

Unaudited Financial Statements For The First Quarter Ended 31st March 2019
**1(a) CONSOLIDATED INCOME STATEMENT
For The First Quarter Ended 31st March 2019**

		THE GROUP		
		1st Quarter Ended 31 Mar		
		2019	2018	Change
Notes		S\$'000	S\$'000	%
Revenue				
	Sale of development properties	1,185	10,875	(89.1)
	Rental income	51,234	37,784	35.6
		52,419	48,659	7.7
	Other operating income	1,356	1,573	(13.8)
		53,775	50,232	7.1
Less:				
	Cost of sales - residential development projects	(998)	(7,091)	(85.9)
	Direct rental expenses	(4,680)	(4,706)	(0.5)
	Staff costs & directors' remuneration	(4,304)	(5,590)	(23.0)
	Gain on foreign exchange	64	638	(90.0)
	Other operating expenses	(1,728)	(1,298)	33.1
	Profit from operations	42,129	32,185	30.9
	Net finance costs	(13,202)	(6,819)	93.6
		28,927	25,366	14.0
Share of profits/(losses) of:				
	Associates	4,315	28,510	(84.9)
	Jointly controlled entities	(400)	1,664	NM
	Profit before taxation	32,842	55,540	(40.9)
	Income tax expense	(5,307)	(5,936)	(10.6)
	Profit for the period	27,535	49,604	(44.5)
Attributable to:				
	Owners of the Company	27,700	49,368	(43.9)
	Non-controlling interests	(165)	236	NM
	Net profit for the period	27,535	49,604	(44.5)
The following items have been included in arriving at profit for the period:				
	Distribution income - other financial assets	1	24	(95.8)
	Distribution income - jointly controlled operations	-	879	(100.0)
	Other income	574	670	(14.3)
	Dividend income	777	-	-
	Interest income	748	590	26.8
	Net changes in fair value of financial assets through profit or loss	4	(24)	NM
	Depreciation of property, plant & equipment	(145)	(208)	(30.3)

NM: Not meaningful

NOTES TO CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31ST MARCH 2019

- Note 1: The increase in rental income is largely attributable to rental income from Ropemaker Place, 25 Ropemaker Street, London EC2 (“**Ropemaker Place**”), which was acquired on 15 June 2018.
- Note 2: Net finance cost has increased largely due to the increase in borrowings of £645.3 million (approximately S\$1.14 billion). The additional borrowings funded the acquisition of Ropemaker Place. Interest rates for Singapore dollar and Pound Sterling borrowings have also increased year-on-year, thereby increasing the Group’s cost of borrowings on floating rate loans.
- Note 3: The Group’s share of profits from associates has decreased due to lower sales and profit recognition from the residential development project in Shanghai as the project is almost fully sold. The decrease was partially offset by higher sales and profit recognition from the residential development project in Zhuhai.
- Note 4: The Group’s share of the net losses of jointly controlled entities was largely attributable to the loss from the residential development project in Tangshan.

