

Unaudited Financial Statements For The Second Quarter Ended 30th June 2014
**1(a) CONSOLIDATED INCOME STATEMENT
For The Second Quarter Ended 30th June 2014**

	THE GROUP					
	2nd Quarter Ended 30th June			1st Half Ended 30th June		
	2014	2013	Change	2014	2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations						
Revenue	26,808	6,091	340.1	43,904	66,866	(34.3)
Cost of sales	(4,814)	(1,925)	150.1	(8,655)	(46,770)	(81.5)
Gross profit	21,994	4,166	427.9	35,249	20,096	75.4
Other operating income	2,206	27,817	(92.1)	2,653	78,468	(96.6)
Administrative expenses	(2,325)	(6,660)	(65.1)	(4,830)	(8,919)	(45.8)
Other operating expenses	(1,561)	(489)	219.2	(3,524)	(749)	370.5
Profit from operations	20,314	24,834	(18.2)	29,548	88,896	(66.8)
Finance costs	(4,681)	(877)	433.8	(7,361)	(2,029)	262.8
	15,633	23,957	(34.7)	22,187	86,867	(74.4)
Share of (losses)/profits of:						
Associates	(645)	(221)	191.9	(645)	(456)	41.4
Jointly controlled entities	(306)	2,641	NM	(1,097)	7,833	NM
Profit before taxation	14,682	26,377	(44.3)	20,445	94,244	(78.3)
Income tax expense	(2,506)	(894)	180.3	(4,024)	(3,779)	6.5
Profit from continuing operations	12,176	25,483	(52.2)	16,421	90,465	(81.8)
Discontinued operation						
(Loss)/profit from discontinued operation (net of tax)	-	1,092	NM	(187)	2,343	NM
Profit for the period	12,176	26,575	(54.2)	16,234	92,808	(82.5)
Attributable to:						
Owners of the Company	12,196	26,227	(53.5)	16,300	78,376	(79.2)
Non-controlling interests	(20)	348	NM	(66)	14,432	NM
Net profit for the period	12,176	26,575	(54.2)	16,234	92,808	(82.5)
The following items have been included in arriving at profit for the period:						
Other income	635	101	528.7	910	1,559	(41.6)
Dividend income	-	-	-	-	16	NM
Interest income	759	1,316	(42.3)	837	2,576	(67.5)
Gain on sale of available-for-sale investment	-	-	-	-	46,985	NM
Gain on sale of other financial assets	-	-	-	-	7	NM
Gain on disposal of hotel	-	25,927	NM	-	25,927	NM
Foreign exchange gain/(loss)	1,165	373	212.3	1,202	(162)	NM
Net changes in fair value of financial assets through profit & loss	(353)	100	NM	(295)	1,560	NM
Depreciation of property, plant & equipment	(236)	(74)	218.9	(455)	(168)	170.8
Allowance for doubtful debts	-	1	NM	-	-	-

