



**Second Quarter and Half Year  
Unaudited Financial Statements  
For The Period Ended  
30 June 2019**

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26 July 2019

## Table of Contents

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|           |  | <u>Page No</u> |
|-----------|--|----------------|
| 1(a)      | Consolidated statement of comprehensive income   | 1              |
|           | Notes to consolidated statement of comprehensive income                                      | 2              |
| 1(b)(i)   | Statements of financial position   | 3              |
| 1(b)(ii)  | Borrowings and debt securities   | 4              |
| 1(c)      | Consolidated statement of cash flows   | 5              |
| 1(d)(i)   | Statements of changes in equity  | 6              |
| 1(d)(ii)  | Changes in share capital   | 7              |
| 1(d)(iii) | Total number of issued shares  | 7              |
| 1(d)(iv)  | Statement of sales, transfers, disposals, cancellations<br>and/or use of treasury shares     | 7              |
| 1(d)(v)   | Statement of sales, transfers, disposals, cancellations<br>and/or use of subsidiary holdings | 7              |
| 2 & 3     | Audit statement  | 7              |
| 4         | Accounting policies  | 8              |
| 5         | Changes in accounting policies   | 8              |
| 6         | Earnings per share   | 9              |
| 7         | Net asset value per share  | 9              |
| 8         | Review of group performance  | 10 - 11        |
| 9         | Variance from previous prospect statement  | 12             |
| 10        | Outlook  | 12             |
| 11 & 12   | Dividend   | 13             |
| 13        | Interested person transactions   | 14             |
| 14        | Confirmation of undertakings by directors and executive officers                             | 14             |
| 15        | Confirmation by the Board  | 14             |

**Second Quarter and Half Year Unaudited Financial Statements for the Period Ended 30 June 2019**
**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 2019**

|   | The Group                       |                 |                              | The Group                   |                 |                              |
|---|---------------------------------|-----------------|------------------------------|-----------------------------|-----------------|------------------------------|
|   | Second Quarter ended<br>30 June |                 | Increase/<br>(decrease)<br>% | Six Months ended<br>30 June |                 | Increase/<br>(decrease)<br>% |
|   | 2019<br>S\$'000                 | 2018<br>S\$'000 |                              | 2019<br>S\$'000             | 2018<br>S\$'000 |                              |
| Revenue   | 13,932                          | 14,510          | (4%)                         | 28,324                      | 48,755          | (42%)                        |
| Cost of sales   | (6,810)                         | (8,207)         | (17%)                        | (13,220)                    | (33,123)        | (60%)                        |
| Gross profit  | 7,122                           | 6,303           | 13%                          | 15,104                      | 15,632          | (3%)                         |
| Other income  |                                 |                 |                              |                             |                 |                              |
| - Interest  | 359                             | 260             | 38%                          | 661                         | 559             | 18%                          |
| - Others  | 173                             | 179             | (3%)                         | 263                         | 494             | (47%)                        |
| Other gains/(losses)  |                                 |                 |                              |                             |                 |                              |
| - Impairment loss on trade and other receivables                          | (45)                            | –               | n.m.                         | (73)                        | –               | n.m.                         |
| - Others  | 1,225                           | 444             | n.m.                         | 2,467                       | 113             | n.m.                         |
| Expenses  |                                 |                 |                              |                             |                 |                              |
| - Distribution and marketing  | (1,017)                         | (1,109)         | (8%)                         | (2,171)                     | (3,145)         | (31%)                        |
| - Administrative  | (6,470)                         | (6,389)         | 1%                           | (13,459)                    | (13,205)        | 2%                           |
| - Finance   | (516)                           | (542)           | (5%)                         | (1,100)                     | (1,079)         | 2%                           |
| Share of profit of joint venture company                                  | –                               | 14              | n.m.                         | –                           | –               | n.m.                         |
| Profit/(loss) before income tax   | 831                             | (840)           | n.m.                         | 1,692                       | (631)           | n.m.                         |
| Income tax expense  | (295)                           | (115)           | n.m.                         | (455)                       | (235)           | 94%                          |
| <b>Profit/(loss) for the period</b>                                       | <b>536</b>                      | <b>(955)</b>    | <b>n.m.</b>                  | <b>1,237</b>                | <b>(866)</b>    | <b>n.m.</b>                  |
| <b>Other comprehensive income/(loss)</b>                                  |                                 |                 |                              |                             |                 |                              |
| <i>Item that may be reclassified subsequently to profit or loss:</i>      |                                 |                 |                              |                             |                 |                              |
| Currency translation differences arising from consolidation               | 1,412                           | 391             | n.m.                         | 2,812                       | (5,747)         | n.m.                         |
| - Gains/(losses)  |                                 |                 |                              |                             |                 |                              |
| <i>Item that will not be reclassified subsequently to profit or loss:</i> |                                 |                 |                              |                             |                 |                              |
| Currency translation differences arising from consolidation               | 461                             | 145             | n.m.                         | 936                         | (2,129)         | n.m.                         |
| - Gains/(losses)  |                                 |                 |                              |                             |                 |                              |
| <b>Total comprehensive income/(loss) for the period</b>                   | <b>2,409</b>                    | <b>(419)</b>    | <b>n.m.</b>                  | <b>4,985</b>                | <b>(8,742)</b>  | <b>n.m.</b>                  |
| <b>(Loss)/profit attributable to:</b>                                     |                                 |                 |                              |                             |                 |                              |
| Equity holders of the Company   | (892)                           | (1,688)         | (47%)                        | (1,800)                     | (2,436)         | (26%)                        |
| Non-controlling interests   | 1,428                           | 733             | 95%                          | 3,037                       | 1,570           | 93%                          |
|   | 536                             | (955)           | n.m.                         | 1,237                       | (866)           | n.m.                         |
| <b>Total comprehensive income/(loss) attributable to:</b>                 |                                 |                 |                              |                             |                 |                              |
| Equity holders of the Company   | 520                             | (1,297)         | n.m.                         | 1,012                       | (8,183)         | n.m.                         |
| Non-controlling interests   | 1,889                           | 878             | n.m.                         | 3,973                       | (559)           | n.m.                         |
|   | 2,409                           | (419)           | n.m.                         | 4,985                       | (8,742)         | n.m.                         |

