</b>	(552)	nm
Currency translation differences arising from consolidation	<b>(4,675)</b>	(10,509)	(55.5)	<b>5,089</b>	(8,779)	nm
	<b>(3,801)</b>	(11,042)	(65.6)	<b>5,888</b>	(9,365)	nm
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Share of other comprehensive income of joint ventures	<b>4,721</b>	2,108	>100	<b>4,721</b>	2,108	>100
Tax on revaluation gains	<b>(1,037)</b>	(290)	>100	<b>(1,037)</b>	(290)	>100
<b>Other comprehensive (loss)/income, net of tax</b>	<b>(117)</b>	(9,224)	(98.7)	<b>9,572</b>	(7,547)	nm
<b>Total comprehensive income</b>	<b>174</b>	24,949	(99.3)	<b>16,624</b>	48,616	(65.8)
<b>Total profit attributable to:</b>						
Equity holders of the Company	<b>1,003</b>	37,038	(97.3)	<b>6,606</b>	53,913	(87.7)
Non-controlling interest	<b>(712)</b>	(2,865)	(75.1)	<b>446</b>	2,250	(80.2)
	<b>291</b>	34,173	(99.1)	<b>7,052</b>	56,163	(87.4)
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	<b>1,268</b>	30,227	(95.8)	<b>13,514</b>	48,567	(72.2)
Non-controlling interest	<b>(1,094)</b>	(5,278)	(79.3)	<b>3,110</b>	49	>100
	<b>174</b>	24,949	(99.3)	<b>16,624</b>	48,616	(65.8)

nm : not meaningful

**1(a)(ii) Other profit and loss items disclosure**

	3 months ended 30 June			6 months ended 30 June		
	2017	2016	Increase / (Decrease) %	2017	2016	Increase / (Decrease) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
The following items were credited/(charged) to the income statement:						
<u>Other income</u>						
Interest income from:						
- Bank deposits	578	523	10.5	1,204	938	28.4
- Advances to joint ventures	167	1,325	(87.4)	325	2,208	(85.3)
<u>Cost of sales and administrative expenses</u>						
Depreciation of property, plant and equipment	(2,570)	(2,277)	12.9	(5,253)	(4,469)	17.5
Amortisation of intangible assets	(687)	(1,244)	(44.8)	(1,650)	(2,152)	(23.3)
Write-off of property, plant and equipment	(5)	(11)	(54.5)	(5)	(26)	(80.8)
Allowance made for impairment loss on trade receivables	(232)	(379)	(38.8)	(225)	(379)	(40.6)
<u>Other (losses)/gains – net</u>						
(Loss)/gain on disposal of property, plant and equipment	(3)	8	nm	(3)	8	nm
Currency exchange (losses)/gains - net	(1,496)	(2,341)	(36.1)	1,243	(2,548)	nm
<u>Finance expenses</u>						
Interest expense for:						
- Bank borrowings	(379)	(982)	(61.4)	(1,410)	(1,727)	(18.4)
- Advances from non-controlling interest	(331)	(331)	-	(657)	(658)	(0.2)
<u>Income tax expense</u>						
(Under)/over provision of income tax in prior financial years - net	(1)	392	nm	(7)	730	nm

