Third Quarter Financial Statement and Dividend Announcement for the Period Ended 30 September 2017

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			Group		
	Note	3Q 2017 $'000	3Q 2016 $'000	+/(-) %	9M 2017 $'000	9M 2016 $'000	+/(-) %
Revenue							
- Property developments		145,812	67,907	114.7	377,726	264,115	43.0
- Construction		50,444	74,112	(31.9)	192,689	205,704	(6.3)
- Hospitality		10,414	7,057	47.6	24,895	20,400	22.0
- Property investments & others		2,510	2,718	(7.7)	8,275	7,727	7.1
		209,180	151,794	37.8	603,585	497,946	21.2
Cost of sales		(174,089)	(124,835)	39.5	(503,205)	(397,201)	26.7
Gross profit		35,091	26,959	30.2	100,380	100,745	(0.4)
Other items of income							
Interest income		1,181	996	18.6	3,378	3,147	7.3
Other income	1	13,764	4,586	200.1	20,874	4,474	366.6
Other items of expense							
Marketing and distribution expenses		(1,306)	(961)	35.9	(12,804)	(3,894)	228.8
Administrative expenses	2	(17,240)	(12,667)	36.1	(48,581)	(44,483)	9.2
Finance costs		(7,035)	(5,414)	29.9	(19,481)	(13,811)	41.1
Share of results of associates		(22)	(646)	(96.6)	192	(653)	(129.4)
Profit before tax		24,433	12,853	90.1	43,958	45,525	(3.4)
Income tax expense	3	(5,729)	(3,758)	52.4	(9,885)	(16,733)	(40.9)
Profit after tax		18,704	9,095	105.7	34,073	28,792	18.3
Profit attributable to:							
Owners of the Company		14,046	5,714	145.8	20,975	20,804	0.8
Non-controlling interests		4,658	3,381	37.8	13,098	7,988	64.0
		18,704	9,095	105.7	34,073	28,792	18.3

1(a)(ii) Items, which if significant, must be included in the income statement

	Group			Group		
	3Q 2017 $'000	3Q 2016 $'000	+/(-) %	9M 2017 $'000	9M 2016 $'000	+/(-) %
Other income						
Gain on disposal of investment property	13,384	-	NM	13,384	-	NM
Gain on disposal of investment securities	-	-		4,921	-	NM
Rental income from development properties	239	250	(4.4)	685	789	(13.2)
Write back of impairment loss on trade receivables	17	-	NM	507	-	NM
Sales of materials	172	122	41.0	413	360	14.7
Government grants	104	69	50.7	294	885	(66.8)
GST refunded	1	-	NM	163	-	NM
Deposits forfeited from buyers	19	43	(55.8)	162	43	276.7
Gain on disposal of property, plant and equipment	-	120	NM	107	497	(78.5)
Net foreign exchange gain	-	3,462	NM	208	1,171	(82.2)
Dividend income from investment securities	-	503	NM	-	503	NM
Others	(172)	17	NM	30	226	(86.7)
	13,764	4,586	200.1	20,874	4,474	366.6
The following items have been included in arriving at profit before tax:						
Employee benefits expenses	15,448	14,805	4.3	46,650	45,681	2.1
Provision for foreseeable loss on construction and development property	5,046	-	NM	11,804	4,963	137.8
Depreciation of property, plant and equipment	2,531	1,742	45.3	6,364	5,241	21.4
Legal and professional fees	1,113	1,320	(15.7)	3,087	5,664	(45.5)
Maintenance of properties	904	838	7.9	2,858	2,125	34.5
Net foreign exchange loss	148	-	NM	-	-	

Note:-
NM - Not meaningful.

1(a)(ii) Items, which if significant, must be included in the income statement (Cont'd)

Notes to Group Income Statement

1 Other income came in higher in 3Q2017 due to a gain from disposal from the sale of the office building at 420 St Kilda Road in Melbourne.