n.m. = not meaningful

## Notes to Consolidated Statement of Comprehensive Income

|                                   | Group                        |         |                         | Group                    |         |                         |
|-----------------------------------|------------------------------|---------|-------------------------|--------------------------|---------|-------------------------|
|                                   | Second Quarter ended 30 June |         | Increase/<br>(decrease) | Six Months ended 30 June |         | Increase/<br>(decrease) |
|                                   | 2019                         | 2018    |                         | 2019                     | 2018    |                         |
|                                   | S\$'000                      | S\$'000 | %                       | S\$'000                  | S\$'000 | %                       |
| (A) Revenue include:-             |                              |         |                         |                          |         |                         |
| Rental income                     | 190                          | 203     | (6%)                    | 406                      | 421     | (4%)                    |
| Golf and country club             | 1,825                        | 1,784   | 2%                      | 3,810                    | 3,657   | 4%                      |
| Hotel                             | 1,547                        | 2,189   | (29%)                   | 3,278                    | 5,132   | (36%)                   |
| Revenue of development properties | 10,338                       | 10,441  | (1%)                    | 20,778                   | 39,519  | (47%)                   |

|                            | Group                        |         |                         | Group                    |         |                         |
|----------------------------|------------------------------|---------|-------------------------|--------------------------|---------|-------------------------|
|                            | Second Quarter ended 30 June |         | Increase/<br>(decrease) | Six Months ended 30 June |         | Increase/<br>(decrease) |
|                            | 2019                         | 2018    |                         | 2019                     | 2018    |                         |
|                            | S\$'000                      | S\$'000 | %                       | S\$'000                  | S\$'000 | %                       |
| (B) Other income include:- |                              |         |                         |                          |         |                         |
| Interest income            | 207                          | 243     | (15%)                   | 509                      | 441     | 15%                     |
| Late interest penalty      | 153                          | 17      | n.m.                    | 153                      | 118     | 30%                     |

|   | Group                        |         |                         | Group                    |         |                         |
|---|------------------------------|---------|-------------------------|--------------------------|---------|-------------------------|
|   | Second Quarter ended 30 June |         | Increase/<br>(decrease) | Six Months ended 30 June |         | Increase/<br>(decrease) |
|   | 2019                         | 2018    |                         | 2019                     | 2018    |                         |
|   | S\$'000                      | S\$'000 | %                       | S\$'000                  | S\$'000 | %                       |
| (C) Other gain/(losses), net include:-  |                              |         |                         |                          |         |                         |
| Fair value gains/(losses) on financial assets, at fair value through profit or loss | 1,166                        | 299     | n.m.                    | 2,571                    | (97)    | n.m.                    |
| Gain/(loss) on disposal of property, plant and equipment                            | 10                           | 4       | n.m.                    | (125)                    | (6)     | n.m.                    |
| Foreign exchange (loss)/gain  | (17)                         | 122     | n.m.                    | (142)                    | 66      | n.m.                    |

|  | Group                        |         |                         | Group                    |         |                         |
|--|------------------------------|---------|-------------------------|--------------------------|---------|-------------------------|
|  | Second Quarter ended 30 June |         | Increase/<br>(decrease) | Six Months ended 30 June |         | Increase/<br>(decrease) |
|  | 2019                         | 2018    |                         | 2019                     | 2018    |                         |
|  | S\$'000                      | S\$'000 | %                       | S\$'000                  | S\$'000 | %                       |
| (D) Distribution and marketing expense include:- |                              |         |                         |                          |         |                         |
| Marketing cost                                   | 731                          | 927     | (21%)                   | 1,711                    | 1,893   | (10%)                   |
| Entertainment                                    | 49                           | 56      | (13%)                   | 80                       | 78      | 3%                      |
| Commission                                       | 155                          | 119     | 30%                     | 253                      | 1,163   | (78%)                   |

