Ho Bee Land

HO BEE LAND LIMITED (Co. Regn. No. 198702381M)

Unaudited Financial Statements For The First Quarter Ended 31st March 2018

1(a) CONSOLIDATED INCOME STATEMENT
For The First Quarter Ended 31st March 2018

	THE GROUP		
	1st Quarter Ended 31st March		
	2018	2017	Change
	S$'000	S$'000	%
TURNOVER			
Sale of development properties	10,875	6,777	60.5
Rental income	37,784	35,603	6.1
	48,659	**42,380**	**14.8**
Other operating income	1,573	8,948	(82.4)
	50,232	**51,328**	**(2.1)**
Less:			
Cost of sales – residential development project	(7,091)	(5,551)	27.7
Direct rental expenses	(4,706)	(3,899)	20.7
Staff costs & directors' remuneration	(5,590)	(5,175)	8.0
Gain on foreign exchange	638	136	369.1
Other operating expenses	(1,298)	(1,661)	(21.9)
Profit from operations	**32,185**	**35,178**	**(8.5)**
Net finance costs	(6,819)	(5,925)	15.1
	25,366	29,253	(13.3)
Share of profits (net of tax) of:			
Associates	28,510	32,673	(12.7)
Jointly controlled entities	1,664	1,783	(6.7)
Profit before taxation	**55,540**	**63,709**	**(12.8)**
Income tax expense	(5,936)	(7,186)	(17.4)
Profit for the period	**49,604**	**56,523**	**(12.2)**
Attributable to:			
Owners of the Company	49,368	56,315	(12.3)
Non-controlling interests	236	208	13.5
Net profit for the period	**49,604**	**56,523**	**(12.2)**
The following items have been included in arriving at profit for the period:			
Distribution income	24	15	60.0
Other income	670	1,096	(38.9)
Gain on sale of property held for sale	-	7,352	(NM)
Gain on sale of quoted equity investment	-	485	(NM)
Interest income	590	472	25.0
Net changes in fair value of financial assets through profit & loss	(24)	(455)	(94.7)
Depreciation of property, plant & equipment	(208)	(236)	(11.9)

NM : Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION AS AT 31ST MARCH 2018

	The Group		The Company	
ASSETS	**31-03-2018**	**31-12-2017**	**31-03-2018**	**31-12-2017**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Non-current Assets		***(restated)****		
Property, Plant & Equipment	27,324	26,700	510	564
Investment Properties	3,140,903	3,113,754	-	-
Investments in Subsidiaries	-	-	178,789	178,789
Interests in Associates	572,473	535,741	423,925	423,925
Interests in Jointly Controlled Entities	315,153	312,761	265,388	265,388
Other Assets	150	150	-	-
Financial Assets	70,978	3,893	69,841	2,615
Amounts Due From Subsidiaries & Jointly Controlled Entities	256,221	258,006	590,415	584,801
	4,383,202	**4,251,005**	**1,528,868**	**1,456,082**
Current Assets				
Development Properties	49,640	57,881	-	-
Properties Held For Sale	185,448	184,701	-	-
Trade & Other Receivables	25,730	28,436	608	45
Amounts Due From Subsidiaries & Jointly Controlled Entities	17	17	70,043	107,387
Cash & Cash Equivalents	101,673	97,111	671	2,493
	362,508	**368,146**	**71,322**	**109,925**
TOTAL ASSETS	**4,745,710**	**4,619,151**	**1,600,190**	**1,566,007**
EQUITIES & LIABILITIES				
Equity Attributable To Shareholders				
Share Capital	156,048	156,048	156,048	156,048
Treasury Shares	(63,930)	(63,930)	(63,930)	(63,930)
Capital Reserve	2,043	2,043	-	-
Hedging Reserve	(682)	(1,832)	-	-
Foreign Currency Translation Reserve	2,130	(7,964)	-	-
Accumulated Profits	3,093,488	3,044,120	1,249,646	1,250,380
Share Capital and Reserves	**3,189,097**	**3,128,485**	**1,341,764**	**1,342,498**
Non-controlling Interests	13,934	14,200	-	-
Total Equity	**3,203,031**	**3,142,685**	**1,341,764**	**1,342,498**
Non-current Liabilities				
Borrowings	1,251,786	1,181,496	-	-
Other Non-current Liabilities	31,521	31,976	-	-
Deferred Income	200	260	-	-
	1,283,507	**1,213,732**	**-**	**-**
Current Liabilities				
Trade & Other Payables	40,758	47,148	124,985	92,724
Borrowings	176,574	172,965	133,441	130,785
Deferred Income	240	240	-	-
Current Tax Payable	41,600	42,381	-	-
	259,172	**262,734**	**258,426**	**223,509**
Total Liabilities	**1,542,679**	**1,476,466**	**258,426**	**223,509**
TOTAL EQUITY & LIABILITIES	**4,745,710**	**4,619,151**	**1,600,190**	**1,566,007**

