



FRAGRANCE GROUP LIMITED

Company Registration No.: 200006656M

FRAGRANCE GROUP LIMITED

**UNAUDITED RESULTS AND DIVIDEND ANNOUNCEMENT
FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2014**



FRAGRANCE GROUP LIMITED

Company Registration No.: 200006656M

Unaudited Results and Dividend Announcement for the Fourth Quarter and Full Year Ended 31/12/2014

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS – 31 DECEMBER 2014

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.*

GROUP	Statement of comprehensive income					
	Fourth Quarter (Oct to Dec) Three months ended 31 Dec			Full Year (Jan to Dec) Twelve months ended 31 Dec		
	2014	2013 (Restated)	Change	2014	2013 (Restated)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations						
Turnover	128,511	121,475	5.8	519,508	468,412	10.9
Cost of sales	(84,354)	(74,275)	13.6	(353,548)	(284,069)	24.5
Gross profit	44,157	47,200	(6.4)	165,960	184,343	(10.0)
Other operating income	53,980	102,302	(47.2)	55,071	102,092	(46.1)
Other operating expenses	(8,942)	(7,202)	24.2	(32,179)	(27,391)	17.5
Finance costs	(1,641)	(2,757)	(40.5)	(8,361)	(9,837)	(15.0)
Profit before income tax	87,554	139,543	(37.3)	180,491	249,207	(27.6)
Taxation	(6,002)	(1,890)	217.6	(21,773)	(21,070)	3.3
Profit for the period/year from continuing operations	81,552	137,653	(40.8)	158,718	228,137	(30.4)
Discontinued operation						
Profit from discontinued operation	-	5,268	N.M	5,125	19,623	(73.9)
Profit for the period/year	81,552	142,921	(42.9)	163,843	247,760	(33.9)

Attributable to:						
Equity holders of the Company	79,726	133,729	(40.4)	156,427	208,129	(24.8)
Non-controlling interests	1,826	9,192	(80.1)	7,416	39,631	(81.3)

Other comprehensive income						
Revaluation of land and building	16,395	259,549	(93.7)	16,395	259,549	(93.7)
Transfer of depreciation on revaluation of leasehold land & buildings to revaluation reserve	-	857	N.M	1,271	3,427	(62.9)
Exchange difference on translation of foreign operations	(11,354)	-	N.M	(14,396)	-	N.M
Income tax effect	(489)	(8,573)	(94.3)	(489)	(8,573)	(94.3)
Net other comprehensive income	4,552	251,833	(98.2)	2,781	254,403	(98.9)
Total comprehensive income	86,104	394,754	(78.2)	166,624	502,163	(66.8)



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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 - Continued.

GROUP	Statement of comprehensive income					
	Fourth Quarter (Oct to Dec) Three months ended 31 Dec			Full Year (Jan to Dec) Twelve months ended 31 Dec		
	2014	2013 (Restated)	Change	2014	2013 (Restated)	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Attributable to:						
Equity holders of the Company	84,278	265,387	(68.2)	158,601	341,131	(53.5)
Non-controlling interests	1,826	129,367	(98.6)	8,023	161,032	(95.0)

1(a)(ii) Profit before taxation (from continuing operations) is determined after (charging)/crediting:-

	Fourth Quarter (Oct to Dec) Three months ended 31 Dec			Full Year (Jan to Dec) Twelve months ended 31 Dec		
	2014	2013 Restated	Change	2014	2013 Restated	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation and depreciation	(197)	(23)	N.M	(866)	(110)	N.M
Finance costs	(1,641)	(2,758)	(40.50)	(8,361)	(9,838)	(15.0)
<u>Other operating (loss)/income</u>						
Change in fair value of held for trading investments	(281)	(343)	(18.1)	(1,531)	(1,028)	48.9
Gain on disposal of a subsidiary	-	8	N.M	960	27	N.M
Interest income	119	138	(13.8)	1,815	502	261.6
Fair value gain on investment property ^(Note 1)	53,496	102,471	(47.8)	53,496	102,471	(47.8)
Net foreign exchange losses	388	-	N.M	(90)	-	N.M
Others	258	28	821.4	421	120	250.8
Total	53,980	102,302	(47.2)	55,071	102,092	(46.1)

Note 1: This is resulted from the revaluation of certain investment properties held by the Group.

N.M – Not Meaningful



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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.

