



## First Quarter Financial Statement and Dividend Announcement for the period Ended 31 March 2018

## 1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

		Group		
		1Q 2018	1Q 2017	+ / (-) %
		\$'000	(Restated) \$'000	
<b>Revenue</b>	<b>Note</b>			
- Property developments		137,234	90,135	52.3
- Construction		47,073	66,721	(29.4)
- Hospitality		18,149	7,335	147.4
- Property investments & others		1,820	2,884	(36.9)
		<u>204,276</u>	<u>167,075</u>	22.3
Cost of sales		(159,666)	(134,523)	18.7
<b>Gross profit</b>		<u>44,610</u>	<u>32,552</u>	37.0
Other items of income				
Interest income		710	843	(15.8)
Other income	1	612	7,735	(92.1)
Other items of expense				
Marketing and distribution expenses		(1,894)	(3,342)	(43.3)
Administrative expenses	2	(22,328)	(15,659)	42.6
Finance costs		(5,626)	(5,539)	1.6
Share of results of associates		1,175	192	512.0
<b>Profit before tax</b>		<u>17,259</u>	<u>16,782</u>	2.8
Income tax expense	3	(5,659)	(3,436)	64.7
<b>Profit after tax</b>		<u><u>11,600</u></u>	<u><u>13,346</u></u>	(13.1)
<b>Profit attributable to:</b>				
Owners of the Company		6,058	8,649	(30.0)
Non-controlling interests		5,542	4,697	18.0
		<u><u>11,600</u></u>	<u><u>13,346</u></u>	(13.1)

## 1(a)(ii) Items, which if significant, must be included in the income statement

		Group		
		1Q 2018	1Q 2017	+ / (-) %
		\$'000	(Restated) \$'000	
<b>Other income</b>				
Gain on disposal of investment securities		-	4,921	(100.0)
Rental income from development properties		102	247	(58.7)
Write back of impairment loss on trade receivables		-	475	(100.0)
Sales of materials		-	104	(100.0)
Government grants		156	103	51.5
Deposits forfeited from buyers		45	-	NM
Gain on disposal of property, plant and equipment		43	104	(58.7)
Foreign exchange gain		-	1,611	(100.0)
Others		266	170	56.5
		<u>612</u>	<u>7,735</u>	(92.1)

## The following items have been included in arriving at profit before tax:

Employee benefits expenses	15,104	17,469	(13.5)
Depreciation of property, plant and equipment	4,430	1,782	148.6
Impairment loss on development property	-	166	(100.0)
Legal and professional fees	338	900	(62.4)
Maintenance of properties	1,419	1,100	29.0
Foreign exchange loss	4,893	-	NM

Note:-

NM - Not meaningful.

1(a)(ii) Items, which if significant, must be included in the income statement (Cont'd)

**Notes to Group Income Statement**

- 1 Other income fell by 92.1% in 1Q2018 due principally to absence of gain on disposal of investment securities and foreign exchange gain.
- 2 Higher administrative expenses in 1Q2018 were due primarily to higher depreciation charges and foreign exchange loss.
- 3 Effective tax rate was higher in 1Q2018 due to higher taxable income from a development project in Australia and deferred tax assets not recognised.

1(a)(iii) Statement of Comprehensive Income

		1Q 2018	Group 1Q 2017 (Restated)	+ / (-) %
	Note	\$'000	\$'000	
<b>Profit after tax</b>		11,600	13,346	(13.1)
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Share of loss on property revaluation of associates		-	167	NM
		-	167	NM
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net loss on fair value changes of available-for-sale financial assets		-	(135)	NM
Realisation of reserves on disposal of available-for-sale financial assets	1	-	(5,020)	NM
Foreign currency translation (loss)/gain	2	(5,463)	3,882	(240.7)
Share of foreign currency translation of associate and joint venture		(23)	-	NM
		(5,486)	(1,273)	331.0
Other comprehensive loss for the quarter, net of tax		(5,486)	(1,106)	396.0
<b>Total comprehensive income for the quarter</b>		<u>6,114</u>	<u>12,240</u>	(50.0)
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3	646	7,543	(91.4)
Non-controlling interests		5,468	4,697	16.4
		<u>6,114</u>	<u>12,240</u>	(50.0)

**Notes to Statement of Comprehensive Income**

- 1 Relates to reclassification of reserve to income statement upon disposal of an available-for-sale financial asset.
- 2 Foreign currency translation arose from the translation of financial statements of foreign operations whose functional currencies are different from that of the Group's functional currency. Higher translation loss for 1Q2018 was due mainly to weakening of Australian Dollar against Singapore Dollar on the Group's foreign net assets which are largely denominated in Australian Dollar.
- 3 Decrease in comprehensive income attributable to owners of the Company was due to unrealised translation loss as explained in note 2.