1(b)(i) STATEMENTS OF FINANCIAL POSITION AS AT 31ST MARCH 2019

	Notes	The Group		The Company	
		31-03-2019	31-12-2018	31-03-2019	31-12-2018
		S\$'000	S\$'000	S\$'000	S\$'000
Non-current Assets					
Property, Plant & Equipment		30,240	30,301	5,588	505
Investment Properties		4,348,686	4,306,284	-	-
Investments in Subsidiaries	1	-	-	175,155	192,985
Interests in Associates		535,428	522,349	395,805	395,805
Interests in Jointly Controlled Entities		313,906	310,184	252,680	252,680
Other Assets		150	150	-	-
Financial Assets		126,592	115,189	97,852	100,288
Amounts Due from Subsidiaries & Jointly Controlled Entities		256,855	257,229	912,813	895,860
Deferred Tax Assets		75	52	-	-
		5,611,932	5,541,738	1,839,893	1,838,123
Current Assets					
Development Properties		42,946	43,865	-	-
Properties Held For Sale		184,120	183,534	-	-
Trade & Other Receivables		23,531	25,370	101	73
Amounts Due From Subsidiaries & Jointly Controlled Entities		8,651	18	97,027	78,443
Cash & Cash Equivalents		93,121	176,318	9,773	76,125
		352,369	429,105	106,901	154,641
TOTAL ASSETS		5,964,301	5,970,843	1,946,794	1,992,764
Current Liabilities					
Trade & Other Payables	2	43,419	56,287	14,500	132,425
Borrowings		386,467	400,262	127,681	124,613
Deferred Income		1,671	2,109	-	-
Current Tax Payable		61,761	60,761	43	47
		493,318	519,419	142,224	257,085
Net current liabilities	3	(140,949)	(90,314)	(35,323)	(102,444)
Non-current Liabilities					
Borrowings		2,039,525	2,067,565	4,012	-
Other non-current liabilities		39,321	36,453	-	-
Deferred Income		46,778	47,215	-	-
		2,125,624	2,151,233	4,012	-
TOTAL LIABILITIES		2,618,942	2,670,652	146,236	257,085
Net assets		3,345,359	3,300,191	1,800,558	1,735,679
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	2,043	-	-
Fair value Reserve		3,190	(1,477)	-	-
Hedging Reserve		(5,823)	(6,479)	-	-
Foreign Currency Translation Reserve		(31,495)	(46,246)	-	-
Accumulated Profits		3,274,367	3,246,667	1,709,589	1,644,710
Share Capital and Reserves		3,331,999	3,285,477	1,800,558	1,735,679
Non-controlling Interests		13,360	14,714	-	-
Total Equity		3,345,359	3,300,191	1,800,558	1,735,679

NOTES TO STATEMENTS OF FINANCIAL POSITION AS AT 31ST MARCH 2019

Note 1: The decrease in investment in subsidiaries in the Company's books was due to the liquidation of a dormant subsidiary during the current period, partially offset by the acquisition of 30% non-controlling interests in another subsidiary.

Note 2: The decrease in trade and other payables in the Company's books was largely due to the settlement of the balance owing to a subsidiary when it was liquidated (refer to Note 1 above).

Note 3: As at 31 March 2019, the Group has net current liabilities of S\$140.9 million. The Group is confident of refinancing and repaying all its borrowings as and when they fall due.

1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31-03-2019		As at 31-12-2018	
Secured	Unsecured	Secured	Unsecured
S\$386,467,000	-	S\$400,262,000	-

Amount repayable after one year

As at 31-03-2019		As at 31-12-2018	
Secured	Unsecured	Secured	Unsecured
S\$2,039,525,000	-	S\$2,067,565,000	-

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, development properties and properties held for sale of the borrowing entity within the Group.

1(c)

CONSOLIDATED STATEMENT OF CASH FLOWS
For The First Quarter Ended 31st March 2019

	3 months ended 31 March	
	2019	2018
	\$ '000	\$ '000
Cash flows from operating activities:		
Profit for the period	27,535	49,604
Adjustments for		
Depreciation of property, plant & equipment	145	208
Unrealised exchange differences on foreign exchange	26	734
Loss on disposal of property, plant & equipment	-	1
Dividend income	(777)	-
Interest income	(748)	(590)
Finance costs	13,950	7,409
Net changes in fair value of financial assets through profit or loss	(4)	24
Distribution income from financial assets at fair value through profit or loss	(1)	(24)
Share of profits of associates	(4,315)	(28,510)
Share of losses/(profits) of jointly controlled entities	400	(1,664)
Income tax expense	5,307	5,936
Operating profit before changes in working capital	41,518	33,128
Changes in working capital		
Development properties and properties held for sale	759	5,227
Trade and other receivables	1,839	2,706
Trade and other payables	(10,184)	(6,001)
Cash generated from operations	33,932	35,060
Income tax paid	(4,573)	(6,737)
Net cash inflow from operating activities	29,359	28,323
Cash flows from investing activities		
Interest received	381	320
Dividend received	777	-
Purchase of property, plant & equipment	(87)	(937)
Investment in jointly controlled entities	(4,662)	(1,500)
Repayment from jointly-controlled entities	700	900
Advances to jointly-controlled entity	(8,633)	-
Purchase of other financial assets	(9,227)	(67,226)
Acquisition of non-controlling interest	(2,170)	-
Distribution income of other financial assets	1	118
Net cash outflow from investing activities	(22,920)	(68,325)
Cash flows from financing activities		
Proceeds from term loans	-	60,500
Interest paid	(13,950)	(7,409)
Repayment of term loans	(76,021)	(6,173)
Dividend paid to non-controlling interests	(180)	(200)
Net cash (outflow)/inflow from financing activities	(90,151)	46,718
Net (decrease)/increase in cash and cash equivalents	(83,712)	6,716
Effect of foreign exchange rate fluctuations on cash held	515	(2,154)
Cash and cash equivalents at beginning of period	176,318	97,111
Cash and cash equivalents at end of period	93,121	101,673

