Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	WING TAI HOLDINGS LIMITED
Securities	WING TAI HLDGS LTD - SG1K66001688 - W05
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	26-Oct-2018 17:15:40
Status	New
Announcement Sub Title	First Quarter Results
Announcement Reference	SG181026OTHRXC00
Submitted By (Co./ Ind. Name)	Gabrielle Tan
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attached.

Additional Details

For Financial Period Ended	30/09/2018

Attachments	First Quarter Results.pdf Total size =111K

WING TAI HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No: 196300239D)

FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2018

The Company announces the unaudited consolidated results for the first quarter ended 30 September 2018.

1 (a)(i) **Income Statement**

	Group			
	First Quarter ended 30-Sep-18	First Quarter ended 30-Sep-17 (Restated)	+/(-)	
	S$'000	S$'000	%	Note
Revenue	**77,906**	72,205	8	
Cost of sales	**(46,085)**	(37,980)	21	
Gross profit	**31,821**	34,225	(7)	
Other gains - net	**2,408**	24,838	(90)	(a)
Expenses				
- Distribution	**(14,904)**	(15,634)	(5)	(b)
- Administrative and other	**(20,455)**	(22,183)	(8)	(c)
Operating (loss)/profit	**(1,130)**	21,246	n.m.	
Finance costs	**(7,968)**	(9,190)	(13)	
Share of profits of associated and joint venture companies	**9,294**	8,129	14	
Profit before income tax	**196**	20,185	(99)	
Income tax credit/(expense)	**2,046**	(3,943)	n.m.	
Total profit	**2,242**	16,242	(86)	
Attributable to:				
Equity holders of the Company	**2,158**	16,073	(87)	
Non-controlling interests	**84**	169	(50)	
	2,242	16,242	(86)	

1 (a)(ii) **Notes to Income Statement**

		Group		
		First Quarter ended 30-Sep-18	First Quarter ended 30-Sep-17 (Restated)	+/(-)
		S$'000	S$'000	%
(A)	Investment income	**1,299**	824	58
(B)	Interest income	**2,503**	1,436	74
(C)	Finance costs	**(7,968)**	(9,190)	(13)
(D)	Depreciation and amortisation	**(1,880)**	(1,963)	(4)
(E)	Write-back of allowance for doubtful debts	**60**	40	50
(F)	Allowance for stock obsolescence	**(1,135)**	(318)	257
(G)	Impairment in value of investments	**-**	-	**-**
(H)	Foreign exchange loss	**(4,794)**	(267)	n.m.
(I)	Adjustment for tax in respect of prior years	**-**	-	**-**
(J)	Gain on disposal of property, plant and equipment	**2,105**	22	n.m.
(K)	Exceptional items			
	Gain on disposal of subsidiary companies	**-**	22,703	n.m.

Note:
(a) The decrease in other gains/(losses) – net is mainly due to the gain on disposal of subsidiary companies recognised in the corresponding quarter.
(b) The decrease in distribution expenses is largely due to the lower rental from retail stores in Singapore.
(c) The decrease in administrative and other expenses is largely due to the lower accrued operating expenses.