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

	The Group			The Company		
	Note	31 Mar 2018	31 Dec 2017	Note	31 Mar 2018	31 Dec 2017
		\$'000	\$'000		(Restated)	\$'000
<b>Non-current assets</b>						
Property, plant and equipment	1	350,673	324,611		1,756	1,829
Investment properties	2	264,974	251,706		-	-
Intangible assets		2,011	1,872		556	373
Investment in subsidiaries		-	-		48,302	48,302
Investment in associates and joint venture		8,000	6,941		650	650
Deferred tax assets		7,053	6,520		-	-
Other receivables		83,006	82,536	8	328,264	310,479
		715,717	674,186		379,528	361,633
<b>Current assets</b>						
Development properties	3	1,642,951	1,694,372		-	-
Assets held for sale	3	42,439	-		-	-
Inventories		2,230	1,696		-	-
Prepayments		11,270	5,003		1,969	1,848
Trade and other receivables	4	112,670	100,632	8	4,972	18,273
Cash and short-term deposits		256,240	257,846		4,940	6,167
		2,067,800	2,059,549		11,881	26,288
<b>Total assets</b>		<b>2,783,517</b>	<b>2,733,735</b>		<b>391,409</b>	<b>387,921</b>
<b>Deduct: Current liabilities</b>						
Loans and borrowings	5	25,235	8,735		-	-
Trade and other payables	6	84,098	75,716		12,781	11,243
Other liabilities	7	39,157	53,299		7,516	4,675
Income tax payable		16,061	13,235		39	39
		164,551	150,985		20,336	15,957
<b>Net current assets/(liabilities)</b>		<b>1,903,249</b>	<b>1,908,564</b>		<b>(8,455)</b>	<b>10,331</b>
<b>Deduct: Non-current liabilities</b>						
Loans and borrowings	5	1,538,628	1,524,075		245,000	245,000
Trade and other payables	6	223,152	212,713		9,000	10,000
Other liabilities		79	64		-	-
Deferred tax liabilities		23,064	20,187		21	21
		1,784,923	1,757,039		254,021	255,021
		<b>834,043</b>	<b>825,711</b>		<b>117,052</b>	<b>116,943</b>
<b>Equity attributable to owners of the Company</b>						
Share capital		79,691	79,691		79,691	79,691
Treasury shares		(33,653)	(33,653)		(33,653)	(33,653)
Retained earnings		743,667	737,609		67,170	67,659
Other reserves		2,269	7,083		3,844	3,246
		791,974	790,730		117,052	116,943
Non-controlling interests		42,069	34,981		-	-
<b>Total equity</b>		<b>834,043</b>	<b>825,711</b>		<b>117,052</b>	<b>116,943</b>

**Notes to Statement of Financial Position**

Note

**The Group**

- The increase in property, plant and equipment was mainly due to acquisition of Mercure & Ibis Styles Grosvenor Hotel in Adelaide, Australia.
- The increase in investment properties was mainly due to acquisition of commercial properties at Hindley Street in Adelaide, Australia.
- The decrease in development properties was due mainly to reclassification of a development property (Tower Melbourne) to assets held for sale.
- The increase in trade and other receivables was due mainly to advances for a development project in Ho Chi Minh City, Vietnam.
- The increase in combined current and non-current loans and borrowings was due to financings obtained for Woodleigh Lane and for working capital, partially offset by repayment of bank loans.
- The increase in combined current and non-current trade and other payables was due to advances from non-controlling interest for working capital.
- The decrease in other liabilities was due mainly to payment of yearly expenses accrued.

**The Company**

- The increase in combined current and non-current trade and other receivables was due to working capital loans extended to subsidiaries, partially offset by repayment from a subsidiary.

