

Unaudited Fourth Quarter Financial Statement and Dividend Announcement for the year ended 31 December 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Consolidated Income Statement

	Group			Group		
	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2014	2013 *	Change	2014	2013 *	Change
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Revenue	26,105	14,977	74	84,443	57,053	48
Cost of sales	(8,963)	(5,781)	55	(28,802)	(24,359)	18
Gross profit	17,142	9,196	86	55,641	32,694	70
Other gains - miscellaneous	306	102	200	864	1,145	(25)
Expenses						
- Distribution	(296)	(418)	(29)	(1,175)	(1,323)	(11)
- Administrative	(4,132)	(3,092)	34	(14,359)	(10,444)	37
- Finance	(2,896)	(1,214)	139	(8,889)	(2,516)	253
Share of profit of associated companies and joint venture	23,940	16,047	49	45,332	37,173	22
	34,064	20,621	65	77,414	56,729	36
Other losses	-	282	N/M	-	(3,138)	N/M
Fair value gain on group's investment properties	40,308	6,695	502	40,308	43,122	(7)
Profit before income tax	74,372	27,598	169	117,722	96,713	22
Income tax expense	(1,444)	(216)	569	(6,502)	(3,555)	83
Profit from continuing operations (Note 1)	72,928	27,382	166	111,220	93,158	19
Discontinued operations						
Loss from discontinued operations (Note 2)	(8)	(441)	(98)	(70)	(1,000)	(93)
Total profit	72,920	26,941	171	111,150	92,158	21
Attributable to:						
Equity holders of the Company	72,970	26,941	171	111,200	92,158	21
Non-controlling interest	(50)	-	N/M	(50)	-	N/M
Equity holders of the Company	72,920	26,941	171	111,150	92,158	21

* Comparative figures are re-presented due to discontinued operations in Note 2

Note 1

Profit from continuing operations

Adjusted for:

- Fair value gains on investment properties, including those of joint venture
- Impairment loss on property, plant and equipment
- Write-off of goodwill in relation to optical business
- Share of profit from joint venture from one-off sale of development

Profit from core business operations

	2014	2013 *	Change	2014	2013 *	Change
Profit from continuing operations	72,928	27,382	166	111,220	93,158	19
Adjusted for:						
- Fair value gains on investment properties, including those of joint venture	(62,808)	(21,354)	194	(62,808)	(77,238)	(19)
- Impairment loss on property, plant and equipment	-	-	N/M	-	3,074	N/M
- Write-off of goodwill in relation to optical business	-	-	N/M	-	64	N/M
- Share of profit from joint venture from one-off sale of development	-	-	N/M	(17,293)	-	N/M
Profit from core business operations	10,120	6,028	68	31,119	19,058	63

Note 2

Loss from discontinued operations arise from the discontinuing of Australian optical business which was sold during 2Q 2014. 12M 2013 loss includes impairment of property, plant and equipment of S\$0.8m from the discontinued operations.

1(a)(ii) **Consolidated Statement of Comprehensive Income**

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2014	2013	Change	2014	2013	Change
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Total profit	72,920	26,941	171	111,150	92,158	21
Currency translation differences	(2,822)	(700)	303	(5,518)	(3,426)	61
Financial assets, available-for-sale						
Fair value (loss)/gain	(42)	390	N/M	(206)	271	N/M
Reclassification from fair value reserve to profit for the year	-	-	N/M	153	-	N/M
	(2,864)	(310)	824	(5,571)	(3,155)	77
Total comprehensive income	70,056	26,631	163	105,579	89,003	19
Attributable to:						
Equity holders of the Company	70,106	26,631	163	105,629	89,003	19
Non-Controlling Interest	(50)	-	N/M	(50)	-	N/M
Equity holders of the Company	70,056	26,631	163	105,579	89,003	19

1(a)(iii) **Notes to Consolidated Income Statement**

The below notes do not include the impact attributed to the discontinued operations:

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2014	2013	Change	2014	2013	Change
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
After (charging) / crediting:						
Interest expense	(2,896)	(1,214)	139	(8,889)	(2,516)	253
Depreciation and amortisation	(1,728)	(1,725)	-	(6,867)	(7,342)	(6)
(Allowance)/write back for doubtful debts (net)	(30)	82	N/M	(115)	(42)	174
Currency exchange gain/(loss) (net)	8	(101)	N/M	(93)	(413)	(77)
Net gain/(loss) on sale of property, plant & equipment	82	(15)	N/M	48	(14)	N/M
Goodwill written off	-	-	N/M	-	(64)	N/M
Impairment of property, plant and equipment	-	282	N/M	-	(3,074)	N/M

The miscellaneous gains (net) comprise the following:

