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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2018**


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**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 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.

|   | Group  |  | Change<br>% |
|---|--|--|-------------|
|   | First Quarter<br>ended<br>31 March 2018<br>S\$'000 | First Quarter<br>ended<br>31 March 2017<br>S\$'000 |             |
| <b>Revenue</b>  | 9,843  | 10,478   | (6.1)       |
| Cost of sales   | (5,399)  | (5,854)  | (7.8)       |
| <b>Gross profit</b>   | 4,444  | 4,624  | (3.9)       |
| Administrative expenses   | (3,847)  | (2,823)  | 36.3        |
| Other expenses, net   | -  | (1,930)  | (100.0)     |
| Share of losses of equity-accounted investees, net of tax                   | (75)   | -  | n.m.        |
|   | 522  | (129)  | n.m.        |
| Finance income  | 36   | 105  | (65.7)      |
| Finance costs   | (4,149)  | (7,835)  | (47.0)      |
| <b>Net finance costs</b>  | (4,113)  | (7,730)  | (46.8)      |
| <b>Loss before tax</b>  | (3,591)  | (7,859)  | (54.3)      |
| Tax credit/(expense)  | 853  | (3,309)  | n.m.        |
| <b>Loss after tax</b>   | (2,738)  | (11,168)   | (75.5)      |
| <b>Other comprehensive income:</b>  |  |  |             |
| <i>Items that are or may be reclassified subsequently to profit or loss</i> |  |  |             |
| Foreign currency translation differences relating to foreign operations     | 6,888  | (367)  | n.m.        |
| <b>Other comprehensive income, net of tax</b>                               | 6,888  | (367)  | n.m.        |
| <b>Total comprehensive income for the period</b>                            | 4,150  | (11,535)   | n.m.        |
| <b>Loss attributable to:</b>  |  |  |             |
| Owners of the Company   | (2,738)  | (11,168)   | (75.5)      |
| Non-controlling interests   | -  | -  | n.m.        |
|   | (2,738)  | (11,168)   | (75.5)      |
| <b>Total comprehensive income attributable to:</b>                          |  |  |             |
| Owners of the Company   | 4,150  | (11,535)   | n.m.        |
| Non-controlling interests   | -  | -  | n.m.        |
|   | 4,150  | (11,535)   | n.m.        |

