

Unaudited Financial Statements For The Half Year Ended 30th June 2020
**1(a) CONSOLIDATED INCOME STATEMENT
For The Half Year Ended 30th June 2020**

		THE GROUP		
		1st Half ended 30th June		
		2020	2019	Change
Notes		S\$'000	S\$'000	%
Revenue				
	Sale of development properties	-	1,829	(100.0)
	Rental income	107,335	103,175	4.0
		107,335	105,004	2.2
	Other operating income	1,478	2,016	(26.7)
		108,813	107,020	1.7
Less:				
	Cost of sales - residential development projects	-	(1,595)	(100.0)
	Direct rental expenses	(7,305)	(9,557)	(23.6)
	Staff costs & directors' remuneration	(10,368)	(7,503)	38.2
	Gain/(loss) on foreign exchange	5,738	(3,615)	NM
	Other operating expenses	(3,631)	(3,336)	8.8
	Profit from operations	93,247	81,414	14.5
	Net finance costs	(23,112)	(26,490)	(12.8)
		70,135	54,924	27.7
Share of profits of:				
	Associates	31,326	(407)	NM
	Jointly controlled entities	2,985	(2,334)	NM
	Profit before taxation	104,446	52,183	100.2
	Income tax expense	(13,705)	(10,644)	28.8
	Profit for the period	90,741	41,539	118.4
Attributable to:				
	Owners of the Company	90,610	42,062	115.4
	Non-controlling interests	131	(523)	NM
	Net profit for the period	90,741	41,539	118.4
The following items have been included in arriving at profit for the period:				
	Distribution income - other financial assets	1	15	(91.5)
	Other income	1,424	1,218	16.9
	Dividend income	13	777	(98.4)
	Interest income	1,263	1,497	(15.6)
	Net changes in fair value of financial assets through profit & loss	41	(99)	NM
	Depreciation of property, plant & equipment	(377)	(322)	17.3
	Depreciation of right-of-use asset	(2)	-	-

NM : Not Meaningful

NOTES TO THE CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 30th JUNE 2020

- Note 1: Rental income increased year-on-year due to positive rental reversions when leases were renewed for the Group's investment properties in Singapore and London in the current period.
- Note 2: Other operating income declined as the Group received dividend income of approximately S\$0.8 million from a quoted equity investment in April 2019. The Group had disposed of this investment in October 2019 following the approval of a scheme arrangement takeover by an unrelated third party.
- The Group's government grant income arising from rental relief from the Singapore Government was largely offset by grant expense in the form of property tax rebates passed on to the Group's tenants in the current period.
- Note 3: Direct rental expenses decreased 24% year-on-year largely due to a few reasons.
- (i) A one-time refund of business rates from the UK tax authorities (HMRC) paid in prior years for one of the Group's investment properties in London. The refund of approximately £0.5 million (S\$0.8 million) was received in the current period and relates to the period where certain floors of the said property were undergoing refurbishment in prior years and were therefore vacant.
 - (ii) The Group recovered property tax expenses of approximately S\$0.6 million in the current period.
 - (iii) The Group incurred higher rent commission expenses a year ago due to the timing of lease renewals at The Metropolis and Turquoise in Singapore. The year-on-year decrease is approximately S\$0.3 million.
- Note 4: The Group recorded higher staff costs & directors' remuneration in the current period due to the hiring of a new team based in Gold Coast, Australia since 4Q2019. Accrual for the Chairman's profit-sharing expense also increased in line with the higher profit in the current period.
- Note 5: The Group recorded a net exchange gain during the current period mainly due to the revaluation of its net monetary assets in AUD and Euro, as AUD and Euro appreciated against the SGD during the current period.
- Note 6: Net finance cost decreased 13% year-on-year due to the repayment of GBP bank borrowings and the decline in interest rates for GBP bank borrowings at floating rates.
- Note 7: The Group recorded share of profits from the Shanghai and Zhuhai associates in the current period as there were more units handed over to buyers.
- Note 8: The improvement in the Group's share of the results of jointly-controlled entities was mainly attributable to higher profits from the Seascope and Cape Royale developments in Sentosa Cove, as well as the residential development project in Tangshan.
- Note 9: Excluding the effects of non-deductible and non-taxable items and over/(under) provision of tax in respect of prior years, the effective tax rate of the Group reflects the profit contribution from the Group entities in different tax jurisdictions in each period.

