



**Third Quarter and Nine Months  
Unaudited Financial Statements  
for the Period Ended  
30 September 2016**

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31 October 2016

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**Third Quarter and Nine Months Unaudited Financial Statements for the Period Ended 30 September 2016**

**PART I – INFORMATION REQUIRED FOR QUARTERLY 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**  
**Period ended 30 September 2016**

	<b>The Group</b>			<b>The Group</b>		
	Third Quarter ended 30 September		Increase/ (Decrease)	Nine Months ended 30 September		Increase/ (Decrease)
	2016	2015	%	2016	2015	%
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	40,523	48,054	(16%)	98,811	126,396	(22%)
Cost of sales	(32,483)	(39,520)	(18%)	(77,925)	(101,917)	(24%)
Gross profit	8,040	8,534	(6%)	20,886	24,479	(15%)
Other income	552	(299)	n.m.	1,721	3,232	(47%)
Other (losses)/credit, net	(56)	925	n.m.	(551)	613	n.m.
Expenses						
- Distribution and marketing	(2,098)	(1,188)	77%	(5,294)	(4,137)	28%
- Administrative	(5,518)	(5,245)	5%	(16,195)	(14,817)	9%
- Finance	(1,232)	(2,306)	(47%)	(3,203)	(4,059)	(21%)
Share of loss of:						
- Associated company	(135)	-	n.m.	(186)	-	n.m.
(Loss)/profit before income tax	(447)	421	n.m.	(2,822)	5,311	n.m.
Income tax expense	(149)	(264)	(44%)	(535)	(452)	18%
<b>(Loss)/profit for the period</b>	<b>(596)</b>	<b>157</b>	<b>n.m.</b>	<b>(3,357)</b>	<b>4,859</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	5,842	(9,046)	n.m.	5,155	(23,341)	n.m.
Fair value gain/(losses) on available-for-sale financial assets	291	(537)	n.m.	1,930	(298)	n.m.
<b>Total comprehensive income/(loss) for the period</b>	<b>5,537</b>	<b>(9,426)</b>	<b>n.m.</b>	<b>3,728</b>	<b>(18,780)</b>	<b>n.m.</b>
<b>(Loss)/profit attributable to:</b>						
Equity holders of the Company	(126)	984	n.m.	(2,712)	3,956	n.m.
Non-controlling interests	(470)	(827)	(43%)	(645)	903	n.m.
	(596)	157	n.m.	(3,357)	4,859	n.m.
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	4,344	(6,024)	n.m.	2,905	(13,038)	n.m.
Non-controlling interests	1,193	(3,402)	n.m.	823	(5,742)	n.m.
	5,537	(9,426)	n.m.	3,728	(18,780)	n.m.

n.m. = not meaningful

## Notes to Consolidated Statement of Comprehensive Income

	Group			Group		
	Third Quarter ended 30 September		Increase/ (decrease)	Nine Months ended 30 September		Increase/ (decrease)
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(A) Revenue include:-						
Rental income	933	1,039	(10%)	2,792	3,145	(11%)
Golf and country club	1,898	1,891	n.m.	5,760	3,632	59%
Hotel	1,273	1,197	6%	3,491	1,727	102%
Sale of development properties	36,255	43,802	(17%)	86,368	114,531	(25%)

	Group			Group		
	Third Quarter ended 30 September		Increase/ (decrease)	Nine Months ended 30 September		Increase/ (decrease)
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(B) Other income include:-						
Interest income/(loss)	292	(685)	n.m.	1,067	2,271	(53%)
Late interest penalty	-	20	n.m.	-	427	n.m.

	Group			Group		
	Third Quarter ended 30 September		Increase/ (decrease)	Nine Months ended 30 September		Increase/ (decrease)
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(C) Other credit/(losses), net include:-						
Allowance for impairment loss on held-to-maturity	-	-	n.m.	-	(599)	n.m.
Allowance for impairment loss on trade receivables	(3)	-	n.m.	(9)	(34)	n.m.
Foreign exchange gain/(loss)	76	851	(91%)	(477)	1,184	n.m.