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2014	2013 *	Change	2014	2013 *	Change
	\$ '000	\$ '000	%	\$ '000	\$ '000	%
Other rental income	40	112	(64)	305	1,105	(72)
Interest income	3	44	N/M	246	156	58
Dividend income	28	28	-	111	188	(41)
Currency exchange gain/(loss) (net)	8	(101)	N/M	(93)	(413)	(77)
Others	227	19	1,095	295	109	171
Other miscellaneous gains - net	306	102	200	864	1,145	(25)

N/M : Not meaningful

ACQUISITION OF ADDITIONAL 36% IN SHANGHAI HUADE PHOTOELECTRON SCIENCE & TECHNOLOGY CO. LTD. ("SHD")

On 27 January 2014, Advance Technology Investment Limited ("ATL"), an indirect wholly-owned subsidiary of the Company, has acquired an additional 36% of the equity interest in Shanghai Huade Photoelectron Science & Technology Co. Ltd. ("SHD"), a 49% associated company, from Chinatex (Beijing), an existing shareholder of SHD, for a total consideration of RMB10,000 (equivalent to S\$2,084).

SHD is now an indirect 85% owned subsidiary of the Company. The acquisition was satisfied by cash and funded through internal resources of the Company.

Based on the unaudited management accounts that are subject to finalisation, the details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest and fair value of previously held equity interest recognised and the effects on the cash flows of the Group, at the acquisition date are as follows:

	\$ '000
Identifiable assets acquired and liabilities assumed	
Cash & cash equivalents	372
Other current assets	64
Plant and equipment	29
Investment property	3,962
Total assets	<u>4,427</u>
Trade and other payables	(989)
Borrowings	(3,436)
Total liabilities	<u>(4,425)</u>
Identifiable net assets	2
Add: Non-controlling interest at proportionate share of the identifiable net assets	- *
Consideration paid for additional 36% equity interest	<u><u>2</u></u>
Effect on cash flows of the Group	
	\$ '000
Cash paid	(2)
Less: cash and cash equivalents in subsidiary acquired	372
Cash inflow on acquisition	<u><u>370</u></u>

* Amounts are less than \$1,000

1(b)(i) **Balance Sheets**

	<u>Group</u>		<u>Company</u>	
	31 Dec 14 \$ '000	31 Dec 13 \$ '000	31 Dec 14 \$ '000	31 Dec 13 \$ '000
Current assets				
Cash and cash equivalents	63,144	44,374	21,680	19,480
Trade and other receivables	4,993	11,195	7,944	12,391
Inventories	643	994	-	-
Other current assets	13,666	11,083	264	2,224
	82,446	67,646	29,888	34,095
Non-current assets				
Trade and other receivables	604	-	271,245	264,932
Other non-current assets	265	265	265	265
Financial assets, available-for-sale	2,314	2,521	2,314	2,521
Investments in associated companies	1,371	1,348	1,298	1,298
Investments in joint venture	84,418	52,569	-	-
Investments in subsidiaries	-	-	18,762	10,046
Investment properties	684,437	368,712	-	-
Property, plant & equipment	6,385	6,019	265	119
Deferred income tax assets	60	91	-	-
Intangible assets	11,733	16,673	-	-
	791,587	448,198	294,149	279,181
Total assets	874,033	515,844	324,037	313,276
Current liabilities				
Trade and other payables	(40,545)	(25,850)	(6,329)	(3,343)
Current income tax liabilities	(7,064)	(6,908)	(192)	(133)
Borrowings	(23,379)	(17,357)	-	-
	(70,988)	(50,115)	(6,521)	(3,476)
Non-current liabilities				
Borrowings	(408,081)	(168,833)	(99,125)	(98,661)
Other payables	(276)	(871)	-	-
Deferred income tax liabilities	(3,128)	(3,104)	(26)	(25)
	(411,485)	(172,808)	(99,151)	(98,686)
Total liabilities	(482,473)	(222,923)	(105,672)	(102,162)
Net assets	391,560	292,921	218,365	211,114
Equity				
Share capital	89,836	89,431	201,147	200,742
Other reserves	6,763	12,334	302	509
Retained profits	294,031	191,156	16,916	9,863
	390,630	292,921	218,365	211,114
Non-controlling Interest	930	-	-	-
Total equity	391,560	292,921	218,365	211,114
Total borrowings	431,460	186,190		
Gearing ratio*	52%	39%		

* The gearing ratio is computed as borrowings divided by total capital. Total capital is calculated as borrowings plus net assets of the Group.

