



Unaudited First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 March 2017

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

1 (a) Consolidated Statement of Comprehensive Income

	Group		
	Three Months		
	31/3/2017	31/3/2016	Change
	\$'000	\$'000	%
Revenue	20,023	20,444	(2)
Other income	241	411	(41)
Changes in inventories of finished goods	(51)	(55)	(7)
Cost of properties sold/consumables used	(1,160)	(1,576)	(26)
Staff costs	(6,649)	(5,851)	14
Depreciation	(1,484)	(1,368)	8
Finance costs	(1,664)	(2,002)	(17)
Other expenses	(7,106)	(8,523)	(17)
Share of results of a jointly-controlled entity, net of tax	18	27,737	(100)
Profit before tax	2,168	29,217	(93)
Income tax expense	(700)	(753)	(7)
Profit for the period	1,468	28,464	(95)
Other comprehensive (loss)/income, after tax :			
Currency translation differences on translation of financial statements of foreign subsidiaries	(2,605)	(3,664)	(29)
Fair value gain/(loss) on available-for-sale financial assets, net	139	(4)	NM
Other comprehensive loss for the period, net of tax	(2,466)	(3,668)	(33)
Total comprehensive (loss)/income for the period	(998)	24,796	(104)
Profit attributable to :			
Equity holders of the Company	1,468	28,481	(95)
Non-controlling interests	-*	(17)	NM
	1,468	28,464	(95)
Total comprehensive (loss)/income attributable to :			
Equity holders of the Company	(998)	24,813	(104)
Non-controlling interests	-*	(17)	NM
	(998)	24,796	(104)

Notes to Consolidated Statement of Comprehensive Income :

Profit before tax is arrived at after (charging)/crediting:

Amortisation of other assets	(28)	(28)	-
Allowance of doubtful non-trade receivables, net	193	125	54
Gain on disposal of available-for-sale financial assets	16	-	NM
Property, plant and equipment written off	(25)	(2)	NM
Gain on disposal of property, plant and equipment	22	-	NM
Income from available-for-sale financial assets	3	5	(40)
Interest income	4	72	(94)
Net foreign exchange loss	(1,301)	(2,052)	(37)

NM : Not meaningful

* Amount less than \$1,000

	Group		
	Three Months		
	31/3/2017	31/3/2016	Change
	\$'000	\$'000	%
	(28)	(28)	-
	193	125	54
	16	-	NM
	(25)	(2)	NM
	22	-	NM
	3	5	(40)
	4	72	(94)
	(1,301)	(2,052)	(37)

1 (b) (i) Statements of Financial Position

	Notes	Group		Company	
		31/3/2017	31/12/2016	31/3/2017	31/12/2016
		\$'000	\$'000	\$'000	\$'000
Current assets					
Cash and bank balances	A	11,694	16,024	22	20
Trade and other receivables		8,871	8,919	53,015	53,190
Inventories		378	429	-	-
Development properties		77,942	77,393	-	-
Other current assets		1,097	1,048	11	5
		99,982	103,813	53,048	53,215
Non-current assets					
Available-for-sale financial assets		1,176	1,063	135	126
Intangible assets		441	441	-	-
Investment in a jointly-controlled entity		29,890	29,872	-	-
Investment in subsidiaries		-	-	41,987	41,987
Investment properties		351,136	349,588	-	-
Property, plant and equipment		229,456	226,184	-	-
Land use rights		6,452	6,692	-	-
Goodwill		789	789	-	-
Other assets		6,436	6,464	-	-
Deferred income tax assets		213	233	-	-
Other non-current assets		116	131	-	-
		626,105	621,457	42,122	42,113
Total assets		726,087	725,270	95,170	95,328
Current liabilities					
Trade and other payables	B	22,214	26,054	382	365
Tax payable		3,857	3,275	-	-
Borrowings		69,468	60,953	-	-
		95,539	90,282	382	365
Non-current liabilities					
Trade and other payables		5,196	5,343	-	-
Borrowings		247,196	250,449	-	-
Deferred income tax liabilities		5,584	5,543	-	-
		257,976	261,335	-	-
Total liabilities		353,515	351,617	382	365
Net assets		372,572	373,653	94,788	94,963
Capital and reserves attributable to equity holders of the Company					
Share capital		125,646	125,646	125,646	125,646
Treasury shares		(996)	(913)	(996)	(913)
Reserves		248,333	249,331	(29,862)	(29,770)
		372,983	374,064	94,788	94,963
Non-controlling interests		(411)	(411)	-	-
Total equity		372,572	373,653	94,788	94,963

Notes to Statements of Financial Position:

A Decrease was mainly due to payment for ongoing projects.