2 Higher administrative expenses in 3Q2017 were due to pre-operating expenses for Grand Park Kodhipparu Maldives, depreciation charges and higher staff costs.

3 Effective tax rate was lower in 3Q2017 as deferred tax assets were not recognised in 3Q2016.

1(a)(iii) Statement of Comprehensive Income

		Group			Group		
	Note	3Q 2017 $'000	3Q 2016 $'000	+/(-) %	9M 2017 $'000	9M 2016 $'000	+/(-) %
Profit after tax		18,704	9,095	105.7	34,073	28,792	18.3
Other comprehensive income:							
Items that will not be reclassified to profit or loss							
Share of gain on property revaluation of associates		-	-		167	227	(26.4)
		-	-		167	227	(26.4)
Items that may be reclassified subsequently to profit or loss							
Net gain/(loss) on fair value changes of available-for-sale financial assets		-	2,883	NM	(135)	3,347	(104.0)
Realisation of reserves on disposal of available-for-sale financial assets	1	-	-		(5,020)	-	NM
Foreign currency translation gain	2	722	5,436	(86.7)	3,335	1,744	91.2
		722	8,319	(91.3)	(1,820)	5,091	(135.7)
Other comprehensive gain/(loss) for the quarter, net of tax		722	8,319	(91.3)	(1,653)	5,318	(131.1)
Total comprehensive income for the quarter		19,426	17,414	11.6	32,420	34,110	(5.0)
Total comprehensive income attributable to:							
Owners of the Company		14,768	14,033	5.2	19,322	26,122	(26.0)
Non-controlling interests		4,658	3,381	37.8	13,098	7,988	64.0
		19,426	17,414	11.6	32,420	34,110	(5.0)

Notes to Statement of Comprehensive Income

1 Relates to reclassification of reserve to income statement upon disposal of an available-for-sale financial asset.

2 Foreign currency translation arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. Lower translation gain for 3Q2017 was due mainly to slight strengthening of the Australian Dollar against the Singapore Dollar.

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

	Note	The Group 30 Sep 2017 $'000	The Group 31 Dec 2016 $'000	Note	The Company 30 Sep 2017 $'000	The Company 31 Dec 2016 $'000
Non-current assets						
Property, plant and equipment	1	308,992	219,604		1,748	1,684
Investment properties		233,487	288,693		-	-
Intangible assets		1,970	2,202		427	528
Investment in subsidiaries		-	-		48,302	48,302
Investment in associates		6,718	6,359		650	650
Deferred tax assets		5,236	2,995		-	-
Other receivables		4,360	88	9	318,895	231,928
Investment securities		-	8,010		-	8,010
		560,763	527,951		370,022	291,102
Current assets						
Gross amount due from customers for contract work-in-progress	2	7,887	9,677		-	-
Development properties	3	952,322	1,127,718		-	-
Inventories and prepayments		4,506	4,070		1,964	1,831
Trade and other receivables	4	293,773	81,241		332	5,311
Cash and short-term deposits	5	508,312	481,582	10	147,839	122,273
		1,766,800	1,704,288		150,135	129,415
Total assets		**2,327,563**	**2,232,239**		**520,157**	**420,517**
Deduct: Current liabilities						
Loans and borrowings	6	158,735	234,182		150,000	150,000
Gross amount due to customers for contract work-in-progress	2	31,225	11,100		-	-
Trade and other payables	7	63,207	86,394		246	124
Other liabilities		45,267	42,190		9,500	5,944
Income tax payable	8	9,958	28,358		174	586
		308,392	402,224		159,920	156,654
Net current assets/(liabilities)		**1,458,408**	**1,302,064**		**(9,785)**	**(27,239)**
Deduct: Non-current liabilities						
Loans and borrowings	6	1,025,844	936,736	11	245,000	120,000
Trade and other payables	7	191,644	106,692		-	-
Deferred tax liabilities		15,701	9,974		21	21
		1,233,189	1,053,402		245,021	120,021
		785,982	776,613		115,216	143,842
Equity attributable to owners of the Company						
Share capital		79,691	79,691		79,691	79,691
Treasury shares		(33,653)	(33,653)		(33,653)	(33,653)
Retained earnings		729,830	733,696		66,529	91,790
Other reserves		(13,723)	(13,860)		2,649	6,014
		762,145	765,874		115,216	143,842
Non-controlling interests		23,837	10,739		-	-
Total equity		785,982	776,613		115,216	143,842