**1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year**

	As at 31 Mar 2018 \$'000	As at 31 Dec 2017 \$'000
<b>Amount repayable in one year or less, or on demand</b>		
- Secured	25,235	8,735
- Unsecured	-	-
<b>Amount repayable after one year</b>		
- Secured	1,293,628	1,279,075
- Unsecured	245,000	245,000

**Details of any collateral**

The Group's total borrowings of \$1.6 billion are loans taken to finance property development projects, investment properties and hotels, and for working capital.

The Group's borrowings of \$1.3 billion are mainly secured by:

- (a) legal mortgage on the development properties, investment properties and hotels;
- (b) subordination of shareholder's loan to the subsidiary and associated companies;
- (c) assignment of sale proceeds of the development properties;
- (d) assignment of all rights and benefits under construction contracts, performance bonds and insurance policies in respect of the development properties;
- (e) assignment of tenancy and sale agreements of the investment and development properties;
- (f) fixed and floating charge on the hotels; and
- (g) corporate guarantee from the Company.

The Group's unsecured borrowings of \$245 million comprise the following notes issued under its \$750 million Multicurrency Debt Issuance Programme:

- (a) \$120 million 5-year fixed rate notes issued on 14 June 2016. The notes bear interest at the rate of 4.75 per cent. per annum payable semi-annually in arrear and will due in June 2021.
- (b) \$125 million 5-year fixed rate notes issued on 19 May 2017. The notes bear interest at the rate of 4.90 per cent. per annum payable semi-annually in arrear and will due in May 2022.

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

	Group	
	1Q 2018	1Q 2017 (Restated)
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
<b>Operating profit before taxation</b>	<b>17,259</b>	<b>16,782</b>
<b>Adjustments for:</b>		
Amortisation of intangible assets	56	56
Depreciation of property, plant and equipment	4,430	1,782
Interest income	(710)	(843)
Interest expense	5,626	5,539
Gain on disposal of property, plant and equipment	(43)	(104)
Unrealised exchange loss/(gain)	4,116	(1,530)
Share of results of associates	(1,175)	(192)
Gain on disposal of a quoted investment securities	-	(4,921)
Gain on disposal of intangible assets	-	(96)
Property, plant and equipment written off	-	5
Reversal of impairment on receivables	-	(475)
Impairment loss on development properties	-	166
Share-based compensation	598	597
<b>Operating profit before changes in working capital</b>	<b>30,157</b>	<b>16,766</b>
Changes in working capital:		
Development properties	8,513	51,517
Inventories	(517)	542
Prepayments	(6,287)	(608)
Trade and other receivables	(12,471)	(9,050)
Trade and other payables	19,240	19,142
Other liabilities	(17,031)	(124)
<b>Cash generated from operations</b>	<b>21,604</b>	<b>78,185</b>
Interest paid	(9,465)	(6,146)
Interest received	710	843
Income tax paid	(798)	(689)
<b>Net cash generated from operating activities</b>	<b>12,051</b>	<b>72,193</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(33,258)	(92,632)
Proceeds from disposal of property, plant and equipment	121	145
Proceeds from disposal of a quoted investment securities	-	7,776
Proceeds from disposal of intangible assets	-	179
Repayment from advances to associates	26	792
Additions to intangible assets	(195)	(20)
Additions to investment properties	(13,427)	(765)
<b>Net cash used in investing activities</b>	<b>(46,733)</b>	<b>(84,525)</b>

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (Cont'd)

	Group	
	1Q 2018	1Q 2017 (Restated)
	\$'000	\$'000
<b>Cash flows from financing activities:</b>		
Repayment of loans and borrowings	(32,446)	(28,837)
Proceeds from loans and borrowings	64,669	74,188
Proceeds from issue of new shares by subsidiary to non-controlling interests	1,620	-
<b>Net cash generated from financing activities</b>	<b>33,843</b>	<b>45,351</b>
Net (decrease)/increase in cash and cash equivalents	(839)	33,019
Effect of exchange rate changes on cash and cash equivalents	(767)	120
Cash and cash equivalents at beginning of the period	257,846	481,582
<b>Cash and cash equivalents at end of the period</b>	<b>256,240</b>	<b>514,721</b>
<b>Cash and cash equivalents comprise:</b>		
Short term fixed deposits	91,598	329,118
Cash and bank balances	164,642	185,603
	<b>256,240</b>	<b>514,721</b>

**Net cash generated from operating activities**

Lower net cash generated from operating activities in 1Q2018 as compared to 1Q2017 was mainly due to lesser cash inflow from payments received from sales of development properties in 1Q2018.