B Decrease was mainly due to payments of construction costs during the financial period.

(b) (ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

31/3/2017	
\$'000	
Secured	Unsecured
69,468	Nil

31/12/2016	
\$'000	
Secured	Unsecured
60,953	Nil

Amount repayable after one year

31/3/2017	
\$'000	
Secured	Unsecured
247,196	Nil

31/12/2016	
\$'000	
Secured	Unsecured
250,449	Nil

Details of any collateral

The borrowings are secured by the followings:

- (a)** first legal mortgages on certain subsidiaries' property, plant and equipment and investment and development property;
- (b)** an assignment in escrow of interest in a subsidiary's lease and rental proceeds from its investment properties; a fixed and floating charge over its assets;
- (c)** an assignment of certain subsidiaries' interest in sale and purchase agreements, tenancy agreements, insurance policies, building contracts, performance bonds and all monies standing to the credit in a subsidiary's project account in respect of development properties; and
- (d)** corporate guarantee given by the Company and debenture over certain subsidiaries' hotels.

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1 (c) Consolidated Statement of Cash Flows

	Notes	Group	
		31/3/2017	31/3/2016
		\$'000	\$'000
Cash flows from operating activities			
Profit before tax		2,168	29,217
Adjustments for:			
Amortisation of other assets		28	28
Depreciation of property, plant and equipment		1,484	1,368
Property, plant and equipment written off		25	2
Gain on disposal of property, plant and equipment		(22)	-
Income from available-for-sale financial assets		(3)	(5)
Gain on disposal of available-for-sale financial assets		(16)	-
Interest income		(4)	(72)
Interest expense		1,664	2,002
Share of results of a jointly-controlled entity, net of tax		(18)	(27,737)
Operating cash flow before working capital changes		5,306	4,803
Changes in operating assets and liabilities :			
Inventories		51	55
Receivables		(22)	6,571
Payables		(3,987)	(1,151)
Development properties		(549)	(1,911)
Exchange difference		1,132	1,502
Cash generated from operations		1,931	9,869
Income tax paid, net		(57)	-
Net cash generated from operating activities		1,874	9,869
Cash flows from investing activities			
Proceeds from sale of available-for-sale financial assets		42	-
Purchase of intangible assets		-	(32)
Payments for property, plant and equipment		(6,848)	(10,396)
Proceeds from disposal of property, plant and equipment		22	-
Additional costs incurred on investment properties		(2,849)	-
Repayment from a third party		36	36
Income received from quoted equity investments		3	5
Interest received		4	72
Net cash used in investing activities		(9,590)	(10,315)
Cash flows from financing activities			
Interest paid		(1,664)	(2,002)
Purchase of treasury shares		(83)	-
Repayment of finance lease liabilities		(31)	(37)
Proceeds from bank borrowings	A	9,480	41,500
Repayment of bank borrowings	A	(4,322)	(35,469)
Net cash generated from financing activities		3,380	3,992
Net increase in cash and cash equivalents held		(4,336)	3,546
Cash and cash equivalents at beginning of financial period		16,024	13,455
Effect of exchange rate changes on cash and cash equivalents		6	77
Cash and cash equivalents at the end of financial period		11,694	17,078

Note to Consolidated Statement of Cash Flows :

Cash and cash equivalents at the end of the financial period comprise the following:

	Group	
	31/3/2017	31/3/2016
	\$'000	\$'000
Cash at bank and on hand	10,067	15,196
Fixed deposits	1,627	1,882
	11,694	17,078

Notes to Statement of Cash Flows:

A Net decrease was mainly due to lower draw down of loans partially offset against repayment of certain facilities.