NM : Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2014

ASSETS	The Group		The Company	
	30-06-2014	31-12-2013	30-06-2014	31-12-2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current Assets				
Property, Plant & Equipment	21,138	21,054	2,314	2,430
Investment Properties (Note 1)	1,923,584	1,540,709	-	-
Investments in Subsidiaries	-	-	91,806	70,639
Interests in Associates	429,122	444,842	437,055	437,055
Interests in Jointly Controlled Entities	347,803	202,554	372,850	225,500
Other Assets	150	150	-	-
Financial Assets	3,826	4,518	-	-
Amount Due From Subsidiaries, Jointly Controlled Entities, Associates & Investee Company	261,401	400,788	423,504	412,832
Deferred Tax Assets	473	473	-	-
	2,987,497	2,615,088	1,327,529	1,148,456
Current Assets				
Development Properties	71,866	58,187	-	-
Properties Held For Sale	149,769	149,753	-	-
Trade & Other Receivables	27,561	33,118	744	18,740
Inventories	-	21	-	-
Amount Due From Subsidiaries, Jointly Controlled Entities, Associates & Investee Company	18,473	18,760	22,985	18,760
Cash & Cash Equivalents	19,099	117,557	1,115	85,683
	286,768	377,396	24,844	123,183
TOTAL ASSETS	3,274,265	2,992,484	1,352,373	1,271,639
EQUITIES & LIABILITIES				
Equity Attributable To Shareholders				
Share Capital	156,048	156,048	156,048	156,048
Treasury Shares	(60,284)	(54,265)	(60,284)	(54,265)
Capital Reserve	2,230	2,230	187	187
Hedging Reserve	(1,004)	-	-	-
Currency Translation Reserve	(6,968)	7,935	-	-
Accumulated Profits	2,181,722	2,218,827	1,034,344	1,028,697
Share Capital and Reserves	2,271,744	2,330,775	1,130,295	1,130,667
Non-controlling Interests	15,898	16,976	-	-
Total Equity	2,287,642	2,347,751	1,130,295	1,130,667
Non-current Liabilities				
Long-term Borrowings (Note 2)	715,611	98,831	-	-
Other Non-current Liabilities	15,213	15,213	-	-
Deferred Tax Liabilities	1,515	1,515	-	-
Deferred Income	12,524	819	-	-
	744,863	116,378	-	-
Current Liabilities				
Trade & Other Payables	100,731	113,226	126,300	45,955
Short-term Borrowings (Note 3)	95,778	370,703	95,778	94,903
Deferred Income	8,178	1,003	-	-
Current Tax Payable	37,073	43,423	-	114
	241,760	528,355	222,078	140,972
Total Liabilities	986,623	644,733	222,078	140,972
TOTAL EQUITY & LIABILITIES	3,274,265	2,992,484	1,352,373	1,271,639

NOTES TO THE STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2014

Note 1: The increase in investment properties was due to the acquisition of 1 St Martin's Le Grand in London which amounted to S\$380.6 million.

Note 2: The increase in long-term borrowings was due to the 5-year term loan for the refinancing of The Metropolis and acquisition of 1 St Martin's Le Grand in London in the 1st quarter of this year.

Note 3: The decrease in short-term borrowings pertains to the refinancing of The Metropolis loan.

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

Amount repayable in one year or less, or on demand

As at 30-06-2014		As at 31-12-2013	
Secured	Unsecured	Secured	Unsecured
S\$95,778,000	-	S\$370,703,000	-

Amount repayable after one year

As at 30-06-2014		As at 31-12-2013	
Secured	Unsecured	Secured	Unsecured
S\$715,611,000	-	S\$98,831,000	-

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 2014**

	2nd Quarter Ended 30th June		1st Half Ended 30th June	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash flows from operating activities				
Profit for the period	12,176	26,575	16,234	92,808
<i>Adjustments for:</i>				
Depreciation of property, plant & equipment	236	74	455	168
Loss on disposal of property, plant & equipment	-	-	1	-
Gain on disposal of hotel	-	(25,927)	-	(25,927)
Gain on sale of available-for-sale investment	-	-	-	(46,985)
Gain on sale of other financial assets	-	-	-	(7)
(Gain)/Loss in foreign exchange	(6,636)	(5,638)	(8,827)	(4,711)
Dividend income	-	-	-	(16)
Finance costs	4,681	877	7,361	2,029
Interest income	(759)	(1,316)	(837)	(2,576)
Net change in fair value of financial assets through profit & loss	353	(100)	295	(1,560)
Share of losses/(profits) of jointly controlled entities	306	(2,641)	1,097	(7,833)
Share of losses of associates	645	221	645	456
Income tax expense	2,506	1,118	4,024	4,259
Operating profit/(loss) before changes in working capital	13,508	(6,757)	20,448	10,105

