



**Third Quarter and Nine Months  
Unaudited Financial Statements  
For The Period Ended  
30 September 2019**

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13 November 2019

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**Third Quarter and Nine Months Unaudited Financial Statements for the Period Ended 30 September 2019**

**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**  
**For the third quarter and nine months ended 30 September 2019**

	The Group			The Group		
	Third Quarter ended 30 September		Increase/ (decrease)	Nine Months ended 30 September		Increase/ (decrease)
	2019	2018		2019	2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	13,423	13,738	(2%)	41,746	62,493	(33%)
Cost of sales	(6,584)	(6,273)	5%	(19,804)	(39,396)	(50%)
Gross profit	6,839	7,465	(8%)	21,942	23,097	(5%)
Other income						
- Interest	299	343	(13%)	961	902	7%
- Others	586	10	n.m.	849	504	68%
Other gains/(losses)						
- Impairment loss on trade and other receivables	(25)	-	n.m.	(99)	-	n.m.
- Others	10,062	227	n.m.	12,529	340	n.m.
Expenses						
- Distribution and marketing	(1,330)	(1,245)	7%	(3,501)	(4,390)	(20%)
- Administrative	(7,788)	(6,416)	21%	(21,247)	(19,621)	8%
- Finance	(1,102)	(522)	n.m.	(2,202)	(1,601)	38%
Share of loss of joint venture company	-	(19)	n.m.	-	(19)	n.m.
Profit/(loss) before income tax	7,541	(157)	n.m.	9,232	(788)	n.m.
Income tax expense	(232)	(648)	(64%)	(687)	(883)	(22%)
<b>Profit/(loss) for the period</b>	<b>7,309</b>	<b>(805)</b>	<b>n.m.</b>	<b>8,545</b>	<b>(1,671)</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						
- Gains/(losses)	3,287	(7,407)	n.m.	6,099	(13,154)	n.m.
<i>Item that will not be reclassified subsequently to profit or loss:</i>						
Currency translation differences arising from consolidation						
- Gains/(losses)	1,085	(2,745)	n.m.	2,021	(4,873)	n.m.
<b>Total comprehensive income/(loss) for the period</b>	<b>11,681</b>	<b>(10,957)</b>	<b>n.m.</b>	<b>16,665</b>	<b>(19,698)</b>	<b>n.m.</b>
<b>Profit/(loss) attributable to:</b>						
Equity holders of the Company	6,680	(1,967)	n.m.	4,879	(4,402)	n.m.
Non-controlling interests	629	1,162	(46%)	3,666	2,731	34%
	<b>7,309</b>	<b>(805)</b>	<b>n.m.</b>	<b>8,545</b>	<b>(1,671)</b>	<b>n.m.</b>
<b>Total comprehensive income/(loss) attributable to:</b>						
Equity holders of the Company	9,967	(9,374)	n.m.	10,978	(17,556)	n.m.
Non-controlling interests	1,714	(1,583)	n.m.	5,687	(2,142)	n.m.
	<b>11,681</b>	<b>(10,957)</b>	<b>n.m.</b>	<b>16,665</b>	<b>(19,698)</b>	<b>n.m.</b>