n.m. - Not meaningful

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS (Continued)**

**1(b) 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.**

| Statements of Financial Position                    | Group          |                |                | Company        |                |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 31.03.2018     | 31.12.2017     | 01.01.2017     | 31.03.2018     | 31.12.2017     |
|   | S\$'000        | S\$'000        | S\$'000        | S\$'000        | S\$'000        |
|   |                | (Restated)     | (Restated)     |                |                |
| <b>ASSETS</b>                                       |                |                |                |                |                |
| Property, plant and equipment                       | 6,184          | 6,520          | 7,631          | 302            | 321            |
| Intangible assets and goodwill                      | 3,360          | 467            | 715            | -              | -              |
| Investment properties                               | 297,377        | 287,784        | 296,588        | -              | -              |
| Investment properties under development             | 126,165        | 123,712        | 123,012        | -              | -              |
| Lease prepayments                                   | 5,642          | 5,540          | 5,932          | -              | -              |
| Joint venture                                       | 1,630          | -              | -              | -              | -              |
| Subsidiaries  | -              | -              | -              | 120,700        | 120,700        |
| Trade and other receivables                         | -              | -              | -              | 10,118         | 9,792          |
| <b>Non-current assets</b>                           | <b>440,358</b> | <b>424,023</b> | <b>433,878</b> | <b>131,120</b> | <b>130,813</b> |
| Inventories   | 1,297          | 1,137          | 776            | -              | -              |
| Trade and other receivables                         | 41,836         | 41,751         | 58,333         | 169,428        | 166,316        |
| Cash and cash equivalents                           | 89,066         | 21,530         | 15,186         | 68,465         | 31             |
| <b>Current assets</b>                               | <b>132,199</b> | <b>64,418</b>  | <b>74,295</b>  | <b>237,893</b> | <b>166,347</b> |
| <b>Total assets</b>                                 | <b>572,557</b> | <b>488,441</b> | <b>508,173</b> | <b>369,013</b> | <b>297,160</b> |
| <b>LIABILITIES</b>                                  |                |                |                |                |                |
| Loans and borrowings                                | 163,581        | 160,164        | 140,618        | -              | -              |
| Trade and other payables                            | 7,668          | 7,419          | 7,663          | 768            | 908            |
| Deferred tax liabilities                            | 36,948         | 36,715         | 29,494         | -              | -              |
| <b>Non-current liabilities</b>                      | <b>208,197</b> | <b>204,298</b> | <b>177,775</b> | <b>768</b>     | <b>908</b>     |
| Loans and borrowings                                | 170,221        | 173,814        | 170,336        | 165,931        | 171,681        |
| Trade and other payables                            | 27,480         | 25,243         | 27,214         | 44,807         | 42,407         |
| Provisions  | 46,000         | 46,000         | -              | 5,000          | 5,000          |
| Current tax liabilities                             | 1,024          | 1,051          | 1,080          | -              | -              |
| <b>Current liabilities</b>                          | <b>244,725</b> | <b>246,108</b> | <b>198,630</b> | <b>215,738</b> | <b>219,088</b> |
| <b>Total liabilities</b>                            | <b>452,922</b> | <b>450,406</b> | <b>376,405</b> | <b>216,506</b> | <b>219,996</b> |
| <b>NET ASSETS</b>                                   | <b>119,635</b> | <b>38,035</b>  | <b>131,768</b> | <b>152,507</b> | <b>77,164</b>  |
| <b>EQUITY</b>                                       |                |                |                |                |                |
| Share capital                                       | 270,157        | 192,707        | 192,707        | 270,157        | 192,707        |
| Merger reserve                                      | (65,742)       | (65,742)       | (65,742)       | -              | -              |
| Asset revaluation reserve                           | 3,630          | 3,630          | 3,630          | -              | -              |
| Foreign currency translation reserve                | 3,137          | (3,751)        | -              | -              | -              |
| Statutory surplus reserve                           | 327            | 327            | 327            | -              | -              |
| Accumulated (losses)/profits                        | (91,948)       | (89,210)       | 1,490          | (117,650)      | (115,543)      |
| <b>Equity attributable to owners of the Company</b> | <b>119,561</b> | <b>37,961</b>  | <b>132,412</b> | <b>152,507</b> | <b>77,164</b>  |
| Non-controlling interests                           | 74             | 74             | (644)          | -              | -              |
| <b>Total equity</b>                                 | <b>119,635</b> | <b>38,035</b>  | <b>131,768</b> | <b>152,507</b> | <b>77,164</b>  |

## Notes to the Financial Statements

### 1(a)(i) Loss before tax of the Group is arrived at after charging/(crediting):

|  | Group   |   |             |
|--|---|---|-------------|
|  | First Quarter ended<br>31 March 2018<br>S\$'000 | First Quarter ended<br>31 March 2017<br>S\$'000 | Change<br>% |
|  | Amortisation of intangible assets               | 59  | 59          |
| Amortisation of lease prepayments                | 11  | 70  | (84.3)      |
| Foreign exchange losses, net                     | 912   | 1,361   | (33.0)      |
| Depreciation of property, plant and equipment    | 497   | 276   | 80.1        |
| Impairment losses on trade and other receivables | -   | 1,925   | (100.0)     |
| Interest income                                  | (36)  | (105)   | (65.7)      |
| Interest expense                                 | 3,236   | 6,474   | (50.0)      |