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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 - Group

	Equity attributable to equity holders of the Company									
	Share Capital \$'000	Treasury Shares \$'000	Retained Earnings & Other Reserves* \$'000	Asset Revaluation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Fair Value Reserve \$'000	Total Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	Total Equity \$'000
Balance at 1 January 2017	125,646	(913)	236,355	9,773	3,089	114	249,331	374,064	(411)	373,653
Profit for the period	-	-	1,468	-	-	-	1,468	1,468	-	1,468
Other comprehensive (loss)/income										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	-	(2,605)	-	(2,605)	(2,605)	-	(2,605)
Fair value gain on available-for-sale financial assets, net	-	-	-	-	-	139	139	139	-	139
Other comprehensive (loss)/income for the period, net of tax	-	-	-	-	(2,605)	139	(2,466)	(2,466)	-	(2,466)
Total comprehensive income/(loss) for the period	-	-	1,468	-	(2,605)	139	(998)	(998)	-	(998)
Purchase of treasury shares	-	(83)	-	-	-	-	-	(83)	-	(83)
Balance at 31 March 2017	125,646	(996)	237,823	9,773	484	253	248,333	372,983	(411)	372,572

* Includes other reserves of \$112,000 as at 31 March 2017.

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Statement of Changes in Equity - Group

	Equity attributable to equity holders of the Company									Total Equity \$'000
	Share Capital \$'000	Treasury Shares \$'000	Retained Earnings & Other Reserves* \$'000	Asset Revaluation Reserve \$'000	Foreign Currency Translation Reserve \$'000	Fair Value Reserve \$'000	Total Reserves \$'000	Total \$'000	Non- controlling Interests \$'000	
Balance at 1 January 2016	125,646	(913)	205,031	9,773	6,736	93	221,633	346,366	(131)	346,235
Profit for the period	-	-	28,481	-	-	-	28,481	28,481	(17)	28,464
Other comprehensive loss										
Currency translation differences on translation of financial statements of foreign subsidiaries	-	-	-	-	(3,664)	-	(3,664)	(3,664)	-	(3,664)
Fair value loss on available-for-sale financial assets, net	-	-	-	-	-	(4)	(4)	(4)	-	(4)
Other comprehensive loss for the period, net of tax	-	-	-	-	(3,664)	(4)	(3,668)	(3,668)	-	(3,668)
Total comprehensive income/(loss) for the period	-	-	28,481	-	(3,664)	(4)	24,813	24,813	(17)	24,796
Balance at 31 March 2016	125,646	(913)	233,512	9,773	3,072	89	246,446	371,179	(148)	371,031

* Includes other reserves of \$112,000 as at 31 March 2016.

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Statement of Changes in Equity - Company

	Share <u>Capital</u> \$'000	Treasury <u>Shares</u> \$'000	Accumulated <u>Losses</u> \$'000	Fair Value <u>Reserve</u> \$'000	Other <u>Reserve</u> \$'000	Total <u>Reserves</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2017	125,646	(913)	(30,702)	6	926	(29,770)	94,963
Profit for the period	-	-	(101)	-	-	(101)	(101)
Other comprehensive income							
Fair value gain on available-for-sale financial assets, net	-	-	-	9	-	9	9
Total comprehensive (loss)/income for the period	-	-	(101)	9	-	(92)	(92)
Purchase of treasury shares	-	(83)	-	-	-	-	(83)
Balance at 31 March 2017	125,646	(996)	(30,803)	15	926	(29,862)	94,788

	Share <u>Capital</u> \$'000	Treasury <u>Shares</u> \$'000	Accumulated <u>Losses</u> \$'000	Fair Value <u>Reserve</u> \$'000	Other <u>Reserve</u> \$'000	Total <u>Reserves</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2016	125,646	(913)	(42,060)	(1)	926	(41,135)	83,598
Loss for the period	-	-	(72)	-	-	(72)	(72)
Other comprehensive income							
Fair value gain on available-for-sale financial assets, net	-	-	-	9	-	9	9
Total comprehensive (loss)/income for the period	-	-	(72)	9	-	(63)	(63)
Balance at 31 March 2016	125,646	(913)	(42,132)	8	926	(41,198)	83,535

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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.

There were no changes in the share capital since the end of the previous period reported on.