*restated – Refer to paragraph 4

1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31-03-2018		As at 31-12-2017	
Secured	Unsecured	Secured	Unsecured
S$176,574,000	-	S$172,965,000	-

Amount repayable after one year

As at 31-03-2018		As at 31-12-2017	
Secured	Unsecured	Secured	Unsecured
S$1,251,786,000	-	S$1,181,496,000	-

Details of any collateral

All secured borrowings of the Group are generally secured by first legal mortgage and assignment of rental and sale proceeds over investment properties of the borrowing entity within the Group.

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS
For The First Quarter Ended 31st March 2018

	Period Ended 31st March	
	2018	**2017**
Cash flows from operating activities	**S$'000**	**S$'000**
Profit for the period	**49,604**	**56,523**
Adjustments for		
Depreciation of property, plant & equipment	208	236
Gain on disposal of assets held for sale	-	(7,352)
Gain on sale of financial assets (quoted equity)	-	(485)
Loss on disposal of property, plant & equipment	1	-
Interest income	(590)	(472)
Distribution income	(24)	(15)
Finance costs	7,409	6,397
Unrealised loss/(gain) on foreign exchange	734	(603)
Net change in fair value of financial assets through profit & loss	24	455
Share of profits of associates	(28,510)	(32,673)
Share of profits of jointly controlled entities	(1,664)	(1,783)
Income tax expense	5,936	7,186
Operating profit before changes in working capital	**33,128**	**27,414**
Changes in working capital		
Development properties	5,227	4,942
Trade & other receivables	2,706	8,239
Trade & other payables	(6,001)	(12,158)
Cash generated from operations	**35,060**	**28,437**
Income tax paid	(6,737)	(3,836)
Net cash inflow from operating activities	**28,323**	**24,601**

	Period Ended 31st March	
	2018	2017
	S$'000	S$'000
Cash flows from investing activities		
Interest received	320	201
Investment in jointly controlled entity	(1,500)	-
Repayment from jointly controlled entities	900	1,050
Proceeds from disposal of property held for sale	-	167,237
Proceeds from sale of quoted equity investment	-	4,259
Purchase of property, plant & equipment	(937)	(1,010)
Purchase of financial assets	(67,226)	(4)
Distribution income of other financial assets	118	48
Net cash (outflow)/inflow from investing activities	**(68,325)**	**171,781**
Cash flows from financing activities		
Proceeds from term loans	60,500	-
Interest paid	(7,409)	(6,397)
Repayment of term loans	(6,173)	(82,089)
Dividend paid to non-controlling interests	(200)	-
Net cash inflow/(outflow) from financing activities	**46,718**	**(88,486)**
Net increase in cash and cash equivalents	**6,716**	**107,896**
Effect of foreign exchange rate changes on consolidation	(2,154)	(893)
Cash and cash equivalents at beginning of period	97,111	54,260
Cash and cash equivalents at end of period	**101,673**	**161,263**