nm : not meaningful

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

	Group		Company	
	30.06.2017 S\$'000	31.12.2016 S\$'000	30.06.2017 S\$'000	31.12.2016 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	179,943	209,262	107,513	150,219
Trade and other receivables	23,075	33,265	170,600	170,559
Inventories	324	361	9	9
Development properties	23,635	21,753	-	-
Properties held for sale	124,030	124,030	-	-
	<b>351,007</b>	<b>388,671</b>	<b>278,122</b>	<b>320,787</b>
<b>Non-current assets</b>				
Investments in associated companies	12,084	9,964	696	696
Investments in joint ventures	473,498	465,689	300	300
Investments in subsidiaries	-	-	511,691	511,691
Other receivables	57,963	57,147	540,112	493,192
Investment properties	462,323	446,515	124,922	124,922
Property, plant and equipment	565,117	566,726	308,314	308,502
Intangible assets	134,940	136,388	-	-
Deferred income tax assets	102	100	-	-
	<b>1,706,027</b>	<b>1,682,529</b>	<b>1,486,035</b>	<b>1,439,303</b>
<b>Total assets</b>	<b>2,057,034</b>	<b>2,071,200</b>	<b>1,764,157</b>	<b>1,760,090</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	121,594	132,013	14,201	14,011
Current income tax liabilities	6,830	6,299	485	485
Borrowings	181,014	157,008	104,882	80,901
Provisions	632	642	-	-
	<b>310,070</b>	<b>295,962</b>	<b>119,568</b>	<b>95,397</b>
<b>Non-current liabilities</b>				
Other payables	424,340	427,481	632,422	631,805
Deferred income tax liabilities	40,339	39,060	476	476
Borrowings	25,225	46,353	-	-
Provisions	1,964	2,267	-	-
	<b>491,868</b>	<b>515,161</b>	<b>632,898</b>	<b>632,281</b>
<b>Total liabilities</b>	<b>801,938</b>	<b>811,123</b>	<b>752,466</b>	<b>727,678</b>
<b>NET ASSETS</b>	<b>1,255,096</b>	<b>1,260,077</b>	<b>1,011,691</b>	<b>1,032,412</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	475,489	475,489	475,489	475,489
Revaluation and other reserves	323,715	316,807	278,022	278,022
Retained profits	421,316	436,315	258,180	278,901
	<b>1,220,520</b>	<b>1,228,611</b>	<b>1,011,691</b>	<b>1,032,412</b>
<b>Non-controlling interest</b>	<b>34,576</b>	<b>31,466</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>1,255,096</b>	<b>1,260,077</b>	<b>1,011,691</b>	<b>1,032,412</b>

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

	As at 30.06.2017		As at 31.12.2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand (net of transaction costs)	76,132	104,882	76,107	80,901
Amount repayable after one year (net of transaction costs)	25,225	-	46,353	-

**Details of any collaterals**

The secured bank borrowings of the Group are secured over certain investment properties and certain property, plant and equipment.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**
**Consolidated Statements of Cash Flows**

	3 months ended 30 June		6 months ended 30 June	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
<b>Cash flows from operating activities</b>				
Total profit	291	34,173	7,052	56,163
Adjustments for:				
Income tax expense	721	2,366	2,733	9,409
Depreciation of property, plant and equipment	2,570	2,277	5,253	4,469
Amortisation of intangible assets	687	1,244	1,650	2,152
Write-off of property, plant and equipment	5	11	5	26
Interest income	(745)	(1,848)	(1,529)	(3,146)
Interest expense	710	1,313	2,067	2,385
Loss/(gain) on disposal of property, plant and equipment	3	(8)	3	(8)
Share of profit of joint ventures	(57)	(36,691)	(1,319)	(57,551)
Share of profit of associated companies	(706)	(626)	(1,383)	(1,293)
Unrealised currency translation losses/(gains)	1,559	2,307	(1,146)	2,512
	<b>5,038</b>	<b>4,518</b>	<b>13,386</b>	<b>15,118</b>
Change in working capital:				
Trade and other receivables	7,141	19,984	10,569	41,951
Inventories	(16)	26	41	39
Development properties	(1,798)	-	(2,804)	-
Trade and other payables	(9,823)	13,468	(14,246)	4,590
Provisions	(156)	(1,033)	(317)	(2,060)
Cash generated from operations	<b>386</b>	<b>36,963</b>	<b>6,629</b>	<b>59,638</b>
Interest paid	(44)	(45)	(89)	(90)
Income tax paid - net	(1,193)	(3,156)	(2,239)	(4,837)
<b>Net cash (used in)/provided by operating activities</b>	<b>(851)</b>	<b>33,762</b>	<b>4,301</b>	<b>54,711</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(441)	(10,228)	(873)	(11,265)
Additions to investment properties	(11,839)	(5,477)	(16,403)	(19,407)
Disposal of property, plant and equipment	-	11	-	11
Dividends received from joint ventures	1,600	23,915	1,600	23,915
Investment in joint ventures	-	(19,061)	-	(19,061)
Advances to a joint venture	(183)	-	(200)	-
Advances from a joint venture	-	3,000	-	11,000
Interest received	410	538	919	866
Income tax paid - net	-	(6,148)	-	(6,148)
<b>Net cash used in investing activities</b>	<b>(10,453)</b>	<b>(13,450)</b>	<b>(14,957)</b>	<b>(20,089)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	24,573	22,933	31,574	35,323
Repayment of borrowings	(27,600)	-	(27,600)	-
Interest paid	(1,050)	(1,121)	(2,209)	(2,557)
Dividend paid to shareholders	(21,605)	(6,206)	(21,605)	(6,206)
<b>Net cash (used in)/provided by financing activities</b>	<b>(25,682)</b>	<b>15,606</b>	<b>(19,840)</b>	<b>26,560</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(36,986)</b>	<b>35,918</b>	<b>(30,496)</b>	<b>61,182</b>
<b>Cash and cash equivalents</b>				
Beginning of financial period	216,593	152,488	209,262	127,072
Effects of currency translation on cash and cash equivalents	336	(2,612)	1,177	(2,460)
<b>End of financial period</b>	<b>179,943</b>	<b>185,794</b>	<b>179,943</b>	<b>185,794</b>