Notes to Statement of Financial Position

Note

The Group

1 The increase in property, plant and equipment was mainly due to acquisition of an island resort in Maldives (Grand Park Kodhipparu).

2 The net increase in gross amount due to customers for contract work-in-progress was due to progress billings in excess of construction work-in-progress.

3 The decrease in development properties was mainly due to progress billings received from buyers, partially offset by development costs incurred for the on-going projects.

4 The increase in trade and other receivables was mainly due to deposit paid for the land at Woodleigh Lane.

5 The increase in cash and short term deposits was due to issuance of $125 million notes and proceeds from divestment of the office building at 420 St Kilda Road, Melbourne partially offset by cash used for land acquisition, Maldivian island resort and repayment of bank loans.

6 The increase in combined current and non-current loans and borrowings was due to financing obtained for Grand Park Kodhipparu and issuance of $125 million notes, substantially offset by repayment of bank loans.

7 The increase in combined current and non-current trade and other payables was due to advances from non-controlling interest for working capital.

8 The decrease in income tax payable was due to payment of tax on sales of Victoria Street site in Melbourne. The decrease was partially offset by the provision of tax on sales of office building at 420 St Kilda Road in Melbourne.

The Company

9 The increase in other receivables was due to working capital loans extended to a subsidiary.

10 The increase in cash and short term deposits was due to issuance of $125 million notes partially offset by working capital loans extended to a subsidiary.

11 The increase in loans and borrowings was due to issuance of $125 million notes.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	As at 30 Sep 2017 $'000	As at 31 Dec 2016 $'000
Amount repayable in one year or less, or on demand		
- Secured	8,735	84,182
- Unsecured	150,000	150,000
Amount repayable after one year		
- Secured	780,844	816,736
- Unsecured	245,000	120,000

Details of any collateral

The Group's total borrowings of $1.2 billion are loans taken to finance property development projects, investment properties and hotels, and for working capital.

The Group's borrowings of $789.6 million are mainly secured by :
(a) legal mortgage on the development properties, investment properties and hotels;
(b) subordination of shareholder's loan to the property development companies;
(c) assignment of sale proceeds of the development properties;
(d) assignment of all rights, title, interest and benefits under contracts in respect of the development properties;
(e) assignment of construction contracts, performance bonds and fire insurance policy on the development properties;
(f) assignment of tenancy and sale agreements of the investment properties;
(g) fixed and floating charge on the hotels; and
(h) corporate guarantee from the Company.

The Group's unsecured borrowings of $395.0 million comprise the following notes issued under its S$750 million Multicurrency Debt Issuance Programme :

(a) $150 million 3-year fixed rate notes issued on 17 October 2014. The notes bear interest at the rate of 4.25 per cent. per annum payable semi-annually in arrear and was fully redeemed on 17 October 2017.

(b) $120 million 5-year fixed rate notes issued on 14 June 2016. The notes bear interest at the rate of 4.75 per cent. per annum payable semi-annually in arrear and will due in June 2021.

(c) $125 million 5-year fixed rate notes issued on 19 May 2017. The notes bear interest at the rate of 4.90 per cent. per annum payable semi-annually in arrear and will due in May 2022.