|   | Group                        |         |                         | Group                    |         |                         |
|---|------------------------------|---------|-------------------------|--------------------------|---------|-------------------------|
|   | Second Quarter ended 30 June |         | Increase/<br>(decrease) | Six Months ended 30 June |         | Increase/<br>(decrease) |
|   | 2019                         | 2018    |                         | 2019                     | 2018    |                         |
|   | S\$'000                      | S\$'000 | %                       | S\$'000                  | S\$'000 | %                       |
| (E) Administrative expense include:-          |                              |         |                         |                          |         |                         |
| Legal and professional fee                    | 101                          | 11      | n.m.                    | 227                      | 205     | 11%                     |
| Employee compensation                         | 4,340                        | 4,520   | (4%)                    | 9,278                    | 8,831   | 5%                      |
| Depreciation of property, plant and equipment | 581                          | 115     | n.m.                    | 1,164                    | 1,091   | 7%                      |
| Depreciation of investment properties         | 300                          | 248     | 21%                     | 598                      | 413     | 45%                     |
| Rental expense                                | 121                          | 242     | (50%)                   | 240                      | 440     | (45%)                   |
| Directors' fees                               | 60                           | 60      | n.m.                    | 120                      | 120     | n.m.                    |

|                               | Group                        |         |                         | Group                    |         |                         |
|-------------------------------|------------------------------|---------|-------------------------|--------------------------|---------|-------------------------|
|                               | Second Quarter ended 30 June |         | Increase/<br>(decrease) | Six Months ended 30 June |         | Increase/<br>(decrease) |
|                               | 2019                         | 2018    |                         | 2019                     | 2018    |                         |
|                               | S\$'000                      | S\$'000 | %                       | S\$'000                  | S\$'000 | %                       |
| (F) Finance expense include:- |                              |         |                         |                          |         |                         |
| Interest on bank borrowings   | 492                          | 533     | (8%)                    | 1,050                    | 1,070   | (2%)                    |

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-Jun-19      | 31-Dec-18      | 30-Jun-19      | 31-Dec-18      |
|   | S\$'000        | S\$'000        | S\$'000        | S\$'000        |
| <b>ASSETS</b>   |                |                |                |                |
| <b>Current assets</b>   |                |                |                |                |
| Cash and cash equivalents   | 16,563         | 42,547         | 6,842          | 31,737         |
| Financial assets, at fair value through profit or loss                    | 22             | 17,624         | –              | –              |
| Trade and other receivables   | 41,231         | 4,584          | 125,465        | 92,804         |
| Inventories   | 314            | 291            | –              | –              |
| Right-of-use assets   | 663            | –              | 398            | –              |
| Development properties  | 103,071        | 99,310         | –              | –              |
|   | <b>161,864</b> | <b>164,356</b> | <b>132,705</b> | <b>124,541</b> |
| <b>Non-current assets</b>   |                |                |                |                |
| Financial assets, at fair value through profit or loss                    | 7,352          | 4,869          | –              | –              |
| Financial assets, at fair value through other comprehensive income        | 3,219          | 3,219          | –              | –              |
| Trade and other receivables   | 5,886          | 5,763          | –              | –              |
| Development properties  | 168,318        | 166,599        | –              | –              |
| Investment in joint ventures  | *              | *              | –              | –              |
| Investment in subsidiary corporations                                     | –              | –              | 141,152        | 141,152        |
| Investment properties   | 54,370         | 54,235         | –              | –              |
| Property, plant and equipment   | 53,438         | 54,831         | 43             | 49             |
| Right-of-use assets   | 528            | –              | –              | –              |
| Deferred income tax assets  | 1,511          | 1,522          | –              | –              |
| Intangible assets   | 248            | 170            | –              | –              |
|   | <b>294,870</b> | <b>291,208</b> | <b>141,195</b> | <b>141,201</b> |
| <b>Total assets</b>   | <b>456,734</b> | <b>455,564</b> | <b>273,900</b> | <b>265,742</b> |
| <b>LIABILITIES</b>  |                |                |                |                |
| <b>Current liabilities</b>  |                |                |                |                |
| Trade and other payables  | 35,537         | 39,737         | 21,390         | 9,370          |
| Current income tax liabilities  | 2,324          | 2,575          | –              | –              |
| Borrowings  | 4,543          | 4,837          | –              | –              |
| Lease liabilities   | 618            | 109            | 414            | 4              |
| Provisions  | 45             | 56             | –              | 11             |
|   | <b>43,067</b>  | <b>47,314</b>  | <b>21,804</b>  | <b>9,385</b>   |
| <b>Non-current liabilities</b>  |                |                |                |                |
| Trade and other payables  | 1,201          | 1,185          | –              | –              |
| Borrowings  | 13,890         | 14,136         | –              | –              |
| Lease liabilities   | 991            | 150            | 3              | 5              |
| Deferred income tax liabilities   | 5,534          | 5,707          | –              | –              |
| Post-employment benefits  | 4,593          | 4,525          | –              | –              |
| Provisions  | 776            | 814            | –              | –              |
|   | <b>26,985</b>  | <b>26,517</b>  | <b>3</b>       | <b>5</b>       |
| <b>Total liabilities</b>  | <b>70,052</b>  | <b>73,831</b>  | <b>21,807</b>  | <b>9,390</b>   |
| <b>NET ASSETS</b>   | <b>386,682</b> | <b>381,733</b> | <b>252,093</b> | <b>256,352</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        |
| Treasury shares   | (101)          | (101)          | (101)          | (101)          |
| Other reserves  | (8,362)        | (11,174)       | 4,914          | 4,914          |
| Accumulated losses  | (1,616)        | 220            | (18,387)       | (14,128)       |
|   | <b>255,588</b> | <b>254,612</b> | <b>252,093</b> | <b>256,352</b> |
| Non-controlling interests   | 131,094        | 127,121        | –              | –              |
| <b>Total equity</b>   | <b>386,682</b> | <b>381,733</b> | <b>252,093</b> | <b>256,352</b> |