Included in cash and cash equivalents of the Group is the Group's share of its joint operation's bank balances and deposits amounting to \$3,029,000 (30 June 2016: \$3,761,000) held under the development project rules in Singapore and the use of which is governed by these rules.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Changes in Equity**

	Attributable to equity holders of the Company						Total	Non-controlling interest	Total equity	
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve				Retained profits
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Balance at 1 April 2017</b>	475,489	10,557	329,261	(13,442)	(2,393)	(533)	441,918	1,240,857	35,670	1,276,527
Profit for the period	-	-	-	-	-	-	1,003	1,003	(712)	291
Other comprehensive income/(loss) for the period	-	-	2,579	(3,097)	737	46	-	265	(382)	(117)
<b>Total comprehensive income/(loss) for the period</b>	-	-	2,579	(3,097)	737	46	1,003	1,268	(1,094)	174
Dividend relating to 2016 paid in cash*	-	-	-	-	-	-	(21,605)	(21,605)	-	(21,605)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	-	-	-	-	(21,605)	(21,605)	-	(21,605)
<b>Balance at 30 June 2017</b>	<b>475,489</b>	<b>10,557</b>	<b>331,840</b>	<b>(16,539)</b>	<b>(1,656)</b>	<b>(487)</b>	<b>421,316</b>	<b>1,220,520</b>	<b>34,576</b>	<b>1,255,096</b>

\* Fully paid New Shares was allotted and issued on 3 July 2017 pursuant to the elections made by eligible Shareholders to receive the FY2016 Dividend in scrip.

	Attributable to equity holders of the Company						Total	Non-controlling interest	Total equity	
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve				Retained profits
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance at 1 April 2016	457,046	10,557	334,705	(20,104)	(1,807)	(879)	412,798	1,192,316	24,034	1,216,350
Profit for the period	-	-	-	-	-	-	37,038	37,038	(2,865)	34,173
Other comprehensive income/(loss) for the period	-	-	1,273	(7,536)	(552)	4	-	(6,811)	(2,413)	(9,224)
<b>Total comprehensive income/(loss) for the period</b>	-	-	1,273	(7,536)	(552)	4	37,038	30,227	(5,278)	24,949
Shares issued in lieu of cash for dividend relating to 2015	18,443	-	-	-	-	-	(18,443)	-	-	-
Dividend relating to 2015 paid in cash	-	-	-	-	-	-	(6,206)	(6,206)	-	(6,206)
<b>Total transactions with owners, recognised directly in equity</b>	<b>18,443</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24,649)</b>	<b>(6,206)</b>	<b>-</b>	<b>(6,206)</b>
<b>Balance at 30 June 2016</b>	<b>475,489</b>	<b>10,557</b>	<b>335,978</b>	<b>(27,640)</b>	<b>(2,359)</b>	<b>(875)</b>	<b>425,187</b>	<b>1,216,337</b>	<b>18,756</b>	<b>1,235,093</b>