1(b)(i) STATEMENTS OF FINANCIAL POSITION AS AT 30th JUNE 2020

	Notes	The Group		The Company	
		30.06.2020	31.12.2019	30.06.2020	31.12.2019
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current Assets					
Property, Plant & Equipment		43,205	34,877	4,087	4,669
Investment Properties	1	4,592,283	4,600,366	-	-
Investments in Subsidiaries		-	-	182,050	180,179
Interests in Associates	2	461,238	441,756	314,538	314,538
Interests in Jointly Controlled Entities		314,556	311,784	253,695	253,695
Other Assets		150	150	-	-
Financial Assets	3	154,861	103,420	154,310	102,716
Amounts Due from Subsidiaries & Jointly Controlled Entities		250,773	251,086	956,990	926,200
		5,817,066	5,743,439	1,865,670	1,781,997
Current Assets					
Development Properties	4	67,605	42,153	-	-
Properties Held For Sale		183,215	184,122	-	-
Trade & Other Receivables		37,887	26,027	175	148
Amounts Due From Subsidiaries & Jointly Controlled Entities		9,423	8,972	84,143	399,747
Cash & Cash Equivalents		88,472	191,378	670	78,768
		386,602	452,652	84,988	478,663
TOTAL ASSETS		6,203,668	6,196,091	1,950,658	2,260,660
Current Liabilities					
Trade & Other Payables	5	84,102	65,514	229,609	487,091
Borrowings	6	356,710	277,254	32,826	33,762
Deferred Income		1,671	1,671	-	-
Current Tax Payable		56,437	58,317	516	-
		498,920	402,756	262,951	520,853
Net current (liabilities)/assets	6	(112,318)	49,896	(177,963)	(42,190)
Non-current Liabilities					
Borrowings		2,056,701	2,146,166	2,672	3,225
Other non-current liabilities		49,850	47,534	-	-
Deferred Income		45,549	46,505	-	-
		2,152,100	2,240,205	2,672	3,225
TOTAL LIABILITIES		2,651,020	2,642,961	265,623	524,078
Net assets		3,552,648	3,553,130	1,685,035	1,736,582
Represented by:					
Equity Attributable To Shareholders					
Share Capital		156,048	156,048	156,048	156,048
Treasury Shares		(65,079)	(65,079)	(65,079)	(65,079)
Capital Reserve		791	791	-	-
Fair value Reserve		-	-	-	-
Hedging Reserve	6	(35,274)	(15,230)	-	-
Foreign Currency Translation Reserve		(53,645)	(48,645)	-	-
Accumulated Profits		3,536,856	3,512,769	1,594,066	1,645,613
		3,539,697	3,540,654	1,685,035	1,736,582
Share Capital and Reserves					
Non-controlling Interests		12,951	12,476	-	-
Total Equity		3,552,648	3,553,130	1,685,035	1,736,582

NOTES TO THE STATEMENTS OF FINANCIAL POSITION AS AT 30th JUNE 2020

- Note 1: The Group has reviewed the fair values of the investment properties as at 30 June 2020 based on independent valuations as at 31 December 2019. Management has assessed the fair values to be appropriate in consultation with independent valuers. The net reduction in Investment Properties was due to translation differences, as the GBP had depreciated against the SGD in the current period, and the deposit paid for the land premium for the Biopolis Phase 6 site of approximately S\$62.6 million.
- Note 2: The net increase in Investment in Associates is due to the increase in share of profits of the Shanghai and Zhuhai associated companies, offset by the gross dividends paid by the Zhuhai associated company during the current period.
- Note 3: The increase in Financial Assets in 1H2020 was due to additional capital contributions to the existing European real estate fund and co-investment into the existing commercial redevelopment project in Munich totaling approximately €10.4 million. The Group also co-invested approximately €16.2 million into a new commercial project in Berlin.
- Note 4: The Group's subsidiaries acquired two new residential development sites in Queensland, Australia, and incurred development costs in relation to these two new projects during the current period. This resulted in the increase in Development Properties during the current period.
- Note 5: The increase in Trade and Other Payables in the current period was due to an increase in derivative financial liabilities relating to the valuation of interest rate swap contracts amounting to approximately S\$20.1 million. This also resulted in a corresponding decrease in Hedging Reserves in the current period.
- Note 6: The Group was in net current liabilities position of S\$112.3 million due to long-term bank borrowings of certain subsidiaries becoming due in the next twelve months, which are classified as current liabilities. The Group is in the midst of discussion with the lenders and is confident of refinancing the loans.
- Note 7: In the previous years, IRAS has raised additional tax assessments in respect of gains arising from the disposal of certain investment properties held for long term investment. The Group has objected to these assessments and the matter is now pending review by the tax authorities. Full payment/provision have been made in the previous years.

