

**Unaudited Financial Statements For The Second Quarter Ended 30th June 2018**
**1(a) CONSOLIDATED INCOME STATEMENT  
For The Second Quarter Ended 30th June 2018**

	<b>THE GROUP</b>					
	<b>2nd Quarter Ended 30th June</b>			<b>1st Half Ended 30th June</b>		
	<b>2018</b>	<b>2017</b>	<b>Change</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>						
Sales of development properties	3,455	2,796	23.6	14,330	9,573	49.7
Rental income	39,941	34,594	15.5	77,725	70,197	10.7
	<b>43,396</b>	<b>37,390</b>	<b>16.1</b>	<b>92,055</b>	<b>79,770</b>	<b>15.4</b>
Fair value gain on investment property (Note 1)	28,328	-	NM	28,328	-	NM
Other operating income (Note 2)	2,750	6,052	(54.6)	4,323	15,000	(71.2)
	<b>74,474</b>	<b>43,442</b>	<b>71.4</b>	<b>124,706</b>	<b>94,770</b>	<b>31.6</b>
Less:						
Cost of sales - residential development project	(1,376)	(2,601)	(47.1)	(8,467)	(8,152)	3.9
Direct rental expenses	(4,380)	(4,587)	(4.5)	(9,086)	(8,486)	7.1
Staff costs & directors' remuneration	(3,951)	(5,787)	(31.7)	(9,541)	(10,962)	(13.0)
(Loss)/Gain on foreign exchange	(4,079)	1,507	NM	(3,441)	1,643	NM
Other operating expenses	(3,239)	(1,208)	>100	(4,537)	(2,869)	58.1
<b>Profit from operations</b>	<b>57,449</b>	<b>30,766</b>	<b>86.7</b>	<b>89,634</b>	<b>65,944</b>	<b>35.9</b>
Net finance costs	(8,606)	(5,981)	43.9	(15,425)	(11,906)	29.6
	<b>48,843</b>	<b>24,785</b>	<b>97.0</b>	<b>74,209</b>	<b>54,038</b>	<b>37.3</b>
Share of profits (net of tax) of:						
Associates	25,729	12,221	>100	54,239	44,894	20.8
Jointly controlled entities	2,602	3,244	(19.8)	4,266	5,027	(15.1)
<b>Profit before taxation</b>	<b>77,174</b>	<b>40,250</b>	<b>91.7</b>	<b>132,714</b>	<b>103,959</b>	<b>27.7</b>
Income tax expense	(5,314)	(3,554)	49.5	(11,250)	(10,740)	4.7
<b>Profit for the period</b>	<b>71,860</b>	<b>36,696</b>	<b>95.8</b>	<b>121,464</b>	<b>93,219</b>	<b>30.3</b>
<b>Attributable to:</b>						
Owners of the Company	71,521	36,111	98.1	120,889	92,426	30.8
Non-controlling interests	339	585	(42.1)	575	793	(27.5)
<b>Net profit for the period</b>	<b>71,860</b>	<b>36,696</b>	<b>95.8</b>	<b>121,464</b>	<b>93,219</b>	<b>30.3</b>
<b>The following items have been included in arriving at profit for the period:</b>						
Distribution income - other financial assets	11	59	(81.4)	35	74	(52.7)
Distribution income - jointly controlled operations	2,124	4,497	(52.8)	3,003	4,497	(33.2)
Other income	615	862	(28.7)	1,285	1,958	(34.4)
Gain on sale of investment property	-	-	-	-	7,352	NM
Gain on sale of quoted equity investment	-	-	-	-	485	NM
Interest income	607	516	17.6	1,197	988	21.2
Net changes in fair value of financial assets through profit & loss	(23)	19	NM	(47)	(437)	(89.2)
Depreciation of property, plant & equipment	(175)	(255)	(31.4)	(383)	(491)	(22.0)

