



**Second Quarter and Half Year  
Unaudited Financial Statements  
For The Period Ended  
30 June 2016**

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29 July 2016

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**Second Quarter and Half Year Unaudited Financial Statements for the Period Ended 30 June 2016**

**PART I – INFORMATION REQUIRED FOR QUARTERLY AND HALF YEAR ANNOUNCEMENTS**

**1(a) A Statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the second quarter and half year ended 30 June 2016**

	The Group			The Group		
	Second Quarter ended 30 June		Increase/ (Decrease) %	Six Months ended 30 June		Increase/ (Decrease) %
	2016	2015		2016	2015	
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	26,022	46,190	(44%)	58,289	78,342	(26%)
Cost of sales	(19,151)	(37,145)	(48%)	(45,442)	(62,397)	(27%)
Gross profit	6,871	9,045	(24%)	12,847	15,945	(19%)
Other income	558	1,364	(59%)	1,169	3,531	(67%)
Other gains/(losses), net	4	(294)	n.m.	(498)	(312)	59%
Expenses						
- Distribution and marketing	(1,745)	(1,413)	23%	(3,196)	(2,949)	8%
- Administrative	(5,741)	(5,150)	11%	(10,677)	(9,572)	12%
- Finance	(1,145)	(869)	32%	(1,970)	(1,753)	12%
Share of loss of:						
- Associated company	(50)	-	n.m.	(50)	-	n.m.
(Loss)/Profit before income tax	(1,248)	2,683	n.m.	(2,375)	4,890	n.m.
Income tax expense	(239)	(477)	(50%)	(386)	(188)	n.m.
<b>(Loss)/Profit for the period</b>	<b>(1,487)</b>	<b>2,206</b>	<b>n.m.</b>	<b>(2,761)</b>	<b>4,702</b>	<b>n.m.</b>
<b>Other comprehensive income/(loss)</b>						
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	2,545	(10,687)	n.m.	(686)	(14,295)	(95%)
Fair value gain/(losses) on available-for-sale financial assets	754	(907)	n.m.	1,639	239	n.m.
<b>Total comprehensive income/(loss) for the period</b>	<b>1,812</b>	<b>(9,388)</b>	<b>n.m.</b>	<b>(1,808)</b>	<b>(9,354)</b>	<b>(81%)</b>
<b>(Loss)/Profit attributable to:</b>						
Equity holders of the Company	(1,730)	521	n.m.	(2,587)	2,972	n.m.
Non-controlling interests	243	1,685	(86%)	(174)	1,730	n.m.
	<b>(1,487)</b>	<b>2,206</b>	<b>n.m.</b>	<b>(2,761)</b>	<b>4,702</b>	<b>n.m.</b>
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	665	(8,024)	n.m.	(1,438)	(7,014)	(80%)
Non-controlling interests	1,147	(1,364)	n.m.	(370)	(2,340)	n.m.
	<b>1,812</b>	<b>(9,388)</b>	<b>n.m.</b>	<b>(1,808)</b>	<b>(9,354)</b>	<b>(81%)</b>

n.m. = not meaningful

## Notes to Consolidated Statement of Comprehensive Income

	Group			Group		
	Second Quarter ended 30 June		Increase/ (decrease) %	Six Months ended 30 June		Increase/ (decrease) %
	2016	2015		2016	2015	
	S\$'000	S\$'000		S\$'000	S\$'000	
(A) Revenue include:-						
Rental income	949	1,076	(12%)	1,860	2,106	(12%)
Golf and country club	1,950	1,815	7%	3,862	3,632	6%
Hotel	1,006	970	4%	2,218	1,727	28%
Revenue of development properties	22,021	42,264	(48%)	50,114	70,729	(29%)

	Group			Group		
	Second Quarter ended 30 June		Increase/ (decrease) %	Six Months ended 30 June		Increase/ (decrease) %
	2016	2015		2016	2015	
	S\$'000	S\$'000		S\$'000	S\$'000	
(B) Other income include:-						
Interest income	329	1,485	(78%)	775	2,956	(74%)
Late interest penalty	-	14	n.m.	-	439	n.m.
Dividend income	-	-		-	-	