1(b)(ii) **Group's borrowings and debt securities**

(a) Amount repayable in one year or less, or on demand

	As at 31 Dec 14 \$'000	As at 31 Dec 13 \$'000
Secured	23,379	17,357
Unsecured	-	-
Sub Total	23,379	17,357

(b) Amount repayable after one year

	As at 31 Dec 14 \$'000	As at 31 Dec 13 \$'000
Secured	304,836	70,172
Unsecured	103,245	98,661
Sub Total	408,081	168,833
Total Debt	431,460	186,190

(c) Details of any collateral

The Group's secured borrowings includes bank borrowings and lease liabilities. The borrowings are secured by fixed charges over the investment properties and certain property, plant and equipment of the subsidiaries.

1 (c) **Consolidated Cash Flow Statement**

The below consolidated cash flow statement includes the impact on the cash flows of the Group attributed to the discontinued operations.

	Fourth Quarter ended 31 December		Twelve months ended 31 December	
	2014	2013	2014	2013
	\$ '000	\$ '000	\$ '000	\$ '000
Cash flows from operating activities				
Total profit	72,920	26,941	111,150	92,158
Adjustment for:				
Income tax expense	1,444	225	6,502	3,537
Depreciation and amortisation	1,730	1,830	6,894	7,973
Allowance/(write back) for impairment of trade and other receivables	30	(7)	204	251
Net (gain)/loss on disposal of property, plant and equipment	(82)	15	(723)	14
Impairment in investment in associated company	-	2	-	2
Interest income	(32)	(86)	(359)	(372)
Dividend income	(28)	(28)	(111)	(188)
Interest expense	2,896	1,226	8,889	2,527
Share of profits of associated companies and joint venture (net)	(23,940)	(16,047)	(45,332)	(37,173)
Goodwill written off	-	-	-	64
Impairment of property, plant and equipment	-	-	-	3,865
Fair value gain on investment properties	(40,308)	(6,695)	(40,308)	(43,122)
Currency translation differences	(1,850)	(24)	(4,747)	(274)
Reclassification from fair value reserve to profit for the year	-	-	153	-
Operating cash flow before working capital changes	12,780	7,352	42,212	29,262
Changes in working capital				
Inventories	26	164	351	598
Trade and other receivables	(3,697)	1,318	3,796	2,617
Other current assets	5,972	262	5,426	(506)
Trade and other payables	(2,833)	3,327	5,260	(261)
Cash generated from operations	12,248	12,423	57,045	31,710
Income tax paid - net	(22)	(605)	(6,450)	(3,903)
Net cash provided by operating activities	12,226	11,818	50,595	27,807
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	3	22	797	77
Proceeds from redemption of financial assets, available-for-sale	-	-	-	2,000
Additions of investment property	(11,079)	(95,953)	(265,766)	(112,253)
Purchase of property, plant and equipment	(748)	(566)	(2,377)	(1,764)
Acquisition of interest in subsidiaries, net of cash acquired	-	-	370	(3,677)
Loan to associate company	(211)	-	(668)	-
Interest received	32	86	359	372
Dividend received	28	28	111	188
Dividend received from joint venture	4,500	-	13,500	-
Short term deposits released as security from bank	-	-	816	-
Short-term bank deposits pledged	(4,020)	4	(4,020)	4
Short term deposits released as escrow settled	-	-	-	3,744
Deposits paid for acquisition of investment property	(9,820)	(2,607)	(9,820)	(9,137)
Deposits refunded for acquisition of investment property	-	-	2,071	-
Net cash used in investing activities	(21,315)	(98,986)	(264,627)	(120,446)
Cash flows from financing activities				
Proceeds from borrowings	23,821	108,273	273,173	123,688
Repayment of borrowings	(21,571)	(4,546)	(32,152)	(13,079)
Interest paid	(2,775)	(1,226)	(8,425)	(2,527)
Acquisition of additional interest in a subsidiary	-	(294)	-	(4,469)
Capital contribution from warrants exercised	-	-	405	-
Dividends paid to shareholders	-	-	(8,325)	(3,018)
Cash provided by non-controlling interest	5,100	-	5,100	-
Net cash provided by financing activities	4,575	102,207	229,776	100,595
Net (decrease)/increase in cash and cash equivalents held	(4,514)	15,039	15,744	7,956
Cash and cash equivalents at beginning of the period	63,781	28,767	43,558	36,460
Effects of exchange rate changes on cash and cash equivalents	(143)	(248)	(178)	(858)
Cash and cash equivalents at end of the year	59,124	43,558	59,124	43,558
* The consolidated cash and cash equivalents comprise the following:				
Cash and bank balances	63,144	44,374	63,144	44,374
Short-term bank deposits charged as security to bank	(4,020)	(816)	(4,020)	(816)
	59,124	43,558	59,124	43,558