NM : Not Meaningful

1(b)(i) STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2018

ASSETS	The Group		The Company	
	30-06-2018	31-12-2017	30-06-2018	31-12-2017
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current Assets</b>		<i>(restated)*</i>		
Property, Plant & Equipment	28,253	26,700	477	564
Investment Properties (Note 3)	4,296,594	3,113,754	-	-
Investments in Subsidiaries	-	-	178,789	178,789
Interests in Associates	560,842	535,741	395,805	423,925
Interests in Jointly Controlled Entities	318,692	312,761	265,388	265,388
Other Assets	150	150	-	-
Financial Assets (Note 4)	69,736	3,893	68,580	2,615
Amounts Due From Subsidiaries & Jointly Controlled Entities	257,005	258,006	1,735,554	584,801
Deferred Tax Assets	221	-	-	-
	<b>5,531,493</b>	<b>4,251,005</b>	<b>2,644,593</b>	<b>1,456,082</b>
<b>Current Assets</b>				
Development Properties	47,306	56,563	-	-
Properties Held For Sale	184,477	184,701	-	-
Trade & Other Receivables	47,104	28,436	13,306	45
Amounts Due From Subsidiaries & Jointly Controlled Entities	18	17	70,799	107,387
Cash & Cash Equivalents	102,911	97,111	1,180	2,493
	<b>381,816</b>	<b>366,828</b>	<b>85,285</b>	<b>109,925</b>
<b>TOTAL ASSETS</b>	<b>5,913,309</b>	<b>4,617,833</b>	<b>2,729,878</b>	<b>1,566,007</b>
<b>EQUITIES &amp; LIABILITIES</b>				
<b>Equity Attributable To Shareholders</b>				
Share Capital	156,048	156,048	156,048	156,048
Treasury Shares	(63,930)	(63,930)	(63,930)	(63,930)
Capital Reserve	2,043	2,043	-	-
Hedging Reserve	(568)	(1,832)	-	-
Foreign Currency Translation Reserve	(10,880)	(7,964)	-	-
Accumulated Profits	3,097,514	3,043,197	1,175,057	1,250,380
<b>Share Capital and Reserves</b>	<b>3,180,227</b>	<b>3,127,562</b>	<b>1,267,175</b>	<b>1,342,498</b>
<b>Non-controlling Interests</b>	14,858	14,200	-	-
<b>Total Equity</b>	<b>3,195,085</b>	<b>3,141,762</b>	<b>1,267,175</b>	<b>1,342,498</b>
<b>Non-current Liabilities</b>				
Borrowings	1,216,267	1,181,496	-	-
Other Non-current Liabilities	33,414	31,581	-	-
Deferred Income (Note 6)	48,171	260	-	-
	<b>1,297,852</b>	<b>1,213,337</b>	-	-
<b>Current Liabilities</b>				
Trade & Other Payables	41,757	47,148	178,974	92,724
Borrowings (Note 5)	1,325,616	172,965	1,283,729	130,785
Deferred Income (Note 6)	13,888	240	-	-
Current Tax Payable	39,111	42,381	-	-
	<b>1,420,372</b>	<b>262,734</b>	<b>1,462,703</b>	<b>223,509</b>
<b>Total Liabilities</b>	<b>2,718,224</b>	<b>1,476,071</b>	<b>1,462,703</b>	<b>223,509</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>5,913,309</b>	<b>4,617,833</b>	<b>2,729,878</b>	<b>1,566,007</b>

\*restated – refer to paragraph 4

**NOTES TO CONSOLIDATED INCOME STATEMENT FOR THE SECOND QUARTER ENDED 30TH JUNE 2018 AND STATEMENTS OF FINANCIAL POSITION AS AT 30TH JUNE 2018**

Note 1: During 2Q2018, the Group completed the sale of a 30-year leasehold interest in a petrol station site located along Bukit Timah Road. As the sale consideration is significantly higher than the last valuation undertaken as at 31 December 2017, it is considered appropriate to undertake a valuation of this 999-year leasehold investment property. Accordingly, the Group has recognised a fair value gain on investment property amounting to S\$28.3m in 2Q2018.

In accordance with the accounting standard, the sale of the 30-year leasehold interest has been recorded as an operating lease in the Group's financial statements.

Note 2: For the 6 months ended 30 June 2017, other operating income of S\$15.0 million included a S\$7.4 million gain arising from the sale of Rose Court, an investment property in London.

