

**Second quarter Financial Statement and Dividend Announcement for the Period Ended 30 June 2018**
**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

- 1(a) 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.

**Consolidated Income Statement**

	Note	3 months ended		+ / (-)	6 months ended		+ / (-)
		30.6.18	30.6.17	%	30.6.18	30.6.17	%
		\$'000	\$'000		\$'000	\$'000	
			(restated)*			(restated)*	
<b>Revenue</b>	1	182,453	361,903	(50)	348,104	626,419	(44)
Cost of sales	2	(106,730)	(253,170)	(58)	(196,769)	(418,389)	(53)
<b>Gross profit</b>		75,723	108,733	(30)	151,335	208,030	(27)
Interest income	3	2,192	972	126	3,793	1,815	109
Other gains		957	338	183	1,725	1,563	10
Other losses	4	(140)	(116)	21	(256)	(14,971)	(98)
Selling and distribution costs		(6,300)	(12,187)	(48)	(11,230)	(20,774)	(46)
Administrative expenses		(7,380)	(7,120)	4	(14,612)	(14,069)	4
Finance expenses		(2,630)	(3,145)	(16)	(5,307)	(5,079)	4
<b>Profit before share of results of associated companies and joint ventures</b>		62,422	87,475	(29)	125,448	156,515	(20)
Share of results of associated companies	5	7,968	7,852	1	15,734	14,590	8
Share of results of joint ventures	6	9,124	8,410	8	19,110	11,774	62
Fair value gain/(loss) on investment properties	7	46,043	(20,011)	n.m.	46,043	(20,011)	n.m.
<b>Profit before income tax</b>	8	125,557	83,726	50	206,335	162,868	27
Income tax expense		(11,003)	(12,689)	(13)	(22,266)	(24,261)	(8)
<b>Net profit</b>		114,554	71,037	61	184,069	138,607	33
<b>Profit/(Loss) attributable to:</b>							
Equity holders of the Company		108,483	73,935	47	168,726	133,394	26
Non-controlling interests	9	6,071	(2,898)	n.m.	15,343	5,213	194
		114,554	71,037	61	184,069	138,607	33

The above net profit attributable to equity holders of the Company can be analysed as follows:

Net profit from operations	58,649	76,936	(24)	118,892	136,395	(13)
Fair value gain/(loss) on investment properties held by subsidiary companies, associated company and joint venture, net of non-controlling interests included in:						
- Fair value gain/(loss) on investment properties	46,043	(20,011)	n.m.	46,043	(20,011)	n.m.
- Share of results of associated companies	1,260	2,520	(50)	1,260	2,520	(50)
- Share of results of joint ventures	894	5,079	(82)	894	5,079	(82)
- Non-controlling interests (share of fair value loss)	1,637	9,411	(83)	1,637	9,411	(83)
	49,834	(3,001)	n.m.	49,834	(3,001)	n.m.
<b>Net attributable profit</b>	108,483	73,935	47	168,726	133,394	26

n.m. - not meaningful

**Note:**
**\*Restatement of comparative figures**

Following the adoption of the new Singapore financial reporting framework 'Singapore Financial Reporting Standards (International)' ("SFRS(I)"), certain comparative figures have been restated resulting in the decrease in the Group's net attributable profit for the 3 months and 6 months ended 30 June 2017 by \$756,000 and \$1,114,000 respectively compared with the results reported previously.

Please refer to Section 5 for details.

## Consolidated Statement of Comprehensive Income

	3 months ended		6 months ended	
	30.6.18	30.6.17	30.6.18	30.6.17
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
Net profit	114,554	71,037	184,069	138,607
Other comprehensive (expense)/income items that may be reclassified subsequently to income statement:				
Net currency translation differences of financial statements of foreign entities	(2,702)	427	896	(5,312)
Share of other comprehensive (expense)/income of a joint venture	(325)	-	140	-
Cash flow hedges	174	-	131	-
	(2,853)	427	1,167	(5,312)
Total comprehensive income	111,701	71,464	185,236	133,295
Total comprehensive income/(expense) attributable to:				
Equity holders of the Company	105,826	74,364	169,776	128,638
Non-controlling interests	5,875	(2,900)	15,460	4,657
	111,701	71,464	185,236	133,295

