

**Unaudited Financial Statements For The Second Quarter Ended 30th June 2019**
**1(a) CONSOLIDATED INCOME STATEMENT  
For The Second Quarter Ended 30th June 2019**

		<b>THE GROUP</b>					
		<b>2nd Quarter Ended 30th June</b>			<b>1st Half Ended 30th June</b>		
		<b>2019</b>	<b>2018</b>	<b>Change</b>	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Notes</b>		<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>							
	Sale of development properties	644	3,455	(81.3)	1,829	14,330	(87.2)
	Rental income	51,941	39,941	30.0	103,175	77,725	32.7
		<b>52,585</b>	<b>43,396</b>	<b>21.2</b>	<b>105,004</b>	<b>92,055</b>	<b>14.1</b>
	Fair value gain on investment properties	-	28,328	(100.0)	-	28,328	(100.0)
	Other operating income	660	2,750	(76.0)	2,016	4,323	(53.4)
		<b>53,245</b>	<b>74,474</b>	<b>(28.5)</b>	<b>107,020</b>	<b>124,706</b>	<b>(14.2)</b>
Less:							
	Cost of sales - residential development projects	(597)	(1,376)	(56.6)	(1,595)	(8,467)	(81.2)
	Direct rental expenses	(4,877)	(4,380)	11.3	(9,557)	(9,086)	5.2
	Staff costs & directors' remuneration	(3,199)	(3,951)	(19.0)	(7,503)	(9,541)	(21.4)
	Loss on foreign exchange	(3,679)	(4,079)	(9.8)	(3,615)	(3,441)	5.0
	Other operating expenses	(1,608)	(3,239)	(50.4)	(3,336)	(4,537)	(26.5)
	<b>Profit from operations</b>	<b>39,285</b>	<b>57,449</b>	<b>(31.6)</b>	<b>81,414</b>	<b>89,634</b>	<b>(9.2)</b>
	Net finance cost	(13,288)	(8,606)	54.4	(26,490)	(15,425)	71.7
		<b>25,997</b>	<b>48,843</b>	<b>(46.8)</b>	<b>54,924</b>	<b>74,209</b>	<b>(26.0)</b>
Share of (losses)/profits of:							
	Associates	(4,722)	25,729	NM	(407)	54,239	NM
	Jointly controlled entities	(1,934)	2,602	NM	(2,334)	4,266	NM
	<b>Profit before taxation</b>	<b>19,341</b>	<b>77,174</b>	<b>(74.9)</b>	<b>52,183</b>	<b>132,714</b>	<b>(60.7)</b>
	Income tax expense	(5,337)	(5,314)	0.4	(10,644)	(11,250)	(5.4)
	<b>Profit for the period</b>	<b>14,004</b>	<b>71,860</b>	<b>(80.5)</b>	<b>41,539</b>	<b>121,464</b>	<b>(65.8)</b>
<b>Attributable to:</b>							
	Owners of the Company	14,362	71,521	(79.9)	42,062	120,889	(65.2)
	Non-controlling interests	(358)	339	NM	(523)	575	NM
	<b>Net profit for the period</b>	<b>14,004</b>	<b>71,860</b>	<b>(80.5)</b>	<b>41,539</b>	<b>121,464</b>	<b>(65.8)</b>
<b>The following items have been included in arriving at profit for the period:</b>							
	Distribution income - other financial assets	14	11	27.3	15	35	(57.1)
	Distribution income - jointly controlled operations	-	2,124	(100.0)	-	3,003	(100.0)
	Other income	644	615	4.7	1,218	1,285	(5.2)
	Dividend income	-	-	-	777	-	-
	Interest income	749	607	23.4	1,497	1,197	25.1
	Net changes in fair value of financial assets through profit & loss	(103)	(23)	NM	(99)	(47)	NM
	Depreciation of property, plant & equipment	(177)	(175)	1.0	(322)	(383)	(16.1)