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)
	2019	2018		2019	2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
(A) Revenue include:-						
Rental income	361	198	83%	768	619	24%
Golf and country club	2,088	1,939	16%	5,899	5,463	8%
Hotel	1,768	2,391	(26%)	5,071	7,523	(33%)
Revenue of development properties	8,945	9,086	(2%)	29,723	48,605	(39%)
(B) Other income include:-						
Interest income	126	308	(59%)	634	749	(15%)
Late interest penalty	173	35	n.m.	326	153	n.m.
Forfeited deposits	669	–	n.m.	669	–	n.m.
(C) Other gain/(losses), net include:-						
Fair value gains on financial assets, at fair value through profit or loss	955	122	n.m.	3,526	25	n.m.
Gain/(loss) on disposal of property, plant and equipment	1	84	n.m.	(124)	78	n.m.
Loss on disposal of investment property	(463)	–	n.m.	(463)	–	n.m.
Gain on bargain purchase	9,588	–	n.m.	9,588	–	n.m.
Foreign exchange gain/(loss)	24	12	100%	(119)	78	n.m.
(D) Distribution and marketing expense include:-						
Marketing cost	1,064	1,104	(4%)	2,774	2,997	(7%)
Entertainment	64	41	56%	144	119	21%
Commission	121	98	23%	374	1,261	(70%)
(E) Administrative expense include:-						
Legal and professional fee	228	76	n.m.	455	280	63%
Employee compensation	4,859	4,212	15%	14,137	13,043	8%
Depreciation of property, plant and equipment	589	793	(26%)	1,752	1,884	(7%)
Depreciation of investment properties	642	204	n.m.	1,240	617	n.m.
Rental expense	143	55	n.m.	383	495	(23%)
Directors' fees	60	60	n.m.	180	180	n.m.
(F) Finance expense include:-						
Interest on bank borrowings	860	522	65%	1,910	1,601	19%
Facilities Fees	220	–	n.m.	220	–	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-19	31-Dec-18	30-Sep-19	31-Dec-18
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	18,344	42,547	3,312	31,737
Financial assets, at fair value through profit or loss	22	17,624	–	–
Trade and other receivables	7,318	4,584	129,629	92,804
Inventories	292	291	–	–
Right-of-use assets	663	–	279	–
Development properties	105,794	99,310	–	–
	<b>132,433</b>	<b>164,356</b>	<b>133,220</b>	<b>124,541</b>
<b>Non-current assets</b>				
Financial assets, at fair value through profit or loss	8,307	4,869	–	–
Financial assets, at fair value through other comprehensive income	3,219	3,219	–	–
Trade and other receivables	948	5,763	–	–
Development properties	171,369	166,599	–	–
Investment in joint ventures	*	*	–	–
Investment in subsidiary corporations	–	–	141,152	141,152
Investment properties	226,274	54,235	–	–
Property, plant and equipment	53,136	54,831	43	49
Right-of-use assets	363	–	–	–
Deferred income tax assets	1,518	1,522	–	–
Intangible assets	1,469	170	–	–
	<b>466,603</b>	<b>291,208</b>	<b>141,195</b>	<b>141,201</b>
<b>Total assets</b>	<b>599,036</b>	<b>455,564</b>	<b>274,415</b>	<b>265,742</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	36,532	39,737	9,548	9,370
Current income tax liabilities	2,435	2,575	–	–
Borrowings	5,343	4,837	–	–
Lease liabilities	458	109	293	4
Provisions	45	56	–	11
	<b>44,813</b>	<b>47,314</b>	<b>9,841</b>	<b>9,385</b>
<b>Non-current liabilities</b>				
Trade and other payables	1,221	1,185	–	–
Borrowings	142,250	14,136	–	–
Lease liabilities	999	150	10	5
Deferred income tax liabilities	5,710	5,707	–	–
Post-employment benefits	4,669	4,525	–	–
Provisions	778	814	–	–
	<b>155,627</b>	<b>26,517</b>	<b>10</b>	<b>5</b>
<b>Total liabilities</b>	<b>200,440</b>	<b>73,831</b>	<b>9,851</b>	<b>9,390</b>
<b>NET ASSETS</b>	<b>398,596</b>	<b>381,733</b>	<b>264,564</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	(5,075)	(11,174)	4,914	4,914
Accumulated losses	5,063	220	(5,916)	(14,128)
	<b>265,554</b>	<b>254,612</b>	<b>264,564</b>	<b>256,352</b>
Non-controlling interests	133,042	127,121	–	–
<b>Total equity</b>	<b>398,596</b>	<b>381,733</b>	<b>264,564</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 30.09.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,343	–	4,837	–

Amount repayable after one year

As at 30.09.2019		As at 31.12.2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
142,250	–	14,136	–

**Details of any collaterals**

As at 30 September 2019, the borrowings were secured over land under development properties of S\$98 million (31 December 2018: S\$95 million), freehold investment properties of S\$180 million (31 December 2018: nil), and building under property plant and equipment of S\$23 million (31 December 2018: nil).