Statement of financial position	Group		Company	
S\$'000	31-Dec-2014	31-Dec-2013	31-Dec-2014	31-Dec-2013
<u>Non-current assets</u>				
Property, plant and equipment	2,634	1,199,153	-	-
Investment properties	973,409	889,305	-	-
Prepayment	9,689	10,469	-	-
Investment in subsidiaries	-	-	282,325	186,488
Investment in joint operations	-	-	7,766	7,766
Total non-current assets	985,732	2,098,927	290,091	194,254
<u>Current assets</u>				
Cash and cash equivalents	76,543	127,791	4,801	59,451
Trade and other receivables	375,659	325,020	408,097	437,116
Held for trading investments	1,656	3,188	1,656	3,188
Properties under development	757,120	758,398	-	-
Properties held for sale	14,936	42,030	-	-
Total current assets	1,225,914	1,256,427	414,554	499,755
<u>Current liabilities</u>				
Trade and other payables	112,146	121,279	307,505	132,180
Term loans	559,919	210,942	-	-
Income tax payables	30,715	18,460	318	34
Total current liabilities	702,780	350,681	307,823	132,214
Net current assets	523,134	905,746	106,731	367,541
<u>Non-current liabilities</u>				
Trade and other payables	-	-	1,582	3,750
Term loans	445,562	1,354,221	-	-
Deferred taxation	24,977	70,473	-	-
Total non-current liabilities	470,539	1,424,694	1,582	3,750
Net assets	1,038,327	1,579,979	395,240	558,045
<u>Capital and reserves</u>				
Share capital	150,000	150,000	150,000	150,000
Treasury shares	(503)	(565)	(503)	(565)
Performance share reserves	271	201	271	201
Revaluation reserves	15,906	714,565	-	-
Foreign currency translation reserve	(14,396)	-	-	-
Retained earnings	828,463	340,965	245,472	408,409
Equity attributable to the owners of the Company	979,741	1,205,166	395,240	558,045
Non-controlling interests	58,586	374,813	-	-
Total Equity	1,038,327	1,579,979	395,240	558,045

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

	As at 31 December 2014	As at 31 December 2013
	Secured	Secured
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand	559,919	210,942
Amount repayable after one year	445,562	1,354,221

Details of collaterals

The credit facilities for the Group are secured by the following:

- i) the legal mortgage of company's office premises, investment and development properties;
- ii) assignment of sale and rental proceeds, construction contracts, performance bonds and/or insurance policies; and
- iii) corporate guarantees by Fragrance Group Limited.



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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.*

Statement of cash flows	Fourth Quarter Ended 31 Dec		Full Year Ended 31 Dec	
Group (S\$'000)	2014	2013 (Restated)	2014	2013 (Restated)
<u>Operating activities</u>				
Profit before income tax –from continuing operations	87,554	139,543	180,491	249,207
Profit before income tax –from discontinued operation	-	6,041	6,261	23,771
Profit before income tax	87,554	145,584	186,752	272,978
Adjustments for:				
Amortisation and depreciation	-	1,129	1,670	4,534
Amortisation of land lease	195	455	780	455
Amortisation of free rental income	63	-	63	-
Interest income	(119)	(147)	(1,815)	(553)
Interest expense	3,122	6,547	20,600	23,353
Gain on disposal of held for trading investments	-	(8)	(960)	(27)
Change in fair value of held for trading investments	281	343	1,531	1,028
(Gain)/Loss on foreign exchange translation	(388)	-	90	-
Bad debts recovered	-	-	-	(1)
Performance share award	131	115	131	115
Fair value on investment properties	(53,496)	(102,471)	(53,496)	(102,471)
Plant and equipment written off	-	7	1	7
Operating cash flow before movements in working capital	37,343	51,554	155,347	199,418
Trade and other receivables	33,129	(13,754)	2,605	(108,504)
Development properties and properties held for sale	3,674	40,505	19,767	(25,550)
Trade and other payables	11,030	(4,071)	(21,425)	59,195
Net cash from operations	85,176	74,234	156,294	124,559
Interest paid	(5,123)	(8,439)	(24,181)	(31,409)
Income taxes (paid)/refund	(1,048)	661	(11,609)	(11,359)
Net cash from operating activities	79,005	66,456	120,504	81,791
<u>Investing activities</u>				
Purchase of property, plant and equipment	-	(4,655)	(4,983)	(12,169)
Purchase of held for trading investments	(1,150)	(1,467)	(1,150)	(5,376)
Purchase of investment property	3,287	(5,375)	(7,358)	(100,405)
Prepayment of land lease	-	(11,704)	-	(11,704)
Proceeds from disposal of held for trading investments	(4,176)	1,475	-	4,211
Disposal of a subsidiary	4,176	-	(8,240)	-
Interest received	119	147	1,815	553
Net cash from (used in) investing activities	2,256	(21,579)	(19,916)	(124,890)