n.m. - not meaningful

1 (b)(i) **Statements of Financial Position**

	Group			Company		
	As at 30-Sep-18	As at 30-Jun-18 (Restated)	As at 30-Jun-17 (Restated)	**As at 30-Sep-18**	As at 30-Jun-18	
	S$'000	S$'000	S$'000	**S$'000**	S$'000	Note
ASSETS						
Current assets						
Cash and cash equivalents	**855,889**	792,151	847,373	**641,941**	609,945	
Trade and other receivables	**38,384**	57,708	41,501	**534,582**	585,571	(a), (c)
Inventories	**22,606**	23,716	19,421	**-**	-	
Development properties	**633,422**	675,241	759,523	**-**	-	(b)
Tax recoverable	**7,776**	7,693	6,467	**-**	-	
Other assets	**7,880**	30,940	74,289	**2,819**	1,330	
Assets held for sale	**-**	-	252,208	**-**	-	
	1,565,957	1,587,449	2,000,782	**1,179,342**	1,196,846	
Non-current assets						
Trade and other receivables	**278,894**	284,282	211,449	**519,989**	533,454	
Investments in associated and joint venture companies	**1,768,214**	1,761,669	1,604,293	**-**	-	
Investments in subsidiary companies	**-**	-	-	**282,063**	282,063	
Investment properties	**731,659**	733,250	651,805	**-**	-	
Property, plant and equipment	**113,211**	115,099	115,922	**12,817**	10,549	
Deferred income tax assets	**6,603**	6,795	6,672	**-**	-	
Other assets	**51,419**	48,444	35,489	**12,127**	12,982	
	2,950,000	2,949,539	2,625,630	**826,996**	839,048	
Total assets	**4,515,957**	4,536,988	4,626,412	**2,006,338**	2,035,894	
LIABILITIES						
Current liabilities						
Trade and other payables	**102,185**	96,494	141,266	**12,098**	17,476	
Current income tax liabilities	**40,301**	42,609	36,834	**293**	293	
Borrowings	**-**	-	4,253	**-**	-	
Other liabilities	**15,898**	20,660	36,115	**-**	-	
Liabilities held for sale	**-**	-	2,147	**-**	-	
	158,384	159,763	220,615	**12,391**	17,769	
Non-current liabilities						
Borrowings	**780,653**	780,066	925,371	**597,728**	599,248	
Deferred income tax liabilities	**35,983**	36,568	38,344	**-**	-	
Other liabilities	**9,820**	13,546	20,614	**3,830**	3,716	
	826,456	830,180	984,329	**601,558**	602,964	
Total liabilities	**984,840**	989,943	1,204,944	**613,949**	620,733	
NET ASSETS	**3,531,117**	3,547,045	3,421,468	**1,392,389**	1,415,161	
EQUITY						
Capital and reserves attributable to ordinary shareholders of the Company						
Share capital	**838,250**	838,250	838,250	**838,250**	838,250	
Other reserves	**9,731**	39,395	56,936	**(41,513)**	(31,644)	
Retained earnings	**2,461,639**	2,449,269	2,256,572	**446,332**	460,777	
	3,309,620	3,326,914	3,151,758	**1,243,069**	1,267,383	
Perpetual securities	**149,320**	147,778	147,778	**149,320**	147,778	
Non-controlling interests	**72,177**	72,353	121,932	**-**	-	
TOTAL EQUITY	**3,531,117**	3,547,045	3,421,468	**1,392,389**	1,415,161	

1 (b)(i) **Statements of Financial Position** (continued)

Note:

(a) The decrease in the Group's current trade and other receivables is largely due to the receipt of progress billings for development projects.

(b) The decrease in the Group's development properties is primarily attributable to the recognition of capitalised development costs in the income statement.

(c) The decrease in the Company's current trade and other receivables is mainly due to the repayment of loans from its subsidiary companies.

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-Sep-18		As at 30-Jun-18	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
-	**-**	-	-

Amount repayable after one year

As at 30-Sep-18		As at 30-Jun-18	
Secured	**Unsecured**	Secured	Unsecured
S$'000	**S$'000**	S$'000	S$'000
83,725	**696,928**	84,199	695,867

Details of any collateral

Secured borrowings are generally secured by the borrowing companies' property, plant and equipment, investment properties and assignment of all rights and benefits with respect to the properties.