### 1(a)(ii) Tax credit/(expense)

|                                     | Group   |   |             |
|-------------------------------------|---|---|-------------|
|                                     | First Quarter ended<br>31 March 2018<br>S\$'000 | First Quarter ended<br>31 March 2017<br>S\$'000 | Change<br>% |
|                                     | Current tax credit                              | 26  | 2           |
| Deferred tax credit/(expense)       | 827   | (3,311)   | n.m.        |
| Tax credit/(expense) for the period | 853   | (3,309)   | n.m.        |

### 1(b)(i) 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.

|                                  | Group               |                      |                  | Group                  |                      |                  |
|----------------------------------|---------------------|----------------------|------------------|------------------------|----------------------|------------------|
|                                  | As at 31 March 2018 |                      |                  | As at 31 December 2017 |                      |                  |
|                                  | Secured<br>S\$'000  | Unsecured<br>S\$'000 | Total<br>S\$'000 | Secured<br>S\$'000     | Unsecured<br>S\$'000 | Total<br>S\$'000 |
| Amount repayable within one year | 128,119             | 42,102               | 170,221          | 125,987                | 47,827               | 173,814          |
| Amount repayable after one year  | 163,581             | -                    | 163,581          | 160,164                | -                    | 160,164          |

The secured borrowings of the Group as at 31 March 2018 comprised of term loans and bonds secured by the following:

- (a) corporate guarantees from the Company;
- (b) personal, joint and several guarantees by certain shareholders;
- (c) charges created over the entire issued share capital of certain subsidiaries of the Company;
- (d) bank deposits of certain subsidiaries of the Company;
- (e) a deed of subordination in respect of amounts owing between certain subsidiaries of the Company;
- (f) pledge over intercompany loan between certain subsidiaries of the Company;
- (g) a fixed charge over the total assets of a subsidiary of the Group which mainly comprised of investment properties and cash and cash equivalents;
- (h) a charge created over an investment property under development of the Group;
- (i) a debenture over the assets and rights of a subsidiary pertaining to a development project of the Group; and
- (j) debenture over the Company's real property, tangible moveable property, the accounts, intellectual property, goodwill and rights in relation to the uncalled capital of the Company, investments, the shares, all dividends, interest and other monies payable in respect of the shares, all monetary claims other than any claims which are otherwise subject to a fixed charge or assignment pursuant to this debenture and all chattels hired, leased or rented from the Company by any other person.

**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>Group</b>   |  |
|---|--|--|
|   | <b>First Quarter ended<br/>31 March 2018<br/>S\$'000</b> | <b>First Quarter ended<br/>31 March 2017<br/>S\$'000</b> |
| <b>Cash flows from operating activities</b>                       |  |  |
| Loss after tax  | (2,738)  | (11,168)   |
| Adjustments for:  |  |  |
| Depreciation of property, plant and equipment                     | 497  | 276  |
| Amortisation of lease prepayments                                 | 11   | 70   |
| Amortisation of intangible assets                                 | 59   | 59   |
| Impairment losses on trade and other receivables                  | -  | 1,925  |
| Loss on disposal of property, plant and equipment                 | -  | 8  |
| Interest income   | (36)   | (105)  |
| Interest expense  | 3,236  | 6,474  |
| Share of losses of equity-accounted investees, net of tax         | 75   | -  |
| Tax (credit)/expense  | (853)  | 3,309  |
|   | <u>251</u>   | <u>848</u>   |
| Changes in working capital:                                       |  |  |
| - Inventories   | (169)  | (164)  |
| - Trade and other receivables                                     | 166  | (733)  |
| - Trade and other payables  | (1,532)  | 1,648  |
| Cash (used in)/generated from operations                          | (1,284)  | 1,599  |
| Tax paid  | (23)   | -  |
| <b>Net cash (used in)/generated from operating activities</b>     | <u>(1,307)</u>   | <u>1,599</u>   |
| <b>Cash flows from investing activities</b>                       |  |  |
| Additions to investment properties                                | -  | (3)  |
| Additions to investment properties under development              | (86)   | -  |
| Purchase of property, plant and equipment                         | (32)   | (154)  |
| Acquisition of subsidiaries, net of cash acquired                 | (2,120)  | -  |
| Interest received   | 36   | 105  |
| <b>Net cash used in investing activities</b>                      | <u>(2,202)</u>   | <u>(52)</u>  |
| <b>Cash flows from financing activities</b>                       |  |  |
| Proceeds from borrowings  | 6,653  | 16,702   |
| Repayment of borrowings   | (11,984)   | (12,052)   |
| Payment of finance lease liability                                | (106)  | (174)  |
| Interest paid   | (1,577)  | (4,621)  |
| Proceeds from issuance of shares                                  | 78,750   | -  |
| Issuance costs  | (1,300)  | -  |
| <b>Net cash generated from/(used in) financing activities</b>     | <u>70,436</u>  | <u>(145)</u>   |
| <b>Net increase in cash and cash equivalents</b>                  | 66,927   | 1,402  |
| <b>Cash and cash equivalents at beginning of financial period</b> | 21,530   | 15,186   |
| Effect of exchange rate fluctuations on cash and cash equivalents | 609  | 56   |
| <b>Cash and cash equivalents at end of financial period</b>       | <u>89,066</u>  | <u>16,644</u>  |