1(d)(i) **Statement of Changes in Equity**

As at 31 Dec 2014 vs 31 Dec 2013

← Attributable to equity holders of the Company →

GROUP 2014	Share Capital \$'000	Other Reserves \$'000	Retained Profits \$'000	Total Equity \$'000	Non-controlling Interest \$'000	Total Equity \$'000
Balance as at 1 Jan 2014	89,431	12,334	191,156	292,921	-	292,921
Dividends relating to FY2013 paid	-	-	(4,541)	(4,541)	-	(4,541)
Dividends relating to FY2014 paid	-	-	(3,784)	(3,784)	-	(3,784)
Non-controlling interest share in a subsidiary	-	-	-	-	980	980
Issuance of shares pursuant to warrants exercised	405	-	-	405	-	405
Profit/(loss) for the year	-	-	111,200	111,200	(50)	111,150
Other comprehensive loss for the year	-	(5,571)	-	(5,571)	-	(5,571)
Balance as at 31 Dec 2014	89,836	6,763	294,031	390,630	930	391,560

GROUP 2013	Share Capital \$'000	Other Reserves \$'000	Retained Profits \$'000	Total Equity \$'000	Non-controlling Interest \$'000	Total Equity \$'000
Balance as at 1 Jan 2013 as previously reported	89,431	15,482	1,308	106,221	3,702	109,923
Effects of the change in accounting policy	-	7	101,050	101,057	424	101,481
As restated 1 Jan 2013	89,431	15,489	102,358	207,278	4,126	211,404
Dividends relating to FY2012 paid	-	-	(3,018)	(3,018)	-	(3,018)
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest	-	-	(342)	(342)	(4,126)	(4,468)
Profit for the year	-	-	92,158	92,158	-	92,158
Other comprehensive loss for the year	-	(3,155)	-	(3,155)	-	(3,155)
Balance as at 31 Dec 2013	89,431	12,334	191,156	292,921	-	292,921

COMPANY 2014	Share Capital \$'000	Other Reserves \$'000	Retained Profits \$'000	Total Equity \$'000
Balance as at 1 Jan 2014	200,742	509	9,863	211,114
Dividends relating to FY2013 paid	-	-	(4,541)	(4,541)
Dividends relating to FY2014 paid	-	-	(3,784)	(3,784)
Issuance of shares pursuant to warrants exercised	405	-	-	405
Profit for the year	-	-	15,378	15,378
Other comprehensive loss for the year	-	(207)	-	(207)
Balance as at 31 Dec 2014	201,147	302	16,916	218,365

COMPANY	Share	Other	Retained	Total
2013	Capital	Reserves	Profits	Total
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 Jan 2013	200,742	238	5,100	206,080
Dividends relating to FY2012 paid	-	-	(3,018)	(3,018)
Profit for the year	-	-	7,781	7,781
Other comprehensive income for the year	-	271	-	271
Balance as at 31 Dec 2013	200,742	509	9,863	211,114

- 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.**

	Company	
	No. of shares issued	Share capital \$ '000
Issued and fully paid:		
As at 1 Jan 2014	756,060,841	200,742
Issue of new shares pursuant to the warrants exercised	811,397	405
As at 31 Dec 2014	756,872,238	201,147

The Company does not have any outstanding convertibles and treasury shares as at 31 Dec 2014 and 31 Dec 2013.

- 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.**

	Company	
	31 Dec 14	31 Dec 13
Total number of issued shares excluding treasury shares	756,872,238	756,060,841

- 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. There were no treasury shares during the current financial period reported on.

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

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

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.**

There are no significant changes in the Group's accounting policies and methods of computation nor any significant impact on the financial statements.

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			
	<u>Fourth Quarter ended 31 December</u>		<u>Twelve months ended 31 December</u>	
	2014	2013	2014	2013
(a) Based on weighted average number of ordinary shares on issue	9.64 cents	3.56 cents	14.70 cents	12.19 cents
(b) On a fully diluted basis	9.46 cents	3.54 cents	14.42 cents	12.17 cents

Note:

The earnings per share is calculated based on weighted average number of ordinary shares in issue of 756,589,973 for Q4 2014 and 756,589,973 for 12M 2014 (Q4 2013 & 12M 2013 : 756,060,841) ordinary shares.

The weighted average number of shares used for the calculation of EPS based on fully diluted basis is 771,066,199 for Q4 2014 and 771,120,831 for 12M 2014 (Q4 2013:760,538,650 & 12M 2013: 757,180,293).

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 period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
Net asset value per ordinary share	51.61 cents	38.74 cents	28.85 cents	27.92 cents

Note

The Group and Company net asset per ordinary share is calculated based on existing issued share capital of 756,872,238 (2013: 756,060,841) ordinary shares.