	Group			Group		
	Second Quarter ended 30 June		Increase/ (decrease) %	Six Months ended 30 June		Increase/ (decrease) %
	2016	2015		2016	2015	
	S\$'000	S\$'000		S\$'000	S\$'000	
(C) Other gain/(losses), net include:-						
Allowance for impairment loss on held-to-maturity	-	(150)	n.m.	-	(599)	n.m.
Allowance for impairment loss on trade receivables	(1)	(34)	(97%)	(6)	(34)	(82%)
Foreign exchange (loss)/gain	15	(109)	n.m.	(552)	333	n.m.

	Group			Group		
	Second Quarter ended 30 June		Increase/ (decrease) %	Six Months ended 30 June		Increase/ (decrease) %
	2016	2015		2016	2015	
	S\$'000	S\$'000		S\$'000	S\$'000	
(D) Distribution and marketing expense include:-						
Marketing cost	1,322	745	77%	2,406	1,616	49%
Entertainment	20	31	(34%)	21	73	(71%)
Commission	400	637	(37%)	763	1,237	(38%)

	Group			Group		
	Second Quarter ended 30 June		Increase/ (decrease) %	Six Months ended 30 June		Increase/ (decrease) %
	2016	2015		2016	2015	
	S\$'000	S\$'000		S\$'000	S\$'000	
(E) Administrative expense include:-						
Legal and professional fee	93	31	n.m.	229	54	n.m.
Employee compensation	4,074	1,773	n.m.	7,477	4,629	62%
Depreciation of property, plant and equipment	494	568	(13%)	997	1,083	(8%)
Rental expense	178	106	68%	368	288	28%
Directors' fees	60	60	n.m.	120	60	100%

	Group			Group		
	Second Quarter ended 30 June		Increase/ (decrease) %	Six Months ended 30 June		Increase/ (decrease) %
	2016	2015		2016	2015	
	S\$'000	S\$'000		S\$'000	S\$'000	
(F) Finance expense include:-						
Interest on bank borrowings	1,145	799	43%	1,970	1,615	22%
Convertible bonds	-	129	n.m.	-	129	n.m.

n.m. = not meaningful

**1(b)(i) A Statement of Financial Position (for issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

**STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	30-Jun-16 S\$'000	31-Dec-15 S\$'000	30-Jun-16 S\$'000	31-Dec-15 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	67,581	68,714	16,091	25,023
Inventories	338	325	-	-
Trade and other receivables	29,543	71,805	121,573	116,570
Available-for-sale financial assets	23	23	-	-
Development properties	263,767	282,778	-	-
	<b>361,252</b>	<b>423,645</b>	<b>137,664</b>	<b>141,593</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	142,208	142,260
Investment in joint venture	*	*	-	-
Investment in associated company	2,415	-	-	-
Investment properties	9,530	9,556	-	-
Available-for-sale financial assets	12,033	10,657	-	-
Development Properties	178,167	169,406	-	-
Property, plant and equipment	39,031	40,301	20	27
Trade and other receivables	5,282	3,583	-	-
	<b>246,458</b>	<b>233,503</b>	<b>142,228</b>	<b>142,287</b>
<b>Total assets</b>	<b>607,710</b>	<b>657,148</b>	<b>279,892</b>	<b>283,880</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	53,031	78,306	7,701	9,794
Current income tax payables	555	782	-	-
Derivative financial liabilities	-	49	-	-
Borrowings	115,076	145,598	-	-
Provision for other liabilities and charges	483	511	303	435
	<b>169,145</b>	<b>225,246</b>	<b>8,004</b>	<b>10,229</b>
<b>Non-current liabilities</b>				
Trade and other payables	1,463	1,339	-	-
Borrowings	14,872	6,333	-	-
Deferred income tax liabilities	7,474	8,015	-	-
Post-employment benefits	3,106	3,114	-	-
Provision for other liabilities and charges	1,104	1,000	30	30
	<b>28,019</b>	<b>19,801</b>	<b>30</b>	<b>30</b>
<b>Total liabilities</b>	<b>197,164</b>	<b>245,047</b>	<b>8,034</b>	<b>10,259</b>
<b>NET ASSETS</b>	<b>410,546</b>	<b>412,101</b>	<b>271,858</b>	<b>273,621</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	265,667	265,667	265,667	265,667
Other reserves	2,952	1,803	4,914	4,914
Retained profits	9,107	11,694	1,277	3,040
	<b>277,726</b>	<b>279,164</b>	<b>271,858</b>	<b>273,621</b>
Non-controlling interests	132,820	132,937	-	-
<b>Total equity</b>	<b>410,546</b>	<b>412,101</b>	<b>271,858</b>	<b>273,621</b>