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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 - Continued.*

Statement of cash flows	Fourth Quarter Ended 31 Dec		Full Year Ended 31 Dec	
Group (S\$'000)	2014	2013 (Restated)	2014	2013 (Restated)
<u>Financing activities</u>				
Proceeds from borrowings	814	13,121	150,803	212,244
Repayment of borrowings	(51,745)	(53,856)	(229,060)	(172,869)
Advance to non-controlling interest	(55,880)	-	(55,880)	-
Dividend paid to non-controlling interest	-	-	(1,305)	(6,074)
Dividend paid	(8,714)	(5,040)	(15,571)	(15,106)
Net cash (used in) from financing activities	(115,525)	(45,775)	(151,013)	18,195
Net decrease in cash and cash equivalents	(34,264)	(898)	(50,425)	(24,904)
Cash and cash equivalents at beginning of period	108,110	128,689	127,791	152,695
Effect of currency translation on cash and cash equivalents	2,697	-	(823)	-
Cash and cash equivalents at end of period	76,543	127,791	76,543	127,791



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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.

Statement of changes in equity	Share Capital	Retained Earnings	Treasury Shares	Performance Share Reserves	Revaluation Reserves	Foreign Currency Translation Reserve	Attributable to Equity Holders	Non-Controlling Interests	Total
Group (\$S'000)									
Balance as at 1 January 2013	150,000	147,942	(616)	137	581,563	-	879,026	218,851	1,097,877
Total comprehensive income for the period	-	17,629	-	-	448	-	18,077	10,724	28,801
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(5,070)	(5,070)
Dividend paid	-	(8,392)	-	-	-	-	(8,392)	-	(8,392)
Balance as at 31 March 2013	150,000	157,179	(616)	137	582,011	-	888,711	224,505	1,113,216
Total comprehensive income for the period	-	33,951	-	-	448	-	34,399	11,494	45,893
Balance as at 30 June 2013	150,000	191,130	(616)	137	582,459	-	923,110	235,999	1,159,109
Total comprehensive income for the period	-	22,820	-	-	448	-	23,268	9,447	32,715
Dividend paid	-	(6,714)	-	-	-	-	(6,714)	-	(6,714)
Balance as at 30 September 2013	150,000	207,236	(616)	137	582,907	-	939,664	245,446	1,185,110
Total comprehensive income for the period	-	133,729	-	-	131,658	-	265,387	129,367	394,754
Award of performance share	-	-	51	64	-	-	115	-	115
Balance as at 31 December 2013	150,000	340,965	(565)	201	714,565	-	1,205,166	374,813	1,579,979


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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. – Continued*

Statement of changes in equity	Share Capital	Retained Earnings	Treasury Shares	Performance Share Reserves	Revaluation Reserves	Foreign Currency Translation Reserve	Attributable to Equity Holders	Non-Controlling Interests	Total
Group (S\$'000)									
Balance as at 1 January 2014	150,000	340,965	(565)	201	714,565	-	1,205,166	374,813	1,579,979
Total comprehensive income for the period	-	24,261	-	-	498	-	24,759	4,073	28,832
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(1,305)	(1,305)
Dividend paid	-	(26,857)	-	-	-	-	(26,857)	-	(26,857)
Balance as at 31 March 2014	150,000	338,369	(565)	201	715,063	-	1,203,068	377,581	1,580,649
Total comprehensive income for the period	-	28,098	-	-	166	(1)	28,263	1,459	29,722
Dividend paid	-	(134,285)	-	-	-	-	(134,285)	-	(134,285)
Effect on disposal of discontinued operation	-	498,927	-	-	(715,229)	-	(216,302)	(322,945)	(539,247)
Balance as at 30 June 2014	150,000	731,109	(565)	201	-	(1)	880,744	56,095	936,839
Total comprehensive income for the period	-	24,342	-	-	-	(3,041)	21,301	665	21,966
Balance as at 30 September 2014	150,000	755,451	(565)	201	-	(3,042)	902,045	56,760	958,805
Total comprehensive income for the period	-	79,726	-	-	15,906	(11,354)	84,278	1,826	86,104
Dividend paid	-	(6,714)	-	-	-	-	(6,714)	-	(6,714)
Award of performance share	-	-	62	70	-	-	132	-	132
Balance as at 31 December 2014	150,000	828,463	(503)	271	15,906	(14,396)	979,741	58,586	1,038,327