\*Less than \$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 30.06.2019 |           | As at 31.12.2018 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 4,543            | -         | 4,837            | -         |

Amount repayable after one year

| As at 30.06.2019 |           | As at 31.12.2018 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 13,890           | -         | 14,136           | -         |

**Details of any collaterals**

As at 30 June 2019, the borrowings were secured over land under development properties of S\$98 million (31 December 2018: S\$95 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>                |                |
|--|-------------------------------------|---------------|---------------------------------|----------------|
|  | <b>Second Quarter ended 30 June</b> |               | <b>Six Months ended 30 June</b> |                |
|  | 2019                                | 2018          | 2019                            | 2018           |
|  | S\$'000                             | S\$'000       | S\$'000                         | S\$'000        |
| <b>Cash flows from operating activities</b>                    |                                     |               |                                 |                |
| Net profit/(loss)  | 536                                 | (955)         | 1,237                           | (866)          |
| Adjustments for:   |                                     |               |                                 |                |
| - Income tax expense   | 295                                 | 115           | 455                             | 235            |
| - Depreciation of property, plant and equipment                | 1,001                               | 303           | 2,015                           | 1,842          |
| - Depreciation of investment properties                        | 300                                 | 248           | 598                             | 413            |
| - Depreciation of right-of-use assets                          | 165                                 | -             | 331                             | -              |
| - Amortisation of intangible assets                            | 21                                  | -             | 42                              | -              |
| - Fair value (gain)/loss on financial assets, at FVPL          | (1,166)                             | (299)         | (2,571)                         | 97             |
| - (Gain)/loss on disposal of property, plant and equipment     | (10)                                | 84            | 125                             | 6              |
| - Impairment loss on trade and other receivables               | 45                                  | -             | 73                              | -              |
| - Share of profit of joint ventures                            | -                                   | (14)          | -                               | -              |
| - Interest income  | (359)                               | (260)         | (661)                           | (559)          |
| - Finance expense  | 516                                 | 542           | 1,100                           | 1,079          |
| - Unrealised currency translation                              | (85)                                | (529)         | 150                             | (719)          |
| <b>Operating cash flow before working capital changes</b>      | <b>1,259</b>                        | <b>(765)</b>  | <b>2,894</b>                    | <b>1,528</b>   |
| <b>Change in working capital</b>                               |                                     |               |                                 |                |
| - Trade and other receivables                                  | (246)                               | 18,931        | (652)                           | 7,656          |
| - Inventories  | (50)                                | (41)          | (18)                            | (32)           |
| - Development properties                                       | (838)                               | (787)         | (1,633)                         | 15,506         |
| - Trade and other payables                                     | (3,606)                             | (2,780)       | (4,478)                         | (3,013)        |
| - Post-employment benefits                                     | -                                   | (1)           | -                               | (1)            |
| - Provision for other liabilities and charges                  | 12                                  | (10)          | (50)                            | (263)          |
| <b>Cash generated (used in)/from operations</b>                | <b>(3,469)</b>                      | <b>14,547</b> | <b>(3,937)</b>                  | <b>21,381</b>  |
| - Interest received  | 297                                 | 198           | 538                             | 436            |
| - Income tax paid  | (556)                               | (421)         | (882)                           | (976)          |
| <b>Net cash (used in)/generated from operating activities</b>  | <b>(3,728)</b>                      | <b>14,324</b> | <b>(4,281)</b>                  | <b>20,841</b>  |
| <b>Cash flows from investing activities</b>                    |                                     |               |                                 |                |
| - Additions to property, plant and equipment                   | (154)                               | (118)         | (331)                           | (427)          |
| - Additions to intangible assets                               | (28)                                | -             | (28)                            | -              |
| - Additions to investment properties                           | (518)                               | -             | (601)                           | -              |
| - Deposit paid for purchase of investment properties           | (36,000)                            | -             | (36,000)                        | -              |
| - Proceeds from disposal of financial assets, at FVPL          | -                                   | -             | 17,673                          | -              |
| - Additions to financial assets, at FVPL                       | -                                   | -             | -                               | (1,324)        |
| - Proceeds from disposal of property, plant and equipment      | 22                                  | -             | 22                              | -              |
| <b>Net cash used in investing activities</b>                   | <b>(36,678)</b>                     | <b>(118)</b>  | <b>(19,265)</b>                 | <b>(1,751)</b> |
| <b>Cash flows from financing activities</b>                    |                                     |               |                                 |                |
| - Proceeds from borrowings                                     | 2,039                               | 912           | 3,923                           | 3,618          |
| - Repayment of borrowings                                      | (1,658)                             | (348)         | (4,736)                         | (2,516)        |
| - Repayment of lease liabilities                               | (210)                               | 44            | (410)                           | 21             |
| - Interest paid  | (516)                               | (542)         | (1,100)                         | (1,079)        |
| <b>Net cash (used in)/generated from financing activities</b>  | <b>(345)</b>                        | <b>66</b>     | <b>(2,323)</b>                  | <b>44</b>      |
| <b>Net (decrease)/increase in cash and cash equivalents</b>    | <b>(40,751)</b>                     | <b>14,272</b> | <b>(25,869)</b>                 | <b>19,134</b>  |
| Effects of currency translation on cash and cash equivalents   | (57)                                | 16            | (115)                           | (225)          |
| Cash and cash equivalents at beginning of the financial period | 57,371                              | 44,707        | 42,547                          | 40,086         |
| <b>Cash and cash equivalents at end of the period</b>          | <b>16,563</b>                       | <b>58,995</b> | <b>16,563</b>                   | <b>58,995</b>  |
| <b>Cash and cash equivalents consists of:</b>                  |                                     |               |                                 |                |
| Cash and bank balances   | 16,563                              | 58,995        | 16,563                          | 58,995         |
| Bank deposits pledged  | -                                   | -             | -                               | -              |
|  | <b>16,563</b>                       | <b>58,995</b> | <b>16,563</b>                   | <b>58,995</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.