**Net cash used in investing activities**

Lower net cash used in investing activities in 1Q2018 as compared to 1Q2017 was mainly due to lesser cash outflow in purchase of Mercure & Ibis Styles Grosvenor Hotel in Adelaide, Australia as compared to a large cash outflow in acquisition of Grand Park Kodhipparu Resort in 1Q2017.

**Net cash generated from financing activities**

Lower net cash generated from financing activities in 1Q2018 as compared to 1Q2017 was due to lesser utilisation of loan facilities.

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 owners of the Company									Non-controlling interests \$'000	Total equity \$'000
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000		
<b>At 1 January 2018</b>											
As previously reported	79,691	(33,653)	(533)	3,779	674	2,655	(22,749)	744,361	774,225	34,357	808,582
Effect of adopting SFRS(I) 1	-	-	-	-	-	-	23,257	(23,257)	-	-	-
Effect of adopting SFRS(I) 15	-	-	-	-	-	-	-	16,505	16,505	624	17,129
<b>At 1 January 2018, as restated</b>	79,691	(33,653)	(533)	3,779	674	2,655	508	737,609	790,730	34,981	825,711
Total comprehensive income for the period	-	-	-	-	-	-	(5,412)	6,058	646	5,468	6,114
Share-based compensation expenses	-	-	-	598	-	-	-	-	598	-	598
Capital contribution to non-controlling interests	-	-	-	-	-	-	-	-	-	1,620	1,620
<b>At 31 March 2018</b>	79,691	(33,653)	(533)	4,377	674	2,655	(4,904)	743,667	791,974	42,069	834,043

Group	Attributable to owners of the Company										Non-controlling interests \$'000	Total equity \$'000
	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Capital reserve \$'000	Fair value adjustment reserve \$'000	Asset revaluation reserve \$'000	Currency translation reserve \$'000	Retained earnings \$'000	Total \$'000		
<b>At 1 January 2017</b>												
As previously reported	79,691	(33,653)	(533)	1,392	674	5,155	2,709	(23,257)	733,696	765,874	10,739	776,613
Effect of adopting SFRS(I) 1	-	-	-	-	-	-	-	23,257	(23,257)	-	-	-
Effect of adopting SFRS(I) 15	-	-	-	-	-	-	-	-	18,459	18,459	(3,840)	14,619
<b>At 1 January 2017, as restated</b>	79,691	(33,653)	(533)	1,392	674	5,155	2,709	-	728,898	784,333	6,899	791,232
Total comprehensive income for the period	-	-	-	-	-	(5,155)	167	3,882	8,649	7,543	4,697	12,240
Share-based compensation expenses	-	-	-	597	-	-	-	-	-	597	-	597
<b>At 31 March 2017</b>	79,691	(33,653)	(533)	1,989	674	-	2,876	3,882	737,547	792,473	11,596	804,069

**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 (Cont'd)**

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2018</b>	79,691	(33,653)	(533)	3,779	67,659	116,943
Total comprehensive income for the period	-	-	-	-	(489)	(489)
Share-based compensation expenses	-	-	-	598	-	598
<b>At 31 March 2018</b>	79,691	(33,653)	(533)	4,377	67,170	117,052

Company	Issued capital \$'000	Treasury shares \$'000	Treasury shares reserve \$'000	Share-based compensation reserve \$'000	Fair value adjustment reserve \$'000	Retained earnings \$'000	Total equity \$'000
<b>At 1 January 2017</b>	79,691	(33,653)	(533)	1,392	5,155	91,790	143,842
Total comprehensive income for the period	-	-	-	-	(5,155)	472	(4,683)
Share-based compensation expenses	-	-	-	597	-	-	597
<b>At 31 March 2017</b>	79,691	(33,653)	(533)	1,989	-	92,262	139,756

**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 the end of the financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

As at 31 March 2018, the Company held 46,501,100 (31 March 2017 : 46,501,100) ordinary shares as treasury shares. The total number of issued shares excluding treasury shares as at 31 March 2018 was 621,014,061 (31 March 2017 : 621,014,061).