1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES**Amount repayable in one year or less, or on demand**

As at 30-06-2020		As at 31-12-2019	
Secured	Unsecured	Secured	Unsecured
S\$356,710,000	-	S\$277,254,000	-

Amount repayable after one year

As at 30-06-2020		As at 31-12-2019	
Secured	Unsecured	Secured	Unsecured
S\$2,056,701,000	-	S\$2,146,166,000	-

Details of any collateral

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

1(c) CONSOLIDATED STATEMENT OF CASH FLOWS
For The Half Year Ended 30th June 2020

	1st Half ended 30th June	
	2020	2019
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	90,741	41,539
Adjustments for:		
Depreciation of property, plant & equipment and right-of-use asset	379	322
Interest income	(1,263)	(1,497)
Dividend income	(13)	(777)
Distribution income	(1)	(15)
Finance costs	24,375	27,987
Unrealised (gain)/loss on foreign exchange	(3,726)	4,088
Net change in fair value of financial assets through profit & loss	(41)	90
Share of (profits)/losses of associates	(31,326)	407
Share of (profits)/losses of jointly controlled entities	(2,985)	2,334
Income tax expense	13,705	10,644
	89,845	85,122
 Changes in working capital		
Development properties	(23,616)	903
Trade & other receivables	(8,525)	(4,650)
Trade & other payables	(2,715)	(11,805)
Cash generated from operations	54,989	69,570
Income tax paid	(15,310)	(10,087)
Net cash inflow from operating activities	39,679	59,483
 Cash flows from investing activities		
Interest received	1,263	1,497
Dividend received	13	777
Repayment from jointly controlled entities	3,596	963
Advances to jointly controlled entity	-	(8,633)
Investment in jointly controlled entities	(607)	(6,633)
Dividend from equity accounted investee	21,536	-
Acquisition of non-controlling interest	-	(2,170)
Purchase of investment properties	(62,613)	-
Purchase of property, plant & equipment	(8,701)	(2,699)
Purchase of financial assets	(45,960)	(14,783)
Distributions from financial assets	122	15
Net cash outflow from investing activities	(91,351)	(31,666)
 Cash flows from financing activities		
Proceeds from bank loans	167,330	57,000
Interest paid	(24,375)	(27,987)
Repayment of bank loans	(126,088)	(89,930)
Dividend paid to non-controlling shareholders	(150)	(180)
Dividends paid	(66,523)	(66,524)
Net cash outflow from financing activities	(49,806)	(127,621)
 Net decrease in cash and cash equivalents	(101,478)	(99,804)
Effect of foreign exchange rate fluctuations on cash held	(1,428)	(966)
Cash and cash equivalents at beginning of period	191,378	176,318
Cash and cash equivalents at end of period	88,472	75,548

1(d) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Half Year Ended 30th June 2020

	1st Half ended 30th June		
	2020	2019	Change
	S\$'000	S\$'000	%
Profit for the period	90,741	41,539	NM
Other comprehensive income/(loss)			
Items that will not be reclassified to profit and loss:			
Net change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	-	3,630	(100.0)
Items that may be reclassified subsequently to profit and loss:			
Share of foreign currency translation difference of equity accounted investees	9,832	(1,072)	NM
Exchange differences on consolidation of foreign operations	(9,527)	(4,674)	NM
Net loss on hedge of net investment in foreign operations	(4,811)	(1,568)	NM
Realisation of exchange differences on liquidation of a subsidiary to profit or loss	-	(1,088)	(100.0)
Effective portion of changes in fair value of cash flow hedges	(20,044)	(4,518)	NM
Total comprehensive income for the period	66,191	32,249	NM
Attributable to:			
Owners of the Company	65,566	32,860	99.5
Non-controlling interests	625	(611)	NM
	66,191	32,249	NM