**1(d)(i)** (continued)

**Company's Statement of Changes in Equity**

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 April 2017</b>	475,489	278,022	279,695	1,033,206
Profit for the period	-	-	90	90
<b>Total comprehensive income for the period</b>	-	-	90	90
Dividend relating to 2016 paid in cash	-	-	(21,605)	(21,605)
<b>Total transactions with owners, recognised directly in equity</b>	-	-	(21,605)	(21,605)
<b>Balance at 30 June 2017</b>	<b>475,489</b>	<b>278,022</b>	<b>258,180</b>	<b>1,011,691</b>

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2016	457,046	303,752	296,123	1,056,921
Loss for the period	-	-	(316)	(316)
Total comprehensive loss for the period	-	-	(316)	(316)
Shares issued in-lieu of cash for dividend relating to 2015	18,443	-	(18,443)	-
Dividend relating to 2015 paid in cash	-	-	(6,206)	(6,206)
Total transactions with owners, recognised directly in equity	18,443	-	(24,649)	(6,206)
Balance at 30 June 2016	475,489	303,752	271,158	1,050,399

**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.**

	3 months ended	
	30.06.2017	31.03.2017
	'000	'000
<u>Ordinary shares fully paid</u>		
Number of shares at beginning and end of financial period	<b>422,677</b>	422,677

The Company does not have any convertibles.

The Company does not have any treasury shares.

The Company does not have any subsidiary that holds shares issued by 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.**

	As at	As at
	30.06.2017	31.12.2016
	'000	'000
Number of issued shares excluding treasury shares	<b>422,677</b>	422,677

The Company does not have any treasury shares.

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

Not applicable as the Company does not have any treasury shares.

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

Not applicable as the Company does not have any subsidiary that holds shares issued by the Company.

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

The figures have not been audited nor reviewed by the Company's auditor.

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

Not applicable. Refer to item 2 above.

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

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the most recent audited annual financial statements, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from the current financial year.

The adoption of the new or amended FRS and INT FRS did not result in substantial changes to the Group's accounting policies and had no material effect on the financial information.

**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 item 4 above.

**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 30 June		6 months ended 30 June	
	2017 cents	2016 cents	2017 cents	2016 cents
Earnings per ordinary share (EPS) for the period based on net profits attributable to shareholders after deducting any provision for preference dividends: -				
(i) Based on weighted average number of ordinary shares in issue	0.24	9.01	1.56	13.12
(ii) On a fully diluted basis	0.24	9.01	1.56	13.12

**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	
	As at 30.06.2017	As at 31.12.2016	As at 30.06.2017	As at 31.12.2016
Net asset value (NAV) per ordinary share based on total number of issued shares excluding treasury shares as at the end of the period/year	\$ 2.89	\$ 2.91	\$ 2.39	\$ 2.44

The Company does not have any treasury shares.



**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.**

**(a) Group performance review for the 3-month period ended 30 June 2017 ("Q2 FY17")**

**Sales**

The Group's sales for Q2 FY17 were \$36.0 million, or 19.4% lower than Q2 FY16. The decline was mainly due to completion of certain onerous lease agreements in Australia and New Zealand in late 2016 and weaker performance from the two hospitality assets in Perth, Australia. This was partially offset by higher revenue contribution from Oasia Suites Kuala Lumpur which ramped up operations following its opening in April 2016.