\*Less than S\$1,000

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 30.6.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
115,076	-	145,598	-

Amount repayable after one year

As at 30.6.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
14,872	-	6,333	-

**Details of any collaterals**

As at 30 June 2016, the borrowings were secured over freehold lands under development properties of S\$211 million (31 December 2015: S\$240 million).

**1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

	The Group		The Group	
	Second Quarter ended 30 June		Six Months ended 30 June	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Net (loss)/profit	(1,487)	2,206	(2,761)	4,702
Adjustments for:				
- Income tax expense	239	477	386	188
- Depreciation of property, plant and equipment	868	800	1,761	1,612
- Gain on disposal of property, plant and equipment	-	-	-	(5)
- Gain on bargain purchase	-	-	-	(13)
- Allowance for impairment loss on held-to-maturity	-	150	-	599
- Allowance for impairment loss on trade receivables	1	34	6	34
- Unrealised currency translation	287	(8,558)	(1,827)	(12,213)
- Interest income	(329)	(1,485)	(775)	(2,956)
- Finance expense	1,145	869	1,970	1,753
- Share of loss of associated company	50	-	50	-
<b>Operating cash flow before working capital changes</b>	<b>774</b>	<b>(5,507)</b>	<b>(1,190)</b>	<b>(6,299)</b>
<b>Change in working capital</b>				
- Trade and other receivables	47,177	(9,026)	42,167	(15,012)
- Inventories	(47)	35	(14)	48
- Development properties	5,958	18,389	11,184	23,676
- Trade and other payables	(8,644)	(4,754)	(25,200)	(3,523)
- Post-employment benefits	29	(101)	(8)	(126)
- Provision for other liabilities and charges	52	(45)	77	(86)
<b>Cash generated (used in)/from operations</b>	<b>45,299</b>	<b>(1,009)</b>	<b>27,016</b>	<b>(1,322)</b>
- Interest received	329	2,001	775	2,358
- Interest paid	-	-	(933)	-
- Income tax paid	(726)	(372)	(1,155)	(1,094)
<b>Net cash generated from/(used in) operating activities</b>	<b>44,902</b>	<b>620</b>	<b>25,703</b>	<b>(58)</b>
<b>Cash flows from investing activities</b>				
- Additions to property, plant and equipment	(233)	(880)	(604)	(978)
- Acquisition of a subsidiary, net of cash acquired	-	-	-	23
- Additions to investment properties	-	(328)	-	(662)
- Proceeds from disposal of property, plant and equipment	-	-	-	9
- Investment in associated company	-	-	(2,465)	-
- Loan to a non-related party	-	-	(809)	-
- Loan to an associated company	-	-	(800)	-
<b>Net cash used in investing activities</b>	<b>(233)</b>	<b>(1,208)</b>	<b>(4,678)</b>	<b>(1,608)</b>
<b>Cash flows from financing activities</b>				
- Proceeds from issuance of conversion of warrants	-	107	-	107
- Proceeds from additional paid-in capital from non-controlling interest	253	-	253	-
- Proceeds from borrowings	4,043	4,752	15,997	10,692
- Repayment of borrowings	(34,851)	(5,303)	(36,016)	(16,380)
- Repayment of lease liabilities	-	-	(106)	-