|  | Attributable to Equity holders of the Company |                            |                                 |                                |                            |                                |                               |   | Non-controlling interests<br>S\$'000 | Total equity<br>S\$'000 |                  |
|--|---|----------------------------|---------------------------------|--------------------------------|----------------------------|--------------------------------|-------------------------------|---|--------------------------------------|-------------------------|------------------|
|  | Share capital<br>S\$'000                      | Treasury shares<br>S\$'000 | Share option reserve<br>S\$'000 | Tax amnesty reserve<br>S\$'000 | General reserve<br>S\$'000 | Translation reserve<br>S\$'000 | Fair value reserve<br>S\$'000 | Retained profit/<br>(accumulated losses)<br>S\$'000 |                                      |                         | Total<br>S\$'000 |
| <b>Group</b>   |   |                            |                                 |                                |                            |                                |                               |   |                                      |                         |                  |
| <b>As at 31 December 2018</b>                                  | 265,667                                       | (101)                      | 4,914                           | 60                             | (51)                       | (19,236)                       | 3,139                         | 220   | 254,612                              | 127,121                 | 381,733          |
| Cumulative effects of adopting SFRS(I) 16                      | -   | -                          | -                               | -                              | -                          | -                              | -                             | (36)  | (36)                                 | -                       | (36)             |
| <b>As adjusted at 1 January 2019</b>                           | 265,667                                       | (101)                      | 4,914                           | 60                             | (51)                       | (19,236)                       | 3,139                         | 184   | 254,576                              | 127,121                 | 381,697          |
| Total comprehensive (loss)/income for the period               | -   | -                          | -                               | -                              | -                          | 2,812                          | -                             | (1,800)   | 1,012                                | 3,973                   | 4,985            |
| <b>As at 30 June 2019</b>                                      | <b>265,667</b>                                | <b>(101)</b>               | <b>4,914</b>                    | <b>60</b>                      | <b>(51)</b>                | <b>(16,424)</b>                | <b>3,139</b>                  | <b>(1,616)</b>                                      | <b>255,588</b>                       | <b>131,094</b>          | <b>386,682</b>   |
| <b>Balance as at 31 December 2017 (as previously reported)</b> | 265,667                                       | (101)                      | 4,914                           | 63                             | (51)                       | (11,267)                       | 10,760                        | (2,540)   | 267,445                              | 128,346                 | 395,791          |
| Cumulative effects of adopting SFRS(I)                         | -   | -                          | -                               | -                              | -                          | -                              | (7,860)                       | 5,585   | (2,275)                              | -                       | (2,275)          |
| <b>As adjusted at 1 January 2018</b>                           | 265,667                                       | (101)                      | 4,914                           | 63                             | (51)                       | (11,267)                       | 2,900                         | 3,045   | 265,170                              | 128,346                 | 393,516          |
| Total comprehensive income/(loss) for the period               | -   | -                          | -                               | -                              | -                          | (5,747)                        | -                             | (2,436)   | (8,183)                              | (559)                   | (8,742)          |
| <b>As at 30 June 2018</b>                                      | <b>265,667</b>                                | <b>(101)</b>               | <b>4,914</b>                    | <b>63</b>                      | <b>(51)</b>                | <b>(17,014)</b>                | <b>2,900</b>                  | <b>609</b>  | <b>256,987</b>                       | <b>127,787</b>          | <b>384,774</b>   |