NM : Not Meaningful

**NOTES TO THE CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30TH JUNE 2019**

- Note 1: The increase in rental income is largely attributable to rental income for the full quarter from Ropemaker Place, 25 Ropemaker Street, London EC2 (“**Ropemaker Place**”), which was acquired on 15 June 2018.
- Note 2: In April 2018, the Group sold a 30-year leasehold interest in a petrol station site located along Bukit Timah Road. A valuation of this 999-year leasehold investment property was undertaken in conjunction with the transaction, and the Group recognised a fair value gain on investment property amounting to S\$28.3 million in 2QFY2018.
- Note 3: Net finance cost increased year-on-year largely due to the increase in bank borrowings of £645.3 million (approximately S\$1.14 billion) in mid-June 2018. The additional borrowings funded the acquisition of Ropemaker Place. In 2QFY2019, these loans contributed a full quarter of interest expense as compared to half a month in 2QFY2018. The bank borrowings have been paid down and the balance was approximately £638.4 million (approximately S\$1.1 billion) as of 30 June 2019.
- Interest rates for Singapore dollar and Sterling Pound borrowings have also increased year-on-year, thereby increasing the Group’s cost of borrowings on floating rate loans. New interest rate swap contracts to replace matured contracts (for hedging certain S\$ floating rate loans) in 4QFY2018 were also entered into at higher interest rates due to the increase in interest rates for the Singapore dollar.
- Note 4: The Group recorded share of losses from the Shanghai and Zhuhai associates in 2QFY2019 primarily because of accrual of land appreciation tax amounting to S\$20.5 million.
- Note 5: The Group’s share of the losses of jointly controlled entities was attributable to the Group’s share of losses from the residential development project in Tangshan and the Group’s jointly controlled entities in Australia, which were partially offset by share of profits from the Seascape and Cape Royale developments in Sentosa Cove. As the Australian projects are still in progress, the entities concerned have expensed marketing and promotional expenses incurred in the income statement, which resulted in losses.
- Note 6: 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 2019

Notes	The Group		The Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current Assets</b>				
	32,630	30,301	5,261	505
Property, Plant & Equipment				
Investment Properties	4,281,939	4,306,284	-	-
Investments in Subsidiaries	1	-	175,155	192,985
Interests in Associates	2	439,603	522,349	314,538
Interests in Jointly Controlled Entities		314,018	310,184	253,695
Other Assets		150	150	-
Financial Assets		132,765	115,189	99,054
Amounts Due from Subsidiaries & Jointly Controlled Entities		255,338	257,229	893,473
Deferred Tax Assets		-	52	-
	<b>5,456,443</b>	<b>5,541,738</b>	<b>1,741,176</b>	<b>1,838,123</b>
<b>Current Assets</b>				
	42,023	43,865	-	-
Development Properties				
Properties Held For Sale		183,200	183,534	-
Trade & Other Receivables	2	108,352	25,370	78,970
Amounts Due From Subsidiaries & Jointly Controlled Entities		8,700	18	86,257
Cash & Cash Equivalents		75,548	176,318	6,404
	<b>417,823</b>	<b>429,105</b>	<b>171,631</b>	<b>154,641</b>
<b>TOTAL ASSETS</b>	<b>5,874,266</b>	<b>5,970,843</b>	<b>1,912,807</b>	<b>1,992,764</b>
<b>Current Liabilities</b>				
	48,055	56,287	59,285	132,425
Trade & Other Payables	3	213,925	400,262	123,797
Borrowings		1,671	2,109	-
Deferred Income		61,049	60,761	789
Current Tax Payable		<b>324,700</b>	<b>519,419</b>	<b>183,871</b>
				<b>257,085</b>
<b>Net current assets/(liabilities)</b>	<b>93,123</b>	<b>(90,314)</b>	<b>(12,240)</b>	<b>(102,444)</b>
<b>Non-current Liabilities</b>				
	2,201,006	2,067,565	3,771	-
Borrowings		38,634	-	-
Other non-current liabilities		46,360	-	-
Deferred Income		<b>2,286,000</b>	<b>2,151,233</b>	<b>3,771</b>
				<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>2,610,700</b>	<b>2,670,652</b>	<b>187,642</b>	<b>257,085</b>
<b>Net assets</b>	<b>3,263,566</b>	<b>3,300,191</b>	<b>1,725,165</b>	<b>1,735,679</b>
<b>Represented by:</b>				
<b>Equity Attributable To Shareholders</b>				
	156,048	156,048	156,048	156,048
Share Capital		(65,079)	(65,079)	(65,079)
Treasury Shares		791	2,043	-
Capital Reserve		2,153	(1,477)	-
Fair value Reserve	4	(10,997)	(6,479)	-
Hedging Reserve		(54,560)	(46,246)	-
Foreign Currency Translation Reserve		3,222,205	3,246,667	1,634,196
Accumulated Profits		<b>3,250,561</b>	<b>3,285,477</b>	<b>1,725,165</b>
<b>Share Capital and Reserves</b>		<b>13,005</b>	<b>14,714</b>	<b>-</b>
<b>Non-controlling Interests</b>		<b>3,263,566</b>	<b>3,300,191</b>	<b>1,725,165</b>
<b>Total Equity</b>				<b>1,735,679</b>