1(d) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The First Quarter Ended 31st March 2018

	1st Quarter Ended 31st March		
	2018	2017	Change
	S$'000	S$'000	%
Profit for the period	**49,604**	**56,523**	**(12.2)**
Other comprehensive income/(expense):			
Share of foreign currency translation difference of associates	8,223	(13,088)	NM
Exchange differences on consolidation of foreign operations	1,569	(5,836)	NM
Net gain/(loss) on hedge of interest rate swap	1,150	(265)	NM
Total comprehensive income/(expense) for the period	**60,546**	**37,334**	**62.2**
Attributable to:			
Owners of the Company	60,612	37,623	61.1
Non-controlling interests	(66)	(289)	(77.2)
	60,546	**37,334**	**62.2**

1(e)(i) STATEMENT OF CHANGES IN EQUITY

GROUP	Share Capital S$'000	Reserve For Own Shares S$'000	Capital & Other Reserves S$'000	Currency Translation Reserves S$'000	Accum. Profits S$'000	Total S$'000	Non-controlling Interests S$'000	Total Equity S$'000
				*(restated)**	*(restated)**			
Balance at 1st Jan 2017	**156,048**	**(63,930)**	**(717)**	**-**	**2,833,880**	**2,925,281**	**13,939**	**2,939,220**
Total comprehensive income/ (expense) for the period			(265)	(18,427)	56,315	37,623	(289)	37,334
Balance at 31st Mar 2017	**156,048**	**(63,930)**	**(982)**	**(18,427)**	**2,890,195**	**2,962,904**	**13,650**	**2,976,554**

GROUP	**Share Capital S$'000**	**Reserve For Own Shares S$'000**	**Capital & Other Reserves S$'000**	**Currency Translation Reserves S$'000**	**Accum. Profits S$'000**	**Total S$'000**	**Non-controlling Interests S$'000**	**Total Equity S$'000**
				(restated)*	***(restated)****			
Balance at 1st Jan 2018	**156,048**	**(63,930)**	**211**	**(7,964)**	**3,044,120**	**3,128,485**	**14,200**	**3,142,685**
Total comprehensive income /(expense) for the period	-	-	1,150	10,094	49,368	60,612	(66)	60,546
Dividends paid	-	-	-	-	-	-	(200)	(200)
Balance at 31st Mar 2018	**156,048**	**(63,930)**	**1,361**	**2,130**	**3,093,488**	**3,189,097**	**13,934**	**3,203,031**

*restated – Refer to paragraph 4

COMPANY	**Share Capital S$'000**	**Reserve For Own Shares S$'000**	**Capital Reserve S$'000**	**Accum. Profits S$'000**	**Total S$'000**
Balance at 1st Jan 2017	**156,048**	**(63,930)**	**-**	**1,244,324**	**1,336,442**
Total comprehensive expense for the period	-	-	-	(2,598)	(2,598)
Balance at 31st Mar 2017	**156,048**	**(63,930)**	**-**	**1,241,726**	**1,333,844**
Balance at 1st Jan 2018	**156,048**	**(63,930)**	**-**	**1,250,380**	**1,342,498**
Total comprehensive expense for the period	-	-	-	(734)	(734)
Balance at 31st Mar 2018	**156,048**	**(63,930)**	**-**	**1,249,646**	**1,341,764**

1(e)(ii) DETAILS OF CHANGES IN THE COMPANY'S ISSUED SHARE CAPITAL

	1st Quarter Ended 31st Mar 2018		**1st Quarter Ended 31st Mar 2017**		**Full Year Ended 31st Dec 2017**	
	No. of Ordinary Shares	**S$'000**	**No. of Ordinary Shares**	**S$'000**	**No. of Ordinary Shares**	**S$'000**
Balance at beginning of period	**703,338,000**	**156,048**	**703,338,000**	**156,048**	**703,338,000**	**156,048**
Balance at end of period	**703,338,000**	**156,048**	**703,338,000**	**156,048**	**703,338,000**	**156,048**

There were 37,617,400 treasury shares held by the Company as at 31st March 2018 and 31st December 2017 and this represents 5.65% of the total number of issued ordinary shares excluding treasury shares as at those dates. There were no sale, transfer, cancellation and/or use of treasury shares for the financial period ended 31st March 2018.