- 1(d) 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<br>S\$'000 | Total equity<br>S\$'000 |
|---|---------------------------------------|---|---------------------------|--------------------------------------|--------------------------------------|---|------------------|--------------------------------------|-------------------------|
|   | Share capital<br>S\$'000              | Foreign currency translation reserve<br>S\$'000 | Merger reserve<br>S\$'000 | Asset revaluation reserve<br>S\$'000 | Statutory surplus reserve<br>S\$'000 | Accumulated profits/(losses)<br>S\$'000 | Total<br>S\$'000 |                                      |                         |
| At 31 December 2017, as previously stated                               | 192,707                               | (6,538)   | (65,742)                  | 3,630                                | 327                                  | (86,423)                                | 37,961           | 74                                   | 38,035                  |
| Adoption of SFRS(I)1  | -                                     | 2,787   | -                         | -                                    | -                                    | (2,787)                                 | -                | -                                    | -                       |
| At 31 December 2017, as restated  | 192,707                               | (3,751)   | (65,742)                  | 3,630                                | 327                                  | (89,210)                                | 37,961           | 74                                   | 38,035                  |
| <b>Total comprehensive income for the period</b>                        |                                       |   |                           |                                      |                                      |   |                  |                                      |                         |
| Loss for the period   | -                                     | -   | -                         | -                                    | -                                    | (2,738)                                 | (2,738)          | -                                    | (2,738)                 |
| <b>Other comprehensive income</b>                                       |                                       |   |                           |                                      |                                      |   |                  |                                      |                         |
| Foreign currency translation differences relating to foreign operations | -                                     | 6,888   | -                         | -                                    | -                                    | -                                       | 6,888            | -                                    | 6,888                   |
| Total other comprehensive income  | -                                     | 6,888   | -                         | -                                    | -                                    | -                                       | 6,888            | -                                    | 6,888                   |
| <b>Total comprehensive income for the period</b>                        | -                                     | 6,888   | -                         | -                                    | -                                    | (2,738)                                 | 4,150            | -                                    | 4,150                   |
| <b>Transactions with owners, recognised directly in equity</b>          |                                       |   |                           |                                      |                                      |   |                  |                                      |                         |
| <b>Contributions by and distributions to owners</b>                     |                                       |   |                           |                                      |                                      |   |                  |                                      |                         |
| Issue of ordinary shares, net of issuance costs                         | 77,450                                | -   | -                         | -                                    | -                                    | -                                       | 77,450           | -                                    | 77,450                  |
| <b>Total contributions by and distributions to owners</b>               | 77,450                                | -   | -                         | -                                    | -                                    | -                                       | 77,450           | -                                    | 77,450                  |
| <b>Total transactions with owners</b>                                   | 77,450                                | -   | -                         | -                                    | -                                    | -                                       | 77,450           | -                                    | 77,450                  |
| At 31 March 2018  | 270,157                               | 3,137   | (65,742)                  | 3,630                                | 327                                  | (91,948)                                | 119,561          | 74                                   | 119,635                 |
| At 1 January 2017, as previously stated                                 | 192,707                               | (2,787)   | (65,742)                  | 3,630                                | 327                                  | 4,277                                   | 132,412          | (644)                                | 131,768                 |
| Adoption of SFRS(I)1  | -                                     | 2,787   | -                         | -                                    | -                                    | (2,787)                                 | -                | -                                    | -                       |
| At 1 January 2017, as restated  | 192,707                               | -   | (65,742)                  | 3,630                                | 327                                  | 1,490                                   | 132,412          | (644)                                | 131,768                 |
| <b>Total comprehensive income for the period</b>                        |                                       |   |                           |                                      |                                      |   |                  |                                      |                         |
| Loss for the period   | -                                     | -   | -                         | -                                    | -                                    | (11,168)                                | (11,168)         | -                                    | (11,168)                |
| <b>Other comprehensive income</b>                                       |                                       |   |                           |                                      |                                      |   |                  |                                      |                         |
| Foreign currency translation differences relating to foreign operations | -                                     | (367)   | -                         | -                                    | -                                    | -                                       | (367)            | -                                    | (367)                   |
| Total other comprehensive income  | -                                     | (367)   | -                         | -                                    | -                                    | -                                       | (367)            | -                                    | (367)                   |
| <b>Total comprehensive income for the period</b>                        | -                                     | (367)   | -                         | -                                    | -                                    | (11,168)                                | (11,535)         | -                                    | (11,535)                |
| At 31 March 2017  | 192,707                               | (367)   | (65,742)                  | 3,630                                | 327                                  | (9,678)                                 | 120,877          | (644)                                | 120,233                 |