## **NOTES TO THE STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2019**

- Note 1: The decrease in investment in subsidiaries in the Company's books was due to the liquidation of a dormant subsidiary during 1QFY2019, partially offset by the acquisition of 30% non-controlling interests in another subsidiary.
- Note 2: The decrease in investment in associates in the Company's books was due to the repatriation of capital by one of the associates amounting to RMB400 million during the current quarter. As the funds were received only in July 2019, the amount repatriated was recorded as Other Receivables as at 30 June 2019.
- Note 3: 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 4: Hedging reserve balance increased due to new interest rate swap contracts entered into in 1HFY2019, as well as the movement in swap offer rate (SOR) during the current quarter.

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

#### **Amount repayable in one year or less, or on demand**

As at 30-06-2019		As at 31-12-2018	
Secured	Unsecured	Secured	Unsecured
S\$213,925,000	-	S\$400,262,000	-

#### **Amount repayable after one year**

As at 30-06-2019		As at 31-12-2018	
Secured	Unsecured	Secured	Unsecured
S\$2,414,931	-	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 and development properties of the borrowing entity within the Group.

**1(c) CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For The Second Quarter Ended 30th June 2019**

	2nd Quarter Ended 30th June		1st Half Ended 30th June	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
<b>Profit for the period</b>	<b>14,004</b>	<b>71,860</b>	<b>41,539</b>	<b>121,464</b>
<b>Adjustments for:</b>				
Depreciation of property, plant & equipment	177	175	322	383
Fair value gain on investment property	-	(28,328)	-	(28,328)
Loss on sale of property, plant & equipment	-	-	-	1
Interest income	(749)	(607)	(1,497)	(1,197)
Dividend income	-	-	(777)	-
Distribution income	(14)	(11)	(15)	(35)
Finance costs	14,037	9,213	27,987	16,622
Unrealised loss on foreign exchange	3,676	11,702	4,088	12,436
Net change in fair value of financial assets through profit & loss	94	23	90	47
Share of losses/(profits) of associates	4,722	(25,729)	407	(54,239)
Share of losses/(profits) of jointly controlled entities	1,934	(2,602)	2,334	(4,266)
Income tax expense	5,337	5,314	10,644	11,250
	<b>43,218</b>	<b>41,010</b>	<b>85,122</b>	<b>74,138</b>
<b>Changes in working capital</b>				
Development properties	118	2,364	903	7,591
Trade & other receivables	(6,457)	(9,009)	(4,650)	(6,303)
Trade & other payables	(1,342)	63,788	(11,805)	57,787
<b>Cash generated from operations</b>	<b>35,537</b>	<b>98,153</b>	<b>69,570</b>	<b>133,213</b>
Income tax paid	(5,493)	(6,698)	(10,087)	(13,435)
<b>Net cash inflow from operating activities</b>	<b>30,044</b>	<b>91,455</b>	<b>59,483</b>	<b>119,778</b>
<b>Cash flows from investing activities</b>				
Interest received	749	335	1,497	655
Dividend received	-	-	777	-