As at 31 March 2018, the number of outstanding share options under the Company's Employee Share Option Scheme was 40,000,000 (31 March 2017 : 40,000,000).

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

The total number of issued shares excluding treasury shares of 46,501,100 (31 December 2017 : 46,501,100) shares as at 31 March 2018 was 621,014,061 (31 December 2017 : 621,014,061) shares.

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

Not applicable as no treasury shares had been sold, transferred, disposed, cancelled or used in any other manner.

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

Not applicable.

**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 matters)**

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2017.

**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**

The Group has adopted Singapore Financial Reporting Standards (International) (SFRS(I)) on 1 January 2018. In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group will also concurrently apply new major SFRS(I) 15 *Revenue from Contracts with Customers*.

The Group has also concurrently applied the following SFRS(I)s, interpretations of SFRS(I) and requirements of SFRS(I)s (collectively "new accounting standards") which are mandatorily effective from 1 January 2018.

(a) Application of SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

The Group has elected the optional exemption in SFRS(I) to deem cumulative translation differences for foreign operations to be zero on 1 January 2017 and reclassified \$23,257,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

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 (Cont'd)**

(b) Adoption of SFRS(I) 15 *Revenue from Contracts with Customers*

In accordance with the requirements of SFRS(I) 1, the Group has adopted the SFRS(I) 15 retrospectively.

Construction contracts

Before 1 January 2018, the Group recognised construction contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the surveys of work performed. With the adoption of SFRS(I) 15, the Group continues to recognise construction contract revenue over time by measuring the progress towards complete satisfaction of performance obligations. Under the new standard, the methods of measuring progress include output methods or input methods. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

Development properties

Before 1 January 2018, the Group recognised revenue from the sale of development properties under construction using the percentage of completion method for contracts where the legal terms were such that the construction represented the continuous transfer of work in progress to the purchaser, otherwise, the completed contract method was used. Under SFRS(I) 15, for most of its residential and mixed use developments, performance obligations for the sale of development properties are satisfied over time where the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date.

Before 1 January 2018, the Group recognised finance costs incurred on development properties on a percentage of completion method multiplied by the individual project's percentage of sales. Under SFRS(I) 15, these costs will be recognised using the percentage of sales method, resulting in a distortion in the recognition of such costs.

Sales commissions paid to sales or marketing agents on the sale of real estate units

Before 1 January 2018, the Group paid commissions to property agents on the sale of property and recognised such commissions as expense when incurred. Under FRS 115, the Group capitalised such commissions as incremental costs to obtain a contract with a customer if these costs are recoverable. These costs are amortised to profit or loss as the Group recognises the related revenue.

The following reconciliations summarise the impacts on initial application of SFRS(I) 1 and SFRS(I) 15 on the Group's financial statements.

	<b>3 months ended 31 March 2017</b>		
	<b>As previously reported \$'000</b>	<b>Effects \$'000</b>	<b>Restated \$'000</b>
<b><u>Consolidated Income Statement</u></b>			
<b>Revenue</b>			
- Property developments	90,135	-	90,135
- Construction	81,498	(14,777)	66,721
- Hospitality	7,335	-	7,335
- Property investments & others	2,884	-	2,884
	<u>181,852</u>	(14,777)	<u>167,075</u>
Cost of sales	<u>(152,651)</u>	18,128	<u>(134,523)</u>
<b>Gross profit</b>	29,201	3,351	32,552
Other income	8,578	-	8,578
Marketing and distribution	(3,344)	2	(3,342)
Administrative expenses	(16,222)	563	(15,659)
Finance cost	(5,539)	-	(5,539)
Share of results of associates	192	-	192
<b>Profit before tax</b>	<u>12,866</u>	3,916	<u>16,782</u>
Income tax expense	<u>(2,551)</u>	(885)	<u>(3,436)</u>
<b>Profit after tax</b>	<u>10,315</u>	3,031	<u>13,346</u>
<b>Profit attributable to:</b>			
Owners of the Company	6,110	2,539	8,649
Non-controlling interests	4,205	492	4,697
	<u>10,315</u>	3,031	<u>13,346</u>
<b>Earnings per ordinary share (cents)</b>			
- basic	0.98	0.41	1.39
- diluted	0.97	0.41	1.38