	Group			Group		
	Third Quarter ended 30 September		Increase/ (decrease)	Nine Months ended 30 September		Increase/ (decrease)
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(D) Distribution and marketing expense include:-						
Marketing cost	976	684	43%	3,383	2,300	47%
Entertainment	82	140	(41%)	104	213	(51%)
Commission	1,037	373	178%	1,800	1,610	12%

	Group			Group		
	Third Quarter ended 30 September		Increase/ (decrease)	Nine Months ended 30 September		Increase/ (decrease)
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(E) Administrative expense include:-						
Legal and professional fee	122	226	(46%)	350	485	(28%)
Employee compensation	3,509	3,519	n.m.	10,986	9,879	11%
Depreciation of property, plant and equipment	528	508	4%	1,526	1,591	(4%)
Rental expense	185	191	(3%)	553	544	2%
Directors' fees	60	60	n.m.	180	181	n.m.

	Group			Group		
	Third Quarter ended 30 September		Increase/ (decrease)	Nine Months ended 30 September		Increase/ (decrease)
	2016	2015		2016	2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(F) Finance expense include:-						
Interest on bank borrowings	1,232	2,054	(40%)	3,203	4,059	(21%)
Fair value (loss)/gain on convertible bonds	-	(122)	n.m.	-	7	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**

	<b>Group</b>		<b>Company</b>	
	30-Sep-16	31-Dec-15	30-Sep-16	31-Dec-15
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	26,567	68,714	3,959	25,023
Inventories	326	325	-	-
Trade and other receivables	43,455	71,805	132,932	116,570
Available-for-sale financial assets	24	23	-	-
Development properties	242,482	282,778	-	-
	<b>312,854</b>	<b>423,645</b>	<b>136,891</b>	<b>141,593</b>
<b>Non-current assets</b>				
Investment in subsidiaries	-	-	142,191	142,260
Investment in joint venture	*	*	-	-
Investment in associated company	2,279	-	-	-
Investment properties	9,555	9,556	-	-
Available-for-sale financial assets	12,414	10,657	-	-
Development properties	182,698	169,406	-	-
Property, plant and equipment	39,126	40,301	57	27
Trade and other receivables	6,106	3,583	-	-
	<b>252,178</b>	<b>233,503</b>	<b>142,248</b>	<b>142,287</b>
<b>Total assets</b>	<b>565,032</b>	<b>657,148</b>	<b>279,139</b>	<b>283,880</b>
<b>Current liabilities</b>				
Trade and other payables	57,257	78,306	8,064	9,794
Current income tax payables	874	782	-	-
Derivative financial liabilities	-	49	-	-
Borrowings	63,103	145,598	-	-
Provisions	483	511	354	435
	<b>121,717</b>	<b>225,246</b>	<b>8,418</b>	<b>10,229</b>
<b>Non-current liabilities</b>				
Trade and other payables	1,429	1,339	20	-
Borrowings	14,092	6,333	-	-
Deferred income tax liabilities	7,166	8,015	-	-
Post-employment benefits	3,172	3,114	-	-
Provision for other liabilities and charges	1,174	1,000	30	30
	<b>27,033</b>	<b>19,801</b>	<b>50</b>	<b>30</b>
<b>Total liabilities</b>	<b>148,750</b>	<b>245,047</b>	<b>8,468</b>	<b>10,259</b>
<b>NET ASSETS</b>	<b>416,282</b>	<b>412,101</b>	<b>270,671</b>	<b>273,621</b>
<b>EQUITY</b>				
Share capital	265,667	265,667	265,667	265,667
Other reserves	7,482	1,803	4,914	4,914
Retained profits	8,982	11,694	90	3,040
	<b>282,131</b>	<b>279,164</b>	<b>270,671</b>	<b>273,621</b>
Non-controlling interests	134,151	132,937	-	-
<b>Total equity</b>	<b>416,282</b>	<b>412,101</b>	<b>270,671</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 30.09.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
63,103	-	145,598	-

Amount repayable after one year

As at 30.09.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
14,092	-	6,333	-

**Details of any collaterals**

As at 30 September 2016, the borrowings are secured over freehold lands under development properties of S\$214 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**