	2nd Quarter Ended 30th June		1st Half Ended 30th June	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
<i>Changes in working capital</i>				
Inventories	-	10	21	(2)
Development properties	(7,398)	5,349	(11,553)	47,533
Trade & other receivables	(1,488)	(1,236)	4,552	(1,203)
Trade & other payables	(1,935)	(5,817)	5,795	(10,681)
Cash generated from/(used in) operations	2,687	(8,451)	19,263	45,752
Income tax paid	(7,206)	(9,075)	(10,444)	(14,205)
Net cash inflow/(outflow) from operating activities	(4,519)	(17,526)	8,819	31,547
Cash flows from investing activities				
Interest received	21	209	99	391
Dividend received (net)	-	6,500	-	26,501
Investment in associate	-	-	-	(5,321)
Repayment from/(Advances to) jointly controlled entities	323	(506)	(1,882)	(13,648)
Other investment	(2,750)	-	(5,466)	-
Proceeds from disposal of hotel	-	161,836	-	161,836
Proceeds from sale of available-for-sale investment	-	-	-	78,938
Proceeds from sale of property, plant & equipment	-	271	-	271
Proceeds from sale of equity	-	-	-	114
Purchase of property, plant & equipment	(323)	(919)	(450)	(2,504)
Additional costs incurred on investment properties under development	-	(30,221)	-	(56,782)
Purchase of investment properties	(1,343)	(138,465)	(374,416)	(138,465)
Purchase of other financial assets	(8)	(2)	(8)	(96)
Distribution income of other financial assets	119	104	337	243
Net cash (outflow)/inflow from investing activities	(3,961)	(1,193)	(381,786)	51,478
Cash flows from financing activities				
Advances from/(Repayment to) non-controlling interests	590	-	590	(5,384)
Proceeds from term loans	310,296	89,512	646,247	89,512
Interest paid	(4,681)	(2,506)	(7,361)	(5,343)
Purchase of treasury shares	-	(1,868)	(6,019)	(30,119)
Repayment of term loans	(252,411)	(46,639)	(304,720)	(114,838)
Dividends paid to non-controlling interests	-	-	(800)	(15,600)
Dividends paid	(53,405)	(33,838)	(53,405)	(33,838)
Net cash inflow/(outflow) from financing activities	389	4,661	274,532	(115,610)
Net decrease in cash and cash equivalents	(8,091)	(14,058)	(98,435)	(32,585)
Effect of foreign exchange rate changes on consolidation	(2)	56	(23)	53
Cash and cash equivalents at beginning of period	27,192	143,978	117,557	162,508
Cash and cash equivalents at end of period	19,099	129,976	19,099	129,976

1(d) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Second Quarter Ended 30th June 2014

	2nd Quarter Ended 30th June			1st Half Ended 30th June		
	2014	2013	Change	2014	2013	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	12,176	26,575	(54.2)	16,234	92,808	(82.5)
Other comprehensive (expenses)/income:						
Share of foreign currency translation difference of associate	(4,083)	12,869	NM	(15,075)	23,088	NM
Exchange differences on consolidation of foreign subsidiary	152	1,594	(90.5)	(40)	2,513	NM
Net loss on hedge of net investment in foreign operations	-	(1,430)	NM	-	(2,574)	NM
Effective portion of changes in fair value of cash flow hedges	(1,004)	-	NM	(1,004)	-	NM
Total comprehensive income for the period	7,241	39,608	(81.7)	115	115,835	(99.9)
Attributable to:						
Owners of the Company	7,373	39,229	(81.2)	393	101,443	(99.6)
Non-controlling interests	(132)	379	NM	(278)	14,392	NM
	7,241	39,608	(81.7)	115	115,835	(99.9)

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

GROUP	Share Capital	Reserve For Own Shares	Revaluation Reserve	Other Reserves	Accum. Profits	Total	Non-controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1st Jan 2013	205,133	(60,500)	94,676	(18,833)	1,566,214	1,786,690	19,512	1,806,202
Total comprehensive income for 1st qtr 2013	-	-	-	10,065	52,149	62,214	14,013	76,227
Dividends paid	-	-	-	-	-	-	(15,600)	(15,600)
Cancellation of treasury shares	(49,085)	49,085	-	-	-	-	-	-
Purchase of treasury shares	-	(28,251)	-	-	-	(28,251)	-	(28,251)
Balance at 31st Mar 2013	156,048	(39,666)	94,676	(8,768)	1,618,363	1,820,653	17,925	1,838,578
Total comprehensive income for 2nd qtr 2013	-	-	-	13,002	26,227	39,229	379	39,608
Dividends paid	-	-	-	-	(33,838)	(33,838)	-	(33,838)
Purchase of treasury shares	-	(1,868)	-	-	-	(1,868)	-	(1,868)
Reversal of revaluation reserve	-	-	(94,676)	-	94,676	-	-	-
Balance at 30th Jun 2013	156,048	(41,534)	-	4,234	1,705,428	1,824,176	18,304	1,842,480