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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. – Continued

Statement of changes in equity	Share Capital	Retained Earnings	Treasury Shares	Performance Share Reserves	Total
Company (S\$'000)					
Balance as at 1 January 2013	150,000	415,354	(616)	137	564,875
Total comprehensive income for the period	-	6,548	-	-	6,548
Dividend paid	-	(8,392)	-	-	(8,392)
Balance as at 31 March 2013	150,000	413,510	(616)	137	563,031
Total comprehensive income for the period	-	633	-	-	633
Balance as at 30 June 2013	150,000	414,143	(616)	137	563,664
Total comprehensive income for the period	-	946	-	-	946
Dividend paid	-	(6,714)	-	-	(6,714)
Balance as at 30 September 2013	150,000	408,375	(616)	137	557,896
Total comprehensive income for the period	-	34	-	-	34
Award of performance shares	-	-	51	64	115
Balance as at 31 December 2013	150,000	408,409	(565)	201	558,045
Balance as at 1 January 2014	150,000	408,409	(565)	201	558,045
Total comprehensive income for the period	-	2,040	-	-	2,040
Dividend paid	-	(26,857)	-	-	(26,857)
Balance as at 31 March 2014	150,000	383,592	(565)	201	533,228
Total comprehensive income for the period	-	2,766	-	-	2,766
Dividend paid	-	(134,285)	-	-	(134,285)
Balance as at 30 June 2014	150,000	252,073	(565)	201	401,709
Total comprehensive income for the period	-	(7,521)	-	-	(7,521)
Balance as at 30 September 2014	150,000	244,552	(565)	201	394,188
Total comprehensive income for the period	-	7,634	-	-	7,634
Award of performance shares	-	-	62	70	132
Dividend paid	-	(6,714)	-	-	(6,714)
Balance as at 31 December 2014	150,000	245,472	(503)	271	395,340

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- 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.*

Nil

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

	As at 31 Dec 2014	As at 31 Dec 2013
Total number of Ordinary Shares issued and fully paid	6,720,000,000	6,720,000,000
Treasury Shares	(5,150,000)	(5,775,000)
	6,714,850,000	6,714,225,000

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

	No. of shares
Balance as at 1 January 2014	5,775,000
Add: Purchases during the year	-
Less: Sales, transfers, disposals or cancellation	(625,000)
Balance as at 31 December 2014	5,150,000

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

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the fourth quarter announcement for the current financial period as those of the audited financial statements for the year ended 31 December 2013, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2014. The adoption of these new and revised FRSs has no material effect on the fourth quarter announcement for the current financial period.

5. *If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.*

Please refer to paragraph 4 above.

6. *Earnings per ordinary share (EPS) 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.*

Earnings per share for the financial period based on 6,714,850,000 shares (2013: 6,714,850,000) (excluding treasury shares)	Fourth Quarter Ended 31 Dec		Full Year Ended 31 Dec	
	2014	2013	2014	2013
<u>From continuing and discontinued operations:</u>				
Based on the weighted average number of ordinary shares in issue	1.19 cents	1.99 cents	2.33 cents	3.10 cents
On a fully diluted basis	1.19 cents	1.99 cents	2.33 cents	3.10 cents
<u>From continuing operations:</u>				
Based on the weighted average number of ordinary shares in issue	1. 19 cents	1.70 cents	2.29 cents	2.94 cents
On a fully diluted basis	1. 19 cents	1.70 cents	2.29 cents	2.94 cents

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-2014	31-Dec-2013	31-Dec-2014	31-Dec-2013
Net asset value per ordinary share based on 6,714,850,000 shares (2013: 6,714,850,000) (excluding treasury shares)	14.6 cents	17.9 cents	5.9 cents	8.3 cents

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8. *A review of 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.*