Note 3: On 15 June 2018, the Group completed the acquisition of Ropemaker Place, 25 Ropemaker Street, London EC2 ("Ropemaker Place") by acquiring the entire issued share capital of Frasia Properties S.a.r.l. (the "Acquisition"). The fair value of Ropemaker Place is approximately S\$1.16 billion. Please refer to the Group's SGX announcement dated 17 June 2018 for the details of the Acquisition.

The Acquisition is the key reason for the increase in the Group's Investment Properties as of 30 June 2018.

Note 4: The Company's Financial Assets as of 30 June 2018 of S\$68.58 million represent its year-to-date investments into CS Real Estate SICAV-SIF I – Credit Suisse (Lux) European Property Fund II and notes issued by Clouse S.A., Compartment 29. More details on these investments can be found in the Company's SGX announcement dated 26 March 2018.

Note 5: The increase in short-term borrowings of approximately S\$1.15 billion was attributable to the bridging loans granted by banks in June 2018 to finance the Acquisition described in Note 3 above. The Group is in the process of arranging for banking facilities for long-term bank borrowings to repay the bridging loans.

Note 6: The increase in Deferred Income (current) as at 30 June 2018 was largely attributable to the advanced billings to the tenants of Ropemaker Place for the period from 1 July 2018 till 28 September 2018.

The increase in Deferred Income (non-current) as at 30 June 2018 was attributable to rental received in advance in relation to a petrol station site located along Bukit Timah Road, which is an investment property with 999-year tenure held by the Group.

The tenant had paid rental for a 30-year period commencing on 2 April 2018. The Deferred Income (non-current) balance as at 30 June 2018 largely relates to the rental received in advance for the period 1 July 2019 till 1 April 2048.

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

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

As at 30-06-2018		As at 31-12-2017	
Secured	Unsecured	Secured	Unsecured
S\$1,325,616,000	-	S\$172,965,000	-

### Amount repayable after one year

As at 30-06-2018		As at 31-12-2017	
Secured	Unsecured	Secured	Unsecured
S\$1,216,267,000	-	S\$1,181,496,000	-

### 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 2018

	2nd Quarter Ended 30th June		1st Half Ended 30th June	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	71,860	36,696	121,464	93,219
<i>Adjustments for:</i>				
Depreciation of property, plant & equipment	175	255	383	491
Property, plant & equipment written off	-	5	-	5
Fair value gain on investment property	(28,328)	-	(28,328)	-
Gain on sale of investment property	-	-	-	(7,352)
Gain on sale of financial assets (quoted equity)	-	-	-	(485)
Loss on disposal of property, plant & equipment	-	-	1	-
Interest income	(607)	(516)	(1,197)	(988)
Distribution income	(11)	(59)	(35)	(74)
Finance costs	9,213	6,497	16,622	12,894
Unrealised loss on foreign exchange	11,702	1,431	12,436	828
Net change in fair value of financial assets through profit & loss	23	(19)	47	437
Share of profits of associates	(25,729)	(12,221)	(54,239)	(44,894)
Share of profits of jointly controlled entities	(2,602)	(3,244)	(4,266)	(5,027)
Income tax expense	5,314	3,554	11,250	10,740
<b>Operating profit before changes in working capital</b>	<b>41,010</b>	<b>32,379</b>	<b>74,138</b>	<b>59,794</b>
<i>Changes in working capital</i>				
Development properties	2,364	1,129	7,591	6,071
Trade & other receivables	(9,009)	(2,729)	(6,303)	5,510
Trade & other payables	63,788	8,440	57,787	(3,718)
<b>Cash generated from operations</b>	<b>98,153</b>	<b>39,219</b>	<b>133,213</b>	<b>67,657</b>
Income tax paid	(6,698)	(9,007)	(13,435)	(12,843)
<b>Net cash inflow from operating activities</b>	<b>91,455</b>	<b>30,212</b>	<b>119,778</b>	<b>54,814</b>

1(c) **CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)**  
**For The Second Quarter Ended 30th June 2018**