**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>Third Quarter ended</b>		<b>Nine Months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Net profit/(loss)	7,309	(805)	8,545	(1,671)
Adjustments for:				
- Income tax expense	232	648	687	883
- Depreciation of property, plant and equipment	1,013	1,098	3,028	2,940
- Depreciation of investment properties	642	204	1,240	617
- Depreciation of right-of-use assets	166	-	497	-
- Amortisation of intangible assets	45	-	88	-
- Fair value gain on financial assets, at FVPL	(955)	(122)	(3,526)	(25)
- (Gain)/loss on disposal of property, plant and equipment	(1)	(84)	124	(78)
- Loss on disposal of investment property	463	-	463	-
- Gain on bargain purchase	(9,588)	(26)	(9,588)	(26)
- Loss on disposal of subsidiaries	-	15	-	15
- Impairment loss on trade and other receivables	25	-	99	-
- Share of loss of joint venture company	-	19	-	19
- Interest income	(299)	(343)	(961)	(902)
- Finance expense	1,102	522	2,202	1,601
- Unrealised currency translation	590	544	740	(175)
<b>Operating cash flow before working capital changes</b>	<b>744</b>	<b>1,670</b>	<b>3,638</b>	<b>3,198</b>
<b>Change in working capital</b>				
- Trade and other receivables	3,300	(249)	2,649	7,407
- Inventories	26	44	8	12
- Development properties	(1,464)	(1,187)	(3,098)	14,319
- Trade and other payables	(395)	(1,285)	(4,873)	(4,298)
- Post-employment benefits	-	(2)	-	(3)
- Provision for other liabilities and charges	2	(20)	(48)	(283)
<b>Cash generated from/(used in) operations</b>	<b>2,213</b>	<b>(1,029)</b>	<b>(1,724)</b>	<b>20,352</b>
- Interest received	278	281	817	717
- Income tax paid	(298)	(756)	(1,180)	(1,732)
<b>Net cash generated from/(used in) operating activities</b>	<b>2,193</b>	<b>(1,504)</b>	<b>(2,087)</b>	<b>19,337</b>
<b>Cash flows from investing activities</b>				
- Additions to property, plant and equipment	(149)	(190)	(481)	(617)
- Additions to intangible assets	(24)	-	(51)	-
- Additions to investment properties	(182)	(1,035)	(784)	(1,035)
- Acquisition of non-controlling interests	-	*	-	*
- 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	1	-	23	-
- Proceeds from disposal of investment property	7,275	-	7,275	-
- Acquisition of subsidiaries, net of cash acquired	(134,719)	17	(170,719)	17
- Disposal of subsidiaries	-	289	-	289
<b>Net cash used in investing activities</b>	<b>(127,798)</b>	<b>(919)</b>	<b>(147,064)</b>	<b>(2,670)</b>
<b>Cash flows from financing activities</b>				
- Proceeds from additional paid in capital from non-controlling interests	-	(3)	-	(3)
- Proceeds from borrowings	132,088	3,150	136,010	6,768
- Repayment of borrowings	(3,257)	(3,107)	(7,993)	(5,623)
- Repayment of lease liabilities	(212)	27	(622)	48
- Interest paid	(1,102)	(522)	(2,202)	(1,601)
<b>Net cash generated from/(used in) financing activities</b>	<b>127,517</b>	<b>(455)</b>	<b>125,193</b>	<b>(411)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,912</b>	<b>(2,878)</b>	<b>(23,958)</b>	<b>16,256</b>
Effects of currency translation on cash and cash equivalents	(131)	(287)	(245)	(512)
Cash and cash equivalents at beginning of the financial period	16,563	58,995	42,547	40,086
<b>Cash and cash equivalents at end of the period</b>	<b>18,344</b>	<b>55,830</b>	<b>18,344</b>	<b>55,830</b>
<b>Cash and cash equivalents consists of:</b>				
Cash and bank balances	14,344	55,830	14,344	55,830
Bank deposits pledged	4,000	-	4,000	-
	<b>18,344</b>	<b>55,830</b>	<b>18,344</b>	<b>55,830</b>