1(d) **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
For The First Quarter Ended 31st March 2019

	1st Quarter Ended 31 Mar		
	2019	2018	Change
	S\$'000	S\$'000	%
Profit for the period	27,535	49,604	(44.5)
Other comprehensive income			
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")	4,667	-	-
Items that may be reclassified subsequently to profit and loss:			
Share of foreign currency translation difference of equity-accounted investees	8,693	8,223	5.7
Exchange differences on consolidation of foreign operations	4,366	1,569	NM
Realisation of exchange differences on liquidation of a subsidiary to profit or loss	(1,088)	-	-
Net gain on hedge of net investment in foreign operations	2,689	-	-
Effective portion of changes in fair value of cash flow hedges	656	1,150	(43.0)
Total comprehensive income for the period	47,518	60,546	(21.5)
Attributable to:			
Owners of the Company	47,774	60,612	(21.2)
Non-controlling interests	(256)	(66)	NM
	47,518	60,546	(21.5)

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

	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
GROUP								
Balance at 1st Jan 2018	156,048	(63,930)	211	(7,964)	3,044,120	3,128,485	14,200	3,142,685
Total comprehensive income/(loss) for the period	-	-	1,150	10,094	49,368	60,612	(66)	60,546
Dividends paid to non-controlling interests	-	-	-	-	-	-	(200)	(200)
Balance at 31st Mar 2018	156,048	(63,930)	1,361	2,130	3,093,488	3,189,097	13,934	3,203,031

	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
GROUP								
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	-	-	5,323	14,751	27,700	47,774	(256)	47,518
Dividends paid to non-controlling interests	-	-	-	-	-	-	(180)	(180)
Acquisition of non-controlling interests without a change in control	-	-	(1,252)	-	-	(1,252)	(918)	(2,170)
Balance at 31st Mar 2019	156,048	(65,079)	(1,842)	(31,495)	3,274,367	3,331,999	13,360	3,345,359

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 2018	156,048	(63,930)	-	1,250,380	1,342,498
Total comprehensive loss for the period	-	-	-	(734)	(734)
Dividends paid	-	-	-	-	-
Balance at 31st Mar 2018	156,048	(63,930)	-	1,249,646	1,341,764

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	-	-	-	64,879	64,879
Balance at 31st Mar 2019	156,048	(65,079)	-	1,709,589	1,800,558

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

	1st Quarter Ended 31st Mar 2019		1st Quarter Ended 31st Mar 2018		Full Year Ended 31st Dec 2018	
	No. of Ordinary Shares	S\$'000	No. of Ordinary Shares	S\$'000	No. of Ordinary 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 31st March 2019 and 31st December 2018 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 31st March 2019.

The Company has no subsidiary holdings as at 31st March 2019 and 31st March 2018. There was no sale, transfer, cancellation and/or use of subsidiary holdings for the financial period ended 31st March 2019.

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 financial year ended 31 December 2018 have been applied for the current reporting period, except for the adoption of Singapore Financial Reporting Standards (International) ("SFRS(I)")16 *Leases*, which is effective for annual periods beginning on or after 1 January 2019.

SFRS(I) 16 introduces a single, on-balance sheet accounting model for lessees. A lessee recognises a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items.

SFRS(I) 16 replaces existing lease accounting guidance, including SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives*, and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

The Group and the Company adopted SFRS(I) 16 on 1 January 2019, using the modified retrospective approach, with no restatement of comparative information.