- 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 (Cont'd)

**Balance Sheet as at 1 January 2017 and 31 December 2017**

	As at 1 January 2017			As at 31 December 2017		
	As previously reported \$'000	Effects \$'000	Restated \$'000	As previously reported \$'000	Effects \$'000	Restated \$'000
<b>Assets</b>						
Property, plant and equipment	219,604	151	219,755	324,054	557	324,611
Deferred tax assets	2,995	-	2,995	5,289	1,231	6,520
Gross amount due from customers for contract work-in-progress	9,677	(9,677)	-	13,467	(13,467)	-
Development properties	1,127,718	2,532	1,130,250	1,688,660	5,712	1,694,372
Inventories	48	1,633	1,681	761	935	1,696
Trade and other receivables	81,329	13,655	94,984	172,259	10,909	183,168
Others	790,868	-	790,868	523,368	-	523,368
<b>Total assets</b>	<b>2,232,239</b>		<b>2,240,533</b>	<b>2,727,858</b>		<b>2,733,735</b>
<b>Liabilities</b>						
Gross amount due to customers for contract work-in-progress	11,100	(11,100)	-	33,910	(33,910)	-
Trade and other payables	193,086	4,659	197,745	271,183	17,246	288,429
Other liabilities	42,190	1,606	43,796	48,599	4,764	53,363
Income tax payable	28,358	472	28,830	12,811	424	13,235
Deferred tax liabilities	9,974	(1,962)	8,012	19,963	224	20,187
Others	1,170,918	-	1,170,918	1,532,810	-	1,532,810
<b>Total liabilities</b>	<b>1,455,626</b>		<b>1,449,301</b>	<b>1,919,276</b>		<b>1,908,024</b>
<b>Equity</b>						
Retained earnings	733,696	(4,798)	728,898	744,361	(6,752)	737,609
Currency translation reserve	(23,257)	23,257	-	(22,749)	23,257	508
Others	55,435	-	55,435	52,613	-	52,613
Non-controlling interest	10,739	(3,840)	6,899	34,357	624	34,981
	<b>776,613</b>		<b>791,232</b>	<b>808,582</b>		<b>825,711</b>

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

	Group	
	1Q 2018	1Q 2017 (Restated)
Earnings per ordinary share for the period :-		
(i) Based on weighted average number of ordinary shares in issue (in cents)	0.98	1.39
(ii) On a fully diluted basis (in cents)	0.95	1.38

**Notes:**

- (i) The computation of basic earnings per share was based on the weighted average of 621,014,061 ordinary shares (30 March 2017 : 621,014,061 ordinary shares).
- (ii) The computation of fully diluted basic earnings per share was based on the adjusted weighted average of 638,412,103 ordinary shares (31 March 2017 : 627,370,109 ordinary shares).

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	31 Mar 2018	31 Dec 2017 (Restated)	31 Mar 2018	31 Dec 2017
Net asset value per ordinary share (in cents) based on issued share capital as at the end of the period reported on	127.53	127.34	18.85	18.83

The computation of net asset value per ordinary share was based on 621,014,061 ordinary shares (excluding treasury shares of 46,501,100) (31 December 2017 : 621,014,061 ordinary shares excluding treasury shares of 46,501,100).



- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must include discussion of 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. It must also include discussion of any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

### **Quarterly results : 1Q2018 vs 1Q2017**

#### **Overall**

Group revenue increased 22.3% from \$167.1 million to \$204.3 million, mainly driven by robust contribution from the Property Developments and Hospitality divisions although revenue from Construction Division was lower. Gross profit rose 37.0% to \$44.6 million, while profit before tax came in 2.8% higher on the back of lower takings from other income and higher administrative expenses.

#### **Property Developments**

Revenue climbed 52.3% from \$90.1 million in 1Q2017 to \$137.2 million in 1Q2018 due to the progressive recognition of High Park Residences, Grandeur Park Residences and Williamsons Estate.