**Gross profit**

The Group's gross profit for Q2 FY17 was \$11.3 million, or 6.1% lower than Q2 FY16. This was in line with lower total revenue reported in the quarter. The two hospitality assets in Perth, Australia also recorded lower profits in the quarter due to the challenging operating environment.

The decrease in gross profit was partially offset by a decrease in amortisation expenses of lower carrying value of intangible assets after the recognition of an impairment charge in 2016.

**Other income**

Other income for Q2 FY17 was \$0.9 million, or 58.4% lower than Q2 FY16. This was mainly due to lower interest income from advances to property development joint venture companies.

**Other (losses)/gains – net**

The Group's other (losses)/gains – net comprised mainly currency translation losses arising from monetary assets and liabilities denominated in Australian Dollar.

**Expenses**

The Group's total expenses for Q2 FY17 were \$10.5 million, or 17.3% lower than Q2 FY16. Distribution and administration expenses decreased during the period in line with the decrease in revenue in Australia and New Zealand. Finance expenses decreased during the period due to the repayment of a RM85.0 million bank borrowing (equivalent to \$27.6 million) during the period.

**Share of profit of joint ventures**

The Group's share of results of joint ventures decreased mainly due to the absence of a one-time recognition of profits in Q2 FY16 from the sale of units in a joint venture property development project, SBF Center, which obtained its Temporary Occupation Permit in June 2016.

**Income tax expense**

Income tax expense of the Group for Q2 FY17 was lower than Q2 FY16 due to lower operating profit.

**Total profit**

Total profit of the Group for Q2 FY17 was \$0.3 million, or 99.1% lower than Q2 FY16 mainly due to the absence of a one-time recognition of profit from sale of units in a joint venture property development project in Q2 FY16 and lower profits from the hospitality assets in Perth, Australia.



8 (continued)

**(b) Cash flow, working capital, assets or liabilities of the Group** (continued)**Cash flow and working capital**

The Group recorded a net decrease in cash and cash equivalents for Q2 FY17 of \$37.0 million compared to a net increase of \$35.9 million in Q2 FY16.

Net cash outflows from operating activities of the Group for Q2 FY17 were \$0.9 million compared to net cash inflows of \$33.8 million for Q2 FY16. The net operating cash outflows in Q2 FY17 were mainly due to a tax payment of S\$6.6 million which was classified as trade and other payables. Net cash outflows from investing activities of the Group for Q2 FY17 were \$10.5 million compared to \$13.5 million for Q2 FY16. These were mainly for the development of student accommodation properties in the UK. Net cash outflows from financing activities of the Group for Q2 FY17 were \$25.7 million compared to net cash inflows of \$15.6 million for Q2 FY16. These were due to repayment of the RM85.0 million bank borrowing and payout of cash dividends, offset by bank borrowings in the UK used to finance the development of student accommodation properties and a residential property.

**Assets**

Total assets as at 30 June 2017 were \$2,057.0 million. Compared to 31 December 2016, total assets decreased by \$14.2 million mainly due to the decrease in cash balances as a result of the repayment of the RM85.0 million bank borrowing and payout of cash dividends, offset by additions to student accommodation properties during the period.

**Liabilities**

Total liabilities as at 30 June 2017 were \$801.9 million. Compared to 31 December 2016, total liabilities decreased by \$9.2 million due to repayment of the RM85.0 million bank borrowing, partially offset by additional bank borrowings in the UK.

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

The results are in line with comments previously disclosed to shareholders.

**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.****Hospitality**

Outlook for the hospitality sector in Singapore is likely to remain weak with a challenging operating environment over the next 12 months. Revenue per Available Room (RevPAR) continues to be impacted by a further increase in hotel room supply in 2017, particularly in the mid-tier category, strength of the Singapore dollar and weak corporate demand.