	<b>The Group</b>		<b>The Group</b>	
	Third Quarter ended 30 September		Nine Months ended 30 September	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
<b>Cash flows from operating activities</b>				
Net (loss)/profit	(596)	157	(3,357)	4,859
Adjustments for:				
- Income tax expense	149	264	535	452
- Depreciation of property, plant and equipment	874	764	2,636	2,376
- Unrealised currency translation	7,176	(8,735)	5,345	(20,948)
- Interest income	(292)	685	(1,067)	(2,271)
- Gain on bargain purchase	-	-	-	(13)
- Interest expense	1,232	2,306	3,203	4,059
- Gain on disposal of property, plant and equipment	(6)	-	(6)	(5)
- Allowance for impairment loss on held-to-maturity	-	-	-	599
- Allowance for impairment loss on trade receivables	3	-	9	34
- Share of loss from associated company	135	-	186	-
<b>Operating cash flow before working capital changes</b>	<b>8,675</b>	<b>(4,559)</b>	<b>7,484</b>	<b>(10,858)</b>
<b>Change in working capital</b>				
- Trade and other receivables	(13,755)	(17,985)	28,412	(32,997)
- Inventories	12	6	(2)	54
- Development properties	16,753	20,290	27,937	43,966
- Trade and other payables	4,321	1,142	(20,879)	(2,381)
- Post-employment benefits	66	(95)	58	(221)
- Provision for other liabilities and charges	(59)	(568)	18	(654)
<b>Cash provided by/(used in) operations</b>	<b>16,013</b>	<b>(1,769)</b>	<b>43,028</b>	<b>(3,091)</b>
- Interest received	(39)	(686)	736	1,672
- Interest paid	-	-	(933)	-
- Income tax paid	(137)	(436)	(1,292)	(1,530)
<b>Net cash provided by/(used in) operating activities</b>	<b>15,837</b>	<b>(2,891)</b>	<b>41,539</b>	<b>(2,949)</b>
<b>Cash flows from investing activities</b>				
- Additions to property, plant and equipment	(130)	(327)	(734)	(1,305)
- Proceeds from disposal of financial assets, at fair value through profit or loss	-	-	-	-
- Acquisition of a subsidiary, net of cash acquired	-	-	-	23
- Additions to financial assets, at fair value through profit or loss	-	(13)	-	(13)
- Additions to investment properties	-	(37)	-	(699)
- Proceeds from disposal of property, plant and equipment	-	-	-	9
- Interest received from bonds	-	4,079	-	4,079
- Investment in an associated company	-	-	(2,465)	-
- Loan to a non-related party	(653)	-	(1,463)	-
- Loan to an associated company	-	-	(800)	-
<b>Net cash (used in)/provided by investing activities</b>	<b>(783)</b>	<b>3,702</b>	<b>(5,462)</b>	<b>2,094</b>
<b>Cash flows from financing activities</b>				
- Proceeds from issuance of conversion of warrants	-	8,747	-	8,854
- Proceeds from additional paid in capital from non-controlling interests	137	1,273	390	1,273
- Proceeds from borrowings	4,352	6,262	20,350	16,954
- Repayment of borrowings	(59,749)	(11,883)	(95,871)	(28,263)
- Interest paid	(1,196)	(2,297)	(3,166)	(4,601)
<b>Net cash (used in)/provided by financing activities</b>	<b>(56,456)</b>	<b>2,102</b>	<b>(78,297)</b>	<b>(5,783)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(41,402)</b>	<b>2,913</b>	<b>(42,220)</b>	<b>(6,638)</b>
Effects of currency translation on cash and cash equivalents	388	(687)	73	(1,855)
Cash and cash equivalents at beginning of the financial period	67,581	63,288	68,714	74,007
<b>Cash and cash equivalents at end of the period</b>	<b>26,567</b>	<b>65,514</b>	<b>26,567</b>	<b>65,514</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	Additional paid-in capital	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 income for the period	-	-	-	-	3,687	1,930	(2,712)	2,905	823	3,728
Additional paid-in capital	-	62	-	-	-	-	-	62	391	453
<b>As at 30 September 2016</b>	<b>265,667</b>	<b>62</b>	<b>4,914</b>	<b>(51)</b>	<b>676</b>	<b>1,881</b>	<b>8,982</b>	<b>282,131</b>	<b>134,151</b>	<b>416,282</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 for the period	-	-	-	-	(16,695)	(299)	3,956	(13,038)	(5,742)	(18,780)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	-	-	-	(34)	(34)
Additional paid-in capital	-	-	-	-	-	-	-	-	1,273	1,273
Exercise of warrants	8,855	-	-	-	-	-	-	8,855	-	8,855
<b>As at 30 September 2015</b>	<b>265,667</b>	<b>-</b>	<b>4,914</b>	<b>(51)</b>	<b>(13,063)</b>	<b>220</b>	<b>11,292</b>	<b>268,979</b>	<b>111,176</b>	<b>380,155</b>