1 (c) **Statement of Cash Flows**

	Group	
	First Quarter ended 30-Sep-18	First Quarter ended 30-Sep-17 (Restated)
	S$'000	S$'000
Cash flows from operating activities		
Total profit	**2,242**	16,242
Adjustments for:		
Non-cash items	**(1,712)**	(17,320)
Operating cash flow before working capital changes	**530**	(1,078)
Changes in operating assets and liabilities:		
Development properties	**34,766**	21,174
Other current assets/liabilities	**37,508**	7,503
Cash generated from operations	**72,804**	27,599
Income tax paid	**(697)**	(3,422)
Net cash generated from operating activities	**72,107**	24,177
Cash flows from investing activities		
Acquisition of additional interest in a subsidiary company	**-**	(70,658)
Acquisition of additional interest in a joint venture company	**-**	(1,600)
Additions to investment properties	**(611)**	-
Additions to property, plant and equipment	**(3,504)**	(1,080)
Purchases of available-for-sale financial assets	**(4,529)**	(205)
Disposal of subsidiary companies	**-**	267,784
Disposal of property, plant and equipment	**4,466**	80
Advancement of the loans to joint venture companies	**(587)**	(48,376)
Dividends received	**12,924**	12,264
Interest received	**2,445**	1,758
Net cash generated from investing activities	**10,604**	159,967
Cash flows from financing activities		
Purchase of treasury shares	**(10,716)**	-
Repayment/(advancement) of the loans to non-controlling interests	**4,516**	(13,843)
Net repayment of borrowings	**-**	(1,184)
Interest paid	**(8,396)**	(10,767)
Net cash used in financing activities	**(14,596)**	(25,794)
Net increase in cash and cash equivalents	**68,115**	158,350
Cash and cash equivalents at beginning of financial quarter	**792,151**	852,572
Effects of currency translation on cash and cash equivalents	**(4,377)**	335
Cash and cash equivalents at end of financial quarter	**855,889**	1,011,257

Note:

- Cash and cash equivalents consist of fixed deposits, cash and bank balances.
- The increase in the Group's cash and cash equivalents for the current quarter is mainly due to the cash generated from operating activities.

1 (d) **Statement of Comprehensive Income**

	Group		
	First Quarter ended 30-Sep-18	First Quarter ended 30-Sep-17 (Restated)	+/(-)
	S$'000	S$'000	%
Total profit	**2,242**	16,242	(86)
Other comprehensive (expense)/income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value (losses)/gains on available-for-sale financial assets	**(760)**	2,094	n.m.
Cash flow hedges	**422**	1,078	(61)
Currency translation differences	**(4,557)**	(45,106)	(90)
Share of other comprehensive (expense)/income of associated and joint venture companies	**(3,575)**	1,076	n.m.
	(8,470)	(40,858)	(79)
Total comprehensive expense	**(6,228)**	(24,616)	(75)
Attributable to:			
Equity holders of the Company	**(6,052)**	(23,473)	(74)
Non-controlling interests	**(176)**	(1,143)	(85)
	(6,228)	(24,616)	(75)

Note:
n.m. - not meaningful

1 (e)(i) **Statements of Changes in Equity for the Group**

	Attributable to ordinary shareholders of the Company						
	Share capital S$'000	Other reserves * S$'000	Retained earnings S$'000	Total S$'000	Perpetual securities S$'000	Non-controlling interests S$'000	Total equity S$'000
Balance at 1 July 2018, as previously reported	838,250	(23,203)	2,514,733	3,329,780	147,778	72,514	3,550,072
Effects of transition to SFRS(I)s and adoption of SFRS(I) 15	-	62,598	(65,464)	(2,866)	-	(161)	(3,027)
Balance at 1 July 2018, as restated	838,250	39,395	2,449,269	3,326,914	147,778	72,353	3,547,045
Effect of adoption of SFRS(I) 9	-	(11,549)	11,549	-	-	-	-
Balance at 1 July 2018, as restated	838,250	27,846	2,460,818	3,326,914	147,778	72,353	3,547,045
Total comprehensive (expense)/income	-	(8,210)	2,158	(6,052)	-	(176)	(6,228)
Cost of share-based payment	-	1,016	-	1,016	-	-	1,016
Reissuance of treasury shares	-	(205)	205	-	-	-	-
Purchase of treasury shares	-	(10,716)	-	(10,716)	-	-	(10,716)
Accrued perpetual securities distribution	-	-	(1,542)	(1,542)	1,542	-	-
Balance at 30 September 2018	**838,250**	**9,731**	**2,461,639**	**3,309,620**	**149,320**	**72,177**	**3,531,117**
Balance at 1 July 2017, as previously reported	838,250	(13,489)	2,321,935	3,146,696	147,778	121,233	3,415,707
Effects of transition to SFRS(I)s and adoption of SFRS(I) 15	-	70,425	(65,363)	5,062	-	699	5,761
Balance at 1 July 2017, as restated	838,250	56,936	2,256,572	3,151,758	147,778	121,932	3,421,468
Total comprehensive (expense)/income	-	(39,546)	16,073	(23,473)	-	(1,143)	(24,616)
Expiry of share options	-	(9,634)	9,634	-	-	-	-
Cost of share-based payment	-	311	-	311	-	-	311
Reissuance of treasury shares	-	(110)	110	-	-	-	-
Accrued perpetual securities distribution	-	-	(1,542)	(1,542)	1,542	-	-
Acquisition of additional interest in a subsidiary company	-	(405)	17,653	17,248	-	(50,453)	(33,205)
Disposal of a subsidiary company	-	(1,357)	-	(1,357)	-	-	(1,357)
Balance at 30 September 2017	838,250	6,195	2,298,500	3,142,945	149,320	70,336	3,362,601