Group Performance Review

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)(i) Fourth quarter review – Q4 FY2014 vs Q4 FY2013

The Group recorded a total revenue of S\$26 million in 4Q 2014, an increase of 74% or S\$11.1 million compared to 4Q 2013. The growth was mainly contributed by the Group's accommodation business which registered a healthy quarter-on-quarter revenue growth of 90% or S\$11.4 million while the Group's optical disc business, on the other hand, experienced a slight decline in revenue of S\$0.3 million due to weaker market demands.

The Group's expansion into student accommodation in Australia and the UK in February and September 2014 respectively accounted for 67% or approximately S\$7.6 million in the revenue growth. The remaining increase of about S\$3.8 million in revenue was mainly contributed by an increase in the occupancy rates of the Group's workers accommodation primarily in Westlite Toh Guan, which had an increase in bed capacities since January 2014 and the dormitories in Malaysia, which occupancy rates had continued to improve.

With the increase in revenue, the Group's gross profit in 4Q 2014 increased by 86% from S\$9.2 million to S\$17.1 million due to the aforementioned revenue growth arising from the expansion of the accommodation business. The Group's gross profit margin also improved from 61% to 66% stemming from higher rental rates from the workers accommodation and the additional rental revenue derived from the expanded bed capacity at Westlite Toh Guan.

Administrative expenses increased by S\$1.0 million as a result of higher salary costs, professional fees and travelling costs associated with the expansion of the accommodation business.

Finance cost increased by S\$1.7 million, mainly arising from additional interest costs incurred in financing the newly acquired student accommodation assets.

Share of the results of associates and jointly controlled entities increased S\$7.9 million in 4Q 2014. Westlite Mandai recorded a fair value gain of S\$22.5 million on its investment property in 4Q 2014 which accounted for an increase of S\$7.8 million over a fair value gain of S\$14.7 million recorded in the corresponding quarter in the previous year. The Group's share of operational profits derived from Westlite Mandai increase only S\$0.1 million from S\$1.3 million in 4Q 2013 to S\$1.4 million in 4Q 2014.

Fair value gain of S\$40 million for the Group's investment properties were recorded in 4Q 2014 based on independent valuations being conducted at the year-end. The corresponding quarter in FY 2013 reported a fair value gain of S\$6.7 million.

Accordingly, the Group's total net profit after tax for the quarter increased 166% from S\$27.4 million in 4Q 2013 to S\$72.9 million in 4Q 2014.

Excluding the fair valuation gains, the net profit after tax derived from the Group's core business operations in 4Q 2014 was S\$10.1 million, a significant 68% increase quarter on quarter or S\$4.1 million increase compared to the S\$6 million recorded in 4Q 2013. The Group's accommodation business contributed close to 92% of the net profit at S\$9.3 million, while the optical disc business contributed S\$0.8 million profit in 4Q 2014.

(a)(ii) 12 months 2014 review – 12M FY2014 vs 12M FY2013

The Group achieved an increase of 48% in revenue from S\$57.1 million in FY2013 to S\$84.4 million in FY2014. The Group's accommodation business experienced a 62% growth or S\$29.1 million increase in revenue compared to last year due to the continued expansion of the Group's accommodation business. The Group's optical disc business, however, experienced a decrease of 18% or S\$1.8 million in revenue, due to continuing weak demand from its customers for physical optical disc media.

Overall, gross profit for the Group in FY2014 improved by S\$22.9 million, a notable increase of 70% compared to FY2013 on the back of higher revenue contribution from the accommodation business.

Administrative expenses rose by S\$3.9 million as a result of higher salary costs and professional fees associated with the expansion of the accommodation business.

Finance costs increased by S\$6.4 million, mainly as a result of interest expense incurred for the medium term notes issued in October 2013, bank facilities fees and interest charges from bank borrowings associated with the acquisition of student accommodation assets.

Share of the results of associates and jointly controlled entities included the recognition of profits from the sales of industrial property development, M Space, which amounted to S\$17.3 million during FY2014. The Group's share of the fair value gain on its joint venture's investment properties was S\$22.5 million compared to S\$34.1 million for FY2013. Excluding the one-off profits from sales of industrial property development during FY2014 and fair valuation gains, the share of results of associates and jointly controlled entities recorded an increase of 81%, from S\$3.1 million in FY2013 to S\$5.5 million in FY2014 due to the expanded bed capacity from 4,750 to 6,300 beds in Westlite Mandai dormitory.

Other losses of S\$3.1 million in FY2013 were mainly related to the one-off impairment charge on the Group's optical disc plant and equipment.

Fair value gain of S\$40 million on Group's investment properties was recorded in FY2014, a decrease of S\$2.8 million compared to a fair value gain of \$43 million recorded in FY2013.