	Number of shares	Amount
	'000	\$'000
Balance at 1 January and 31 March 2017	576,936	125,646

As at 31 March 2017, the number of ordinary shares in issue was 576,936,000 of which 1,967,800 were held by the Company as treasury shares (31 March 2016: 576,936,000 ordinary shares of which 1,800,400 were held as treasury shares).

There was no conversion of shares during the financial period.

- 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.

	31/3/2017	31/12/2016
Total issued ordinary shares (including treasury shares)	576,936,000	576,936,000
Less: Treasury shares	(1,967,800)	(1,800,400)
Total issued ordinary shares (excluding treasury shares)	574,968,200	575,135,600

- 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.

During the period January to March 2017, the Company purchased 167,400 treasury shares (January to March 2016: Nil).

	Number of shares	Treasury shares (\$)
Balance at 1 January 2017	1,800,400	913,000
Purchase of treasury shares	167,400	83,000
Balance at 31 March 2017	1,967,800	996,000

- 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 a matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computations 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 preparation of the financial statements for the current period as compared with the audited financial statements for the year ended 31 December 2016 except for the adoption of certain Financial Reporting Standard ("FRS") and Interpretation ("INT FRS") that are mandatory for the financial year beginning on or after 1 January 2017.

- 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.

The adoption of FRS and INT FRS as highlighted in item 4 has no 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.

- (i) Based on the weighted average number of ordinary shares on issue
(ii) On a fully diluted basis

Group	
31/3/2017	31/12/2016
Cents	Cents
0.26	4.95
0.26	4.95

- 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

Net asset value per ordinary share based on issued share capital at the end of the year

Group	
31/3/2017	31/12/2016
Cents	Cents
64.87	65.04

Company	
31/3/2017	31/12/2016
Cents	Cents
16.49	16.51

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

First Quarter 2017 ("1Q 2017") vs First Quarter 2016 ("1Q 2016")

Group revenue for 1Q 2017 decreased by 2% to \$20 million, from \$20.4 million in 1Q 2016. This was mainly due to decrease in rental income in the Property Investment and Development segment and lower revenue from Specialty Restaurants and Food Services segment.

The decrease in other income in 1Q 2017 was due to an absence of foreign exchange gain.

Cost of properties sold/consumables used for 1Q 2017 decreased by 26% to \$1.2 million, from \$1.6 million in 1Q 2016. The decrease was mainly due to write back of accrued construction cost for completed projects, partially offset against higher consumables used in Hotel Investment and Management segment.

Staff costs for 1Q 2017 increased by 14% to \$6.6 million, from \$5.9 million in 1Q 2016. This was mainly due to timing difference arising from the recognition of service points into salaries.

Depreciation charge for 1Q 2017 increased by 8% to \$1.5 million, from \$1.4 million in 1Q 2016. This was due to additions of property, plant and equipment.

Lower loan interest rate caused finance costs for 1Q 2017 to decrease by 17% to \$1.7 million, from \$2 million in 1Q 2016.

Other expenses for 1Q 2017 decreased by 17% to \$7.1 million, from \$8.5 million in 1Q 2016. This was mainly due to decrease in foreign exchange loss.

Share of results of a jointly-controlled entity, net of tax in 1Q 2016 was from a completed development project.

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

No prospect statement was made.

- 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.

It was recently announced that a S\$33.75 million joint investment by Changi Airport Group, Singapore Airlines and Singapore Tourism Board would help boost Singapore as a destination for business travellers and MICE activities.

The hospitality sector remains competitive with the increased room inventory.

- 11 Dividend

(a) Current Financial Period Reported On	: None
(b) Corresponding Period of the Immediately Preceding Financial Year	: None
(c) Date payable	: Not applicable
(d) Books closure date	: Not applicable

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

Not applicable.

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

There is no general mandate from shareholders for IPTs.

- 14 STATEMENT BY DIRECTORS

Pursuant to SGX Listing Rule 705(5)

To the best of the directors' knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited first quarter 2017 financial results to be false or misleading in all material aspects.

- 15 CONFIRMATION OF PROCUREMENT OF UNDERTAKINGS FROM ALL DIRECTORS AND EXECUTIVE OFFICERS

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Ms Susan Teo Geok Tin / Ms Foo Soon Soo

Company Secretaries

12 May 2017