* Includes share-based payment reserve, cash flow hedge reserve, asset revaluation reserve, share of capital reserves of associated and joint venture companies, currency translation reserve, treasury shares reserve, statutory reserve and fair value reserve.

1 (e)(i) **Statements of Changes in Equity for the Company**

	Share capital S$'000	Share-based payment reserve S$'000	Cash flow hedge reserve S$'000	Treasury shares reserve S$'000	Retained earnings S$'000	Perpetual securities S$'000	Total equity S$'000
Balance at 1 July 2018	838,250	1,769	577	(33,990)	460,777	147,778	1,415,161
Total comprehensive income/(expense)	-	-	36	-	(13,108)	-	(13,072)
Cost of share-based payment	-	1,016	-	-	-	-	1,016
Reissuance of treasury shares	-	(1,992)	-	1,787	205	-	-
Purchase of treasury shares	-	-	-	(10,716)	-	-	(10,716)
Accrued perpetual securities distribution	-	-	-	-	(1,542)	1,542	-
Balance at 30 September 2018	**838,250**	**793**	**613**	**(42,919)**	**446,332**	**149,320**	**1,392,389**
Balance at 1 July 2017	838,250	10,486	(1,058)	(30,597)	485,687	147,778	1,450,546
Total comprehensive income/(expense)	-	-	557	-	(28,125)	-	(27,568)
Expiry of share options	-	(8,702)	-	-	8,702	-	-
Cost of share-based payment	-	155	-	-	-	-	155
Reissuance of treasury shares	-	(1,196)	-	1,086	110	-	-
Accrued perpetual securities distribution	-	-	-	-	(1,542)	1,542	-
Balance at 30 September 2017	838,250	743	(501)	(29,511)	464,832	149,320	1,423,133

1 (e)(ii) **Changes in the Company's share capital**

	Number of shares
Issued ordinary shares	
Balance at 1 July and 30 September 2018	793,927,260

At 30 September 2018, the Company's issued share capital (excluding treasury shares) comprises 767,725,460 (30 June 2018: 772,195,860) ordinary shares. The total number of treasury shares held by the Company as at 30 September 2018 was 26,201,800 (30 September 2017: 19,452,900) which represents 3.4% (30 September 2017: 2.5%) of the total number of issued shares (excluding treasury shares).

There were 1,091,000 (30 September 2017: 715,600) treasury shares reissued pursuant to the employee share plans for the first quarter ended 30 September 2018.

2 **Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The above figures have not been audited and reviewed by the Company's auditors.

3 **Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation as in the audited financial statements for the financial year ended 30 June 2018.

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.**

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Singapore Financial Reporting Standards (International) (SFRS(I)s), for annual periods beginning on or after 1 January 2018.

In adopting SFRS(I)s, the Group has applied all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of SFRS(I)s*. In addition, the Group has also adopted the following SFRS(I)s, and amendments and interpretations of SFRS(I)s that are relevant to the Group and the Company and effective for annual periods beginning on or after 1 January 2018 as follows:

- SFRS(I) 9 *Financial Instruments*
- SFRS(I) 15 *Revenue from Contracts with Customers*
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of the above standards did not have any significant impact on the financial performance or position of the Group and the Company except for the following:

<u>Application of SFRS(I) 1 *First-time Adoption of SFRS(I)s*</u>

The Group has applied SFRS(I)s on a retrospective basis and has restated the comparatives where applicable because SFRS(I) 1 requires both the opening statement of financial position as at 1 July 2017 and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application. The Group has elected the following optional exemptions which result in adjustments to the Group's financial statements prepared under SFRS(I)s as follows:

(i) <u>Cumulative translation differences</u>
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)s on 1 July 2017. As a result, currency translation reserve and share of capital reserves of associated and joint venture companies as at 1 July 2017 was increased by $87,333,000 and $7,339,000 respectively, and retained earnings decreased by $94,672,000 on the same date.