Repayment from jointly controlled entities	669	2,850	963	3,750
Advances to jointly controlled entity	-	-	(8,633)	-
Investment in jointly controlled entities	(1,951)	(936)	(6,633)	(2,436)
Repayment from investee company	-	16,068	-	16,068
Acquisition of non-controlling interest	-	-	(2,170)	-
Purchase of investment properties	-	(1,162,850)	-	(1,162,850)
Purchase of property, plant & equipment	(2,613)	(1,171)	(2,699)	(2,108)
Purchase of other financial assets	(5,542)	-	(14,783)	(67,226)
Distribution income of other financial assets	14	13	15	131
<b>Net cash outflow from investing activities</b>	<b>(8,674)</b>	<b>(1,145,691)</b>	<b>(31,666)</b>	<b>(1,214,016)</b>
<b>Cash flows from financing activities</b>				
Proceeds from term loans	57,000	1,147,150	57,000	1,207,650
Interest paid	(14,037)	(9,213)	(27,987)	(16,622)
Repayment of term loans	(13,901)	(15,508)	(89,930)	(21,681)
Dividend paid to non-controlling interests	-	-	(180)	(200)
Dividends paid	(66,524)	(66,572)	(66,524)	(66,572)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(37,462)</b>	<b>1,055,857</b>	<b>(127,621)</b>	<b>1,102,575</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(16,092)</b>	<b>1,621</b>	<b>(99,804)</b>	<b>8,337</b>
Effect of foreign exchange rate fluctuations on cash held	(1,481)	(383)	(966)	(2,537)
Cash and cash equivalents at beginning of period	93,121	101,673	176,318	97,111
<b>Cash and cash equivalents at end of period</b>	<b>75,548</b>	<b>102,911</b>	<b>75,548</b>	<b>102,911</b>

**1(d) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For The Second Quarter Ended 30th June 2019**

	2nd Quarter Ended 30th June			1st Half Ended 30th June		
	2019	2018	Change	2019	2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	14,004	71,860	(80.5)	41,539	121,464	(65.8)
<b>Other comprehensive income/(loss)</b>						
<b>Items that will not be reclassified to profit and loss:</b>						
Net change in fair value of financial assets at fair value through other comprehensive income ("FVOCI")	(1,037)	-	NM	3,630	-	NM
<b>Items that may be reclassified subsequently to profit and loss:</b>						
Share of foreign currency translation difference of equity accounted investees	(9,765)	(9,241)	5.7	(1,072)	(1,018)	5.3
Exchange differences on consolidation of foreign operations	(9,040)	(3,184)	NM	(4,674)	(1,615)	NM
Net loss on hedge of net investment in foreign operations	(4,257)	-	NM	(1,568)	-	NM
Realisation of exchange differences on liquidation of a subsidiary to profit or loss	-	-	-	(1,088)	-	NM
Effective portion of changes in fair value of cash flow hedges	(5,174)	114	NM	(4,518)	1,264	NM
<b>Total comprehensive (loss)/income for the period</b>	<b>(15,269)</b>	<b>59,549</b>	<b>NM</b>	<b>32,249</b>	<b>120,095</b>	<b>(73.1)</b>
<b>Attributable to:</b>						
Owners of the Company	(14,914)	58,625	NM	32,860	119,237	(72.4)
Non-controlling interests	(355)	924	NM	(611)	858	NM
	<b>(15,269)</b>	<b>59,549</b>	<b>NM</b>	<b>32,249</b>	<b>120,095</b>	<b>(73.1)</b>