In Australia, outlook for the hospitality industry remains positive, underpinned by an increase in international visitors and increase in household spending capacity<sup>1</sup>. However, the pace of growth is expected to vary amongst the different cities that the Group operates in. The Sydney hotel accommodation market is expected to continue to be the top performer. Strong performance in Melbourne may soften as new supply enters the market. RevPAR in Perth and Brisbane will continue to be negatively impacted by the substantial pipeline supply of rooms.

The Group plans to continue to grow its hospitality businesses by increasing the number of management contracts, acquiring strategic assets and divesting properties to recycle capital for re-deployment towards higher yielding growth opportunities.

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<sup>1</sup> Sydney Olympic Park Hotel Market Brief, Knight Frank, 28 Jun 2017

10 (continued)

**Property**

The Group's joint venture property development project, Woods Square, is on track. RiverTrees Residences obtained its Temporary Occupation Permit in May 2017 and is fully sold. The Singapore commercial and residential property markets are anticipated to benefit from improved business sentiments and healthy demand. However, an uncertain economic outlook and supply overhang will continue to weigh on the growth of the Singapore property market in the near-term.

In Sydney, Australia, the Group's 50-50 joint venture with Toga Group for a mixed-use 121 residential units and retail/commercial development – Harbourfront Balmain, is on track with its development schedule and sales target. It is expected to be completed by Q4 2017.

Development of the Group's student accommodation properties in Newcastle upon Tyne and Brighton is progressing as planned. In Newcastle upon Tyne, Marshall Court and Bryson Court are expected to be completed in Q3 2017. The strong demand for UK student accommodation is expected to continue with the sector expected to witness a 2.6% rental growth for the upcoming 2017/2018 academic year, according to Knight Frank.

The Group's first residential project in the UK is progressing as planned. The Group plans to refurbish the heritage property located in the prime central borough of the City of Westminster, London, into a mixed-use development comprising 17 residential units and a restaurant. A new residential building will also be developed on the site. The Group remains confident about the long-term fundamentals of the UK property market and continues to closely monitor developments in the UK as the country engages in Brexit negotiations with the European Union.

The Group will continue to seek suitable real estate opportunities that fit its strategy as a diversified real estate group.

11 **Dividend**

**(a) Current Financial Period Reported On**

None.

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

None.

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

12 **If no dividend has been declared/recommended, 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.**

The Company had obtained approval for a shareholders' mandate for interested person transactions under Rule 920(1)(a)(ii) as set out in the circular to shareholders dated 24 June 2013.

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000)
	6 months ended 30 June 2017 S\$'000
Boo Han Holdings Pte Ltd Hospitality management income	225
Dollar Land Singapore Private Limited Hospitality management income	159
Far East Hospitality Real Estate Investment Trust Rental expense on operating leases - offices - hotels and serviced residences	(630) (10,947)
Far East Management (Private) Limited Management service fees Hospitality services	(1,185) (1,065)
Far East Organization Centre Pte Ltd Hospitality management income	1,048
Far East Soho Pte Ltd Hospitality management income	663
Golden Development Private Limited Hospitality management income	1,347
Golden Landmark Pte Ltd Hospitality management income	682
Orchard Mall Pte Ltd Hospitality management income	424
Orchard Parksuites Pte Ltd Hospitality management income	724
Oxley Hill Properties Pte Ltd Hospitality management income	284
Riverland Pte Ltd Hospitality management income	202
Serene Land Pte Ltd Hospitality management income	819
Transurban Properties Pte Ltd Hospitality management income	864

**By Order of the Board**

Mr Lui Chong Chee  
Director  
2 August 2017

**Confirmation Pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of Far East Orchard Limited which may render the unaudited financial statements for the period ended 30 June 2017 to be false or misleading in any material respect.

**Confirmation Pursuant to Rule 720(1) of the Listing Manual**

Far East Orchard Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

On behalf of the Board of Directors

Koh Boon Hwee  
Chairman

Lui Chong Chee  
Group CEO & Managing Director

2 August 2017

This announcement may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.