|   | Share capital<br>S\$'000 | Treasury shares<br>S\$'000 | Share option reserve<br>S\$'000 | Accumulated losses<br>S\$'000 | Total equity<br>S\$'000 |
|---|--------------------------|----------------------------|---------------------------------|-------------------------------|-------------------------|
| <b>Company</b>                            |                          |                            |                                 |                               |                         |
| <b>As at 1 January 2019</b>               | 265,667                  | (101)                      | 4,914                           | (14,128)                      | 256,352                 |
| Cumulative effects of adopting SFRS(I) 16 | -                        | -                          | -                               | (11)                          | (11)                    |
| <b>As adjusted at 1 January 2019</b>      | 265,667                  | (101)                      | 4,914                           | (14,139)                      | 256,341                 |
| Total comprehensive loss for the period   | -                        | -                          | -                               | (4,248)                       | (4,248)                 |
| <b>As at 30 June 2019</b>                 | <b>265,667</b>           | <b>(101)</b>               | <b>4,914</b>                    | <b>(18,387)</b>               | <b>252,093</b>          |
| <b>As at 1 January 2018</b>               | 265,667                  | (101)                      | 4,914                           | (5,841)                       | 264,639                 |
| Total comprehensive loss for the period   | -                        | -                          | -                               | (2,963)                       | (2,963)                 |
| <b>As at 30 June 2018</b>                 | <b>265,667</b>           | <b>(101)</b>               | <b>4,914</b>                    | <b>(8,804)</b>                | <b>261,676</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 were 4,165,400 outstanding share options as at 30 June 2019 and 30 June 2018.

The total number of issued ordinary shares as at 30 June 2019 was 321,895,299 (30 June 2018: 321,895,299), of which 514,200 (30 June 2018: 514,200) were held by the Company as treasury shares.

The Company did not have any subsidiary holdings as at 30 June 2019 and 30 June 2018.

**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.**

|  | As at<br>30 June 2019 | As at<br>31 December 2018 |
|--|-----------------------|---------------------------|
| Total number of issued shares                              | 321,895,299           | 321,895,299               |
| Less: Treasury shares                                      | (514,200)             | (514,200)                 |
| Total number of issued shares<br>excluding treasury shares | 321,381,099           | 321,381,099               |

**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 sales, transfers, cancellation and/or use of treasury shares at the end of the current financial period reported on.

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

Not applicable. There were no subsidiary holdings 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 as those in the most recently audited consolidated financial statements for the year ended 31 December 2018 as well as all applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") that become effective for financial year beginning on or after 1 January 2019. 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 consolidated financial statements, except as disclosed in item 5 below.

**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.**

Adoption of SFRS(I) 16 Leases

SFRS(I) 16 introduces new requirements for recognition, measurement and presentation of leases, The standard introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The cumulative effects of adopting SFRS(I) 16 are as follows:

| Statement of financial position | As at 1 January 2019              |                    |                     |
|---------------------------------|-----------------------------------|--------------------|---------------------|
|                                 | As previously reported<br>S\$'000 | Effects<br>S\$'000 | Adjusted<br>S\$'000 |
| <u>Group</u>                    |                                   |                    |                     |
| Right of use assets             | –                                 | 1,523              | 1,523               |
| Trade and other payables        | 39,737                            | (148)              | 39,589              |
| Lease liabilities               | 259                               | 1,707              | 1,966               |
| Retained Earnings               | 220                               | (36)               | 184                 |
| <u>Company</u>                  |                                   |                    |                     |
| Right of use assets             | –                                 | 637                | 637                 |
| Lease liabilities               | 9                                 | 648                | 657                 |
| Retained Earnings               | (14,128)                          | (11)               | (14,139)            |

**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 |         |
|  | 2019                         | 2018    | 2019                     | 2018    |
| Net profit attributable to equity holders of the Company (S\$'000)                         | (892)                        | (1,688) | (1,800)                  | (2,436) |
| Weighted average number of ordinary shares outstanding for basic earnings per share ('000) | 321,381                      | 321,381 | 321,381                  | 321,381 |
| Basic earnings per share (cents)   | (0.28)                       | (0.53)  | (0.56)                   | (0.76)  |

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

|  | The Group                    |                      |                          |                      |
|--|------------------------------|----------------------|--------------------------|----------------------|
|  | Second Quarter ended 30 June |                      | Six Months ended 30 June |                      |
|  | 2019                         | 2018                 | 2019                     | 2018                 |
| Net profit attributable to equity holders of the Company (S\$'000)                           | (892)                        | (1,688)              | (1,800)                  | (2,436)              |
| Weighted average number of ordinary shares outstanding for diluted earnings per share ('000) | 321,381 <sup>#</sup>         | 321,381 <sup>#</sup> | 321,381 <sup>#</sup>     | 321,381 <sup>#</sup> |
| Diluted earnings per share (cents)   | (0.28)                       | (0.53)               | (0.56)                   | (0.76)               |

<sup>#</sup> 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

**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 2019 | As at 31 December 2018 | As at 30 June 2019 | As at 31 December 2018 |
| Net asset value ("NAV") (S\$'000) | 255,588            | 254,612                | 252,093            | 256,352                |
| Number of shares ('000)           | 321,381            | 321,381                | 321,381            | 321,381                |
| NAV per share (Singapore cents)   | 79.53              | 79.22                  | 78.44              | 79.77                  |

The NAV per ordinary share was calculated based on the number of shares in issue (excluding treasury shares) of 321,381,099 (31 December 2018: 321,381,099).