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

	Group		Group	
	3Q 2017 $'000	**3Q 2016 $'000**	**9M 2017 $'000**	**9M 2016 $'000**
Cash flows from operating activities				
Operating profit before taxation	**24,433**	**12,853**	**43,958**	**45,525**
Adjustments for:				
Depreciation and amortisation	2,587	1,754	6,533	5,261
Interest income	(1,181)	(996)	(3,378)	(3,147)
Dividend income from investment securities	-	(503)	-	(503)
Interest expense	7,035	5,414	19,481	13,811
Gain on disposal of property, plant and equipment	-	(120)	(107)	(497)
Gain on disposal of investment property	(13,384)	-	(13,384)	-
Unrealised exchange gain	(600)	(2,399)	(327)	(1,425)
Share of results of associates	22	646	(192)	653
Gain on disposal of a quoted investment securities	-	-	(4,921)	-
Gain on disposal of intangible assets	-	-	(96)	-
Property, plant and equipment written off	27	10	34	10
Write back of impairment loss on trade receivables	(17)	(144)	(507)	(184)
Provision for foreseeable loss on construction and development properties	5,046	-	11,804	4,963
Share-based compensation	597	654	1,790	796
Operating profit before changes in working capital	24,565	17,169	60,688	65,263
Development properties	38,231	(15,162)	187,658	(450,875)
Assets held for sale	-	145	-	38,760
Trade and other receivables	(219,643)	40,262	(213,508)	154,213
Inventories and prepayments	(166)	(545)	(447)	(582)
Gross amount due to customers for contract work-in-progress, net	(4,667)	1,603	12,418	(11,439)
Trade and other payables	70,461	(13,953)	62,124	(35,609)
Other liabilities	1,272	186	(2,631)	(944)
Cash (used in)/generated from operations	**(89,947)**	**29,705**	**106,302**	**(241,213)**
Interest paid	(8,314)	(2,323)	(24,251)	(10,949)
Interest received	1,181	996	3,378	3,147
Income tax paid	(15,766)	(9,303)	(24,633)	(26,027)
Net cash (used in)/generated from operating activities	**(112,846)**	**19,075**	**60,796**	**(275,042)**
Cash flows from investing activities:				
Purchase of property, plant and equipment	(629)	(695)	(97,549)	(1,455)
Proceeds from disposal of property, plant and equipment	-	129	153	730
Proceeds from disposal of investment property	70,778	-	70,778	-
Net cash inflow on acquisition of subsidiaries	-	3,648	-	3,648
Proceeds from disposal of a quoted investment securities	-	-	7,776	-
Proceeds from disposal of intangible assets	-	-	179	-
Dividend income	-	-	-	1,070
Repayment from advances to associates, net	(4,360)	-	(3,568)	2,260
Proceeds from liquidation of an associate	-	-	-	3,582
Additions of intangible assets	-	(2,108)	(20)	(2,208)
Additions of investment properties	(297)	(193)	(987)	(417)
Net cash generated from/(used in) investing activities	**65,492**	**781**	**(23,238)**	**7,210**

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 (Cont'd)

	Group		Group	
	3Q 2017	3Q 2016	9M 2017	9M 2016
	$'000	$'000	$'000	$'000
Cash flows from financing activities:				
Repayment of loans and borrowings	(42,234)	(45,014)	(296,106)	(129,729)
Proceeds from loans and borrowings	-	16,172	185,069	322,235
Proceeds from issuance of term notes	-	-	125,000	120,000
Dividends paid	-	-	(24,841)	(24,841)
Net cash (used in)/generated from financing activities	**(42,234)**	**(28,842)**	**(10,878)**	**287,665**
Net increase in cash and cash equivalents	(89,588)	(8,986)	26,680	19,833
Effect of exchange rate changes on cash and cash equivalents	(20)	712	50	(313)
Cash and cash equivalents at beginning of the period	597,920	470,250	481,582	442,456
Cash and cash equivalents at end of the period	**508,312**	**461,976**	**508,312**	**461,976**
Cash and cash equivalents comprise:				
Short term deposits	330,616	296,171	330,616	296,171
Cash and bank balances	177,696	165,805	177,696	165,805
	508,312	**461,976**	**508,312**	**461,976**

Net cash (used in)/generated from operating activities

Net cash used in operating activities in 3Q2017 as compared to net cash generated from operating activities in 3Q2016 was mainly due to deposit for the recent acquisition of land parcel at Woodleigh Lane.