Company	Share capital S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>As at 1 January 2016</b>	265,667	4,914	3,040	273,621
Total comprehensive income for the period	-	-	(2,950)	(2,950)
<b>As at 30 September 2016</b>	<b>265,667</b>	<b>4,914</b>	<b>90</b>	<b>270,671</b>
<b>As at 1 January 2015</b>	256,812	4,914	(40,306)	221,420
Total comprehensive loss for the period	-	-	(3,103)	(3,103)
Exercise of warrants	8,855	-	-	8,855
<b>As at 30 September 2015</b>	<b>265,667</b>	<b>4,914</b>	<b>(43,409)</b>	<b>227,172</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 30 June 2016.

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

Save as disclosed above, the Company did not have any treasury shares or convertibles as at 30 September 2016 and 30 September 2015.

**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 September 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 period 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			
	Third Quarter ended 30 September		Nine Months ended 30 September	
	2016	2015	2016	2015
Net (loss)/profit attributable to equity holders of the Company (S\$'000)	(126)	984	(2,712)	3,956
Weighted average number of ordinary shares ('000)	321,895	304,693*	321,895	304,693*
Basic (loss)/earnings per share (cents)	(0.04)	0.32	(0.84)	1.30

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

**(b) Diluted earnings/(loss) per share**

	The Group			
	Third Quarter ended 30 September		Nine Months ended 30 September	
	2016	2015	2016	2015
Net (loss)/profit attributable to equity holders of the Company (S\$'000)	(126)	984	(2,712)	3,956
Weighted average number of ordinary shares on diluted basis ('000)	321,895#	308,858*	321,895#	308,858*
Diluted (loss)/earnings per share (cents)	(0.04)	0.32	(0.84)	1.28

# 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 September 2016	As at 31 December 2015	As at 30 September 2016	As at 31 December 2015
Net asset value ("NAV") (S\$'000)	282,131	279,164	270,671	273,621
Number of shares ('000)	321,895	321,895	321,895	321,895
NAV per share (Singapore cents)	87.65	86.73	84.09	85.00

The NAV per ordinary share as at 30 September 2016 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 decrease in revenue by S\$7.5 million to S\$48.1 million for the quarter ended 30 September 2016 ("3Q2016") from S\$40.5 million in the previous corresponding period ("3Q2015") was mainly due to a decrease in revenue recognised from property development.

Revenue from both Braddell and Bartley projects fell by S\$3.9 million as both projects have obtained TOP status and are near completion and sales volume has not picked up significantly.

Revenue from Suryamas property development fell by S\$3.6 million due to slower handover of houses and therefore lower revenues were recognised.

#### **Cost of sales**

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

In line with the decrease in revenue, cost of sales decreased by S\$7.0 million mainly due to:

- i) Decrease in cost of sales on development properties by S\$6.4 million, which was in line with the decrease in segmental revenue; and
- ii) Decrease in cost of sales of the hospitality management segment by S\$0.5 million.

#### **Gross profit**

The Group's gross profit for 3Q2016 decreased slightly by S\$0.5 million due to lower sales recognised from property development. However, gross profit margin has improved due to higher sale prices for the property development units sold.