**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\$13.9 million in revenue for the second quarter ended 30 June 2019 ("2Q2019") as compared to S\$14.5 million in the same corresponding period ("2Q2018"). The decrease of S\$0.6 million was mainly due to:

- i) Decrease in revenue from hospitality management by \$0.6 million due to closure of one hostel in Singapore.

#### **Cost of sales**

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

Cost of sales for 2Q2019 decreased by S\$1.4 million as compared to 2Q2018 due to the following factors:-

- i) Decrease in cost of sales for hospitality management by \$0.3 million mainly due to the closure of one hostel in Singapore
- ii) Decrease in cost of sales for property development by \$1.1 million mainly due to lower development costs incurred by the subsidiary group in Indonesia, PT Suryamas Dutamakmur Tbk ("Suryamas").

#### **Gross profit**

The Group's gross profit for 2Q2019 increased by S\$0.8 million and the gross profit margins in 2Q2019 was higher as compared to 2Q2018. The improvement in gross profit margin was mainly due higher profit margin obtained from sale of development properties by Suryamas in 2Q2019 as compared to 2Q2018.

#### **Other gains/(losses)**

Other gains increased by \$0.8 million in 2Q2019 as compared to other gains of S\$0.4 million in 2Q2018. This was mainly due to higher fair value gains recognised on the financial assets at fair value through profit or loss.

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

Distribution and marketing expenses decreased by S\$0.1 million in 2Q2019 as compared to 2Q2018 mainly due to lower marketing expenses incurred for Indonesian development projects.

#### **Administrative expenses**

Administrative expenses increased by S\$0.1 million in 2Q2019 as compared to 2Q2018 mainly due to:

- i) Increase in depreciation of property, plant and equipment of S\$0.4 million; offset by
- ii) Decrease in employee compensation of S\$0.2 million; and
- iii) Decrease in rental expenses of \$0.1 million.

## **Consolidated Statement of Financial Position**

### **Total assets**

As of 30 June 2019, the Group's total assets stood at S\$457 million which was S\$1.1 million higher than as at 31 December 2018. The increase was mainly attributable to the following:

- (i) Increase in development properties (current and non-current) of S\$5.5 million mainly due to strengthening of Indonesia Rupiah against Singapore Dollars coupled with the construction of buildings for sale; and
- (ii) Increase in trade and other receivables (current and non-current) of S\$36.8 million mainly attributable to the deposits paid for the options to purchase properties ; and
- (iii) Increase in right-of-use assets (current and non-current) by S\$1.2 million mainly due to the adoption of SFRS(I) 16 *Leases* which requires previously off-balance sheet leases to be capitalised; and
- (iv) Increase in others assets by \$0.1 million; offset by
- (v) Decrease in cash and cash equivalents amounting to S\$26.0 million; and
- (vi) Decrease in financial assets, at fair value through profit or loss by S\$15.1 million due to the sale of financial assets, at FVPL; and
- (vii) Decrease in property, plant and equipment by S\$1.4 million due to depreciation net of additions and disposals.

### **Total liabilities**

As of 30 June 2019, the Group's total liabilities stood at S\$70.1 million, which was S\$3.8 million lower than as at 31 December 2018. The decrease was mainly due to the following:

- (i) Decrease in trade and other payables (current and non-current) of S\$4.2 million mainly due to the repayment to suppliers and service providers; and
- (ii) Decrease in borrowings by S\$0.5 million due to net repayment of borrowings; and
- (iii) Decrease in other liabilities amounting to S\$0.5 million; offset by
- (iv) Increase in lease liabilities by S\$1.4 million due to the adoption of SFRS(I) 16 *Leases* which requires previously off-balance sheet leases to be capitalised.;

## **Consolidated Statement of Cash Flows**

Net cash used in operating activities of S\$3.7 million in 2Q2019 was mainly due to payments to suppliers and service providers.

Net cash used in investing activities of S\$36.7 million in 2Q2019 was mainly due deposits paid for options to purchase properties in Singapore, additions to property, plant and equipment and costs incurred to construct investment properties in Indonesia.

Net cash used in financing activities of S\$0.3 million in 2Q2019 was mainly due to the net repayment of bank borrowings, lease liabilities and interest payments.

As a result of the aforesaid, cash and cash equivalents decreased to S\$16.6 million as at 30 June 2019 from S\$57.4 million as at 31 March 2019.