## Notes to the income statement

	3 months ended		6 months ended	
	30.6.18	30.6.17	30.6.18	30.6.17
	\$'000	\$'000	\$'000	\$'000
<u>1. Revenue</u>				
Revenue from property investments	71,080	70,430	142,299	141,929
Revenue from property trading	40,372	231,474	61,135	358,796
Revenue from hotel operations	35,796	34,361	74,049	71,652
Revenue from technology operations	34,926	25,114	69,946	52,694
Others	279	524	675	1,348
	182,453	361,903	348,104	626,419
<u>2. Cost of sales</u>				
Cost of sales from property investments	19,815	18,414	37,864	35,482
Cost of sales from property trading	29,072	186,500	42,333	283,465
Cost of sales from hotel operations	25,758	25,112	51,812	50,898
Cost of sales from technology operations	32,008	23,058	64,597	48,372
Others	77	86	163	172
	106,730	253,170	196,769	418,389
<u>3. Investment income</u>				
Interest income	2,192	972	3,793	1,815
<u>4. Other losses</u>				
Additional Buyer's Stamp Duty ("ABSD") costs	-	-	-	(14,841)
Others	(140)	(116)	(256)	(130)
	(140)	(116)	(256)	(14,971)
<u>5. Share of results of associated companies</u>				
Share of results of associated companies comprise:				
- share of operating profits	6,708	5,332	14,474	12,070
- share of fair value gain on an investment property	1,260	2,520	1,260	2,520
	7,968	7,852	15,734	14,590

## Notes to the income statement

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.18</b>	<b>30.6.17</b>	<b>30.6.18</b>	<b>30.6.17</b>
	\$'000	\$'000	\$'000	\$'000
		(restated)		(restated)
<b><u>6. Share of results of joint ventures</u></b>				
Share of results of joint ventures comprise:				
- share of operating profits	8,230	3,331	18,216	6,695
- share of fair value gain on an investment property	894	5,079	894	5,079
	<u>9,124</u>	<u>8,410</u>	<u>19,110</u>	<u>11,774</u>
<b><u>7. Fair value gain/(loss) on investment properties held by subsidiary companies</u></b>				
This relates to the valuation by independent professional valuers of investment properties held by subsidiary companies as at 30 June.				
<b><u>8. Profit before income tax</u></b>				
Profit before income tax is stated after charging:				
Depreciation	<u>5,715</u>	<u>5,534</u>	<u>11,427</u>	<u>11,158</u>
<b><u>9. Non-controlling interests</u></b>				
Non-controlling interests comprise:				
- share of operating profits	7,708	6,513	16,980	14,624
- share of fair value loss on investment properties	(1,637)	(9,411)	(1,637)	(9,411)
	<u>6,071</u>	<u>(2,898)</u>	<u>15,343</u>	<u>5,213</u>