#### **Other income**

Other income increased by S\$0.9 million in 3Q2016 mainly due to a higher interest income in 3Q2016 as compared to 3Q2015.

#### **Other (losses)/credit, net**

The Group recognised other losses amounting to S\$0.1 million in 3Q2016 as compared to other gains of S\$0.9 million in 3Q2015 due to:

- i) Decrease in unrealised foreign exchange gains of S\$0.8 million to S\$0.1 million in 3Q2016 as compared to gains of S\$0.9 million in 3Q2015; and
- ii) Decrease in income from cancelled sales of S\$0.1 million; offset by
- iii) Increase in other expenses of S\$0.1 million.

## **Distribution and marketing expenses**

Distribution and marketing expenses increased by S\$0.9 million mainly due to:

- i) Increase in marketing expenses and sales commission of S\$1.0 million; offset by
- ii) Decrease in entertainment expenses of S\$0.1 million.

## **Administrative expenses**

Administrative expenses increased by S\$0.3 million mainly due to:

- i) Increase in management fee of S\$0.2 million; and
- ii) Increase in travelling expenses by S\$0.1 million.

## **Finance costs**

Finance costs decreased by S\$1.1 million mainly due to repayment of bank loans during 3Q2016.

## **Other comprehensive income**

Total comprehensive gain of S\$5.5 million in 3Q2016 was mainly attributable to:

- i) Currency translation gains of S\$5.8 million on consolidation of the Indonesian subsidiaries as the Singapore dollar weakened against the Indonesian Rupiah.
- ii) Fair value gain on available-for-sale assets of S\$0.3 million in 3Q2016.

## **Consolidated Statement of Financial Position**

### **Total assets**

As of 30 September 2016, the Group's total assets stood at S\$565.0 million which was S\$92.1 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\$28.4 million due to collection of milestone payments after achieving TOP status for both Braddell and Bartley projects;
- ii) Decrease in development properties (current and non-current) of S\$27.0 million due to recognition of costs of development properties net of additions;
- 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\$42.1 million; offset by
- v) Increase in trade and other receivables (non-current) by S\$2.5 million due to an increase in an loan and interest receivable of S\$1.7 million from a non-related party and a loan and interest receivable of S\$0.8 million from an associated company;
- vi) Investment in an associated company of S\$2.3 million; and
- vii) Increase in available-for-sale investment by S\$1.8 million.

### **Total liabilities**

As of 30 September 2016, the Group's total liabilities stood at S\$148.8 million, which was S\$96.3 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\$74.7 million due to repayment of bank loans;
- ii) Decrease in trade and other payables (current) by S\$21.0 million arising mainly from payment made to contractors; and
- iii) Decrease in deferred tax liabilities of S\$0.8 million.

## **Consolidated Statement of Cash Flows**

Net cash generated from operating activities of S\$15.8 million in 3Q2016 was mainly due to receipt of milestone payments for property development sold, adjustments for unrealized currency translation and offset by increase in trade and other payables.

Net cash used in investing activities of S\$0.8 million in 3Q2016 was mainly due to loan to a non-related party and additions to property, plant and equipment.

Net cash used in financing activities of S\$56.5 million in 3Q2016 was mainly due to net repayment of bank borrowings and interest payments, offset by proceeds from additional paid-in capital by non-controlling interests of a subsidiary.

As a result of the aforesaid, cash and cash equivalents decreased to S\$26.6 million as at 30 September 2016 from S\$67.6 million as at 30 June 2016.

### **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.**

Economists are expecting dimmer prospects for Singapore's economy as 2016 ends amid additional global headwinds such as Brexit. In August, the Singapore Government shaved its full-year growth forecast to between 1 and 2 per cent, and just one month later, Deputy Prime Minister Tharman Shanmugaratnam cautioned that growth would like be at the lower end of the 1 to 2 per cent range this year<sup>1</sup>.