Net cash generated from operating activities in 9M2017 as compared to net cash used in operating activities in 9M2016 was due to cash inflow from payments received from sales of development properties and working capital loans from non-controlling interest partially offset by deposit for the land acquisition at Woodleigh Lane.

Net cash generated from/(used in) investing activities

Higher net cash generated from investing activities in 3Q2017 as compared to 3Q2016 was mainly due to proceeds from disposal of 420 St Kilda Road, Melbourne.

Net cash used in investing activities in 9M2017 as compared to 9M2016 was due to capital expenditure and acquisition of Grand Park Kodhipparu, partially offset by proceeds from disposal of 420 St Kilda Road, Melbourne.

Net cash (used in)/generated from financing activities

Higher net cash used in financing activities in 3Q2017 as compared to 3Q2016 was due to absence of financing obtained.

Net cash used in financing activities in 9M2017 as compared to net cash generated from financing activities in 9M2016 was due to more repayment of loans and lesser financing obtained.

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

	Attributable to owners of the Company											
Group	Issued capital $'000	Treasury shares $'000	Treasury shares reserve $'000	Share-based compensation reserve $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2017	79,691	(33,653)	(533)	1,392	674	5,155	2,709	(23,257)	733,696	765,874	10,739	776,613
Total comprehensive income for the period	-	-	-	-	-	(5,155)	167	2,613	6,929	4,554	8,440	12,994
Dividends paid	-	-	-	-	-	-	-	-	(24,841)	(24,841)	-	(24,841)
Share-based compensation expenses	-	-	-	1,193	-	-	-	-	-	1,193	-	1,193
At 30 June 2017	79,691	(33,653)	(533)	2,585	674	-	2,876	(20,644)	715,784	746,780	19,179	765,959
Total comprehensive income for the quarter	-	-	-	-	-	-	-	722	14,046	14,768	4,658	19,426
Share-based compensation expenses	-	-	-	597	-	-	-	-	-	597	-	597
At 30 September 2017	79,691	(33,653)	(533)	3,182	674	-	2,876	(19,922)	729,830	762,145	23,837	785,982

	Attributable to owners of the Company											
Group	Issued capital $'000	Treasury shares $'000	Treasury shares reserve $'000	Share-based compensation reserve $'000	Capital reserve $'000	Fair value adjustment reserve $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Retained earnings $'000	Total equity $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2016	79,691	(33,653)	(533)	-	674	1,511	2,482	(24,709)	722,851	748,314	(5,347)	742,967
Total comprehensive income for the period	-	-	-	-	-	464	227	(3,692)	15,090	12,089	4,607	16,696
Dividends paid	-	-	-	-	-	-	-	-	(24,841)	(24,841)	-	(24,841)
Share-based compensation expenses	-	-	-	142	-	-	-	-	-	142	-	142
At 30 June 2016	79,691	(33,653)	(533)	142	674	1,975	2,709	(28,401)	713,100	735,704	(740)	734,964
Total comprehensive income for the quarter	-	-	-	-	-	2,883	-	5,436	5,714	14,033	3,381	17,414
Share-based compensation expenses	-	-	-	654	-	-	-	-	-	654	-	654
At 30 September 2016	79,691	(33,653)	(533)	796	674	4,858	2,709	(22,965)	718,814	750,391	2,641	753,032