**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.**

		Group				Company	
		30.6.18	31.12.17	1.1.17		30.6.18	31.12.17
	Note	\$'000	\$'000	\$'000	Note	\$'000	\$'000
			(restated)	(restated)			
<b>ASSETS</b>							
<b>Non-current assets</b>							
Other receivables	1	303,213	187,054	109,745		-	-
Financial assets, available-for-sale	2	-	6,365	9,295		-	-
Financial assets, at FVOCI	2	6,365	-	-		-	-
Investments in associated companies		580,589	568,993	548,278		-	-
Investments in joint ventures		86,523	67,629	77,749		-	-
Investments in subsidiary companies		-	-	-		1,227,768	1,227,768
Investment properties	3	6,210,500	6,160,900	6,175,900		-	-
Property, plant and equipment		444,510	453,559	469,861		257	279
		<u>7,631,700</u>	<u>7,444,500</u>	<u>7,390,828</u>		<u>1,228,025</u>	<u>1,228,047</u>
<b>Current assets</b>							
Cash and cash equivalents		219,332	177,381	86,508		672	1,152
Properties held for sale		294,572	336,537	1,069,731		-	-
Trade and other receivables	4	221,878	299,025	79,308	5	1,751,154	1,669,434
Inventories		3,448	3,730	2,266		-	-
Derivative financial instrument		131	-	-		131	-
		<u>739,361</u>	<u>816,673</u>	<u>1,237,813</u>		<u>1,751,957</u>	<u>1,670,586</u>
<b>Total assets</b>		8,371,061	8,261,173	8,628,641		2,979,982	2,898,633
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Trade and other payables		195,453	221,837	187,712	6	566,218	401,143
Current income tax liabilities		42,696	42,355	46,345		-	-
Borrowings		212,341	51,786	1,229,148	7	180,693	50,966
		<u>450,490</u>	<u>315,978</u>	<u>1,463,205</u>		<u>746,911</u>	<u>452,109</u>
<b>Non-current liabilities</b>							
Trade and other payables		57,200	54,832	56,781		1,624	1,624
Borrowings		308,450	479,130	12,480	7	298,150	467,650
Deferred income tax liabilities		64,785	64,597	54,943		-	-
		<u>430,435</u>	<u>598,559</u>	<u>124,204</u>		<u>299,774</u>	<u>469,274</u>
<b>Total liabilities</b>		880,925	914,537	1,587,409		1,046,685	921,383
<b>NET ASSETS</b>		<u>7,490,136</u>	<u>7,346,636</u>	<u>7,041,232</u>		<u>1,933,297</u>	<u>1,977,250</u>
<b>EQUITY</b>							
<b>Capital and reserves attributable to equity holders of the Company</b>							
Share capital		1,565,365	1,564,282	1,525,315		1,565,365	1,564,282
Reserves		5,092,215	4,965,258	4,712,794		367,932	412,968
		<u>6,657,580</u>	<u>6,529,540</u>	<u>6,238,109</u>		<u>1,933,297</u>	<u>1,977,250</u>
Non-controlling interests		832,556	817,096	803,123		-	-
<b>TOTAL EQUITY</b>		<u>7,490,136</u>	<u>7,346,636</u>	<u>7,041,232</u>		<u>1,933,297</u>	<u>1,977,250</u>

Notes to the statement of financial position

1. The Group's other receivables, comprising mainly amounts due from an associated company and joint ventures, increased due mainly to shareholder's loans granted to an associated company for its acquisition of land parcel at Silat Avenue.
2. Following the adoption of the new Singapore financial reporting framework 'Singapore Financial Reporting Standards (International)' ("SFRS(I)"), the Group's "Financial assets, available-for-sale" have been redesignated as "Financial assets, at FVOCI" on 1 January 2018.
3. The increase in investment properties was due to \$46.0 million fair value gain on the Group's investment properties [see Section 1(a) note 7] and \$3.6 million redevelopment and upgrading costs incurred during the first half of 2018.
4. The Group's trade & other receivables decreased mainly due to residential proceeds collected in 2018 upon TOP of V on Shenton and Alex Residences in 4Q 2017.
5. The Company's current trade & other receivables, comprising mainly amounts due from subsidiary companies, increased due to intercompany funding.
6. The Company's current trade and other payables, comprising mainly amounts due to subsidiary companies, increased due to intercompany funding.
7. The Company's total borrowings decreased due to repayment of borrowings via intercompany funding from subsidiary companies.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.****Amount repayable in one year or less, or on demand**

At 30.6.18		At 31.12.17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
1,648	210,693	820	50,966

**Amount repayable after one year**

At 30.6.18		At 31.12.17	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
10,300	298,150	11,480	467,650

**Details of any collaterals**

The \$11.9 million loans are secured by way of mortgage over the Westin Tianjin hotel.

- 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.