REVIEW OF GROUP PERFORMANCE

GROUP	Fourth Quarter Ended 31 Dec				Full Year Ended 31 Dec		
	2014	2013 (Restated)	Change %		2014	2013 (Restated)	Change %
<u>REVENUE (\$S'000)</u>							
Property development	123,592	114,133	8.3		495,058	441,420	12.2
Property investment	4,919	7,342	(33.0)		24,450	26,992	(9.4)
Total	128,511	121,475	5.8		519,508	468,412	10.9
<u>GROSS PROFIT (\$S'000)</u>							
Property development	39,238	39,858	(1.6)		141,510	157,351	(10.1)
Property investment	4,919	7,342	(33.0)		24,450	26,992	(9.4)
Total	44,157	47,200	(6.4)		165,960	184,343	(10.0)
<u>GROSS PROFIT MARGIN</u>							
Property development	31.7%	34.9%			28.6%	35.6%	
Property investment ¹	N.A	N.A			N.A	N.A	
Consolidated Total	34.4%	38.9%			31.9%	39.4%	
<u>PROFIT BEFORE TAXATION (\$S'000)</u>							
Property development	31,807	33,857	(6.1)		115,536	133,677	(13.6)
Property investment	55,747	105,686	(47.3)		64,955	115,530	(43.8)
Total	87,554	139,543	(37.3)		180,491	249,207	(27.6)

Note 1 - Not Applicable, as gross profit equates revenue.

Full Year – Jan to Dec (Twelve months) 2014 Vs 2013*Revenue*

The Group recorded a turnover of \$519.51 million for FY2014, which represents a 10.9% increase from \$468.41 million recorded in the corresponding period in 2013. Property development division has contributed to this increase.

Property development sector contributed \$495.06 million for FY2014 which is 12.2% higher than the \$441.42 million recorded in FY2013. This was mainly due to the revenue contribution from *Urban Vista*, *Kensington Square* and *Novena Regency*. Our other mixed development projects



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namely, *Le Regal, Suites @ Bukit Timah*, and *Icon @ Pasir Panjang* as well as completed residential project namely *Suites @ East Coast* have also contributed to the revenue during this period.

Property investment sector contributed \$24.45 million for FY2014 which saw a decrease of 9.4% from the \$26.99 million recorded in FY2013. This was mainly due to the commencement of Asset Enhancement Works (“AE Works”) to our Alexandra Road Property and thus resulted in the absence of rental income from this property. This decrease was partly offset by the rental income from the newly completed investment property at Punggol Point.

Gross Profit

Despite the higher revenue, our overall gross profit has decreased by 10.0% to \$165.96 million. Gross profit margin of property development sector has decreased to 28.6% in FY2014 from the 35.6% achieved in FY2013. This was mainly due to the lower selling price of property units contributing to the revenue during this period.

Profit before taxation

Other operating expenses increased from \$27.39 million in FY2013 to \$32.18 million in FY2014 mainly because of the following factors:

1. Increase in commission expenses due to the higher commission expenses recognised in line with the progress of construction;
2. Increase in amortisation costs pertaining to the leasehold land at Punggol Point;
3. Increase in professional fee pertaining to company’s expansion plans and restructuring exercise;
4. Increase in performance bonuses to directors; and partly offset by
5. Decrease in property tax expenses pertaining to investment properties; and
6. Decrease in advertising and promotional expenses, and showflat costs pertaining to our newly launched project.

Finance costs decreased by \$1.48 million in FY2014 mainly due to capitalisation of finance costs relating to NOL Building since the commencement of Asset Enhancement works and partly offset by the recognition of interest costs on terms loan pertaining to the completed investment property.

Profit before taxation, excluding fair value gains, decreased by 13.5% from \$146.74 million in FY2013 to \$127.00 million in FY2014. However, the net profit from core business earnings, attributable to shareholders of the Company, excluding the fair value gains, decreased slightly by 2.6% from \$105.66 million in FY2013 to \$102.93 million in FY2014.

Fourth quarter 2014 Vs Fourth quarter 2013

Revenue

The Group recorded a turnover of \$128.51 million in the fourth quarter of FY2014, a 5.80% increase from \$121.47 million recorded in the corresponding period in FY2013.