- 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. (Continued)

| COMPANY  | Share capital<br>S\$'000 | Accumulated<br>losses<br>S\$'000 | Total equity<br>S\$'000 |
|--|--------------------------|----------------------------------|-------------------------|
| At 1 January 2018  | 192,707                  | (115,543)                        | 77,164                  |
| <b>Total comprehensive income for the period</b>               |                          |                                  |                         |
| Loss for the period  | -                        | (2,107)                          | (2,107)                 |
| <b>Total comprehensive income for the period</b>               | -                        | <b>(2,107)</b>                   | <b>(2,107)</b>          |
| <b>Transactions with owners, recognised directly in equity</b> |                          |                                  |                         |
| <b>Contributions by and distributions to owners</b>            |                          |                                  |                         |
| Issue of ordinary shares, net of issuance costs                | 77,450                   | -                                | 77,450                  |
| <b>Total contributions by and distributions to owners</b>      | <b>77,450</b>            | -                                | <b>77,450</b>           |
| <b>Total transactions with owners</b>                          | <b>77,450</b>            | -                                | <b>77,450</b>           |
| <b>At 31 March 2018</b>  | <b>270,157</b>           | <b>(117,650)</b>                 | <b>152,507</b>          |
| At 1 January 2017  | 192,707                  | (50,802)                         | 141,905                 |
| <b>Total comprehensive income for the period</b>               |                          |                                  |                         |
| Loss for the period  | -                        | (9,656)                          | (9,656)                 |
| <b>Total comprehensive income for the period</b>               | -                        | <b>(9,656)</b>                   | <b>(9,656)</b>          |
| <b>At 31 March 2017</b>  | <b>192,707</b>           | <b>(60,458)</b>                  | <b>132,249</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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

| <u>Ordinary shares issued and fully paid-up</u> | Number of<br>shares | Paid-up share<br>capital<br>S\$ |
|---|---------------------|---------------------------------|
| Balance as at 1 January 2018                    | 1,659,064,603       | 192,706,969                     |
| Issue of shares                                 | 562,500,000         | 78,750,000                      |
| Issuance costs                                  | -                   | (1,300,000)                     |
| Balance as at 31 March 2018                     | 2,221,564,603       | 270,156,969                     |

There were no outstanding convertibles, treasury shares or subsidiary holdings as at 31 March 2018 and 31 March 2017.