GROUP	Share Capital S\$'000	Reserve For Own Shares S\$'000	Capital & Other Reserve S\$'000	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 2014	156,048	(54,265)	2,230	7,935	2,218,827	2,330,775	16,976	2,347,751
Total comprehensive income/(expense) for 1st qtr 2014	-	-	-	(11,084)	4,104	(6,980)	(146)	(7,126)
Dividends paid	-	-	-	-	-	-	(800)	(800)
Purchase of treasury shares	-	(6,019)	-	-	-	(6,019)	-	(6,019)
Balance at 31st Mar 2014	156,048	(60,284)	2,230	(3,149)	2,222,931	2,317,776	16,030	2,333,806
Total comprehensive income/(expense) for 2nd qtr 2014	-	-	(1,004)	(3,819)	12,196	7,373	(132)	7,241
Dividends paid	-	-	-	-	(53,405)	(53,405)	-	(53,405)
Balance at 30th Jun 2014	156,048	(60,284)	1,226	(6,968)	2,181,722	2,271,744	15,898	2,287,642

COMPANY	Share Capital S\$'000	Reserve For Own Shares S\$'000	Capital Reserve S\$'000	Accum. Profits S\$'000	Total S\$'000
Balance at 1st Jan 2013	205,133	(60,500)	187	679,578	824,398
Total comprehensive income for 1st qtr 2013	-	-	-	55,521	55,521
Cancellation of treasury shares	(49,085)	49,085	-	-	-
Purchase of treasury shares	-	(28,251)	-	-	(28,251)
Balance at 31st Mar 2013	156,048	(39,666)	187	735,099	851,668
Total comprehensive expense for 2nd qtr 2013	-	-	-	(2,824)	(2,824)
Dividends paid	-	-	-	(33,838)	(33,838)
Purchase of treasury shares	-	(1,868)	-	-	(1,868)
Balance at 30th Jun 2013	156,048	(41,534)	187	698,437	813,138

COMPANY	Share Capital S\$'000	Reserve For Own Shares S\$'000	Capital Reserve S\$'000	Accum. Profits S\$'000	Total S\$'000
Balance at 1st Jan 2014	156,048	(54,265)	187	1,028,697	1,130,667
Total comprehensive income for 1st qtr 2014	-	-	-	59,011	59,011
Purchase of treasury shares	-	(6,019)	-	-	(6,019)
Balance at 31st Mar 2014	156,048	(60,284)	187	1,087,708	1,183,659
Total comprehensive income for 2nd qtr 2014	-	-	-	41	41
Dividends paid	-	-	-	(53,405)	(53,405)
Balance at 30th Jun 2014	156,048	(60,284)	187	1,034,344	1,130,295

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

	2nd Quarter Ended 30th Jun 2014		2nd Quarter Ended 30th Jun 2013		Full Year Ended 31st Dec 2013	
	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 35,777,000 treasury shares held by the Company as at 30th June 2014 (30th June 2013: 26,635,000) and 32,895,000 treasury shares as at 31st December 2013. These were included in the above number of issued ordinary shares. There were no sale, transfer, disposal, cancellation and/or use of treasury shares for the financial period ended 30th June 2014.

2. AUDIT

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

3. ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The Group has applied the same accounting policies and methods of computation in the consolidated financial statements for the current financial period as in the audited consolidated financial statements for the year ended 31st December 2013.