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

Company	Issued capital $'000	Treasury shares $'000	Treasury shares reserve $'000	Share-based compensation reserve $'000	Fair value adjustment reserve $'000	Retained earnings $'000	Total equity $'000
At 1 January 2017	79,691	(33,653)	(533)	1,392	5,155	91,790	143,842
Total comprehensive income for the period	-	-	-	-	(5,155)	(921)	(6,076)
Dividends paid	-	-	-	-	-	(24,841)	(24,841)
Share-based compensation expenses	-	-	-	1,193	-	-	1,193
At 30 June 2017	79,691	(33,653)	(533)	2,585	-	66,028	114,118
Total comprehensive income for the quarter	-	-	-	-	-	501	501
Share-based compensation expenses	-	-	-	597	-	-	597
At 30 September 2017	79,691	(33,653)	(533)	3,182	-	66,529	115,216

Company	Issued capital $'000	Treasury shares $'000	Treasury shares reserve $'000	Share-based compensation reserve $'000	Fair value adjustment reserve $'000	Retained earnings $'000	Total equity $'000
At 1 January 2016	79,691	(33,653)	(533)	-	1,511	110,246	157,262
Total comprehensive income for the period	-	-	-	-	464	392	856
Dividends paid	-	-	-	-	-	(24,841)	(24,841)
Share-based compensation expenses	-	-	-	142	-	-	142
At 30 June 2016	79,691	(33,653)	(533)	142	1,975	85,797	133,419
Total comprehensive income for the quarter	-	-	-	-	2,883	(1,567)	1,316
Share-based compensation expenses	-	-	-	654	-	-	654
At 30 September 2016	79,691	(33,653)	(533)	796	4,858	84,230	135,389

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 the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

As at 30 September 2017, the Company held 46,501,100 (30 September 2016 : 46,501,100) ordinary shares as treasury shares. The total number of issued shares excluding treasury shares as at 30 September 2017 was 621,014,061 (30 September 2016 : 621,014,061).

As at 30 September 2017, the number of outstanding share options under the Company's Employee Share Option Scheme was 40,000,000 (30 September 2016 : 40,000,000).

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

The total number of issued shares excluding treasury shares of 46,501,100 (31 December 2016 : 46,501,100) shares as at 30 September 2017 was 621,014,061 (31 December 2016 : 621,014,061) shares.

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 as no treasury shares had been sold, transferred, disposed, cancelled or used in any other manner.

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 matters)

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the year ended 31 December 2016, as well as all the applicable Financial Reporting Standards ("FRS") which became effective for the financial year beginning on or after 1 January 2017.

The adoption of those new and revised FRSs has no material effect on the current financial statements for the current 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 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		Group	
	3Q 2017	3Q 2016	9M 2017	9M 2016
Earnings per ordinary share for the period :-				
(i) Based on weighted average number of ordinary shares in issue (in cents)	2.26	0.92	3.38	3.35
(ii) On a fully diluted basis (in cents)	2.23	0.91	3.33	3.32

Notes:

(i) The computation of basic earnings per share was based on the weighted average of 621,014,061 ordinary shares (30 September 2016 : 621,014,061 ordinary shares).

(ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 629,372,611 ordinary shares (30 September 2016 : 626,306,060 ordinary shares).

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

	Group		Company	
	30 Sep 2017	31 Dec 2016	30 Sep 2017	31 Dec 2016
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	122.73	123.33	18.55	23.16

The computation of net asset value per ordinary share was based on 621,014,061 ordinary shares (excluding treasury shares of 46,501,100) (31 December 2016 : 621,014,061 ordinary shares excluding treasury shares of 46,501,100).

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of 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. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Quarterly results : 3Q2017 vs 3Q2016

Overall

Group revenue increased by 37.8% from $151.8 million to $209.2 million, mainly driven by robust contributions from the Property Developments division. In line with a stronger topline, gross profit rose 30.2% to $35.1 million, while profit before tax came in higher by 90.1% primarily due to a one-off disposal gain from the divestment of 420 St Kilda Road in Melbourne, Australia, in September.