- Interest paid	(1,146)	(1,518)	(1,970)	(2,304)
<b>Net cash used in financing activities</b>	<b>(31,701)</b>	<b>(1,962)</b>	<b>(21,842)</b>	<b>(7,885)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,968</b>	<b>(2,550)</b>	<b>(817)</b>	<b>(9,551)</b>
Effects of currency translation on cash and cash equivalents	153	(906)	(316)	(1,168)
Cash and cash equivalents at beginning of the financial period	54,460	66,744	68,714	74,007
<b>Cash and cash equivalents at end of the period</b>	<b>67,581</b>	<b>63,288</b>	<b>67,581</b>	<b>63,288</b>
<b>Cash and cash equivalents consists of:</b>				
Cash and bank balances	67,581	63,288	67,581	63,288
Bank deposits pledged	-	-	-	-
	<b>67,581</b>	<b>63,288</b>	<b>67,581</b>	<b>63,288</b>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to Equity holders of the Company							Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Share option reserve S\$'000	General reserve S\$'000	Translation reserve S\$'000	Fair value reserve S\$'000	Retained profit S\$'000	Total S\$'000		
<b>As at 1 January 2016</b>	265,667	4,914	(51)	(3,011)	(49)	11,694	279,164	132,937	412,101
Total comprehensive (loss)/income for the period	-	-	-	(490)	1,639	(2,587)	(1,438)	(370)	(1,808)
Contributions from non-controlling interests pursuant to:	-	-	-	-	-	-	-	-	-
Additional paid-in capital	-	-	-	-	-	-	-	253	253
<b>As at 30 June 2016</b>	<b>265,667</b>	<b>4,914</b>	<b>(51)</b>	<b>(3,501)</b>	<b>1,590</b>	<b>9,107</b>	<b>277,776</b>	<b>132,820</b>	<b>410,546</b>
<b>As at 1 January 2015</b>	256,812	4,914	(51)	3,632	519	7,336	273,162	115,679	388,841
Total comprehensive income/(loss) for the period	-	-	-	(10,225)	239	2,972	(7,014)	(2,340)	(9,354)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	(34)	(34)
Exercise of warrants	107	-	-	-	-	-	107	-	107
<b>As at 30 June 2015</b>	<b>256,919</b>	<b>4,914</b>	<b>(51)</b>	<b>(6,593)</b>	<b>758</b>	<b>10,308</b>	<b>266,255</b>	<b>113,305</b>	<b>379,560</b>

Company	Share option reserve			Accumulated losses S\$'000	Total equity S\$'000
	Share capital S\$'000	Share option reserve S\$'000	Share option reserve S\$'000		
<b>As at 1 January 2016</b>	265,667	4,914	3,040	273,621	
Total comprehensive loss for the period	-	-	(1,763)	(1,763)	
<b>As at 30 June 2016</b>	<b>265,667</b>	<b>4,914</b>	<b>1,277</b>	<b>271,858</b>	
<b>As at 1 January 2015</b>	256,812	4,914	(40,306)	221,420	
Total comprehensive loss for the period	-	-	(2,066)	(2,066)	
Exercise of warrants	107	-	-	107	
<b>As at 30 June 2015</b>	<b>256,919</b>	<b>4,914</b>	<b>(42,372)</b>	<b>219,461</b>	



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of Issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There have been no changes in the issued share capital of the Company since 31 March 2016.

There were 4,165,400 outstanding share options as at 30 June 2016 (30 June 2015: 416,540,000 share options prior to 100 for 1 share consolidation exercise completed on 1 October 2015).