Property development sector contributed \$123.59 million in the fourth quarter of FY2014 or 96.2% of the consolidated revenue, which represent 8.3% increase from \$114.13 million

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recorded in the corresponding period of FY2013. The main contributor to the revenue during this period was the progressive recognition of income from development projects namely *Urban Vista*, *Novena Regency* and *Kensington Square*. Other projects that made significant revenue contribution included *Le Regal*, *Suites @ East Coast* and *Icon @ Pasir Panjang*.

Property investment sector contributed \$4.92 million or 3.8% to the total consolidated turnover. This represents a decrease of 33.0% from the \$7.34 million recorded in the corresponding period of FY2013. This was mainly due to the commencement of Asset Enhancement Works to our investment property at Alexandra Road during third quarter 2014 and therefore no rental income was generated during the second half of FY2014. This decrease was partly offset by the rental income from the newly completed investment property at Punggol Point.

Gross Profit

Gross profit margin from property development sector has decreased to 31.7% during fourth quarter of FY2014 compared to the 34.9% achieved during the corresponding period of FY2013. This was mainly due to lower selling prices of property development units that contributed to the revenue during this period.

Profit before taxation

Other operating expenses increased from \$7.20 million in fourth quarter of FY2013 to \$8.94 million in fourth quarter of FY2014 mainly because of the following factors:

1. Increase in commission expenses;
2. Increase in amortisation costs pertaining to the leasehold land at Punggol Point;
3. Increase in performance bonuses to directors; and partly offset by
4. Decrease in property tax expenses pertaining to investment properties;
5. Decrease in advertising and promotional expenses.

Finance costs in the fourth quarter of FY2014 has decreased by 40.5% to \$1.64 million from the \$2.76 million recorded during corresponding period in FY2013. This was due mainly to the capitalisation of finance costs pertaining to the Alexandra Road property since the commencement of Asset Enhancement works partly offset by the increase in finance costs on drawdown of loans pertaining to the newly completed investment property.

Profit before taxation, excluding fair value gains, decreased by 8.1% from \$37.07 million in the fourth quarter of 2013 to \$34.06 million in the fourth quarter of 2014. The net profit from core business earnings, attributable to shareholders of the Company, excluding the fair value gains, decreased by 16.1% from \$31.26 million in fourth quarter of 2013 to \$26.23 million in fourth quarter of 2014.



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Statements of financial position & Statement of cash flows

Following the disposal of GPHL, Non-current assets mainly comprise land and building of our investment properties and office. It currently stood at \$973.41 million as at 31 December 2014.

Current assets comprise mainly of development properties, trade debtors, other receivables and cash. As at 31 December 2014, the Group's current assets totaled to \$1,225.91 million. Development properties include land costs, development costs, interest capitalised and other related costs and this accounted for \$757.12 million or 61.7% of total current assets as at 31 December 2014. This is a slight decrease of about 0.2% compared to the balance as at 31 December 2013 mainly due to the progressive recognition of costs to the income statement partly offset by the additional costs incurred on our development projects.

Trade and other receivables, which mainly comprised the unbilled revenue portion of the recognised sales of our property units stood at \$375.66 million. This is an increase of 15.6% compared to the balance as at 31 December 2013 and this was mainly due to additional revenue recognition partly offset by the collections from the buyers. Unbilled revenue relates to the revenue recognised on our development properties. Revenue from our property development projects are recognised based on the percentage of completion method. However the respective purchasers will only be billed in accordance with the terms of the payment scheme. Consequently, unbilled revenue will arise in circumstances whereby revenue has been recognised based on the percentage of completion but the purchaser has not been billed as billing is not due as per the terms of the payment scheme.

Trade and other payables, which mainly comprised the trade payables and progress billing from development projects amounted to \$112.15 million as at 31 December 2014. The Group's total borrowings decreased by 35.8% to \$1,005.48 million from \$1,565.16 million as at 31 December 2013 mainly due to the elimination of the loans pertaining to the hotel sector as well as repayment of loans pertaining to completed development projects.

During the year ended 31 December 2014, the Group generated a net cash flow of \$120.50 million from operating activities. Cash outflow from financing activities amounted to \$151.01 million which was primarily used towards repayment of borrowings. The Group has also paid a dividend to non-controlling interest of \$1.31 million during the year. Cash and cash equivalents stood at \$76.54 million as at the end of 31 December 2014 compared to \$127.79 million as at the end of 31 December 2013.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the results announcement for the third quarter ended 30 September 2014.