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

GROUP	Share Capital S\$'000	Treasury Shares S\$'000	Capital & Other Reserves S\$'000	Foreign Currency Translation Reserves S\$'000	Accum. Profits S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total Equity S\$'000
Balance at 1st Jan 2019	156,048	(65,079)	(5,913)	(46,246)	3,246,667	3,285,477	14,714	3,300,191
Total comprehensive income/ (loss) for the period	-	-	(888)	(8,314)	42,062	32,860	(611)	32,249
Acquisition of non-controlling interest without a change in control	-	-	(1,252)	-	-	(1,252)	(918)	(2,170)
Dividends paid	-	-	-	-	(66,524)	(66,524)	(180)	(66,704)
Balance at 30th June 2019	156,048	(65,079)	(8,053)	(54,560)	3,222,205	3,250,561	13,005	3,263,566

GROUP	Share Capital S\$'000	Treasury Shares S\$'000	Capital & Other Reserves S\$'000	Foreign Currency Translation Reserves S\$'000	Accum. Profits S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total Equity S\$'000
Balance at 1st Jan 2020	156,048	(65,079)	(14,439)	(48,645)	3,512,769	3,540,654	12,476	3,553,130
Total comprehensive income/ (loss) for the period	-	-	(20,044)	(5,000)	90,610	65,566	625	66,191
Dividends paid	-	-	-	-	(66,523)	(66,523)	(150)	(66,673)
Balance at 30th June 2020	156,048	(65,079)	(34,483)	(53,645)	3,536,856	3,539,697	12,951	3,552,648

1(e)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

COMPANY	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Accum. Profits S\$'000	Total Equity S\$'000
Balance at 1st Jan 2019	156,048	(65,079)	-	1,644,710	1,735,679
Total comprehensive income for the period	-	-	-	56,010	56,010
Dividends paid	-	-	-	(66,524)	(66,524)
Balance at 30th June 2019	156,048	(65,079)	-	1,634,196	1,725,165
Balance at 1st Jan 2020	156,048	(65,079)	-	1,645,613	1,736,582
Total comprehensive income for the period	-	-	-	14,976	14,976
Dividends paid	-	-	-	(66,523)	(66,523)
Balance at 30th June 2020	156,048	(65,079)	-	1,594,066	1,685,035

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

	6 months ended 30 th Jun 2020		6 months ended 30 th Jun 2019		Full year ended 31 st Dec 2019	
	No. of Shares	S\$'000	No. of Shares	S\$'000	No. of Shares	S\$'000
Balance at beginning of period	703,338,000	156,048	703,338,000	156,048	703,338,000	156,048
Balance at end of period	703,338,000	156,048	703,338,000	156,048	703,338,000	156,048

There were 38,107,400 treasury shares held by the Company as at 30th June 2020 and 31st December 2019 (30th June 2019: 38,107,400) and this represents 5.73% of the total number of issued ordinary shares excluding treasury shares as at those dates. There were no sale, transfer, cancellation and/or use of treasury shares for the financial period ended 30th June 2020.

The Company has no subsidiary holdings as at 30th June 2020 and 30th June 2019. There was no sale, transfer, cancellation and/or use of subsidiary holdings for the financial period ended 30th June 2020.

2. AUDIT

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

3. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

Refer to paragraph 4.

4. CHANGES IN ACCOUNTING POLICIES

The same accounting policies and methods of computation applied in the Group's financial statements for the year ended 31 December 2019 have been applied for the current reporting period, except for the adoption of new accounting standards, amendments to and interpretations of standards that are effective for annual periods beginning on or after 1 January 2020. The adoption of the new/revised accounting standards and interpretations does not have a material impact on the financial statements of the Group.

5. EARNINGS PER ORDINARY SHARE

	1 st Half Ended 30 th June	
	2020	2019
Profit attributable to owners of the Company (S\$'000)	90,610	42,062
Weighted average number of shares (excluding treasury shares)	665,230,600	665,230,660
Earnings per ordinary share for the period (cents)		
i) Based on weighted average number of ordinary shares (excluding treasury shares)	13.62	6.32
ii) On a fully diluted basis	13.62	6.32

Basic earnings per share and earnings per share on a fully diluted basis were computed using the net profit attributable to owners of the Company and weighted average number of ordinary shares as disclosed above for each period.