As at 30 June 2016, the Company did not have any treasury shares (30 June 2015: Nil)

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares, excluding treasury shares, as at 30 June 2016 was 321,895,299 (31 December 2015: 321,895,299)

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

Not applicable. There were no treasury shares during and as at the end of the current financial year reported on.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

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

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

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

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period compared with those in the audited financial statements for the year ended 31 December 2015 as well as all applicable financial reporting standards ("FRS") that become effective for financial year beginning on or after 1 January 2016. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact to the Group's financial statements for the current financial period reported on.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Save as disclosed in paragraph 4 above, there are no changes in accounting policies.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(a) Basic earnings/(loss) per share

	The Group			
	Second Quarter ended 30 June		Six Months ended 30 June	
	2016	2015	2016	2015
Net profit attributable to equity holders of the Company (S\$'000)	(1,730)	521	(2,587)	2,972
Weighted average number of ordinary shares outstanding for basic earnings per share ('000)	321,895	304,399*	321,895	304,399*
Basic earnings per share (cents)	(0.54)	0.17	(0.80)	0.98

\* Number of shares stated had been adjusted for 100 to 1 share consolidation for comparison purpose

(b) Diluted earnings/(loss) per share

	The Group			
	Second Quarter ended 30 June		Six Months ended 30 June	
	2016	2015	2016	2015
Net profit attributable to equity holders of the Company (S\$'000)	(1,730)	521	(2,587)	2,972
Weighted average number of ordinary shares outstanding for diluted earnings per share ('000)	321,895#	388,941*	321,895#	388,941*
Diluted earnings per share (cents)	(0.54)	0.13	(0.80)	0.76

# The number of shares arising of exercise of outstanding share options are excluded from the diluted weighted average number of ordinary shares calculation as their effects would have been anti-dilutive

\* Number of shares stated had been adjusted for 100 to 1 share consolidation for comparison purpose

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on; and (b) immediately preceding financial year

	The Group		The Company	
	As at 30 June 2016	As at 31 December 2015	As at 30 June 2016	As at 31 December 2015
	Net asset value ("NAV") (S\$'000)	277,726	279,164	271,858
Number of shares ('000)	321,895	321,895	321,895	321,895
NAV per share (Singapore cents)	86.28	86.73	84.46	85.00

The NAV per ordinary share was calculated based on the number of shares in issue of 321,895,299 (31 December 2015: 321,895,299).

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

### **Group performance**

#### **Revenue**

Revenue of the Group mainly comprises revenue from property development, hospitality management, facility management, investment and others.

The Group recorded S\$26.0 million in revenue for the second quarter ended 30 June 2016 ("2Q2016") as compared to S\$46.2 million in the same corresponding period ("2Q2015"). The decrease of S\$20.2 million due to the decrease in recognition of revenue from property development of approximately S\$20.2 million. The decrease was largely attributable to S\$19.2 million lower revenue recognition from the Group's Braddell and Bartley projects. As at end of 2Q2016, the Braddell and Bartley projects have obtained Temporary Occupation Permits ("TOP").

#### **Cost of sales**

Cost of sales mainly comprises land costs, construction costs, other development expenditure, borrowing costs and other related expenditure.

In line with the decline in revenue, cost of sales decreased significantly by S\$18.0 million due to the following factors:-

- i) Decrease in cost of sales of the Group's property development by S\$18.9 million; and
- ii) Decrease in cost of sales of the Group's facility management by S\$0.1 million; offset by
- iii) Increase in cost of sales of the Group's hospitality management business segment, amounting to S\$1.0 million.

#### **Gross profit**

The Group's gross profit for 2Q2016 decreased by S\$2.2 million due to the lower sales recognition from property development. However, gross profit margin has improved due to higher sale prices for the property development units sold.

#### **Other income**

Other income decreased by S\$0.8 million mainly due to:

- i) Decrease in interest income of S\$1.1 million as a result of conversion of bonds into preference shares; offset by
- ii) Increase in other income of S\$0.3 million.