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

As at 31 March 2018, the Company had 2,221,564,603 issued and fully paid ordinary shares.

As at 31 December 2017, the Company had 1,659,064,603 issued and fully paid ordinary shares.

The Company did not have treasury shares as at the end of the respective period.

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

Not applicable.

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

Not applicable.

**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.**

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited consolidated financial statements for the financial 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 a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 31 March 2018.

In adopting SFRS(I)s, 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's opening balance sheet under SFRS(I)s has been prepared as at 1 January 2017, which is the Group's date of transition to SFRS(I)s.

a) Application of SFRS(I) 1

The Group has elected for the optional exemption to reset its cumulative foreign currency translation reserve for all foreign operations to nil at the date of transition at 1 January 2017. As a result, cumulative foreign currency translation losses of \$2,787,000 was reclassified from foreign currency translation reserve to retained earnings as at 1 January 2017. After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

The effects of the adoption of SFRS(I)1 are as follows:

|  | <b>Group</b>                            |   |
|--|---|---|
|  | <b>As at<br/>31.12.2017<br/>S\$'000</b> | <b>As at<br/>01.01.2017<br/>S\$'000</b> |
| <b>Statement of financial position</b>           |   |   |
| Increase in foreign currency translation reserve | 2,787                                   | 2,787                                   |
| Decrease in accumulated profits                  | (2,787)                                 | (2,787)                                 |

b) Adoption of SFRS(I)s

In addition, during the current financial year, the Group and the Company have adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s which took effect from financial year beginning 1 January 2018:

- SFRS(I) 15 *Revenue from Contracts with Customers* and Amendments to SFRS(I) 15 *Clarifications to SFRS(I) 15*
- SFRS(I) 9 *Financial Instruments*
- Amendments to SFRS(I) 1-40 *Transfers of Investment Property*
- Amendments to SFRS(I) 1 *Deletion of short-term exemptions for first-time adopters*
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of these SFRS(I)s, amendments and interpretations of SFRS(I)s did not have any significant impact on the financial statements of the Group.

**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>Group</b>                                 |  |
|--|--|--|
|  | <b>First Quarter ended<br/>31 March 2018</b> | <b>First Quarter ended<br/>31 March 2017</b> |
| Net loss attributable to owners of the Company (S\$'000) | (2,738)                                      | (11,168)                                     |
| Weighted average number of ordinary shares in issue      | 1,940,314,603                                | 1,659,064,603                                |
| Basic earnings per share (Singapore cents)               | <u>(0.141)</u>                               | <u>(0.673)</u>                               |

Basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 31 March 2018 and 31 March 2017 respectively.

**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>Group</b>                |                             | <b>Company</b>              |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.12.2017</b> | <b>As at<br/>31.03.2018</b> | <b>As at<br/>31.12.2017</b> |
| Net asset value attributable to owners of the Company (S\$'000) | 119,561                     | 37,961                      | 152,507                     | 77,164                      |
| Number of ordinary shares in issue                              | 2,221,564,603               | 1,659,064,603               | 2,221,564,603               | 1,659,064,603               |
| Net asset value per ordinary share (Singapore cents)            | <u>5.38</u>                 | <u>2.29</u>                 | <u>6.86</u>                 | <u>4.65</u>                 |



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.

**Review of financial performance for first quarter ended 31 March 2018 ("1Q2018")**

**1Q2018 vs 1Q2017**

**(a) Revenue**

Revenue for 1Q2018 decreased by S\$0.6 million to S\$9.8 million as compared to S\$10.5 million for 1Q2017.