	<b>3 months ended</b>	
	<b>30.6.18</b>	<b>30.6.17</b>
	\$'000	\$'000
		(restated)
<b>Cash flows from operating activities</b>		
Profit before income tax	125,557	83,726
Adjustments for:		
Depreciation of property, plant and equipment	5,715	5,534
Write-back of allowance for foreseeable losses on properties held for sale	(644)	(9,454)
Employee share option expense	77	79
Loss on disposal of property, plant and equipment	-	67
Share of results of associated companies	(7,968)	(7,852)
Share of results of joint ventures	(9,124)	(8,410)
Fair value (gain)/loss on investment properties	(46,043)	20,011
Interest income	(2,192)	(972)
Interest expense	2,630	3,145
Unrealised currency translation differences	(156)	(829)
	<u>67,852</u>	<u>85,045</u>
Change in working capital:		
Properties held for sale	29,654	52,435
Inventories	505	323
Trade and other receivables	50,933	3,388
Trade and other payables	8,071	28,541
Cash generated from operations	<u>157,015</u>	<u>169,732</u>
Interest paid	(2,528)	(4,309)
Income tax paid	(13,132)	(14,473)
<b>Net cash provided by operating activities</b>	<u>141,355</u>	<u>150,950</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,330)	(955)
Upgrading of investment properties	(1,435)	(1,850)
Redevelopment of an investment property	-	(1,827)
Loan to an associated company	(90,066)	-
Final distribution to non-controlling shareholders upon liquidation of a subsidiary company	-	(235)
Loan to a joint venture	(2,816)	(40,300)
Investment in a joint venture	-	(2,000)
Dividends received from associated companies	4,819	2,775
Dividend received from a joint venture	-	23,500
Interest received	712	174
<b>Net cash used in investing activities</b>	<u>(90,116)</u>	<u>(20,718)</u>
<b>Cash flows from financing activities</b>		
Proceeds from/(Repayment of) borrowings	12,280	(98,851)
Proceeds from issuance of shares	174	635
Dividends paid to equity holders of the Company	(42,974)	(5,192)
Dividends paid to non-controlling interests	-	(4,224)
<b>Net cash used in financing activities</b>	<u>(30,520)</u>	<u>(107,632)</u>
<b>Net increase in cash and cash equivalents</b>	<u>20,719</u>	<u>22,600</u>
Cash and cash equivalents at 1 April	198,613	96,632
<b>Cash and cash equivalents at 30 June</b>	<u>219,332</u>	<u>119,232</u>

**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.**

<b>Group</b>	<b>Attributable to equity holders of the Company</b>					<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Retained earnings</b>	<b>Asset revaluation reserve</b>	<b>Other reserves</b>	<b>Total</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2018</b>							
<b>Balance at 1 April 2018</b>	<b>1,565,191</b>	<b>4,981,166</b>	<b>40,441</b>	<b>7,679</b>	<b>6,594,477</b>	<b>826,681</b>	<b>7,421,158</b>
Net profit	-	108,483	-	-	108,483	6,071	114,554
Other comprehensive expense	-	-	-	(2,657)	(2,657)	(196)	(2,853)
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>108,483</b>	<b>-</b>	<b>(2,657)</b>	<b>105,826</b>	<b>5,875</b>	<b>111,701</b>
Employee share option scheme							
- value of employee services	-	-	-	77	77	-	77
- proceeds from shares issued	174	-	-	-	174	-	174
Dividends paid in cash	-	(42,974)	-	-	(42,974)	-	(42,974)
<b>Total transactions with owners, recognised directly in equity</b>	<b>174</b>	<b>(42,974)</b>	<b>-</b>	<b>77</b>	<b>(42,723)</b>	<b>-</b>	<b>(42,723)</b>
<b>Balance at 30 June 2018</b>	<b>1,565,365</b>	<b>5,046,675</b>	<b>40,441</b>	<b>5,099</b>	<b>6,657,580</b>	<b>832,556</b>	<b>7,490,136</b>
<b>2017</b>							
Balance at 1 April 2017							
- as previously reported	1,525,551	4,708,717	40,441	12,102	6,286,811	810,671	7,097,482
- effect of adopting SFRS(I) 1	-	11,122	-	(11,122)	-	-	-
- effect of adopting SFRS(I) 15	-	5,804	-	-	5,804	9	5,813
<b>Balance at 1 April 2017, as restated</b>	<b>1,525,551</b>	<b>4,725,643</b>	<b>40,441</b>	<b>980</b>	<b>6,292,615</b>	<b>810,680</b>	<b>7,103,295</b>
Net profit/(loss)	-	73,935	-	-	73,935	(2,898)	71,037
Other comprehensive income/(expense)	-	-	-	429	429	(2)	427
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>73,935</b>	<b>-</b>	<b>429</b>	<b>74,364</b>	<b>(2,900)</b>	<b>71,464</b>
Employee share option scheme							
- value of employee services	-	-	-	79	79	-	79
- proceeds from shares issued	635	-	-	-	635	-	635
Issue of shares pursuant to scrip dividend scheme	37,384	-	-	-	37,384	-	37,384
Dividends paid							
- in cash	-	(5,192)	-	-	(5,192)	(4,224)	(9,416)
- in scrip	-	(37,384)	-	-	(37,384)	-	(37,384)
Liquidation of a subsidiary company	-	-	-	-	-	(235)	(235)
<b>Total transactions with owners, recognised directly in equity</b>	<b>38,019</b>	<b>(42,576)</b>	<b>-</b>	<b>79</b>	<b>(4,478)</b>	<b>(4,459)</b>	<b>(8,937)</b>
<b>Balance at 30 June 2017</b>	<b>1,563,570</b>	<b>4,757,002</b>	<b>40,441</b>	<b>1,488</b>	<b>6,362,501</b>	<b>803,321</b>	<b>7,165,822</b>