#### **Other gains/losses**

There were other gains of S\$4,000 in 2Q2016 as compared to other losses of S\$0.3 million in 2Q2015 due to the following factors:-

- i) Absence of allowance for impairment loss on held-to-maturity amounting to S\$0.2 million; and
- ii) Foreign exchange gain of S\$15,000 as compared to a foreign exchange loss in 2Q2015 of S\$0.1 million.

#### **Distribution and marketing expenses**

Distribution and marketing expenses increased by S\$0.3 million in 2Q2016 mainly due to the following factors:-

- i) Increase in marketing, advertising and promotion costs of S\$0.6 million; offset by
- ii) Decrease in commission expenses of S\$0.3 million.

## **Administrative expenses**

Administrative expenses increased by S\$0.6 million due to increase in employee compensation.

## **Finance costs**

Finance costs increased by S\$0.3 million due to the recognition of borrowing costs incurred for the Braddell and Bartley projects.

## **Consolidated Statement of Financial Position**

### **Total assets**

As of 30 June 2016, the Group's total assets stood at S\$607.8 million which was S\$49.3 million lower than as at 31 December 2015. The decrease was mainly attributable to the following:

- (i) Decrease in trade and other receivables (current) by S\$42.3 million due to collection of milestone payments after achieving TOP for Braddell and Bartley projects;
- (ii) Decrease in development properties (current and non-current) of S\$10.3 million due to recognition of costs of development properties;
- (iii) Decrease in property, plant and equipment of S\$1.2 million due to depreciation net of additions; and
- (iv) Net decrease in cash mainly due to repayment of bank loan and payment to contractors amounting to S\$1.1 million; offset by
- (v) Increase in trade and other receivables (non-current) by S\$1.7 million due to a loan of S\$0.9 million to a non-related party and a loan of S\$0.8 million to an associated company;
- (vi) Investment in an associated company of S\$2.5 million; and
- (vii) Increase in available-for-sale investment by S\$1.4 million.

### **Total liabilities**

As of 30 June 2016, the Group's total liabilities stood at S\$197.2 million, which was S\$47.9 million lower than as at 31 December 2015. The decrease was mainly due to the following:

- (i) Decrease in borrowings (current and non-current) by S\$22.0 million due to repayment of bank loans;
- (ii) Decrease in trade and other payables (current) by S\$25.3 million arising mainly from payment made to contractors; and
- (iii) Decrease in current and deferred tax liabilities of S\$0.6 million.

## **Consolidated Statement of Cash Flows**

Net cash generated from operating activities of S\$45.1 million in 2Q2016 was mainly due to receipt of milestone payments for property development sold, partially offset by payments to contractors.

Net cash deployed in investing activities of S\$0.2 million in 2Q2016 was mainly due to purchase of property, plant and equipment.

Net cash deployed in financing activities of S\$31.7 million in 2Q2016 was mainly due to the net repayment of bank borrowings and interest payments, offset by proceeds from additional paid-in capital from non-controlling interests of a subsidiary.

As a result of the aforesaid, cash and cash equivalents increased to S\$67.6 million as at 30 June 2016 from S\$63.3 million as at 30 June 2015.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to our shareholders, any variance between it and the actual results.**

No forecast or prospect statement has been previously disclosed to shareholders.

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Today, we continue to see increased macro-economic uncertainties arising from Britain's exit from the European Union. Against this backdrop, Singapore's economy grew by 2.2 per cent on a year-on-year basis and 0.8 per cent on a quarter-on-quarter basis in 2Q2016<sup>1</sup>.

The Singapore property market continues to remain challenging as the Government's property cooling measures are unlikely to be unwound this year. Private residential prices, based on the second-quarter 2016 flash estimate from the Urban Redevelopment Authority ("URA"), have fallen by 9.4 per cent since its peak in the third quarter of 2013. There was a 0.4 per cent quarter-on-quarter decline in 2Q2016<sup>2</sup>. The Group believes that property developers will continue to face challenges from greater pricing pressure, in light of more supply coming on stream and weak demand from a slowdown in the creation of new households. Nevertheless, there was a strong pick-up in condominium transactions, fuelled largely by foreign buyers and attractive pricing. In the first half of 2016, 131 luxury apartments worth S\$5 million and above were sold, which is 76% of the 166 units sold for the whole of 2015, according to CBRE<sup>3</sup>.