	2nd Quarter Ended 30th June		1st Half Ended 30th June	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
<b>Cash flows from investing activities</b>				
Interest received	335	243	655	444
Repayment from/(advances to) jointly controlled entities	2,850	(515)	3,750	535
Investment in jointly controlled entity	(936)	-	(2,436)	-
Repayment from investee company	16,068	23,707	16,068	23,707
Proceeds from disposal of investment property	-	-	-	167,237
Proceeds from sale of quoted equity investment	-	-	-	4,259
Purchase of investment properties	(1,162,850)	(231,705)	(1,162,850)	(231,705)
Purchase of property, plant & equipment	(1,171)	(819)	(2,108)	(1,829)
Purchase of financial assets	-	-	(67,226)	(4)
Distribution income of other financial assets	13	107	131	155
<b>Net cash outflow from investing activities</b>	<b>(1,145,691)</b>	<b>(208,982)</b>	<b>(1,214,016)</b>	<b>(37,201)</b>
<b>Cash flows from financing activities</b>				
Proceeds from term loans	1,147,150	174,639	1,207,650	174,639
Interest paid	(9,213)	(6,497)	(16,622)	(12,894)
Repayment of term loans	(15,508)	(19,853)	(21,681)	(101,942)
Dividend paid to non-controlling interests	-	-	(200)	-
Dividends paid	(66,572)	(39,943)	(66,572)	(39,943)
<b>Net cash inflow from financing activities</b>	<b>1,055,857</b>	<b>108,346</b>	<b>1,102,575</b>	<b>19,860</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,621</b>	<b>(70,424)</b>	<b>8,337</b>	<b>37,473</b>
Effect of foreign exchange rate changes on consolidation	(383)	1,380	(2,537)	487
Cash and cash equivalents at beginning of period	101,673	161,264	97,111	54,260
<b>Cash and cash equivalents at end of period</b>	<b>102,911</b>	<b>92,220</b>	<b>102,911</b>	<b>92,220</b>

1(d) **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For The Second Quarter Ended 30th June 2018**

	2nd Quarter Ended 30th June			1st Half Ended 30th June		
	2018	2017	Change	2018	2017	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	<b>71,860</b>	<b>36,696</b>	<b>95.8</b>	<b>121,464</b>	<b>93,219</b>	<b>30.3</b>
<b>Other comprehensive income/(expense):</b>						
Share of foreign currency translation difference of associates	(9,241)	733	NM	(1,018)	(12,355)	(91.8)
Exchange differences on consolidation of foreign operations	(3,184)	4,604	NM	(1,615)	(1,232)	31.1
Net gain/(loss) on hedge of interest rate swaps	114	(173)	NM	1,264	(438)	NM
<b>Total comprehensive income for the period</b>	<b>59,549</b>	<b>41,860</b>	<b>42.3</b>	<b>120,095</b>	<b>79,194</b>	<b>51.6</b>
<b>Attributable to:</b>						
Owners of the Company	58,625	41,482	41.3	119,237	79,105	50.7
Non-controlling interests	924	378	>100	858	89	>100
	<b>59,549</b>	<b>41,860</b>	<b>42.3</b>	<b>120,095</b>	<b>79,194</b>	<b>51.6</b>

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

<b>GROUP</b>	<b>Share Capital</b> S\$'000	<b>Reserve For Own Shares</b> S\$'000	<b>Capital &amp; Other Reserves</b> S\$'000	<b>Currency Translation Reserves</b> S\$'000	<b>Accum. Profits</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling Interests</b> S\$'000	<b>Total Equity</b> S\$'000
<b>Balance at 1st Jan 2017</b>	<b>156,048</b>	<b>(63,930)</b>	<b>(717)</b>	<b>(18,427)</b>	<b>2,833,880</b>	<b>2,925,281</b>	<b>13,939</b>	<b>2,939,220</b>
Total comprehensive income/(expense) for the period			(265)	(18,427)	56,315	37,623	(289)	37,334
<b>Balance at 31st Mar 2017</b>	<b>156,048</b>	<b>(63,930)</b>	<b>(982)</b>	<b>(18,427)</b>	<b>2,890,195</b>	<b>2,962,904</b>	<b>13,650</b>	<b>2,976,554</b>
Total comprehensive income/(expense) for the period	-	-	(173)	5,544	36,111	41,482	378	41,860
Dividends paid	-	-	-	-	(39,943)	(39,943)	-	(39,943)
<b>Balance at 30th Jun 2017</b>	<b>156,048</b>	<b>(63,930)</b>	<b>(1,155)</b>	<b>(12,883)</b>	<b>2,886,363</b>	<b>2,964,443</b>	<b>14,028</b>	<b>2,978,471</b>