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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.*

As per the fourth quarter of 2014 real estate statistics, released by the Urban Redevelopment Authority, the prices of private residential properties decreased by 1.1% in fourth quarter 2014, following the 0.7% decline in the previous quarter. This was the fifth straight quarter of price decline. For the year 2014 as a whole, prices of private residential properties have decreased by 4.0%, compared with an increase of 1.1% in 2013. This is the first year of overall price decline since 2008. As for the Group's residential projects in Singapore, majority of the units have already been sold. City Gate, the latest project launched for sale, has also received warm response from the market due to its strategic location.

The Group owns a diversified portfolio of properties, as follows:

Singapore:***Development properties***

Project name/ Location	Type	Total No. of units	Sales info¹
Urban Vista (Group has 50% interest)	Condominium	585	99% Sold
Kensington Square (Group has 60% interest)	Flats & Commercial units	198	88% sold
Novena Regency	Flats & Commercial units	100	77% Sold
Icon @ Pasir Panjang	Flats & Commercial units	49	65% Sold
City Gate (Group has 50% interest)	Flats & Commercial units	499	47% Sold

Investment properties:

Location/Tenure	Type	Land Area (Sq ft)	GFA (Sq ft)	Group's Interest
Alexandra road (Freehold)	Commercial – Investment property	108,060	302,568	100%
Hoe Chiang road (Freehold)	Commercial – Investment property	39,337	253,455	100%
Punggol Point (15 years leasehold)	Commercial – Investment property	11,607	32,290	100%
Sims Drive (60-years leasehold)	Industrial Property	67,945	169,861	100%

The ongoing Asset Enhancement works at our Alexandra Road Property are expected to be completed this year and marketing efforts are currently ongoing to lease out the commercial space in the building. Properties at Punggol Point and Hoe Chiang Road are currently deriving rental income to the Group while the construction works for the property at Sims Drive has been completed and is pending the issuance of the Temporary Occupation Permit.

¹ Sales info represents the % of sold units over total units and is updated with Option to Purchase granted up to 10 February 2015.

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Australia:

The Group has completed the purchase of the following properties in Australia.

Location	Type	Tenure	Land Area (Sq ft)	Land Cost (AUD)
171 Macquarie Street Hobart, Tasmania	Commercial Development	Freehold	5,651	\$1,450,000
173-177 Macquarie Street Hobart, Tasmania	Commercial Development	Freehold	21,528	\$4,120,000
555 Collins Street Melbourne, Victoria	Mixed-use Skyscraper Development	Freehold	24,757	\$78,000,000
134-160 Spencer Street Melbourne, Victoria	Mixed-use Skyscraper Development	Freehold	19,375	\$44,500,000
374-396 Murray Street, Perth, Western Australia	Mixed-use Development	Freehold	53,023	\$40,000,000
39-47 Milligan Street and 453-471 Murray Street, Perth, Australia	Mixed-use Development	Freehold	38,320	\$30,000,000

These properties, subject to the Group obtaining all necessary regulatory approvals and depending upon the level of sales and progress of construction, will contribute significantly to the Group's revenue and profits in the future years.

As announced earlier, the Group is proposing a spin-off of its property business in Australia to be listed on the Catalist board of Singapore Exchange Securities Trading Limited (the "Proposed Restructuring"). If materialised, the Proposed Restructuring will streamline its business activities and add positively to the net tangible assets of the Group. However, the Board wish to remind shareholders that there is no assurance or certainty that the Proposed Restructuring will materialise. Subject to applicable regulatory requirements, the Company will keep shareholders updated on material developments as and when appropriate.

As announced earlier, AF Global Pte Ltd (in which the Group has 50% interest), has made a voluntary cash offer for LCD Global Investments Ltd and the offer has recently turned unconditional. The Group will make further announcements on material developments as and when necessary.