Property Developments

Revenue increased by 114.7% from $67.9 million in 3Q2016 to $145.8 million in 3Q2017 due to revenue derived from the progressive recognition of High Park Residences. A pick-up in sales at Fulcrum along Fort Road and the commencement of revenue recognition from Grandeur Park Residences also helped contribute to the stronger topline. Additionally, the progressive handover of townhouses of Williamsons Estate in Doncaster, Melbourne, also boded positively.

Construction

Revenue decreased by 31.9% from $74.1 million in 3Q2016 to $50.4 million in 3Q2017. This was due largely to lower revenue recognised from Tampines N6C1A/1B. In addition, absence of revenue recognised from construction projects, Bukit Batok N1C13 & N2C23 and Sembawang N1C10 also contributed to the decrease, as they were completed in 1H2017. However, the decline was partially offset by contributions from the two new Bidadari projects. Separately, the Group made a further provision of $4.5 million for foreseeable losses pertaining to a construction project. The Group does not envisage any further significant provision for such losses pertaining to its existing construction projects.

Hospitality

Revenue from the Hospitality Division grew by 47.6% from $7.1 million to $10.4 million, due to revenue contribution from the Group's latest hospitality offering, Grand Park Kodhipparu, Maldives, which commenced business in June 2017 and improved occupancy from Park Hotel Alexandra.

Property Investments & Others

Revenue from the division fell by 7.7% from $2.7 million to $2.5 million over 3Q2016 to 3Q2017. This was mainly attributed to the divestment of the Group's office building at 420 St Kilda Road in Melbourne, Australia, during the quarter.

Nine-months results : 9M2017 vs 9M2016

Overall

The Group posted a 21.2% increase in revenue to $603.6 million. This was chiefly due to improved performance from the Property Developments Division. However, gross profit fell by 0.4% to $100.4 million due to softer construction and property development margins. Profit before tax declined 3.4% to $44.0 million due to higher marketing and distribution expenses, administrative expenses and finance cost, but was partially offset by a divestment gain arising from the sale of the office building at 420 St Kilda Road, Melbourne.

Tax-wise, the Group recorded a lower effective tax rate during the nine months ended 30 September 2017, due to the absence of divestment gains from the Victoria Street site in Melbourne, Australia. As a result, the Group's net profit after tax rose by 18.3% to $34.1 million from $28.8 million the year before.

Property Developments

Contributions rose 43.0% from $264.1 million to $377.7 million over 9M2016 to 9M2017. This was mainly attributed to High Park Residences and Grandeur Park Residences which saw greater progressive recognition of revenue, along with new unit sales at the Fulcrum. Likewise, the progressive handover of townhouses of Williamsons Estate in Doncaster, Melbourne, also boded positively for the topline.

Construction

Revenue decreased by 6.3% to $192.7 million from $205.7 million due to reduction of revenue from Bukit Batok N1C13 & N2C23 and Sembawang N1C10 as they were completed in 1H2017, and lower sales of precast components. The decrease was partially offset by higher revenue contribution from Woodlands N1C26 & N1C27, Tampines N6C1A/1B and Bidadari C6 & C7.

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of 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. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)**

Hospitality

Contributions from the Hospitality division climbed 22.0% to $24.9 million from $20.4 million year-on-year, boosted by higher occupancy rates at Park Hotel Alexandra and contributions from the Group's latest hospitality asset, Grand Park Kodhipparu, Maldives, which opened its doors to business in June 2017.

Property Investments & Others

Revenue from the Property Investment Division grew by 7.1% from $7.7 million to $8.3 million, due to stronger occupancy take-up at CES Centre along Chin Swee Road.

Group Statement of Financial Position Review

The Group's net current assets increased by $0.16 billion to $1.46 billion over the nine months ended 30 September 2017, as total borrowings exceeded overall loan repayments. The increase in borrowings mainly related to financing facilities obtained in relation to Grand Park Kodhipparu, Maldives and the $125 million note issuance, with non-current liabilities up from $1.05 billion to $1.23 billion due to both the notes issuance and working capital loans from non-controlling interest.