<b>GROUP</b>	<b>Share Capital</b> S\$'000	<b>Reserve For Own Shares</b> S\$'000	<b>Capital &amp; Other Reserves</b> S\$'000	<b>Currency Translation Reserves</b> S\$'000	<b>Accum. Profits</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling Interests</b> S\$'000	<b>Total Equity</b> S\$'000
<b>Balance at 1st Jan 2018</b>	<b>156,048</b>	<b>(63,930)</b>	<b>211</b>	<b>(7,964)</b>	<b>3,043,197</b>	<b>3,127,562</b>	<b>14,200</b>	<b>3,141,762</b>
Total comprehensive income/(expense) for the period	-	-	1,150	10,094	49,368	60,612	(66)	60,546
Dividends paid	-	-	-	-	-	-	(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/(expense) for the period	-	-	114	(13,010)	71,521	58,625	924	59,549
Dividends paid	-	-	-	-	(66,572)	(66,572)	-	(66,572)
<b>Balance at 30th Jun 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>

\*restated – refer to paragraph 4

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

<b>COMPANY</b>	<b>Share Capital S\$'000</b>	<b>Reserve For Own Shares S\$'000</b>	<b>Capital Reserve S\$'000</b>	<b>Accum. Profits S\$'000</b>	<b>Total S\$'000</b>
<b>Balance at 1st Jan 2017</b>	<b>156,048</b>	<b>(63,930)</b>	-	<b>1,244,324</b>	<b>1,336,442</b>
Total comprehensive expense for the period	-	-	-	(2,598)	(2,598)
<b>Balance at 31st Mar 2017</b>	<b>156,048</b>	<b>(63,930)</b>	-	<b>1,241,726</b>	<b>1,333,844</b>
Total comprehensive expense for the period	-	-	-	(2,072)	(2,072)
Dividends paid	-	-	-	(39,943)	(39,943)
<b>Balance at 30th Jun 2017</b>	<b>156,048</b>	<b>(63,930)</b>	-	<b>1,199,711</b>	<b>1,291,829</b>

  

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

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

	<b>2nd Quarter Ended 30th Jun 2018</b>		<b>2nd Quarter Ended 30th Jun 2017</b>		<b>Full Year Ended 31st Dec 2017</b>	
	<b>No. of Ordinary Shares</b>	<b>S\$'000</b>	<b>No. of Ordinary Shares</b>	<b>S\$'000</b>	<b>No. of Ordinary Shares</b>	<b>S\$'000</b>
<b>Balance at beginning of period</b>	<b>703,338,000</b>	<b>156,048</b>	<b>703,338,000</b>	<b>156,048</b>	<b>703,338,000</b>	<b>156,048</b>
<b>Balance at end of period</b>	<b>703,338,000</b>	<b>156,048</b>	<b>703,338,000</b>	<b>156,048</b>	<b>703,338,000</b>	<b>156,048</b>

There were 37,617,400 treasury shares held by the Company as at 30th June 2018 and 31st December 2017 (30th June 2017: 37,617,400) and this represents 5.65% 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 2018.

The Company has no subsidiary holdings as at 30th June 2018 and 30th June 2017. There was no sale, transfer, cancellation and/or use of subsidiary holdings for the financial period ended 30th June 2018.

**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**

In December 2017, the Accounting Standards Council (ASC) issued the Singapore Financial Reporting Standards (International) (SFRS(I)). SFRS(I) comprises standards and interpretations that are equivalent to International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) at 31 December 2017 that are applicable for annual period beginning on 1 January 2018. Singapore-incorporated companies that have issued, or are in the process of issuing equity or debt instruments for trading in a public market in Singapore, will apply SFRS(I) with effect from annual periods beginning on or after 1 January 2018.

The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I).

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International). In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date.