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11. Dividend**(a) Current Financial Period Reported on**Any dividend declared for the current financial period reporting on: **YES****FINAL DIVIDEND PROPOSED**

Name of Dividend	Proposed Final (ordinary)
Dividend Type	Cash
Dividend Amount per share	S\$0.001
No of shares in issue	6,714,850,000
Total Dividend Amount	S\$6,714,850/-
Tax-exempt (one-tier tax) dividend	Yes
Date of payment	28 April 2015

The final dividend proposed above, if approved by the shareholders of the Company at the forthcoming Annual General Meeting, will be paid on 28 April 2015. These financial statements do not reflect this proposed final dividend, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

INTEIM DIVIDENDS PAID

Name of Dividend	Interim (special)	Interim (ordinary)
Dividend Type	<i>Dividend-in-Specie</i>	<i>Cash</i>
Dividend Amount per share	S\$0.020 per share	S\$0.001 per share
No of shares in issue	6,714,225,000	6,714,225,000
Total Dividend Amount	S\$134,284,500/-	S\$6,714,225/-
Tax-exempt (one-tier tax) dividend	Yes	Yes
Date of payment	20 May 2014	28 October 2014

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

Name of Dividend	Interim (ordinary)	Final (ordinary)
Dividend Type	Cash	Cash
Dividend Amount per share	S\$0.001 per share	S\$0.004 per share
No of shares in issue	6,713,700,000	6,714,225,000
Total Dividend Amount	S\$6,713,700/-	S\$26,856,900/-
Tax-exempt (one-tier tax) dividend	Yes	Yes
Date of payment	18 September 2013	28 August 2014

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(c) *Date payable* : 28 April 2015

(d) *Books closure date* :

Notice is hereby given that the Register of Members of Transfer Books of the Company will be closed at the close of market day on 20 April 2015 for the purpose of determining shareholders' entitlements to dividends.

Registrable transfers received by the Company's Registrar, Tricor Singapore Pte Ltd at 80 Robinson Road #02-00 Singapore 068898, up to 5:00 p.m. on 20 April 2015 will be registered before entitlements to the dividend are determined.

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 IPT, 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 Group has not obtained a general mandate from Shareholders for Interested Person Transactions ("IPT").

14. *Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).*

Not applicable.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. *Segmented revenue and results for operating 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.*

(a) Business Segments

GROUP	CONTINUING OPERATIONS		DISCONTINUED OPERATION	TOTAL
	PROPERTY DEVELOPMENT	PROPERTY INVESTMENT	HOTEL OPERATION	
	S\$'000	S\$'000	S\$'000	S\$'000
FY2014				
REVENUE	495,058	24,450	18,366	537,874
RESULT				
Segment result	141,510	24,450	16,181	182,141
Other operating income, net	1,357	53,714	521	55,592
Other operating expenses	(26,995)	(5,184)	(7,759)	(39,938)
Profit from operations	115,872	72,980	8,943	197,795
Finance costs	(336)	(8,025)	(2,682)	(11,043)
Profit before income tax	115,536	64,955	6,261	186,752
Income tax				(22,909)
Profit after income tax				163,843
FY2013				
REVENUE	441,420	26,992	60,624	529,036
RESULT				
Segment result	157,350	26,992	52,800	237,142
Other operating income, net	(480)	102,573	652	102,745
Other operating expenses	(22,751)	(4,640)	(21,738)	(49,129)
Profit from operations	134,119	124,925	31,714	290,758
Finance costs	(443)	(9,395)	(7,942)	(17,780)
Profit before income tax	133,676	115,530	23,772	272,978
Income tax				(25,218)
Profit after income tax				247,760

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(b) Geographical information

SUMMARY BY COUNTRY GROUP	REVENUES S\$'000	%	NON-CURRENT ASSETS S\$'000	%
<u>FY2014</u>				
Singapore	518,936	99.9	985,732	100
Australia	572	0.1	-	-
Total	519,508	100	985,732	100
<u>FY2013</u>				
Singapore	468,412	100	2,098,927	100
Australia	-	-	-	-
Total	468,412	100	2,098,927	100

16. *In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.*

Not applicable

17. *A breakdown of sales*

GROUP	FY 2014 S\$'000	FY 2013 S\$'000	% Increase/ (Decrease)
(a) Sales reported for first half year	257,698	233,458	10.4
(b) Operating profit after tax reported for first half year	57,284	72,981	(21.5)
(c) Sales reported for the second half year	261,810	234,954	11.4
(d) Operating profit after tax reported for second half year	106,559	174,779	(39.0)

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

	FY 2014	FY 2013
Ordinary	(S\$'000)	(S\$'000)
Interim Dividend	6,714	6,714
Special Dividend	134,285	-
Proposed Final Dividend	6,715	26,857
Total	147,714	33,571

19. *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.*

There is no 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.

BY ORDER OF THE BOARD

PERIAKARUPPAN ARAVINDAN

Executive Director

10 February 2015