#### **Construction**

Revenue decreased by 29.4% from \$66.7 million in 1Q2017 to \$47.1 million in 1Q2018 as new projects secured were not sufficient to replenish the construction order book. Lower contribution from Tampines N6C1A/1B and Woodlands N1C26 & N1C27 led to a decline in construction revenue in 1Q2018. This was however partially mitigated by contribution from the two Bidari projects.

#### **Hospitality**

Revenue from the Hospitality division increased 147.4% from \$7.3 million in 1Q2017 to \$18.1 million in 1Q2018, due to contribution from the Group's island resort in Maldives, Grand Park Kodhipparu Resort. Overall topline was also boosted by improved occupancy at the Group's Singapore-based hotel, Park Hotel Alexandra and contribution from two newly acquired hotels in Australia, The Sebel Mandurah and Mercure & Ibis Styles Grosvenor Hotel.

#### **Property Investments & Others**

Revenue from the division fell 36.9% from \$2.9 million to \$1.8 million over 1Q2017 to 1Q2018. This was mainly attributed to the absence of contribution from 420 St Kilda Road in Melbourne, Australia which was divested in August 2017.

### **Group Statement of Financial Position Review**

The Group's net current assets remained at \$1.9 billion during the period in review. Current assets increased mainly due to advances for a development project in Vietnam and tender deposit while current liabilities increased due to borrowings obtained for development projects and working capital needs. Non-current assets increased from \$0.67 billion to \$0.71 billion boosted by acquisition of a hotel in Australia and investment properties adjoined to the said hotel. Non-current liabilities increased from \$1.76 billion to \$1.78 billion as a result of additional borrowings obtained for development projects.

Total equity increased from \$825.7 million to \$834.0 million, after taking into account a net profit of \$11.6 million recorded in 1Q2018. The Group's net-debt-to-equity ratio increased to 1.57 as at 31 March 2018 from 1.54 as at 31 December 2017.

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

No prospect statements for 4Q2017 were previously provided.

- 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**

#### **Property Developments**

##### Singapore

Based on the flash estimate released by the Urban Redevelopment Authority, the private residential prices in Singapore registered a sharp rise of 3.1% in 1Q2018 compared to a quarter ago. The rise was on the back of active collective sale market which rides on the continued recovery in the property market, brighter economic outlook and rising confidence among developers. With this favourable market condition, the number of units at Grandeur Park Residences sold to-date moved up further to 95.3%.

With regard to our new residential projects, the Woodleigh Lane project (known as Colonial Park) is on track for sale launch in 3Q2018 whilst the en bloc acquisition of Changi Garden will be completed in June 2018.

The Group will continue to look for opportunities to replenish its land bank in Singapore.

##### Australia

Most of the sold Williamsons Estate townhouses and apartments will be handed over to the buyers by 3Q2018. As of to-date, we have sold all townhouses and 75% of the apartments; with 16 apartments unsold.

As for the South Melbourne project, we have decided to hold back the marketing programme. The new launch date will be announced in due course after our review of the prevailing market conditions.

#### **Construction**

With the award of \$168 million HDB design and build contract in 1Q2018, the Group's total construction order book rose from \$403.6 million (adjusted for SFRS(I)15) as of 31 December 2017 to \$524.6 million a quarter later. To replenish its construction order book, the Group will continue to participate in new public housing tenders, as well as other public projects.

#### **Hospitality**

In coming months, we expect the occupancy rates of our hotel properties to remain stable.

#### **Property Investments**

The occupancy rates of our investment properties in Singapore, Australia and New Zealand will remain stable.

**11 Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?  
No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?  
No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommended for the quarter ended 31 March 2018.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

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

**14 Confirmation**

We, Chia Lee Meng Raymond and Hoon Tai Meng, being two Directors of CHIP ENG SENG CORPORATION LTD (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 interim financial statements of the Company and of the Group for the first quarter ended 31 March 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Chia Lee Meng Raymond  
Executive Chairman

Hoon Tai Meng  
Executive Director

**15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1).

**BY ORDER OF THE BOARD**

**Chia Lee Meng Raymond**  
**Executive Chairman and Group Chief Executive Officer**  
**4 May 2018**