The Company has no subsidiary holdings as at 31st March 2018 and 31st March 2017. There was no sale, transfer, cancellation and/or use of subsidiary holdings for the financial period ended 31st March 2018.

2. AUDIT

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

3. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

Refer to Paragraph 4.

4. CHANGES IN ACCOUNTING POLICIES

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I).

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International).

In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers issued by the IASB in April 2016;
- SFRS(I) 9 Financial Instruments which includes the amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts issued by the IASB in September 2016;
- requirements in SFRS(I) 2 Share-based Payment arising from the amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 Investment Property arising from the amendments to IAS 40 – Transfers of Investment Property issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – Deletion of short-term exemptions for first-time adopters issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

Except for the following standards and interpretations set out in 4(i) to 4(iii), the Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements.

4(i) SFRS(I) 1

When the Group adopts SFRS(I) in 2018, the Group will apply SFRS(I) 1 with 1 January 2017 as the date of transition for the Group and the Company. SFRS(I) 1 generally requires that the Group applies SFRS(I) on a retrospective basis, as if such accounting policy had always been applied. If there are changes to accounting policies arising from new or amended standards effective in 2018, restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSs applied to the FRS financial statements. Except as described below, the Group does not expect the application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 to have any significant impact on the financial statements.

Foreign currency translation reserve (FCTR)

The Group plans to elect the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition, and reclassify the cumulative FCTR of $25,727,000 as at 1 January 2017 determined in accordance with FRS at that date to retained earnings. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

4(ii) SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.
The Group plans to adopt SFRS(I) 15 in its financial statements for the year ending 31 December 2018, using the retrospective approach. As a result, the Group will apply all of the requirements of SFRS(I) 15 retrospectively, except as described below, and the comparative period presented in the 2018 financial statements will be restated.

The Group plans to use the practical expedients for completed contracts. This means that completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated.

The expected impact upon the adoption of SFRS(I) 15 is described below. The information below reflects the Group's expectations of the tax implications arising from the changes in accounting treatment. Tax effects may change when the transition adjustments are finalised.

Contract cost

Currently, the Group recognises selling and marketing costs (including sales commission) as expenses when incurred for its overseas development properties, but would capitalise such costs as part of development properties under SFRS(I) 15 as they are recoverable. Development properties are expected to increase by $1,318,000 as at 31 December 2017, and correspondingly decrease the cost of sales – residential development project by $128,000 for 2017 and increase opening retained earnings by $1,190,000 as at 1 January 2017. Deferred tax liabilities are expected to increase by $395,000 as at 31 December 2017 and correspondingly increase the tax expense for 2017 by $38,000 and decrease opening retained earnings as at 1 January 2017 by $357,000. The impact of this adjustment to the consolidated income statement for the 1st quarter ended 31 March 2017 has been assessed to be immaterial by management and accordingly, no restatement has been made.

4(iii) SFRS(I) 9

SFRS(I) 9 contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 will generally be applied by the Group retrospectively, except as described below.

The Group plans to take advantage of the exemption in SFRS(I) 1 allowing it not to restate comparative information in the 2018 SFRS(I) financial statements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of SFRS(I) 9 are recognised in retained earnings and reserves as at 1 January 2018.