\*Less than \$1,000

**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	Treasury shares S\$'000	Share option reserve S\$'000	Tax amnesty reserve S\$'000	General reserve S\$'000	Translation reserve S\$'000	Fair value reserve S\$'000	Retained profit/ (accumulated losses) S\$'000	Total S\$'000		
<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 income/(loss) for the period	-	-	-	-	-	6,099	-	4,879	10,978	5,687	16,665
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	234	234
<b>As at 30 September 2019</b>	<b>265,667</b>	<b>(101)</b>	<b>4,914</b>	<b>60</b>	<b>(51)</b>	<b>(13,137)</b>	<b>3,139</b>	<b>5,063</b>	<b>265,554</b>	<b>133,042</b>	<b>398,596</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	-	-	-	-	-	(13,154)	-	(4,402)	(17,556)	(2,142)	(19,698)
<b>As at 30 September 2018</b>	<b>265,667</b>	<b>(101)</b>	<b>4,914</b>	<b>63</b>	<b>(51)</b>	<b>(24,421)</b>	<b>2,900</b>	<b>(1,357)</b>	<b>247,614</b>	<b>126,204</b>	<b>373,818</b>

Company	Share capital S\$'000	Treasury shares S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<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	-	-	-	8,223	8,223
<b>As at 30 September 2019</b>	<b>265,667</b>	<b>(101)</b>	<b>4,914</b>	<b>(5,916)</b>	<b>264,564</b>
<b>As at 1 January 2018</b>	265,667	(101)	4,914	(5,841)	264,639
Total comprehensive loss for the period	-	-	-	(4,346)	(4,346)
<b>As at 30 September 2018</b>	<b>265,667</b>	<b>(101)</b>	<b>4,914</b>	<b>(10,187)</b>	<b>260,293</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 September 2019 and 30 September 2018.

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

The Company did not have any subsidiary holdings as at 30 September 2019 and 30 September 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 30 September 2019	As at 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 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:

<b>Statement of financial position</b>	<b>As at 1 January 2019</b>		
	<b>As previously reported S\$’000</b>	<b>Effects S\$’000</b>	<b>Adjusted S\$’000</b>
<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			
	Third Quarter ended 30 September		Nine Months ended 30 September	
	2019	2018	2019	2018
Net profit attributable to equity holders of the Company (S\$'000)	6,680	(1,967)	4,879	(4,402)
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)	2.08	(0.61)	1.52	(1.37)

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

	The Group			
	Third Quarter ended 30 September		Nine Months ended 30 September	
	2019	2018	2019	2018
Net profit attributable to equity holders of the Company (S\$'000)	6,680	(1,967)	4,879	(4,402)
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)	2.08	(0.61)	1.52	(1.37)

<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 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
Net asset value ("NAV") (S\$'000)	265,554	254,612	264,564	256,352
Number of shares ('000)	321,381	321,381	321,381	321,381
NAV per share (Singapore cents)	82.63	79.22	82.32	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\$13.4 million in revenue for the third quarter ended 30 September 2019 ("3Q2019") as compared to S\$13.7 million in the same corresponding period ("3Q2018"). The decrease of S\$0.3 million was mainly due to:

- i) Decrease in revenue from hospitality management by S\$0.3 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 3Q2019 increased by S\$0.3 million as compared to 3Q2018 due to the following factors:-

- i) Increase in cost of sales for property development by S\$0.6 million mainly due to higher development costs incurred by the subsidiary group in Indonesia, PT Suryamas Dutamakmur Tbk ("Suryamas"); offset by
- ii) Decrease in cost of sales for hospitality management by S\$0.3 million mainly due to the closure of one hostel in Singapore

#### **Gross profit**

The Group's gross profit for 3Q2019 decreased by S\$0.6 million and the gross profit margins in 3Q2019 was lower as compared to 3Q2018. The weakening in gross profit margin was mainly due lower profit margin obtained from sale of development properties by Suryamas in 3Q2019 as compared to 3Q2018.