- SFRS(I) 15 Revenue from Contracts with Customers which includes the clarifications to IFRS 15 Revenue from Contracts with Customers issued by the IASB in April 2016;
- SFRS(I) 9 Financial Instruments which includes the amendments to IFRS 4 Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts issued by the IASB in September 2016;
- requirements in SFRS(I) 2 Share-based Payment arising from the amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions issued by the IASB in June 2016;
- requirements in SFRS(I) 1-40 Investment Property arising from the amendments to IAS 40 – Transfers of Investment Property issued by the IASB in December 2016;
- requirements in SFRS(I) 1 arising from the amendments to IFRS 1 – Deletion of short-term exemptions for first-time adopters issued by the IASB in December 2016;
- requirements in SFRS(I) 1-28 Investments in Associates and Joint Ventures arising from the amendments to IAS 28 – Measuring an associate or joint venture at fair value issued by the IASB in December 2016; and
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration.

The details of the changes in requirements under SFRS (I) 1, 15 and 9 and the effects of adoption of these accounting standards are disclosed in the Group's results announcement for 1QFY2018. The Group does not expect the application of the above standards and interpretations to have a significant impact on the financial statements, except for the following.

##### **4(i) SFRS(I) 1**

Foreign currency translation reserve (FCTR)

The Group plans to elect the optional exemption in SFRS(I) 1 to reset its cumulative FCTR for all foreign operations to nil at the date of transition, and reclassify the cumulative FCTR of \$25,727,000 as at 1 January 2017 determined in accordance with FRS at that date to retained earnings.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

##### **4(ii) SFRS(I) 9**

For financial assets currently held at fair value, the Group expects to continue measuring all of these assets at fair value under SFRS(I) 9. The Group plans to elect to present in OCI the changes in fair value of its Available-for-sale (AFS) equity securities that are held by the Group because these investments are not held for trading.



#### 4(iii) APPLICABLE TO FINANCIAL STATEMENTS FOR THE YEAR 2019 AND THEREAFTER

The following new SFRS(I), amendments to and interpretations of SFRS(I) are effective for annual periods beginning after 1 January 2018:

Applicable to 2019 financial statements

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)
- Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)

Applicable to 2021 financial statements

- SFRS(I) 17 Insurance Contracts

Mandatory effective date deferred

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to SFRS(I) 10 and SFRS(I) 1-28).

The Group is still in the process of assessing the impact of the new SFRS(I)s, amendments to and interpretations of SFRS(I)s on the financial statements. The Group's preliminary assessment of SFRS(I) 16, which is not expected to have a significant impact on the Group, the details of the changes are disclosed in the Group's results announcement in 1QFY2018. The Group also preliminarily assessed that SFRS(I) 17 is not relevant to the Group as the Group does not issue insurance contracts nor account for financial guarantee contracts as insurance contracts.

#### 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	
	2018	2017	2018	2017
Weighted average number of shares (excluding treasury shares)	665,720,600	665,720,600	665,720,600	665,720,600
<b>Earnings per ordinary share for the period</b>				
i) Based on weighted average number of ordinary shares (excluding treasury shares)	10.74 cts	5.42 cts	18.16 cts	13.88 cts
ii) On a fully diluted basis	10.74 cts	5.42 cts	18.16 cts	13.88 cts

Basic earnings per share and earnings per share on a fully diluted basis for the financial period ended 30<sup>th</sup> June 2018 were computed based on net profit attributable to owners of the Company of S\$71,521,000 for the 2<sup>nd</sup> quarter 2018 (2Q2017: S\$36,111,000), S\$120,889,000 for 1<sup>st</sup> half 2018 (1H2017: S\$92,426,000) and weighted average number of ordinary shares of 665,720,600 for the 2<sup>nd</sup> quarter 2018 and 1<sup>st</sup> half 2018 (2Q2017 and 1H2017: 665,720,600). There were no dilutive potential ordinary shares for the current and previous periods.

## 6. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	30 <sup>th</sup> Jun 2018	31 <sup>st</sup> Dec 2017	30 <sup>th</sup> Jun 2018	31 <sup>st</sup> Dec 2017
Net asset value per ordinary share	S\$4.78	S\$4.70	S\$1.90	S\$2.02

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 2018 and 31<sup>st</sup> December 2017 after adjusting for non-controlling interests and 665,720,600 ordinary shares (excluding treasury shares) as at 30<sup>th</sup> June 2018 and 31<sup>st</sup> December 2017.