The following assessments have to be made on the basis of facts and circumstances that existed at 1 January 2018.
- The determination of the business model within which a financial asset is held.
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- The designation of an investment in equity instruments that is not held for trading at fair value through other comprehensive income (FVOCI).
- The designation and revocation of previous designations of certain financial assets and financial liabilities measured at fair value through profit or loss (FVTPL).

If an investment in a debt security has low credit risk at 1 January 2018, the Group plans to assume that the credit risk on the asset has not increased significantly since its initial recognition.

New hedge accounting requirements are applied prospectively. All hedging relationships designated under FRS 39 Financial Instruments: Recognition and Measurement at 31 December 2017 that meet the criteria for hedge accounting under SFRS(I) 9 at 1 January 2018 will be regarded as continuing hedging relationships.

SFRS(I) 9 replaces the current 'incurred loss' model with a forward-looking expected credit loss ("ECL") model. The new impairment model will apply to financial assets measured at amortised cost or fair value through other comprehensive income ("FVOCI"), except for investments in equity instruments, and certain loan commitments and financial guarantee contracts.

The expected impact on adoption of SFRS(I) 9 are described below. The information below reflects the Group's expectation of the implications arising from changes in the accounting treatment, however, the actual tax effect may change when the transition adjustments are finalised.

For financial assets currently held at fair value, the Group expects to continue measuring all of these assets amounting to $3,754,000 at fair value under SFRS(I) 9. The Group plans to elect to present in OCI the changes in fair value of its Available-for-sale (AFS) equity securities that are held by the Group because these investments are not held for trading.

Impairment

The Group plans to apply the simplified approach and record lifetime ECL on all trade receivables and cash at bank. The Group expects an increase in impairment charge for trade receivables and cash at bank of $Nil and $45,000 respectively as at 1 January 2018. The Group is currently finalising the testing of its ECL model and the quantum of the final transition adjustments may be different upon finalisation. The impact of this adjustment has been assessed to be immaterial by management and accordingly, no restatement has been made.

4(iv) APPLICABLE TO FINANCIAL STATEMENTS FOR THE YEAR 2019 AND THEREAFTER

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)
- Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)

Applicable to 2021 financial statements

- SFRS(I) 17 Insurance Contracts

Mandatory effective date deferred

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is not expected to have a significant impact on the Group, is as described below. The Group also preliminarily assessed that SFRS(I) 17 is not relevant to the Group as the Group does not issue insurance contracts nor account for financial guarantee contracts as insurance contracts.

SFRS(I) 16

SFRS(I) 16 replaces existing lease accounting guidance. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted if SFRS(I) 15 is also applied. SFRS(I) 16 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group plans to adopt the standard when it becomes effective in 2019 and expects to apply the standard using the modified retrospective approach. The Group also expects the ROU assets recognised at date of initial application to be equal to their lease liabilities.

The Group is likely to elect the practical expedient not to reassess whether a contract contains a lease at the date of initial application, 1 January 2019. Accordingly, existing lease contracts that are still effective on 1 January 2019 continue to be accounted for as lease contracts under SFRS(I) 16.

Until 2018, the approximate financial impact of the standard is unknown due to factors that impact calculation of lease liabilities such as discount rate, expected term of leases including renewal options and exemptions for short-term leases. The Group will continue to assess its portfolio of leases to calculate the impending impact of transition to the new standard.

The Group as lessee

The Group expects its existing operating lease arrangements to be recognised as ROU assets with corresponding lease liabilities under SFRS(I) 16. Under the new standard, remaining lease payments of the operating leases will be recognised at their present value discounted using appropriate discount rate. In addition, the nature of expenses related to those leases will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

The Group as lessor

SFRS(I) 16 substantially carries forward the existing lessor accounting requirements. Accordingly, the Group continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using the existing operating lease and finance lease accounting models, respectively. However, SFRS(I) 16 requires more extensive disclosures to be provided by a lessor.