#### **Other income**

Other income increased by S\$0.5 million in 3Q2019 as compared to 3Q2018 was mainly due to the following factors:-

- i) Increase in forfeited deposit of S\$0.7 million upon expiry of the option to purchase; offset by
- ii) Decrease in other income of S\$0.2 million.

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

Other gains increased by \$9.8 million in 3Q2019 as compared to 3Q2018 due to the following factors:-

- i) Gain on bargain purchase of S\$9.6 million on the acquisition of subsidiaries; and
- ii) Increase in fair value gains on financial assets at FVPL of S\$0.8 million; offset by
- iii) Loss on disposal of investment properties amounting to S\$0.5 million; and
- iv) Decrease in gain on disposal of PPE amounting to S\$0.1 million.

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

Distribution and marketing expenses increased by S\$0.1 million in 3Q2019 as compared to 3Q2018 mainly due to higher marketing expenses incurred for Indonesian development projects.

## **Administrative expenses**

Administrative expenses increased by S\$1.4 million in 3Q2019 as compared to 3Q2018 mainly due to:

- i) Increase in depreciation of investment properties of S\$0.4 million; and
- ii) Increase in employee compensation by S\$0.7 million; and
- iii) Increase in legal and professional fees by \$0.2 million; and
- iv) Increase in other administrative expenses of S\$0.1million.

## **Finance expenses**

Finance expenses increased by S\$0.6 million in 3Q2019 as compared to 3Q2018 mainly due to higher interest expense and facilities fee paid.

## **Consolidated Statement of Financial Position**

### **Total assets**

As of 30 September 2019, the Group's total assets stood at S\$599 million which was S\$143.5 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\$11.3 million mainly due to strengthening of Indonesia Rupiah against Singapore Dollars coupled with the construction of buildings for sale; and
- (ii) Increase in right-of-use assets (current and non-current) by S\$1.0 million mainly due to the adoption of SFRS(I) 16 *Leases* which requires previously off-balance sheet leases to be capitalised; and
- (iii) Increase in Investment properties of S\$172.0 million mainly due to acquisition net of depreciation and disposal; and
- (iv) Increase in others assets by \$1.4 million; offset by
- (v) Decrease in trade and other receivables (current and non-current) of S\$2.1 million mainly attributable to repayment of shareholder loan granted to an investee ; and
- (vi) Decrease in cash and cash equivalents amounting to S\$24.2 million; and
- (vii) Decrease in financial assets, at fair value through profit or loss by S\$14.2 million due to the sale of financial assets, at FVPL; and
- (viii) Decrease in property, plant and equipment by S\$1.7 million due to depreciation net of additions and disposals.

### **Total liabilities**

As of 30 September 2019, the Group's total liabilities stood at S\$200.4 million, which was S\$126.6 million higher than as at 31 December 2018. The decrease was mainly due to the following:

- (i) Increase in borrowings by S\$128.6 million mainly due to acquisition of subsidiaries; and
- (ii) Increase in lease liabilities by S\$1.2 million due to the adoption of SFRS(I) 16 *Leases* which requires previously off-balance sheet leases to be capitalised; offset by
- (iii) Decrease in trade and other payables (current and non-current) of S\$3.2 million mainly due to the repayment to suppliers and service providers.

## **Consolidated Statement of Cash Flows**

Net cash generated from operating activities of S\$2.2 million in 3Q2019 was mainly due to repayment of shareholder loan by an investee net off disbursements made to suppliers and service providers.

Net cash used in investing activities of S\$127.8 million in 3Q2019 was mainly due to acquisition of subsidiaries net off proceeds received from disposal of investment property.

Net cash generated from financing activities of S\$127.5 million in 3Q2019 was mainly due to drawdown of bank borrowings.