The decrease was due mainly to lower revenue recorded by the Wuxi New District Phoenix Hospital and the China drug distribution business. Revenue from rental of the Japan nursing facilities was stable in Japanese Yen ("**JPY**") terms but was lower when translated to the Singapore dollar ("**SGD**") due to lower 1Q2018 average exchange rate as compared with the average exchange rate for 1Q2017.

**(b) Gross profit**

Gross profit and gross profit margin for 1Q2018 were stable as compared to 1Q2017.

**(c) Administrative expenses**

Administrative expenses increased by S\$1.0 million to S\$3.8 million as compared to S\$2.8 million in 1Q2017. The increase was due mainly to higher staff and related cost incurred in 1Q2018.

**(d) Other expenses, net**

The other expenses incurred in 1Q2017 related mainly to the impairment loss of S\$1.9 million on trade and other receivables. There was no impairment in 1Q2018.

**(e) Finance costs**

Finance costs decreased by S\$3.7 million to S\$4.2 million in 1Q2018. The decrease was due mainly to:

- (i) interest savings of S\$1.2 million and lower amortisation costs of S\$1.3 million following the refinancing of the Japan TMK bonds in July 2017;
- (ii) interest savings of S\$1.6 million relating to the redemption of the S\$50.0 million 6% Medium Term Notes Series 001 ("**MTN-001**") and the S\$50.0 million 7% Medium Term Notes Series 002 ("**MTN-002**"); and
- (iii) interest savings of S\$0.7 million from the repayment of various high cost borrowings.

The decrease was partially offset by interest cost of S\$1.6 million incurred on loans received from Treasure International Holdings Pte. Ltd. ("**TIHPL**") and OUE Treasury Pte. Ltd. ("**OUE Treasury**"), which are wholly-owned subsidiaries of OUE Limited ("**OUE**"). Please refer to the circular to shareholders dated 29 June 2017, notice of Extraordinary General Meeting ("**EGM**") dated 29 June 2017 and results of EGM dated 14 July 2017 for further details on the loans.

**(f) Loss after tax**

The Group recorded a loss after tax of S\$2.7 million in 1Q2018.

## **Review of Statement of Financial Position as at 31 March 2018**

- (a) Non-current assets increased by S\$16.4 million from S\$424.0 million as at 31 December 2017 to S\$440.4 million as at 31 March 2018. The increase was due mainly to:
- (i) a S\$9.6 million increase in the carrying value of investment properties arising from the strengthening of the JPY exchange rate as at 31 March 2018 compared with the closing exchange rate as at 31 December 2017 for the Japan nursing facilities;
  - (ii) a S\$2.5 million increase in the carrying value of investment properties under development arising from the strengthening of the Chinese Renminbi and Malaysian Ringgit exchange rates as at 31 March 2018 compared with the closing exchange rates as at 31 December 2017 for the properties in China and Malaysia;
  - (iii) recognition of goodwill of S\$2.9 million and investment in joint venture of S\$1.6 million arising from the acquisition of 100% equity interest in Brainy World Holdings Limited (“BWH”), which indirectly holds a 50% interest in a Sino-foreign joint venture company, China Merchants Lippo Hospital Management (Shenzhen) Limited. The Group is currently performing a purchase price allocation (“PPA”) exercise on its investment in BWH and accordingly, the fair value of the assets acquired and the liabilities assumed at the acquisition date may be adjusted subsequently when the PPA exercise is completed by the end of the financial year.
- (b) Current assets increased by S\$67.8 million from S\$64.4 million as at 31 December 2017 to S\$132.2 million as at 31 March 2018. The increase was due mainly to the net proceeds of S\$77.5 million received from the placement of 562,500,000 new shares to Browny Healthcare Pte Ltd, which resulted in an increase of S\$67.5 million in cash and cash equivalents.
- (c) Non-current liabilities increased by S\$3.9 million from S\$204.3 million as at 31 December 2017 to S\$208.2 million as at 31 March 2018. The increase was due mainly to:
- (i) a net increase in loans and borrowings of S\$3.4 million arising from an increase of S\$5.0 million from the revaluation of loans denominated in Japanese Yen and Malaysian Ringgit due to the strengthening of these currencies against the Singapore dollar, partially offset by a reclassification of loans and borrowings of S\$1.5 million from non-current liabilities to current liabilities; and
  - (ii) an increase in provision for deferred tax liabilities of S\$0.2 million.
- (d) Current liabilities decreased by S\$1.4 million from S\$246.1 million as at 31 December 2017 to S\$244.7 million as at 31 March 2018. The decrease was due mainly to:
- (i) a net decrease of S\$3.6 million in loans and borrowings as a result of the full redemption of the balance of S\$5.8 million owing under MTN-001 in 1Q2018, which was partially offset by the reclassification of S\$1.5 million from non-current liabilities and the drawdown of working capital loan of S\$0.7 million by the China drug distribution business; and
  - (ii) partially offset by an increase in trade and other payables of S\$2.2 million, mainly due to accrued interest payable and consolidation of liabilities following the acquisition of BWH.