5. EARNINGS PER ORDINARY SHARE

	Period Ended 31st March	
	2018	**2017**
Weighted average number of shares (excluding treasury shares)	665,720,600	665,720,600
Earnings per ordinary share for the period		
i) Based on weighted average number of ordinary shares (excluding treasury shares)	7.42 cts	8.46 cts
ii) On a fully diluted basis	7.42 cts	8.46 cts

Basic earnings per share and earnings per share on a fully diluted basis for the financial quarter ended 31st March 2018 were computed based on net profit attributable to owners of the Company of S$49,368,000 (2017: S$56,315,000) and weighted average number of ordinary shares of 665,720,600.

There were no dilutive potential ordinary shares for the current and previous periods.

6. NET ASSET VALUE PER ORDINARY SHARE

	Group		**Company**	
	31st Mar 2018	**31st Dec 2017 *(restated)****	**31st Mar 2018**	**31st Dec 2017**
Net asset value per ordinary share	**S$4.79**	**S$4.70**	**S$2.02**	**S$2.02**

The calculation of net asset value per ordinary share of the Group and the Company was based on the net assets of the Group and the Company as at 31st March 2018 and 31st December 2017 excluding non-controlling interests and 665,720,600 shares (excluding treasury shares) as at 31st March 2018 and 31st December 2017.

*restated – Refer to paragraph 4

7. PERFORMANCE REVIEW OF THE GROUP

<u>1st Qtr 2018 vs 1st Qtr 2017</u>

Group revenue for the 1st quarter of 2018 increased 15% to S$48.7 million (1Q2017: S$42.4 million). This was due to increase in rental income and sale of a small site in Gold Coast, Australia for A$5.5 million. The carrying value of the piece of land purchased in late 2012 was A$2.9 million.

Share of profits from associates amounted to S$28.5 million (1Q2017: S$32.7 million), 13% lower than the preceding year. This profit was mainly from the Group's joint venture project in Shanghai.

Profit before tax and non-controlling interests was S$55.5 million (1Q2017: S$63.7 million). The lower pre-tax profit was due to a gain of S$7.4 million arising from the sale of investment property, Rose Court, London last year. After accounting for income tax, profit attributable to owners of the Company amounted to S$49.4 million (1Q2017: S$56.3 million). This translates to an earnings of 7.42 cents per share.

Total shareholders' fund as at end of March 2018 stood at S$3.19 billion (31st Dec 2017: S$3.13 billion), representing a net asset value of S$4.79 per share ((31st Dec 2017: $4.70 per share).

8. VARIANCE BETWEEN ACTUAL RESULTS FOR THE CURRENT PERIOD AND PROSPECT STATEMENT PREVIOUSLY DISCLOSED

Not applicable.

9. COMMENTARY ON THE GROUP PROSPECTS

The Singapore residential market has improved markedly, buoyed by the strong collective sales momentum. The high-end sector has also seen more buying activities. The Group will therefore market its apartments in Sentosa Cove for sale this year to take advantage of this upturn.

The Group has committed an investment of EUR 40 million into a property fund that focuses on key cities in Europe and another EUR 50 million in a Munich commercial development. The property is centrally located adjacent to the main train station. This will be redeveloped into a Grade A office of more than 500,000 square feet.

With the initial commitment of EUR 90 million, the Group has made a strategic decision to invest in Continental Europe to ride on the improving property market in that region. With this investment, the Group has further diversified its property portfolio to position itself for future growth.

10. DIVIDEND

(a) Current financial period reported on

Any dividend recommended for the current financial period reported on? None

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

11. INTERESTED PERSON TRANSACTIONS

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

BY ORDER OF THE BOARD

Desmond Woon
Executive Director
26 April 2018

CONFIRMATION PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

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 Group and the Company for the 1st quarter ended 31st March 2018 to be false or misleading in any material aspect.

CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

ON BEHALF OF THE BOARD

Chua Thian Poh	Desmond Woon
Chairman & CEO	Executive Director

26 April 2018
Singapore