Total equity increased from $776.6 million to $786.0 million, after taking into account dividend payments of $24.8 million and a net profit of $34.1 million recorded in 9M2017. On the other hand, net debt decreased by $13.0 million from $689.3 million to $676.3 million as total cash collection outweighed investments and capital expenditures. As a result, the Group's net-debt-to-equity ratio decreased to 0.86 as at 30 September 2017, as compared to 0.89 as at 31 December 2016.

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

No prospects statements for 3Q2017 were previously provided.

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**

Property Developments

Singapore

En bloc sales continue to dominate Singapore's news headlines as older properties continue to be snapped up by developers and investors alike. Year-to-date, collective sales have quadrupled year-on-year to hit a record of $5.2 billion[1].

The pick-up in sentiment across the property landscape boded positively for Grandeur Park Residences and Fulcrum, which enjoyed stronger buyer interest during the period, bringing the total percentage of units sold to 82.1% and 99.2% respectively.

The Group has also taken over the 99-year residential site at Woodleigh Lane. Located just next to Woodleigh MRT, the site will be adjacent to the upcoming Bidadari New Town and can accommodate more than 800 dwelling units. Preparation works are currently underway with the site expected to be ready for launch in 2H2018.

In September, the Group won the collective sale tender for Changi Garden. Situated at the junction of Upper Changi Road North and Jalan Mariam, the freehold residential property will be re-developed into approximately 320-unit low-rise condominium with full facilities and some retail shops. The property is currently pipelined for launch in 1H2019. Meanwhile, the Group will continue to look for opportunities to further replenish its land bank in Singapore.

Australia

The phased handover of the Williamsons Estate townhouses to owners continues as scheduled, and is expected to be completed in 1Q2018. On the other hand, Willow Apartment which is 68.8% sold-to-date will commence its handover process in 1Q2018.

As for the South Melbourne project, the launch date for this project has been re-scheduled to 2Q2018.

Construction

Total construction order book declined from $508.4 million to $458.3 million over 2Q2017 to 3Q2017, in the absence of new contracts during the quarter. To replenish its construction order book, the Group will continue to participate in new public housing tenders, as well as non-housing public projects.

Hospitality

Park Hotel Alexandra saw improved occupancy rates in 3Q2017 on the back of higher tourist arrivals into Singapore. Likewise, the Group's Maldivian resort, Grand Park Kodhipparu, saw its occupancy rise steadily as it continues to ramp up its operations following its soft opening in June this year.

On 1 November 2017, the Group completed its acquisition of The Sebel Mandurah, an 84-room hotel in Mandurah, Western Australia.

The Group will continue to look for opportunities to expand its hotel property portfolio.

Property Investments

Rental contributions from investment properties in Singapore will remain stable.

In Australia, the Group recently divested its office building at 420 St Kilda Road in Melbourne in 3Q2017, but continues to explore new acquisition opportunities to grow its portfolio downunder.

In August, the Group announced a joint acquisition of a Grade A office building at 205 Queen Street, Auckland, New Zealand. Comprising two commercial towers and a retail podium, the property is well located within Auckland's central business district and is close to prominent city landmarks. The acquisition of the property is expected to be completed before the close of 2017.

[1] Business Times: http://www.businesstimes.com.sg/real-estate/brokers-take-jp-morgan-says-singapore-en-bloc-frenzy-is-sustainable

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the quarter ended 30 September 2017.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

14 Confirmation

We, Chia Lee Meng Raymond and Hoon Tai Meng, being two Directors of CHIP ENG SENG CORPORATION LTD (the "Company"), do hereby confirm on behalf of the Directors of the Company that, 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 Company and of the Group for the third quarter ended 30 September 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Chia Lee Meng Raymond Executive Chairman	Hoon Tai Meng Executive Director

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Chia Lee Meng Raymond
Executive Chairman and Group Chief Executive Officer
3 November 2017