The Group posted a net profit of S\$111.2 million in FY2014 for its continuing operations compared to S\$93.2 million in FY2013, which was a S\$18.1 million or 19% increase compared to last year

For the Group's core business operations which excludes trading profits from the sale of factory units in Mandai and fair value gains, the Group recorded a net profit of S\$31.1 million for FY2014. This was an increase of 63% or S\$12.0 million compared to a net profit of S\$19.1 million in FY2013, after adjusting for net gain from fair valuation and impairment charges.

Of the S\$31.1 million net profits from core business operations, the Group's accommodation business accounted for S\$30.2 million in net profits while its optical disc business contributed S\$0.9 million for the year.

(b)(i) Review of Group Balance Sheet

Assets

Trade and other receivables decreased by S\$6.2 million mainly due to collection of trade debts in the optical disc business particularly from its Australian operations which had ceased operations in April 2014.

Other current assets increased by S\$2.6 million mainly due to the net of a deposit S\$9.8 million paid for a project tender to develop a new dormitory in Singapore ("Westlite Papan") against a tender deposit relating a student accommodation asset acquired in Australia that was being transferred to investment properties.

The increase of S\$31.8 million in investments in joint ventures was primarily due to the Group's share of profits of the joint venture, offset by a S\$13.5 million dividend received from the joint venture.

Investment property increased by S\$315.7 million, largely due to the acquisitions of the student accommodation assets in Australia and the UK as well as the development of Westlite Woodlands. Fair value gain on the group's investment properties also contributed S\$40 million to the increase.

Intangible assets decreased by S\$4.9 million mainly due to the amortisation of a favorable lease which arose from the acquisition of Westlite Tuas.

Liabilities

Trade and other payables increased by S\$14.7 million, largely due to advance rents collected from the newly acquired student accommodation assets in the UK and Australia as well as payables arising for the development of Westlite Woodlands.

Borrowings & Gearing

Borrowings increased S\$245.3 million largely due to bank loans obtained in FY2014 to finance the acquisitions of student accommodation assets and the development of Westlite Woodlands. As a result, the Group's gearing ratio as at 31 December 2014 was 52%, an increase of 13% from the previous year.

The Group's workers and student accommodation assets during the period continued to generate and contribute stable and strong net operating cashflow of S\$50.6 million, a 82% increase from S\$27.8 million in FY 2013. Despite the higher gearing ratio, the 5 times interest cover continues to be adequate and is within the Group's interest cover threshold. The Group's developmental and acquired operating assets are primarily funded through bank debt with a loan maturity profile averaging 12 years. With proper debt and capital management policies in place, the Group continues to generate a net operating cash flow surplus of S\$25.0 million (after deducting interest and loan principle repayments) for FY2014, which is a two fold increase compared to the S\$12.2 million generated for FY2013.

The Group's balance sheet remains healthy and robust with S\$63.1 million cash and cash equivalents. Given the strong and stable operating cashflow, the Group has additional debt headroom for further growth and expansion.

(b)(ii) Review of Company Balance Sheet

Trade and other receivables under current and non current assets mainly relates to loan or advances given to subsidiaries.

Investment in subsidiaries increased by S\$8.7 million this year mainly as a result of the acquisition of student accommodation assets.

(b)(iii) Review of Cash Flow Statement

In FY2014, the Group generated a positive cash flow of S\$50.6 million from operating activities.

During FY2014, cash of S\$264.6 million in investing activities was mainly used for the acquisition and development of the Group's accommodation assets.

Net cash of S\$229.8 million was received from financing activities mainly due to financing obtained for acquisitions and project developments offset by the regular repayment of borrowings and interest paid during the year.

As a result of the above activities, the Group recorded an increase in cash and cash equivalents of S\$15.7 million, maintaining healthy cash and cash equivalent balance of S\$59.1 million as at 31 December 2014.

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 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.**

(i) Accommodation Business

The overall outlook for the Group's Accommodation Business remains positive, supported by stable demand for both its workers and student accommodation across Singapore, Malaysia, Australia and the United Kingdom. The completion of Westlite Woodlands in Singapore, Westlite Tampoi and Westlite Senai II in Malaysia, totaling 14,900 beds will provide the pipeline and earnings growth for the Group in 2015.

(a) Workers Accommodation

Singapore remains a key market for the Group, with 23,500 beds across three operating workers accommodation. Our fourth project, Westlite Woodlands with 4,100 beds, is under construction and is expected to be operational in 3Q 2015. Our fifth and latest project in Singapore, Westlite Papan, is a 7,900-bed workers accommodation with an integrated ASPRI (Association of Process Industry) training centre which caters to workers from the process industry. Westlite Papan is expected to be operational in 2016.