## 7. PERFORMANCE REVIEW OF THE GROUP

### 2QFY2018 vs 2QFY2017

Group revenue for 2QFY2018 amounted to S\$43.4 million, representing a 16% year-on-year (“y-o-y”) increase from S\$37.4 million in the 3 months ended 30 June 2017 (“2QFY2017”). The increase was due mainly to higher rental revenue from 67 Lombard Street, London (“Lombard Street”), which was acquired in June 2017 and 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.

The Group recorded an exchange loss of S\$4.1 million in 2QFY2018. This was largely attributable to the Group’s net asset exposure in the Pound Sterling (“£”) and Australian Dollar (“A\$”), which have weakened against the Singapore dollar in 2QFY2018.

Profit from operations increased 87% to S\$57.4 million in 2QFY2018 compared to S\$30.8 million in 2QFY2017. Higher finance costs were incurred in 2QFY2018 largely due to the additional bank borrowings to fund the acquisitions of Lombard Street and Ropemaker Place.

The Group’s share of profit in associates, contributed by the joint venture projects in Shanghai and Zhuhai increased by S\$13.5 million to S\$25.7 million in 2QFY2018.

Profit before taxation rose 92% from S\$40.3 million in 2QFY2017 to S\$77.2 million in 2QFY2018. Income tax expense increased by approximately S\$1.8 million.

The effective tax rate for the Group also increased y-o-y as a bigger proportion of the Group’s profits are derived from higher tax jurisdictions of Australia (30%) and the United Kingdom (20%) in 2QFY2018.

Profit attributable to owners of the Company in 2QFY2018 was S\$71.5 million, 98% higher than 2QFY2017. This translates to an earnings per share of 10.74 cents, compared to 5.42 cents in 2QFY2017.

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

### **1st Half 2018 vs 1st Half 2017**

For the six months ended 30th June 2018, Group revenue amounted to S\$92.1 million, representing a 15% increase from S\$79.8 million in 1HFY2017. The increase was due mainly to the sale of a small site in Gold Coast, Australia for A\$5.5 million (approximately S\$5.7 million) and the rental contribution from Lombard Street and Ropemaker Place.

The Group's other operating income in 1HFY2018 amounted to S\$4.3 million, a decrease of 71% over the S\$15.0 million recorded in 1HFY2017. The main reason for this decrease was the gain from the sale of an investment property, Rose Court, amounting to S\$7.4 million, which was recorded in 1HFY2017.

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.

The Group suffered an exchange loss of S\$3.4 million in 1HFY2018. This was largely attributable to the Group's net asset exposure in the £ and A\$, which have weakened against the Singapore Dollar in 1HFY2018.

Profit from operations increased 36% to S\$89.6 million in 1HFY2018 compared to S\$65.9 million in 1HFY2017. Net finance cost was S\$15.4 million, 30% higher than the same period last year, due to additional bank borrowings to fund the acquisitions of Lombard Street and Ropemaker Place.

The Group's share of profit in associates, contributed by the projects in Shanghai and Zhuhai, increased by S\$9.3 million to S\$54.2 million in 1HFY2018.

Profit before taxation increased 28% to S\$132.7 million in 1HFY2018. Income tax expense increased by approximately S\$0.5 million.

Profit attributable to owners of the Company in 1HFY2018 was S\$120.9 million, 31% higher than 1HFY2017. This translates to an earnings per share of 18.16 cents, compared to 13.88 cents in 1HFY2017.

Total shareholders' fund as at 30th June 2018 amounted to S\$3.18 billion, representing a net asset value of S\$4.78 per share.

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

Not applicable.

**9. COMMENTARY ON THE GROUP PROSPECTS**

In line with the Group's strategy to diversify overseas and grow its recurrent income base, the Group recently acquired Ropemaker Place for £650 million. This 602,000 square feet Grade A office building is located near the busiest transportation hub in the City of London and will generate an annual rental income of £30.57 million, yielding a return of approximately 4.7% for the Group. With this acquisition, the Group now has a portfolio of seven commercial properties in London with a lettable area of more than 1.5 million square feet. Together with The Metropolis in Singapore, recurring income will continue to be a strong contributor to the Group's earnings.

**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. INTERESTED PERSON TRANSACTIONS**

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

**BY ORDER OF THE BOARD**

Desmond Woon  
Executive Director  
10/08/2018

**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 2018 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

10/08/2018