**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.**

The USA and China have announced a temporal truce in the trade war at the recent G20 summit and that they would be returning to the negotiation table with more meetings between representatives from both sides to discuss terms of a deal. The International Monetary Fund has warned that the negative impact of the trade war will rise over time and could lead to a reduction in global growth by 0.5 per cent in 2020<sup>1</sup>.

Since the unexpected round of cooling measure imposed by the Singapore Government in July 2018, private home prices have continued to rise to a five-year high in the second quarter of 2019<sup>2</sup>. In addition to the US-China trade war, the instability of close rival Hong Kong have driven foreign investors' interests in the Singapore property market<sup>3</sup>. The cooling measures are not expected to be removed any time soon as the Monetary Authority of Singapore is still monitoring the situation<sup>4</sup>. On the back of these factors, the Group will assess opportunities for real estate development in Singapore but at the same time remain cautious to changes in the environment.

On the other hand, Indonesia's residential pricing continues its steady increase. In 2Q2019, the Housing Index in Indonesia increased to 209.46 Index Points from 207.35 Index Points in 2018<sup>5</sup>. The Indonesian Government had slashed taxes on the sale of luxury properties in a bid to boost the property other related sub-sectors' growth<sup>6</sup>. Moreover, Indonesia is posed to cut interest rates for the first time in two years given the prospect of United States Federal Reserve relaxing its monetary policy in the near future. The long term outlook on the Indonesian residential property market appears to be positive on these fronts. Based on the current conditions, we will continue to capitalise on opportunities that arise through our land bank in our 3 developments of Rancamaya Estate, Royal Tajur and Harvest City and remain alert to the changes in landscape in Indonesia.

In the hospitality segment, visitor arrivals in Singapore continue on an upward trend in 2019<sup>7</sup> based on Singapore Tourism Board ("STB") hotel statistics. This has translated to total room revenue increasing by 1.9% year-on-year<sup>8</sup>. However, businesses in the service industry are faced with reduction in Dependency Ratio Ceiling – which sets out the maximum permitted ratio of foreign workers to the total workforce is allowed to hire – from the current 40% to 35% in 2021<sup>9</sup>. This will compel more businesses in the service industry to look at technological solutions to address their issues of shortage in manpower and cater to increasing visitor arrivals.

The Group aims to enhance the marketing of its smart solutions and Software as a Service ("SaaS") for the hospitality sector that were developed by its subsidiary Ultron Techniques Pte Ltd ("Ultron"). These smart solutions and SaaS will help hospitality owners in the region unlock and optimise the potential of their assets. Additionally, the Group will also be looking at opportunities to strengthen its design and development capabilities in the areas of IoT, AI and miniaturisation so as to innovate and provide new product offerings to the hospitality and other sectors.

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<sup>1</sup> <https://www.scmp.com/economy/china-economy/article/3019732/us-china-trade-war-caused-self-inflicted-damage-global>

<sup>2</sup> <https://www.channelnewsasia.com/news/business/private-home-prices-ura-q2-2019-flash-estimates-property-11676188>

<sup>3</sup> <https://www.channelnewsasia.com/news/business/property-market-singapore-foreign-buyer-dyson-11715158>

<sup>4</sup> <https://www.businesstimes.com.sg/government-economy/singapore-government-not-relaxing-property-cooling-measures-for-now-mas>

<sup>5</sup> <https://tradingeconomics.com/indonesia/housing-index>

<sup>6</sup> <https://www.businesstimes.com.sg/real-estate/indonesia-showers-property-buyers-with-waivers-to-spur-economy>

<sup>7</sup> [https://www.stb.gov.sg/content/dam/stb/documents/statistics-marketing-insights/international-visitor-arrivals/pdf/Visitor%20Arrivals%202019\\_1.pdf](https://www.stb.gov.sg/content/dam/stb/documents/statistics-marketing-insights/international-visitor-arrivals/pdf/Visitor%20Arrivals%202019_1.pdf)

<sup>8</sup> [https://www.stb.gov.sg/content/dam/stb/documents/statistics-marketing-insights/hotel-statistics/pdf/Hotel%20Statistics%202019\\_1.pdf](https://www.stb.gov.sg/content/dam/stb/documents/statistics-marketing-insights/hotel-statistics/pdf/Hotel%20Statistics%202019_1.pdf)

<sup>9</sup> <https://www.channelnewsasia.com/news/singapore/budget-2019-foreign-worker-quota-in-services-sector-to-be-cut-to-11252904>

**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 2Q2019 as working capital is required to expand the Group's business

**13. Aggregate value of interested person transactions conducted pursuant to shareholders' mandate for the period ended 30 June 2019:**

| 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) |
|---------------------------|---|--|
| N/A                       | N/A   | N/A  |

**14. 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.

**15. 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 2019 to be false or misleading in any material aspect.

On behalf of the board of directors

Hano Maeloa  
Chief Executive Officer and Executive Director

Chang Shyre Gwo  
Chief Operating Officer and Executive Director

BY ORDER OF THE BOARD

**Hano Maeloa**  
**Chief Executive Officer and Executive Director**  
26 July 2019