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

<b>GROUP</b>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Capital &amp; Other Reserves S\$'000</b>	<b>Foreign Currency Translation Reserves S\$'000</b>	<b>Accum. Profits S\$'000</b>	<b>Total S\$'000</b>	<b>Non-controlling Interests S\$'000</b>	<b>Total Equity S\$'000</b>
<b>Balance at 1st Jan 2018</b>	156,048	(63,930)	211	(7,964)	3,043,197	3,127,562	14,200	3,141,762
Total comprehensive income/ (loss) for the period	-	-	1,150	10,094	49,368	60,612	(66)	60,546
Dividends paid to Non-controlling interest	-	-	-	-	-	-	(200)	(200)
<b>Balance at 31st Mar 2018</b>	<b>156,048</b>	<b>(63,930)</b>	<b>1,361</b>	<b>2,130</b>	<b>3,092,565</b>	<b>3,188,174</b>	<b>13,934</b>	<b>3,202,108</b>
Total comprehensive income/ (loss) for the period	-	-	114	(13,010)	71,521	58,625	924	59,549
Dividends paid to Non-controlling interest	-	-	-	-	(66,572)	(66,572)	-	(66,572)
<b>Balance at 30th June 2018</b>	<b>156,048</b>	<b>(63,930)</b>	<b>1,475</b>	<b>(10,880)</b>	<b>3,097,514</b>	<b>3,180,227</b>	<b>14,858</b>	<b>3,195,085</b>

<b>GROUP</b>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Capital &amp; Other Reserves S\$'000</b>	<b>Foreign Currency Translation Reserves S\$'000</b>	<b>Accum. Profits S\$'000</b>	<b>Total S\$'000</b>	<b>Non-controlling Interests S\$'000</b>	<b>Total Equity S\$'000</b>
<b>Balance at 1st Jan 2019</b>	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
Acquisition of non-controlling interest without a change in control	-	-	(1,252)	-	-	(1,252)	(918)	(2,170)
Dividends paid to non-controlling interest	-	-	-	-	-	-	(180)	(180)
<b>Balance at 31st Mar 2019</b>	<b>156,048</b>	<b>(65,079)</b>	<b>(1,842)</b>	<b>(31,495)</b>	<b>3,274,367</b>	<b>3,331,999</b>	<b>13,360</b>	<b>3,345,359</b>
Total comprehensive income/ (loss) for the period	-	-	(6,211)	(23,065)	14,362	(14,914)	(355)	(15,269)
Dividends paid to non-controlling interest	-	-	-	-	(66,524)	(66,524)	-	(66,524)
<b>Balance at 30th June 2019</b>	<b>156,048</b>	<b>(65,079)</b>	<b>(8,053)</b>	<b>(54,560)</b>	<b>3,222,205</b>	<b>3,250,561</b>	<b>13,005</b>	<b>3,263,566</b>

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

<b>COMPANY</b>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Capital Reserve S\$'000</b>	<b>Accum. Profits S\$'000</b>	<b>Total Equity S\$'000</b>
<b>Balance at 1st Jan 2018</b>	156,048	(63,930)	-	1,250,380	1,342,498
Total comprehensive loss for the period	-	-	-	(734)	(734)
<b>Balance at 31st Mar 2018</b>	156,048	(63,930)	-	1,249,646	1,341,764
Total comprehensive loss for the period	-	-	-	(8,017)	(8,017)
Dividends paid	-	-	-	(66,572)	(66,572)
<b>Balance at 30th June 2018</b>	156,048	(63,930)	-	1,175,057	1,267,175

<b>COMPANY</b>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Capital Reserve S\$'000</b>	<b>Accum. Profits S\$'000</b>	<b>Total Equity S\$'000</b>
<b>Balance at 1st Jan 2019</b>	156,048	(65,079)	-	1,644,710	1,735,679
Total comprehensive income for the period	-	-	-	64,879	64,879
<b>Balance at 31st Mar 2019</b>	156,048	(65,079)	-	1,709,589	1,800,558
Total comprehensive loss for the period	-	-	-	(8,869)	(8,869)
Dividends paid	-	-	-	(66,524)	(66,524)
<b>Balance at 30th June 2019</b>	156,048	(65,079)	-	1,634,196	1,725,165

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

	<b>2nd Quarter Ended 30th June 2019</b>		<b>2nd Quarter Ended 30th June 2018</b>		<b>Full year ended 31st Dec 2018</b>	
	<b>No. of Shares</b>	<b>S\$'000</b>	<b>No. of Shares</b>	<b>S\$'000</b>	<b>No. of Shares</b>	<b>S\$'000</b>
<b>Balance at beginning of period</b>	703,338,000	156,048	703,338,000	156,048	703,338,000	156,048
<b>Balance at end of period</b>	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 30<sup>th</sup> June 2019 and 31<sup>st</sup> December 2018 (30<sup>th</sup> June 2018: 37,617,400) 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 30<sup>th</sup> June 2019.