On a portfolio basis, the assets are expected to continue to achieve high occupancy rates in 2015. The Group's assets are well-located throughout Singapore, particularly Westlite Toh Guan and Westlite Mandai which cater to multiple industries and are expected to enjoy close to full occupancy.

Westlite Tuas, which has an occupancy rate of more than 90%, caters primarily to foreign workers in the construction industry. With the Singapore government's tightening of foreign workers quota for the construction industry, coupled with competition from another new dormitory in the same vicinity that is expected to be operational in 1Q 2015, the Group is actively managing this asset to ensure its occupancy rate remains high.

While the Singapore Government has released parcels of land to build approximately 100,000 beds over the past two years, the Group believes the demand for purpose-built workers accommodation will continue to outweigh the supply of beds. This new supply of beds are expected to replace a proportion of 70,000 beds belonging to purpose-built dormitories with short-term leases that are due to expire over the next two to three years, as well as other non-purpose-built workers accommodation.

The Singapore Government advocates purpose-built workers accommodation as the preferred accommodation to house foreign workers, as these are better equipped to meet the welfare, social, physical and psychological well-being needs of the workers.

With purpose-built workers accommodation being the preferred accommodation for foreign workers, coupled with the good quality and the favorable locations of its assets, the Group is cautiously optimistic that its rental and occupancy rates will continue to remain stable.

On 20 January 2015, the Parliament of Singapore passed the Foreign Employee Dormitories Bill 2014, which provided additional regulations and licensing requirement for the operators of larger dormitories with 1,000 and more beds. The new regulations act as barriers of entry for new and inexperienced dormitory operators, which bode well for the Group.

The Group will keep abreast of industry developments as well as government policy changes, so as to make the necessary adjustments to its portfolio mix and rental rates to adapt to changing industry demands.

In Malaysia, the Group is gaining traction with its portfolio of 14,500 beds across five workers accommodation in Johor, where its occupancy rate on a portfolio basis has now reached above 90%. With more companies recognising the Group's proven record and capabilities in providing well-managed accommodation, occupancy rates are expected to continue to improve.

Westlite Tampoi and Westlite Senai II with a total of 10,800 beds under construction are expected to be completed in 1Q 2015 and 4Q 2015 respectively. Two new projects in Penang, Westlite Minyak and Westlite Juru with a total capacity of 17,000 beds, are currently under planning and both projects are expected to be completed in 2016. The Group is optimistic that the occupancy and rental rates of its Malaysian assets will continue to enjoy steady growth.

On 16 January 2015, the Group announced that it is exploring the feasibility of establishing a workers accommodation REIT to unlock value in certain assets as well as to recycle capital to pursue its growth strategies across its growing accommodation business. The Group will announce more details on its REIT plans as and when appropriate.

(b) Student Accommodation

Student accommodation is a segment that the Group sees good growth potential, in light of the strong demand for and stable rental rates of this asset class.

In Australia, RMIT Village is expected to operate at close to full occupancy in the 2015 academic year, and has strengthened its competitive position with the refurbishment of the rooms in January 2015. Studies are ongoing to evaluate other asset enhancement initiatives to further enhance the potential of the property.

In the United Kingdom, the Group's newly acquired portfolio of four student accommodation assets, comprising three assets in Manchester and one asset in Liverpool with over 1,900 beds, are operating close to full occupancy in the current academic year. Given the healthy demand of purpose-built student accommodation in both cities, the assets are expected to perform well and contribute positively to the Group's earnings.

(c) Moving forward

The Group will continue to explore opportunities to further grow its Accommodation Business in both existing and new markets.

(ii) Optical Disc Business

The operating environment for the Group's Optical Disc business remains difficult as the market demand for physical optical storage media is weak. The Group will focus on controlling costs and carrying out necessary restructuring to ensure that the business continues to generate positive cash flow.

11 Dividend

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

Any dividend declared for the current financial period reported on ?

Name of Dividend:	Interim dividend	Final dividend
Dividend Type:	Cash	Cash
Dividend Amount per Share (in cents)	0.5 cent per ordinary share	1.0 cent per ordinary share
Tax Rate:	1-tier tax exempt	1-tier tax exempt

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

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

Name of Dividend:	Final dividend
Dividend Type:	Cash
Dividend Amount per Share (in cents)	0.6 cent per ordinary shares
Tax Rate:	1-tier tax exempt

(c) **Date Payable**

To be advised

(d) **Books Closure Date**

To be advised

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

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Primary reporting format - geographical segments by location of assets