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

6. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 th June 2020	31 st Dec 2019	30 th June 2020	31 st Dec 2019
Net assets after adjusting for non-controlling interests (S\$'000)	3,539,697	3,540,654	1,685,035	1,736,582
Ordinary shares at end of period (excluding Treasury shares)	665,230,600	665,230,600	665,230,600	665,230,600
Net asset value per ordinary share	S\$5.32	S\$5.32	S\$2.53	S\$2.61

The calculation of net asset value per ordinary share of the Group and the Company was based on the net assets of the Group and the Company as at 30th June 2020 and 31st December 2019 after adjusting for non-controlling interests and 665,230,600 ordinary shares (excluding treasury shares) as at 30th June 2020 and 31st December 2019.

7. PERFORMANCE REVIEW OF THE GROUP

1H2020 vs 1H2019

For the six months ended 30th June 2020, Group revenue increased 2% year-on-year (“y-o-y”) to S\$107.3 million (1H2019: S\$105.0 million).

Rental income increased 4% y-o-y to S\$107.3 million (1H2019: S\$103.2 million) due to positive rental reversions when leases were renewed for the Group’s investment properties in Singapore and London during the current period.

Direct rental expenses decreased 24% y-o-y to S\$7.3 million (1H2019: S\$9.6 million) largely due to recovery of business rates from the UK tax authorities (HMRC) and property tax from tenants of approximately S\$1.5 million in total. The Group achieved savings in rent commission expense of approximately S\$0.3 million during the current period.

Staff costs & directors’ remuneration increased 38% y-o-y to S\$10.4 million from S\$7.5 million last year. The increase was due to the hiring of a new team based in Gold Coast, Australia since 4Q2019. Accrual for the Chairman’s profit-sharing expense also increased in line with the increase in profits in the current period.

During the current period, the Group recorded a net exchange gain of S\$5.7 million (1H2019: exchange loss of S\$3.6 million), mainly due to the revaluation of its net monetary assets in AUD and Euro, as AUD and Euro appreciated against the SGD during the current period.

Consequently, profit from operations increased 15% y-o-y to S\$93.2 million (1H2019: S\$81.4 million).

Net finance cost decreased 13% y-o-y to S\$23.1 million (1H2019: S\$26.5 million) due to the repayment of GBP bank borrowings and the decline in interest rates for GBP bank borrowings at floating rates.

The Group’s share of profits from the Shanghai and Zhuhai associates was S\$31.3 million in the current period (1H2019: share of losses of S\$0.4 million).

The y-o-y improvement in the Group’s share of the results of jointly-controlled entities to S\$3.0 million (1H2019: share of losses of S\$2.3 million) was mainly attributable to higher profits from the Seascape and Cape Royale developments in Sentosa Cove, as well as the residential development project in Tangshan.

Income tax expense increased 29% y-o-y to S\$13.7 million (1H2019: S\$10.6 million).

Profit attributable to owners of the Company increased 115% to S\$90.6 million (1H2019: S\$42.1 million). This translates to earnings per share of 13.62 cents (1H2019: 6.32 cents).

Total shareholders’ fund as at 30 June 2020 amounted to S\$3.54 billion (31 Dec 2019: S\$3.54 billion), representing a net asset value of S\$5.32 per share (31 Dec 2019: S\$5.32 per share).

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

Not applicable.

9. COMMENTARY ON THE GROUP PROSPECTS

COVID-19 has caused significant adverse financial impact on businesses, with global economies in a deep recession. The business outlook is grim and uncertain as countries continue to be in a lockdown or partial lockdown mode and are susceptible to waves of infection outbreaks.

Our prime offices in Singapore and London remain 100% occupied and our recurring income base has contributed to the resilience of the Group during these challenging times.

10. DIVIDEND

(a) Current financial period reported on

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

(b) Corresponding period of the immediately preceding financial year

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

11. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for the half year ended 30 June 2020. It is the Company's policy to consider a final dividend at the end of the financial year.

12. INTERESTED PERSON TRANSACTIONS

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

BY ORDER OF THE BOARD

Desmond Woon
Executive Director
13th August 2020

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

To the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited interim financial statements of the Group and the Company for the half year ended 30th June 2020 to be false or misleading in any material aspect.

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

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

ON BEHALF OF THE BOARD

Chua Thian Poh
Chairman & CEO

Desmond Woon
Executive Director

13th August 2020