## **Review of Cashflow and Working Capital**

- (a) Operating activities utilised net cash of S\$1.3 million, mainly for the payment of trade and other payables.
- (b) Investing activities utilised net cash of S\$2.2 million, which was due mainly to the acquisition of subsidiaries in 1Q2018.
- (c) Financing activities provided net cash of S\$70.4 million. Proceeds from borrowings comprised mainly short-term bank loans obtained. Borrowings repaid during the quarter included repayment of the balance outstanding under MTN-001 and a short-term bank loan. Net proceeds from the placement of new shares to Browny Healthcare Pte Ltd amounted to S\$77.5 million.

(d) As at 31 March 2018, the Group's net current liabilities amounted to S\$112.5 million. The current liabilities include shareholders' loans of S\$165.4 million from TIHPL and OUE Treasury.

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

Not applicable. No forecast or prospect statement has been previously disclosed.

**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.**

In the last 12 months, the Company had put in place various strategic initiatives to enable the Group to rebuild its financial health and also, to develop and expand its network in Asia. The key initiatives included the acquisition of a 100% stake in Brainy World Holdings Limited, which holds a 50% interest in a sino-foreign joint venture with China Merchants Landmark (Shenzhen) Co., Ltd, and the placement of 562,500,000 new shares to Brownly Healthcare Pte Ltd, which is an indirect wholly owned subsidiary of ITOCHU Corporation.

The Group remains focused on rebuilding its financial position, developing its pan-Asian healthcare capabilities and providing high quality and sustainable healthcare facilities by leveraging on the strengths of its major shareholders as well as strategic partnerships with local and industry leaders.

**11. If a decision regarding dividend has been made:-**

**(a) Whether an interim/final ordinary dividend has been declared/recommended; and**

None.

**(b)(i) Amount per share (cents)**

Not applicable.

**(b)(ii) Previous corresponding period (cents)**

Not applicable.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable**

Not applicable.

**(e) Books closure date**

Not applicable.

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

Not applicable.

**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 Group has not obtained a general mandate from shareholders for any Interested Person Transactions.

**14. Use of Proceeds**

There is no update to the announcement dated 12 April 2018 on the use of proceeds arising from the Placement of 562,500,000 new ordinary shares in the share capital of the Company. The Company will make further announcement(s) on the use of the remaining net proceeds as and when they are materially disbursed.

**15. Confirmation Pursuant to Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

**16. Negative Confirmation by the Board pursuant to Rule 705(5) of Catalist Rules**

We, Mr Eric Sho Kian Hin and Dr Wong Weng Hong, being two directors of OUE Lippo Healthcare Limited, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**") that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the financial period ended 31 March 2018 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Dr. Wong Weng Hong**  
**Executive Director**

**9 May 2018**

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*This announcement has been prepared by OUE Lippo Healthcare Limited (the "Company") and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship. (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049418 and Email: sponsorship@ppcf.com.sg).*