The Company has no subsidiary holdings as at 30<sup>th</sup> June 2019 and 30<sup>th</sup> June 2018. There was no sale, transfer, cancellation and/or use of subsidiary holdings for the financial period ended 30<sup>th</sup> June 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

There are no changes in accounting policies and methods of computation from 1QFY2019.

### 5. EARNINGS PER ORDINARY SHARE

	2 <sup>nd</sup> Qtr Ended 30 <sup>th</sup> June		1 <sup>st</sup> Half Ended 30 <sup>th</sup> June	
	2019	2018	2019	2018
Profit attributable to owners of the Company (S\$'000)	14,362	71,521	42,062	120,889
Weighted average number of shares (excluding treasury shares)	665,230,660	665,720,600	665,230,660	665,720,600
<b>Earnings per ordinary share for the period (cents)</b>				
i) Based on weighted average number of ordinary shares (excluding treasury shares)	2.16	10.74	6.32	18.16
ii) On a fully diluted basis	2.16	10.74	6.32	18.16

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 <sup>th</sup> June 2019	31 <sup>st</sup> Dec 2018	30 <sup>th</sup> June 2019	31 <sup>st</sup> Dec 2018
Net assets after adjusting for non-controlling interests (S\$'000)	3,250,561	3,285,477	1,725,165	1,735,679
Ordinary shares at end of period (excluding Treasury shares)	665,230,600	665,230,600	665,230,600	665,230,600
<b>Net asset value per ordinary share</b>	<b>S\$4.89</b>	<b>S\$4.94</b>	<b>S\$2.59</b>	<b>S\$2.61</b>

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 30<sup>th</sup> June 2019 and 31<sup>st</sup> December 2018 after adjusting for non-controlling interests and 665,230,600 ordinary shares (excluding treasury shares) as at 30<sup>th</sup> June 2019 and 31<sup>st</sup> December 2018.

## 7. PERFORMANCE REVIEW OF THE GROUP

### 2QFY2019 vs 2QFY2018

Group revenue for 2QFY2019 increased 21% year-on-year (“y-o-y”) to S\$52.6 million (2QFY2018: S\$43.4 million). The increase was due mainly to higher rental revenue from Ropemaker Place which was acquired on 15 June 2018.

The Group had a fair value gain of S\$28.3 million relating to its 999-year investment property on Bukit Timah Road in 2QFY2018. The valuation exercise was undertaken in conjunction with the Group’s sale of a 30-year leasehold interest relating to this site.

Other operating expenses was lower y-o-y by approximately S\$1.6 million largely due to lower donations expense in 2QFY2019.

Profit from operations fell 32% y-o-y to S\$39.3 million (2QFY2018: S\$57.4 million).

Net finance cost increased 54% y-o-y to S\$13.3 million (2QFY2018: S\$8.6 million) largely due to the increase in bank borrowings of £645.3 million (approximately S\$1.14 billion) in mid-June 2018. The additional borrowings funded the acquisition of Ropemaker Place. These loans contributed a full quarter of interest expense in the current quarter as compared to half a month in 2QFY2018. The bank borrowings have been paid down and the balance was approximately £638.4 million (S\$1.1 billion) as of 30 June 2019.

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. New interest rate swap contracts to replace matured contracts (for hedging certain S\$ floating rate loans) in 4QFY2018 were also entered into at higher interest rates due to the increase in interest rates for the Singapore dollar.

The Group recorded share of losses of S\$4.7 million from the Shanghai and Zhuhai associates in the current quarter primarily due to accrual of land appreciation tax amounting to S\$20.5 million.