Due to the Group's continuous marketing efforts, the Group has marked considerable sales progress for its residential developments. The Group had obtained Temporary Occupation Permit ("TOP") for its residential developments 'R Maison' in April 2016 and 'E Maison' in early May 2016. The Group will continue to actively market and sell all the remaining units of its three developments. The Group is of the view that renewed interest and demand from genuine home buyers in its developments will remain fairly stable. The Group will continue to strengthen its direction in real estate development and expand through acquisitions, as and when suitable opportunities arise.

In Indonesia, the residential property continued to be buoyant with the residential property price index increasing to 192.59 index points in 2Q2016 from 191.90 index points in the first quarter of 2016<sup>4</sup>. The Group expects the long term outlook for the Indonesian property market to be positive as more investors eyed it together with the continued urbanisation, rising middle-class and infrastructure improvements.

The Group will continue to capitalise on its existing land bank in Indonesia to grow. Its real estate development projects there, which include the Rancamaya Estate Project, the Harvest City Project and the Royal Tajur Project, are entering their respective next phases of development. The Group has plans to develop the Northern part of Rancamaya 1 in the third quarter of 2016. This development will consist of medium-to large-sized housing, a school, clinical and recreational facilities, as well as areas set aside for commercial use. The Group is also looking at exploring potential collaborations to expedite its residential and industrial developments, as well as possible developments nearer to Jakarta City Centre.

As part of its growth strategy, the Group will continue to look out for potential mergers & acquisitions opportunities to increase its project and market exposure. In addition, the Group is also looking at diversifying and developing its hospitality business further. Through its recent acquisition of 5Footway Founders Pte Ltd, the Group intends to ride on their business model for quicker expansion in the region and to work with them on bringing interesting and new hospitality products to the regional market.

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<sup>1</sup> Ministry of Trade and Industry Singapore, 14 July 2016, "Singapore's GDP Grew by 2.2 Per Cent in the Second Quarter of 2016"

<sup>2</sup> <https://www.ura.gov.sg/uol/media-room/news/2016/jul/pr16-42.aspx>

<sup>3</sup> CBRE Luxury Residential Marketview, Singapore H1 2016, A Strong First Half Lead

<sup>4</sup> <http://www.tradingeconomics.com/indonesia/housing-index>

**11. If a decision regarding dividend has been made:-**

None

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None

**(b) (i) Amount per share ..... cents  
(Optional) Rate: ..... %**

Not applicable

**(ii) Previous corresponding period ..... cents  
(Optional) Rate: ..... %**

Not applicable. No dividend has been declared or recommended for the previous corresponding period.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable

**(d) The date the dividend is payable.**

Not applicable

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividends are determined.**

Not applicable

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared for 2Q2016.

**13. Aggregate value of interested person transactions conducted pursuant to shareholders' mandate for the period ended 30 June 2016:**

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Nil	Nil	N.A. as no IPT mandate has been obtained.

**14. Use of proceeds**

The total proceeds raised from the exercise of warrants amounting to S\$13.9 million have not been utilised as at 30 June 2016.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

**16. Confirmation by the Board**

We, Hano Maeloa and Chang Shyre Gwo, being two directors of the Company do hereby confirm on behalf of the Directors of the Company that, 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 financial results for the second quarter and half year ended 30 June 2016 to be false or misleading in any material aspect.

On behalf of the board of directors

Hano Maeloa  
Chief Executive Officer

Chang Shyre Gwo  
Director

BY ORDER OF THE BOARD

**Hano Maeloa**  
**Chief Executive Officer**  
29 July 2016