(i) The Group and Company as a lessee

The Company leases its office premises from a subsidiary. The Company applied the practical expedient to recognise amounts of ROU assets equal to their lease liabilities at 1 January 2019. As at 31 March 2019, the increase in ROU asset and lease liability in the Company's books was approximately S\$5.1 million, which was eliminated at Group level.

(ii) The Group as a lessor

SFRS(I) 16 substantially carries forward the existing lessor accounting requirements i.e. lessors continue to classify leases as finance or operating lease.

5. EARNINGS PER ORDINARY SHARE

Profit attributable to owners of the Company (S\$'000)

Weighted average number of shares
(excluding treasury shares)

Earnings per ordinary share for the period (cents)

i) Based on weighted average number of
ordinary shares (excluding treasury shares)

ii) On a fully diluted basis

Period Ended 31st March	
2019	2018
27,700	49,368
665,230,600	665,720,600
4.16	7.42
4.16	7.42

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	
	31st Mar 2019	31st Dec 2018	31st Dec 2019	31st Dec 2018
Net assets after adjusting for non-controlling interests (S\$'000)	3,331,999	3,285,477	1,800,558	1,735,679
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\$5.01	S\$4.94	S\$2.71	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 31st March 2019 and 31st December 2018 after adjusting for non-controlling interests and 665,230,600 shares (excluding treasury shares) as at 31st March 2019 and 31st December 2018.

7. PERFORMANCE REVIEW OF THE GROUP

1QFY2019 vs 1QFY2018

Group revenue for the 1QFY2019 increased 8% to S\$52.4 million (1QFY2018: S\$48.7 million). The increase was due mainly to increase in rental income from Ropemaker Place, which was acquired on 15 June 2018. Sales revenue decreased 89% to S\$1.2m (1QFY2018: S\$10.9 million) as the Group sold a small site in Gold Coast, Australia for A\$5.5 million and also sold more units in its Australian development projects (Rhapsody and Pearl) in 1QFY2018. Pearl was fully sold in FY2018.

Profit from operations increased 31% to S\$42.1 million (1QFY2018: S\$32.2 million).

Net finance cost has increased largely due to the increase in borrowings of £645.3 million (approximately S\$1.14 billion). The additional borrowings funded the acquisition of Ropemaker Place. Interest rates for Singapore dollar and Pound Sterling borrowings have also increased year-on-year, thereby increasing the Group's cost of borrowings on floating rate loans.

The Group's share of profits from associates decreased 85% to S\$4.3 million (1QFY2018: S\$28.5 million) due to lower sales and profit recognition from the residential development project in Shanghai as the project is almost fully sold. The decrease was partially offset by higher sales and profit recognition from the residential development project in Zhuhai.

The increase in the Group's share of the net losses of jointly controlled entities to S\$0.4 million (1QFY2018: profit of S\$1.7 million) was largely attributable to the loss from the residential development project in Tangshan.

Income tax expense decreased 11% to S\$5.3 million (1QFY2018: S\$5.9 million).

Profit attributable to owners of the Company amounted to S\$27.7 million (1QFY2018: S\$49.4 million), 44% lower year-on-year. This translates to an earnings per share of 4.16 cents (1QFY2018: 7.42 cents).

Total shareholders' fund as at 31 March 2019 amounted to S\$3.3 billion (31st Dec 2018: S\$3.3 billion), representing a net asset value of S\$5.01 per share (31st Dec 2018: \$4.94 per share).

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

Not applicable.

9. COMMENTARY ON THE GROUP PROSPECTS

The Singapore office market remains positive amidst stable demand and tight supply. On the other hand, the residential market is expected to remain challenging because of the cooling measures and the glut of supply. In the United Kingdom, the uncertainties surrounding the Brexit outcome will continue to weigh on the economy. However, the long tenancies of the leases for our London properties will buffer us against any short-term negative impact. In the long term, we remain confident of the resilience of the U.K. economy.

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

11. INTERESTED PERSON TRANSACTIONS

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

BY ORDER OF THE BOARD

Desmond Woon
Executive Director
30 April 2019

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 1st quarter ended 31st March 2019 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

30 April 2019
Singapore