	<u>Optical</u>	<u>Workers</u>	<u>Students</u>	<u>Total for</u>
	<u>\$'000</u>	<u>Accommodation</u>	<u>Accommodation</u>	<u>continuing</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>operations</u>
				<u>\$'000</u>
Year ended 31 December 2014				
Total segment sales	8,538	61,909	14,551	84,998
Inter-segment sales	(555)	-	-	(555)
Sales to external parties	<u>7,983</u>	<u>61,909</u>	<u>14,551</u>	<u>84,443</u>
Segment results	455	32,691	7,468	40,614
Finance expense	(4)	(5,975)	(2,910)	(8,889)
Interest income				246
Dividend income				111
Fair value gain on investment properties	-	43,276	(2,968)	40,308
Share of profit of associated companies / joint venture	48	45,284	-	45,332
Profit before tax				117,722
Income tax expense				(6,503)
Net profit				<u>111,219</u>
Segment assets	18,046	488,592	249,156	755,794
Short-term bank deposits				29,767
Financial assets, available-for-sale				2,314
Tax recoverable				307
Deferred income tax assets				60
Investments in associated companies				1,371
Investments in joint venture				84,418
Consolidated total assets				<u>874,031</u>
Segment liabilities	5,438	27,928	6,682	40,048
Borrowings	409	262,217	168,834	431,460
Current income tax liabilities				7,063
Deferred income tax liabilities				3,128
Consolidated total liabilities				<u>481,699</u>
Capital expenditure	<u>9</u>	<u>39,659</u>	<u>234,973</u>	<u>274,641</u>
Depreciation	<u>432</u>	<u>1,403</u>	<u>92</u>	<u>1,927</u>
Amortisation	<u>-</u>	<u>4,940</u>	<u>-</u>	<u>4,940</u>
Year ended 31 December 2013				
Total segment sales	10,912	47,275	-	58,187
Inter-segment sales	(1,134)	-	-	(1,134)
Sales to external parties	<u>9,778</u>	<u>47,275</u>	<u>-</u>	<u>57,053</u>
Segment results	(1,439)	23,167	-	21,728
Finance expense	10	(2,526)	-	(2,516)
Interest income				156
Dividend income				188
Fair value gain on investment properties	-	43,122	-	43,122
Impairment of property, plant and equipment				(3,074)
Goodwill written off				(64)
Share of loss of associated companies / joint venture				37,173
Profit before tax				96,713
Income tax expense				(3,555)
Net profit				<u>93,158</u>
Segment assets	14,924	404,557	-	419,481
Short-term bank deposits				28,674
Financial assets, available-for-sale				2,521
Deferred income tax assets				91
Investments in associated companies				1,348
Investments in joint venture				52,569
Consolidated total assets				<u>504,684</u>
Segment liabilities	5,643	17,996	-	23,639
Borrowings	-	186,190	-	186,190
Current income tax liabilities				6,908
Deferred income tax liabilities				3,104
Consolidated total liabilities				<u>219,841</u>
Capital expenditure	<u>24</u>	<u>113,986</u>	<u>-</u>	<u>114,010</u>
Depreciation	<u>1,356</u>	<u>1,046</u>	<u>-</u>	<u>2,402</u>
Amortisation	<u>-</u>	<u>4,940</u>	<u>-</u>	<u>4,940</u>

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As explained in note 8.

15 Sales and Profit Breakdown

	2014 \$ '000 Group	2013 * \$ '000 Group (Re-presented)	+ / (-) %
Continuing operation:			
15 (a) Sales reported for first half year	37,439	27,743	35
15 (b) Profit after tax reported for first half year	30,375	60,459	(50)
15 (c) Sales reported for second half year	47,004	29,310	60
15 (d) Profit after tax reported for second half year	80,845	32,699	147

* Comparative figures are re-presented due to discontinued operations.

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

	2014 \$'000	2013 * \$'000
Ordinary shares	11,353	4,541
Preference	-	-
Total	11,353	4,541

17 Interested Person Transactions ("IPTs")

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

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Lee Geok Ing	54	Sister of Lee Kerk Chong, Executive Director of the Company.	Human Resources / Admin Manager. Responsible for personnel issues and admin aspects since 1995.	Nil
Tony Bin Hee Din	56	Brother-in-law of Loh Kim Kang, David, a Substantial Shareholder of the Company.	Appointed as Executive Director on 1 August 2011.	Nil

19 Use of Proceeds - Warrants conversion

The Company had on 28 October 2013 issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of 1 Warrants for every 10 existing ordinary shares in the capital of the Company held by entitled shareholders. Each Warrant shall carry the right to subscribe for 1 new Share (the "New Share") at an exercise price of S\$0.50 per new share. The warrants are for a period of four years and expires on 27 October 2017.

The net proceeds of S\$405,699 in relation to the new shares issued pursuant to warrants exercised, have not been utilised to date.

Kong Chee Min
Chief Executive Officer and Director
26 February 2015