As a result of the aforesaid, cash and cash equivalents increased to S\$18.3 million as at 30 September 2019 from S\$16.6 million as at 30 June 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 global economy continues to be mired in uncertainty amidst the ongoing trade war between USA and China as well as the prolonged delays in securing a Brexit deal. Due to the prolonged uncertainties, the International Monetary Fund has projected Asia's growth to decline by 0.5% in 2019<sup>1</sup>.

Singapore's property market has managed to remain resilient despite the uncertainties surrounding the global economic environment. Prices of residential properties continued to climb in the third quarter of 2019 (3Q2019) to hit a 5-year record high<sup>2</sup> even though additional cooling measure was imposed by the Singapore Government last year. On the commercial front, real estate investment sales had more than doubled in 3Q2019 as compared to the previous quarter<sup>3</sup>. In addition, rental rates for Grade A central business district (CBD) offices has grown 0.4% in the 3Q2019 and is expected to hold up due to tight office supply in the CBD through 2021<sup>4</sup>. In view of these factors, the Group will capitalise on the acquisition of investment properties in Thong Teck Building to improve rental yield and generate increased revenue and returns for the Group. As the same time, the Group will continue to evaluate opportunities in Singapore but at the same time remain cautious to changes in the environment.

In 3Q2019, the Housing Index in Indonesia increased to 210.38 Index Points from 207.35 Index Points in 2018<sup>5</sup>. In addition, Indonesia's central bank has cut its key interest rate four times by a total of 1% since June 2019 aimed at supporting the growth momentum<sup>6</sup>. On the other hand, in a bid to improve the traffic conditions and ease commuting time, Jakarta administration has laid out plans for the development of Mass Rapid Transit (MRT) and Light Rail Transit (LRT). The LRT Jabodebek which is poised to improve connectivity between our developments and other parts of Jakarta has cleared a major hurdle of land acquisition<sup>7</sup>. Based on the current conditions, the future prospect of our developments appears promising and we look forward to capitalise on it. However, Indonesia President Joko Widodo recent announcement of his intention to relocate the nation's capital to Kalimantan could create setbacks and we will remain cautious to any changes.

In the hospitality segment, visitor arrivals in Singapore continue on an upward trend in 2019 based on Singapore Tourism Board ("STB") statistics which translated to total room revenue increasing by 2.4% 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 presents a serious challenge, and in order to deal with the manpower shortage and increasing visitor arrivals, the businesses in the service industry will need to seriously look at technological solutions to address their issues. The Group has started to market its smart solutions and Software as a Service ("SaaS") for the hospitality sector, to hospitality owners in the region to help them unlock and optimise the potential of their assets. The recent acquisition of an 80% aggregate stake in I Industries Pte Ltd, will also allow the Group to strengthen its design and development capabilities in the areas of IoT, AI and miniaturisation, with the purpose of developing new product offerings for the hospitality and other sectors. On the back of these factors, Top Global intends to grow the hospitality-tech business segment to be a significant contributor to the Group's revenue.

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1 <https://www.imf.org/en/News/Articles/2019/10/18/na102319-prolonged-uncertainty-weighs-on-asias-economy>

2 <https://www.channelnewsasia.com/news/singapore/singapore-private-housing-prices-increase-q3-2019-12033648>

3 <https://www.straitstimes.com/business/property/singapore-property-investment-sales-more-than-double-to-167b-in-q3-from-previous>

4 <https://www.edgeprop.sg/property-news/tight-office-supply-props-cbd-office-rents-3q2019>

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

6 <https://www.bi.go.id/en/moneter/bi-7day-RR/data/Contents/Default.aspx>

7 <https://www.cnbcindonesia.com/news/20191029195331-4-111163/lancar-lahan-lrt-jabodebek-bebas-hampir-100>

8 [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)

9 <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 3Q2019 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 September 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)
Mimi Yuliana Maeloa <sup>(1)</sup>	\$7,275,000 Unit #09-01 Tomlinson Heights	N.A. as no IPT mandate has been obtained.

<sup>(1)</sup> Purchase of unit by Mimi Yuliana Maeloa, a Director of the Company. Refer to the Company's announcement released on 20 August 2019.

**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 third quarter and nine months ended 30 September 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**  
13 November 2019