With the government's property cooling measures still in place, Singapore's real estate market continues to face unsettling forces on multiple fronts - from weak demand and hefty supply to manpower constraints and a challenging business environment. According to the Urban Redevelopment Authority's ("URA") flash estimates released on 3 October 2016<sup>2</sup>, prices for private homes in Singapore continue to drop in the third quarter, with the private residential property index down 2.1 points from 140.0 in the second quarter to 137.9 points. This represented a decline of 1.5 per cent, compared with the 0.4 per cent dip in the previous quarter. It is also the 12th consecutive quarter of decline. In addition, prices of non-landed private residential properties declined by 1.8 per cent in the Core Central Region, while prices in the Rest of Central Region slid 1.3 per cent (reversing the 0.2 per cent increase the previous quarter) and the Outside Central Region declined by 1.2 per cent. As such, the Group believes that Singapore property developers will continue to face challenges from greater pricing pressures.

However, on a positive note, property agents are seeing an increase in transactions this year as the drop in private home prices is drawing buyers back into the market. Property agencies ERA Realty Network, OrangeTee and PropNex Realty revealed that their agents closed about 20 to 40 percent more transactions in the first nine months of 2016 compared to the same period in 2015<sup>3</sup>.

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<sup>1</sup> The Straits Times published on 28 September 2016 at <http://www.straitstimes.com/business/singapore-in-for-tough-period-h2-growth-will-be-weaker-dpm-tharman>

<sup>2</sup> The Urban Redevelopment Authority (URA) media release at <https://www.ura.gov.sg/uol/media-room/news/2016/sep/pr16-61>

<sup>3</sup> The Straits Times published on 17 October 2016 at <http://www.straitstimes.com/singapore/decline-in-prices-of-private-homes-attracting-more-buyers>

Given the current outlook, the Group will continue to beef up its marketing efforts to drive sales in the coming months for its residential developments in Singapore, namely 'R Maison', 'E Maison' and 'The Quinn'. Under the Additional Buyer's Stamp Duty ("ABSD") rules, any unsold units at the Group's development, 'The Quinn', will incur ABSD with interest payable from April 2017. Approximately 50% of the unsold units in 'The Quinn' are the larger "2-in-1" units.

In Indonesia, a tax amnesty programme that was passed by Indonesia's parliament in June 2016 resulted in Indonesians declaring a total of 3,516 trillion rupiah (S\$368 billion) worth of assets as of 1 October 2016<sup>4</sup>, both in Indonesia home and overseas. Proceeds from the amnesty programme have been earmarked for beefing up infrastructure and other sectors that the government is focusing on. Monies repatriated to Indonesia have to be kept in the country for at least three years and may be invested in certain areas which include real estate, real estate investment trusts, infrastructure projects, government securities, private company bonds, gold, marketable securities and banking products. The Group will monitor the tax amnesty programme's tangible impact, if any, on Indonesia's real estate sector and then assess if there are potential opportunities for the Group to tap into.

The Group's Indonesian estate development projects, which include the Rancamaya Estate Project, the Harvest City Project and the Royal Tajur Project, which are in their respective next phases of development are positioned to steadily feed the rising buyer demand. The Group is working on a marketing plan for the Northern part of Rancamaya 1 and will expect its sales launch to be in 2017. The Group also continues to explore potential collaborations to expedite its residential and industrial developments, in addition to possible developments nearer to Jakarta City Centre.

As part of its growth strategy, the Group will continue to explore collaboration and acquisition opportunities to increase its project and market exposure. At the same time, the Group is leveraging its resources and networks in its partnership with 5Footway to look at further M&A opportunities and new projects to grow faster in this region.

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<sup>4</sup> The Straits Times published on 1 October 2016 at <http://www.straitstimes.com/asia/indonesias-tax-amnesty-exceeds-expectations>

**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 3Q2016.

**13. Aggregate value of interested person transactions conducted pursuant to shareholders' mandate for the period ended 30 September 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 been fully utilised to repay bank loans due in connection with the development of the Bartley project in 3Q2016. The use of the proceeds is in accordance with the stated use of providing the Company with greater financial strength for strategic investment in property development business as disclosed in the circular to shareholders dated 28 July 2010.

#### **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 pursuant to Rule 705(5) of the Listing Manual**

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 third quarter and nine months ended 30 September 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**  
31 October 2016