The Group’s share of the losses of jointly controlled entities of S\$2.0 million was attributable to the Group’s share of losses from the residential development project in Tangshan and the Group’s jointly controlled entities in Australia, which were partially offset by share of profits from the Seascape and Cape Royale developments in Sentosa Cove. As the Australian projects are still in progress, the entities concerned had expensed marketing and promotional expenses in the income statement, which resulted in losses.

Income tax expense increased 0.4% y-o-y to S\$5.3 million (2QFY2018: S\$5.3 million).

Profit attributable to owners of the Company fell 80% to S\$14.4 million. This translates to earnings per share of 2.16 cents (2QFY2018: 10.74 cents).

## **7. PERFORMANCE REVIEW OF THE GROUP (cont'd)**

### **1HFY2019 vs 1HFY2018**

For the six months ended 30th June 2019, Group revenue increased 14% to S\$105.0 million (1HFY2018: S\$92.1 million). The increase was due mainly to the increase in rental contribution from Ropemaker Place, which was acquired on 15 June 2018.

The Group recorded a fair value gain of S\$28.3 million relating to its 999-year investment property on Bukit Timah Road in 1HFY2018. The valuation exercise was undertaken in conjunction with the Group's sale of a 30-year leasehold interest relating to this site.

Profit from operations fell 9% y-o-y to S\$81.4 million (1HFY2018: S\$89.6 million).

Net finance cost increased 72% y-o-y to S\$26.5 million (1HFY2018: profit of S\$15.4 million) largely due to the increase in bank borrowings of £645.3 million (approximately S\$1.14 billion) in mid-June 2018. The additional borrowings funded the acquisition of Ropemaker Place. These loans contributed a full six months' of interest expense in 1HFY2019 as compared to half a month in 1HFY2018. The bank borrowings have been paid down and the balance was approximately £638.4 million (S\$1.1 billion) as of 30 June 2019.

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. New interest rate swap contracts to replace matured contracts (for hedging certain S\$ floating rate loans) in 4QFY2018 were also entered into at higher interest rates due to the increase in interest rates for the Singapore dollar.

Our share of losses from associates amounted to S\$0.4 million (1HFY2018: profit of S\$54.2 million). This is primarily due to accrual of land appreciation tax of the Shanghai and Zhuhai development projects amounting to S\$20.5 million.

In 1HFY2019, the Group's share of the losses of jointly controlled entities of S\$2.3 million was attributable to the Group's share of losses from the residential development project in Tangshan and the Group's jointly controlled entities in Australia, which were partially offset by share of profits from the Seascope and Cape Royale developments in Sentosa Cove. In 1HFY2018, one unit in Seascope was sold whereas no units were sold in Seascope in 1HFY2019. This resulted in a y-o-y drop in profit from Seascope in 1HFY2019.

As the Australian projects are still in progress, the entities concerned had recorded marketing and promotional expenses incurred in the income statement, which resulted in losses. In 1HFY2018, the Group only held interest in one Australian jointly controlled entity which was not active at that point in time.

Income tax expense dropped 5% y-o-y to S\$10.6 million (1HFY2018: S\$11.3 million).

Profit attributable to owners of the Company fell 65% to S\$42.1 million (1HFY2018: S\$120.9 million). This translates to earnings per share of 6.32 cents (1HFY2018: 18.16 cents).

Total shareholders' fund as at 30 June 2019 amounted to S\$3.2 billion (31 Dec 2018: S\$3.3 billion), representing a net asset value of S\$4.89 per share (31 Dec 2018: S\$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**

With the ongoing geopolitical tensions, trade conflicts and Brexit uncertainty, the outlook for global economic growth is bleak. The Singapore economy has already been impacted negatively. The Ministry of Trade and Industry had narrowed downwards the Gross Domestic Product growth figure for the year to 1.5% to 2.5% from 1.5% to 3.5%.

The Group's portfolio of investment properties will help to weather the challenging times ahead and underpin the Group's profitability.

**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 quarter ended 30 June 2019. 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  
06/08/2019

**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 2nd quarter ended 30th June 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

06/08/2019