<b>Company</b>	<b>Share capital</b> \$'000	<b>Retained earnings</b> \$'000	<b>Share option reserve</b> \$'000	<b>Hedging reserve</b> \$'000	<b>Total equity</b> \$'000
<b>2018</b>					
<b>Balance at 1 April 2018</b>	<b>1,565,191</b>	<b>405,693</b>	<b>6,446</b>	<b>(43)</b>	<b>1,977,287</b>
Net loss	-	(1,441)	-	-	(1,441)
Other comprehensive income	-	-	-	174	174
<b>Total comprehensive (expense)/income</b>	<b>-</b>	<b>(1,441)</b>	<b>-</b>	<b>174</b>	<b>(1,267)</b>
Employee share option scheme					
- value of employee services	-	-	77	-	77
- proceeds from shares issued	174	-	-	-	174
Dividends paid in cash	-	(42,974)	-	-	(42,974)
<b>Balance at 30 June 2018</b>	<b>1,565,365</b>	<b>361,278</b>	<b>6,523</b>	<b>131</b>	<b>1,933,297</b>
<b>2017</b>					
<b>Balance at 1 April 2017</b>	<b>1,525,551</b>	<b>404,375</b>	<b>6,165</b>	<b>-</b>	<b>1,936,091</b>
Net loss and total comprehensive expense	-	(1,977)	-	-	(1,977)
Employee share option scheme					
- value of employee services	-	-	79	-	79
- proceeds from shares issued	635	-	-	-	635
Issue of shares pursuant to scrip dividend scheme	37,384	-	-	-	37,384
Dividends paid					
- in cash	-	(5,192)	-	-	(5,192)
- in scrip	-	(37,384)	-	-	(37,384)
<b>Balance at 30 June 2017</b>	<b>1,563,570</b>	<b>359,822</b>	<b>6,244</b>	<b>-</b>	<b>1,929,636</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.**

The changes in the Company's issued share capital for the 3 months ended 30 June 2018 were as follows:

	Number of ordinary shares '000
Issued share capital as at 1 April 2018	1,432,468
Issue of ordinary shares arising from the exercise of UIC share options	58
Issued share capital as at 30 June 2018	<u>1,432,526</u>

As at 30 June 2018, there were 2,825,000 (30 June 2017: 3,157,000) ordinary shares which may be issued upon the exercise of the subscription rights in full by holders of options granted to executives of the Group under the UIC Share Option Scheme.