4. CHANGES IN ACCOUNTING POLICIES

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

5. EARNINGS PER ORDINARY SHARE

	2nd Qtr Ended 30th June		1st Half Ended 30th June	
	2014	2013	2014	2013
Weighted average number of shares (excluding treasury shares)	667,561,000	676,740,000	668,041,000	679,095,000
Earnings per ordinary share for the period				
i) Based on weighted average number of ordinary shares (excluding treasury shares)	1.83 cts	3.88 cts	2.44 cts	11.54 cts
ii) On a fully diluted basis	1.83 cts	3.88 cts	2.44 cts	11.54 cts

Basic earnings per share and earnings per share on a fully diluted basis for the financial period ended 30th June 2014 were computed based on net profit attributable to owners of the Company of S\$12,196,000 for the 2nd quarter 2014 (2Q2013: S\$26,227,000), S\$16,300,000 for 1st half 2014 (1H2013: S\$78,376,000) and weighted average number of ordinary shares of 667,561,000 for the 2nd quarter 2014 (2Q2013: 676,740,000), 668,041,000 for 1st half 2014 (1H2013: 679,095,000).

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

6. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30th Jun 2014	31st Dec 2013	30th Jun 2014	31st Dec 2013
Net asset value per ordinary share	S\$3.40	S\$3.48	S\$1.69	S\$1.69

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 2014 and 31st December 2013 after adjusting for non-controlling interests and 667,561,000 shares and 670,443,000 shares (excluding treasury shares) as at 30th June 2014 and 31st December 2013 respectively.

7. PERFORMANCE REVIEW OF THE GROUP

2nd Qtr 2014 vs 2nd Qtr 2013

Group turnover for the 2nd quarter of 2014 amounted to S\$26.8 million as compared to S\$6.1 million in the corresponding period last year. This was due to the higher rental contributions from the Group's investment properties.

Rental income from the Group's industrial and commercial properties rose substantially to S\$25.7 million from S\$2.8 million in the 2nd quarter of 2013. This was mainly contributed by the rentals of office buildings, The Metropolis in Singapore, and Rose Court and 1 St Martin's Le Grand in London.

Profit before tax and non-controlling interests amounted to S\$14.7 million, 44% lower than the same period last year. This was due to the S\$25.9 million gain on the disposal of Hotel Windsor last year.

Profit attributable to owners of the Company decreased by 54% to S\$12.2 million, translating to an earnings of 1.8 cents per share.

1st Half 2014 vs 1st Half 2013

For the six months ended 30th June, Group turnover for the current year was S\$43.9 million as compared to S\$66.9 million achieved in the preceding year. There was no recognition of revenue for development projects in the 1st half of 2014.

Profit at pre-tax level was S\$20.5 million, 78% lower than the S\$94.2 million recorded last year. The higher earnings in 2013, apart from the gain on the sale of Hotel Windsor, was also due to the S\$47 million gain on sale of investment interest in Chongbang Holdings in China.

Correspondingly, profit attributable to shareholders decreased 79% from S\$78.4 million in the same period last year to S\$16.3 million. Earnings per share for the period under review was 2.4 cents against 11.5 cents in the preceding year.

Total shareholders' fund as at end of June 2014 amounted to S\$2.27 billion, representing a net asset value of S\$3.40 per share.

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

The actual results of the current quarter are in line with the prospect statement disclosed in the previous quarter results announcement.

9. COMMENTARY ON THE GROUP PROSPECTS

The Singapore's real estate environment continues to be challenging, especially in the residential sector. The Government had reiterated on many occasions that it is still too early to relax the cooling measures. Notwithstanding these challenges, the Group is beginning to see the fruition of the strategic decision to increase the portfolio of investment properties.

With the completion of The Metropolis and the strategic acquisitions of Rose Court and 1 St Martin's Le Grand in London, the Group now has a substantial stream of investment income that would underpin the Group's earnings in the years to come.

10. DIVIDEND

(a) Current financial period reported on

Any dividend recommended 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**

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
11/08/2014

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 2014 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Chua Thian Poh
Chairman & CEO

Desmond Woon
Executive Director

11/08/2014