(ii) <u>Deemed cost exemption</u>
The Group has elected and regarded the carrying amount of certain property, plant and equipment stated at valuation as their deemed cost at the date of transition to SFRS(I)s on 1 July 2017. As a result, $24,247,000 of the Group's asset revaluation reserve was reclassified directly into retained earnings on that date.

<u>Adoption of SFRS(I) 9 *Financial Instruments*</u>

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. The Group has elected to apply the short-term exemption under SFRS(I) 1 to adopt SFRS(I) 9 on 1 July 2018. Accordingly, requirements of FRS 39 *Financial Instruments: Recognition and Measurement* continued to apply to financial instruments of the Group up to the financial year ended 30 June 2018.

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.** (continued)

The Group has assessed the business models that are applicable on 1 July 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 certain equity investments not held for trading and previously classified as available-for-sale financial assets in other comprehensive income. The Group's associated company has reclassified its available-for-sale financial assets to financial investments at fair value through profit or loss as they do not meet the criteria for classification at amortised cost. As a result, the Group's share of the related fair value gains of $11,549,000 was transferred from share of capital reserves of associated and joint venture companies directly to retained earnings on 1 July 2018.

The Group's existing hedges as at 1 July 2018 that were designated as effective hedging relationships continue to qualify for hedge accounting under SFRS(I) 9.

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group has adopted the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

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

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces a new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has applied all of the requirements of SFRS(I) 15 retrospectively, except for the practical expedients used for completed contracts. Under these practical expedients, completed contracts that began and ended in the same comparative reporting period, as well as completed contracts at the beginning of the earliest period presented, are not restated. The Group has also voluntarily changed the presentation of assets and liabilities related to contracts with customers.

The adoption of SFRS(I) 15 resulted in the following adjustments:

(i) Accounting for sale of development properties
Under SFRS(I) 15, the Group's revenue from the sale of development properties is recognised when or as the control of assets is transferred to the customers, depending on the terms of the contract and the laws that apply to the contract. The Group identified certain contracts relating to the sale of development properties where there are two distinct performance obligations which are satisfied at different timings (i.e. sale of properties, and sale of other items that are delivered on completion of the properties), and concluded that the revenue recognition for these contracts are affected by the change in accounting policy. For properties sold under these contracts, the Group has determined that they have no alternative use to the Group due to contractual restrictions, and the Group has enforceable rights to payment from the customers for performance completed to date. Accordingly, the Group recognises revenue as the performance obligation is satisfied over time by reference to the stage of completion of the properties. Revenue for the sale of the other items is recognised at a point in time when the control of those items is passed to the customer upon transfer of legal title of the completed property.

(ii) Accounting for costs to fulfil a contract
Previously, sales commissions paid to property agents in the sale of development properties were expensed as they did not qualify for recognition as an asset under any of the accounting standards. However, these costs relate directly to the contract and are expected to be recovered. They were therefore capitalised as costs to fulfil a contract following the adoption of SFRS(I) 15 and included in other current assets in the statement of financial position as at 1 July 2017. The asset is amortised over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

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.** (continued)

(iii) Equity accounting for share of results of associated company

In accordance with the requirements of SFRS(I) 1, the Group's associated company has applied the requirements of SFRS(I) 15 retrospectively. The Group has adjusted its investment in associated company and share of profits of associated company in line with the adoption.