- 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.**

	<b>30.6.18</b> '000	<b>31.12.17</b> '000
Total number of issued shares	<u>1,432,526</u>	<u>1,432,157</u>

- 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.

- 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.

- 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 same accounting policies and methods of computation in the 2017 audited annual financial statements have been applied for the current reporting period, except as disclosed in Section 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.**

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("SFRS(I)") hereinafter.

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) on 1 January 2018 and issued its first set of financial information prepared under SFRS(I) from the quarter ended 31 March 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) 9 *Financial Instruments* and SFRS(I) 15 *Revenue from Contracts with Customers*.

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

The Group is required to retrospectively apply all SFRS(I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to the mandatory exceptions and optional exemptions under SFRS(I) 1. The Group has elected the relevant optional exemptions and the exemptions resulting in adjustments to the Group's financial statements is as follows:

Cumulative translation differences

The Group has elected to set the cumulative translation differences for all foreign operations to be zero as at the date of transition to SFRS(I) on 1 January 2017. As a result, other reserves and retained earnings as at 1 January 2017 has reduced/increased by \$11,122,000 respectively.

(b) Adoption of SFRS(I) 9 *Financial Instruments*

The Group has elected to apply the exemption under SFRS(I) 1 to prospectively adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of SFRS 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017.

The Group has assessed the business models that are applicable on 1 January 2018 to financial assets so as to classify them into the appropriate categories under SFRS(I) 9. The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale in other comprehensive income. Accordingly, 'Financial assets, available-for-sale' on the statement of financial position have been redesignated as 'Financial assets, at FVOCI'.

(c) 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.

The Group incurs agency commissions in the course of selling its properties for sale under development. SFRS(I) 15 requires incremental costs of obtaining a contract with a customer (if the entity expects to recover those costs) to be recognised as an asset when incurred and subsequently expensed to income statement in accordance with revenue recognition.

The reconciliation of this change in accounting policy is as follows:

	<b>3 months ended 30.6.17</b>			<b>6 months ended 30.6.17</b>		
	Previously reported \$'000	Effects \$'000	Restated \$'000	Previously reported \$'000	Effects \$'000	Restated \$'000
<u>Consolidated Income Statement</u>						
Selling and distribution costs	(10,945)	(1,242)	(12,187)	(18,039)	(2,735)	(20,774)
Share of results of joint ventures	8,044	366	8,410	10,447	1,327	11,774
Income tax expense	(12,810)	121	(12,689)	(24,557)	296	(24,261)
Net profit	71,792	(755)	71,037	139,719	(1,112)	138,607
Attributable to:						
- Equity holders of the Company	74,691	(756)	73,935	134,508	(1,114)	133,394
- Non-controlling interests	(2,899)	1	(2,898)	5,211	2	5,213
	71,792	(755)	71,037	139,719	(1,112)	138,607
Basic and diluted earnings per ordinary share (cents)						
- excluding fair value gain/(loss) on investment properties	5.5	(0.1)	5.4	9.7	(0.1)	9.6
- including fair value gain/(loss) on investment properties	5.3	(0.1)	5.2	9.5	(0.1)	9.4
	<b>As at 1.1.17</b>			<b>As at 31.12.17</b>		
	Previously reported \$'000	Effects \$'000	Restated \$'000	Previously reported \$'000	Effects \$'000	Restated \$'000
<u>Statement of Financial Position</u>						
Investments in associated companies	547,461	817	548,278	568,024	969	568,993
Investments in joint ventures	77,749	-	77,749	66,576	1,053	67,629
Trade and other receivables	73,287	6,021	79,308	299,025	-	299,025
Deferred income tax liabilities	54,275	668	54,943	64,597	-	64,597
Reserves	4,706,632	6,162	4,712,794	4,963,242	2,016	4,965,258
Non-controlling interests	803,115	8	803,123	817,090	6	817,096

There is no effect on net asset value per ordinary share as at 31 December 2017 resulting from the adoption of SFRS(I).