The effects on the comparatives arising from the adoption of the SFRS(I) 1 and 15 are as follows:

Income Statement

	Group First Quarter ended 30-Sep-17 S$'000
Increase in revenue	5,079
Increase in cost of sales	(3,873)
Increase in other gains/(losses) - net	6,014
Decrease in distribution and marketing expenses	52
Decrease in administrative and other expenses	1
Increase in share of profits of associated and joint venture companies	1,369
Increase in income tax expense	(716)
Increase in total profit	7,926
Increase in profit attributable to:	
Equity holders of the Company	7,882
Non-controlling interests	44
	7,926
Increase in:	
Basic earnings per share (cents)	1.02
Diluted earnings per share (cents)	1.01

Statement of Financial Position

	Group	
	As at 30-Jun-18 S$'000	As at 30-Jun-17 S$'000
Increase/(decrease) in:		
Trade and other receivables - current	-	(25,213)
Development properties	13,305	12,316
Other assets - current	2	22,586
Investments in associated and joint venture companies	(4,942)	(116)
Property, plant and equipment	(1,945)	(6)
Deferred income tax assets	(1,140)	1,010
Trade and other payables	(6,282)	-
Other liabilities - current	14,511	4,611
Deferred income tax liabilities	78	205
Other reserves	62,598	70,425
Retained earnings	(65,464)	(65,363)
Non-controlling interests	(161)	699

In addition to the above adjustments, certain reclassifications have been made to the Group's statements of financial position as at 30 June 2018 and 2017 to conform to the presentation as at 30 September 2018.

6 **Earnings per ordinary share**

	Group	
	First Quarter ended 30-Sep-18	First Quarter ended 30-Sep-17 (Restated)
(a) Based on the weighted average number of ordinary shares issued excluding treasury shares (cents)	**0.08**	1.88
(b) On a fully diluted basis (cents)	**0.08**	1.87

7 **Net asset value per ordinary share**

	Group			Company	
	As at 30-Sep-18	As at 30-Jun-18 (Restated)	As at 30-Jun-17 (Restated)	**As at 30-Sep-18**	As at 30-Jun-18
Net asset value per ordinary share based on issued share capital excluding treasury shares (S$)	**4.31**	4.31	4.07	**1.62**	1.64

8 **Review of performance of the group**

For the three months ended 30 September 2018 ("current quarter"), the Group recorded a total revenue of S$77.9 million. This represents an 8% increase from the S$72.2 million revenue recorded in the three months ended 30 September 2017 ("corresponding quarter"). This increase is largely due to the higher contribution from development properties, attributable to the sale of vacant land at Langgak Golf in Kuala Lumpur.

The Group recorded a net profit before tax of S$0.2 million in the current quarter as compared to S$20.2 million in the corresponding quarter, primarily due to the lower profits from development properties and the absence of one-off gain on disposal of subsidiary companies.

In the current quarter, the Group's net profit attributable to shareholders was S$2.2 million as compared to the S$16.1 million recorded in the corresponding quarter.

The Group's net asset value per share was S$4.31 and it was in a net cash position as at 30 September 2018.

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

The current announced results are in line with the prospect statement previously disclosed to shareholders in the results announcement for the financial year ended 30 June 2018.

10 **Commentary 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 URA's flash estimate shows that the residential property price index increased by 0.5% in the third quarter of 2018, compared to the 3.4% increase in the previous quarter. The total number of new residential units sold in the third quarter of 2018 rose to 3,273 units, as compared to 2,366 units sold in the second quarter of 2018.

With the new property cooling measures announced on 5 July 2018, the Group expects the buying sentiment for private residential property in Singapore to remain subdued.

10 **Commentary 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.** (continued)

In China, the Group plans to market Phase 2 of Malaren Gardens, a residential development with 301 units in the Baoshan District of Shanghai. To date, more than 90% of the 189 units launched in Phase 1 have been sold.

The Group will continue to keep a lookout for investment opportunities in Singapore and overseas markets.

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

None.

(c) The date the dividend is payable.

Not applicable.

(d) The date on which Registrable Transfers received by the Company (up to 5.00pm) 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 / recommended for the first quarter ended 30 September 2018.

13 **Interested Person Transactions**

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

14 **Confirmation by the Board of Directors pursuant to Rule 705(5) of the Listing Manual**

The Directors confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the first quarter ended 30 September 2018 to be false or misleading.

15 **Confirmation by the Company pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Gabrielle Tan
Company Secretary
Singapore
26 October 2018