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.**

	<b>Latest quarter</b>	<b>Previous quarter</b>
	<b>30.6.18</b>	<b>30.6.17</b>
Earnings per ordinary share		<b>(restated)</b>
(a) Based on the weighted average number of ordinary shares on issue		
- excluding fair value gain/(loss) on investment properties	4.1 cents	5.4 cents
- including fair value gain/(loss) on investment properties	7.6 cents	5.2 cents
(b) <u>On a fully diluted basis</u> For the purposes of calculating diluted earnings per share, the weighted average number of shares in issue is adjusted to take into account the dilutive effect arising from the outstanding options granted to employees, where such shares would have been issued at a price lower than the average market price in the current quarter. As the impact of the dilution is insignificant, diluted earnings per share is the same as basic earnings per share.		

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.**

	<b>30.6.18</b>	<b>31.12.17</b>
Net asset value per ordinary share		
Group	\$4.65	\$4.56
Company	\$1.35	\$1.38

**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 financial period reported on.**

Comparison of 2nd quarter 2018 results with 2017

For the second quarter ("2Q") of 2018, the Group achieved revenue of \$182.5 million, which was lower than the same period last year by \$179.5 million (50%) mainly due to lower sales recognition from trading properties.

Revenue recognised from the sales of trading properties at \$40.4 million was lower by \$191.1 million (83%) as the Group's development projects were completed and substantially sold in 2017.

Revenue from the Group's investment properties and hotel operations remained fairly stable at \$71.1 million (2Q 2017: \$70.4 million) and \$35.8 million (2Q 2017: \$34.4 million) respectively. Revenue from information technology operations increased by \$9.8 million (39%).

In line with the lower revenue, profit before share of results of associated companies and joint ventures recorded \$62.4 million, which was lower than last year by \$25.1 million (29%).

Share of operating profits of associated companies and joint ventures (excluding fair value gain) amounted to \$14.9 million, an increase of \$6.3 million (72%), mainly due to higher contribution from the joint venture residential project, The Clement Canopy.

Based on valuation by professional valuers as at 30 June 2018 on the investment properties held by the Group's subsidiaries, associated company and joint venture, fair value gain (net of non-controlling interests) of \$49.8 million (2Q 2017: fair value loss of \$3.0 million) was recognised in the income statement.

For the 2Q 2018, net profit from operations decreased by \$18.3 million (24%) to \$58.6 million. Including the fair value gain (net of non-controlling interests) of \$49.8 million (2Q 2017: fair value loss of \$3.0 million), the Group's net attributable profit for the 2Q 2018 recorded \$108.5 million, an increase of \$34.5 million or 47% over the same period last year.

Comparison of 6 months ended 30 June 2018 results with 2017

For the first half ("1H") 2018, the Group achieved revenue of \$348.1 million, which was lower than the same period last year by \$278.3 million (44%) mainly due to lower sales recognition from trading properties.

In line with the lower contribution from property trading, net profit from operations decreased by \$17.5 million (13%) to \$118.9 million. After including the fair value gain (net of non-controlling interests) of \$49.8 million (1H 2017: fair value loss of \$3.0 million), the Group recorded a net attributable profit of \$168.7 million, an increase of \$35.3 million (26%) compared to the same period last year.

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

Not applicable.

- 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.**

Office rental is expected to improve amidst positive business sentiments.

Pressure on retail rental will continue as retailers remain cautious.

Residential market is expected to be subdued in the near term in light of enhanced cooling measures.

Hotel sector will remain steady as the increase in tourist arrivals is taken up by new supply.

**11. Dividend**

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

Any dividend recommended for the current financial period reported on? None.

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

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

***(c) Date payable***

Not applicable.

***(d) Books closure date***

Not applicable.

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

No dividend has been declared/recommendedd for the quarter ended 30 June 2018.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions "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.**

No IPT mandate has been obtained.

**14. Negative confirmation pursuant to Rule 705(5).**

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the second quarter ended 30 June 2018 to be false or misleading in any material respect.

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

The Company confirms that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7.7 of the Listing Manual.

**BY ORDER OF THE BOARD**

Teo Hwee Ping  
Acting Company Secretary  
27 July 2018