

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR SECOND QUARTER ENDED 30 JUNE 2019
PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1 (a) Statement of Comprehensive Income

	Second Quarter ended 30.06.2019	Second Quarter ended 30.06.2018	Change	Six Months ended 30.06.2019	Six Months ended 30.06.2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing Operations						
Revenue	4,751	4,915	-3%	9,531	10,072	-5%
Less: Cost of sales	(1,182)	(1,195)	-1%	(2,436)	(2,811)	-13%
Gross profit	3,569	3,720	-4%	7,095	7,261	-2%
Less: Administrative expenses	(3,394)	(3,369)	1%	(8,030)	(6,489)	+24%
Add: Other income	-	-	n.m.	1,562	-	n.m.
	175	351	-50%	627	772	-19%
Finance income	41	126	-67%	114	162	-29%
Finance costs	(1,678)	(1,938)	-13%	(4,090)	(6,087)	-33%
Net finance costs	(1,637)	(1,812)	-10%	(3,976)	(5,925)	-33%
Share of profit/(loss) of equity-accounted Investees, net of tax	2,235	(104)	n.m.	4,771	(179)	n.m.
Profit/(Loss) before tax	773	(1,565)	n.m.	1,422	(5,332)	n.m.
Tax (expense)/credit	(629)	(633)	n.m.	(1,088)	220	n.m.
Profit/(Loss) after tax from Continuing Operations	144	(2,198)	n.m.	334	(5,112)	n.m.
Discontinued Operations						
Loss from Discontinued Operation, net of tax	-	(708)	n.m.	-	(532)	n.m.
Profit/(Loss) for the year	144	(2,906)	n.m.	334	(5,644)	n.m.
Other comprehensive income:						
<i>Items that are or may be reclassified subsequently to profit or loss</i>						
Foreign currency translation differences relating to foreign operations	3,647	(2,406)	n.m.	7,308	4,482	+63%
Share of currency translation differences of equity-accounted investees	(2)	-	n.m.	(12)	-	n.m.
Share of fair value reserve of an equity-accounted investee	983	-	n.m.	970	-	n.m.
Other comprehensive income, net of tax	4,628	(2,406)	n.m.	8,266	4,482	+84%
Total comprehensive income for the period	4,772	(5,312)	n.m.	8,600	(1,162)	n.m.
Profit/(Loss) attributable to:						
Owners of the Company	144	(2,906)	n.m.	334	(5,644)	n.m.
Total comprehensive income attributable to:						
Owners of the Company	4,772	(5,312)	n.m.	8,600	(1,162)	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) Statements of Financial Position

	Group		Company	
	30.06.2019 S\$'000	31.12.2018 S\$'000	30.06.2019 S\$'000	31.12.2018 S\$'000
ASSETS				
Property, plant and equipment	31,789	31,683	275	302
Intangible assets and goodwill	3,150	3,310	-	-
Investment properties	302,605	290,231	-	-
Investment properties under development	92,909	93,663	-	-
Lease prepayments	4,529	4,595	-	-
Right-of-use assets	358	-	227	-
Associate and joint ventures	175,132	145,347	40,553	40,553
Subsidiaries	-	-	119,038	119,038
Trade and other receivables	-	-	10,282	9,874
Non-current assets	610,472	568,829	170,375	169,767
Inventories	331	261	-	-
Trade and other receivables	45,538	41,431	302,677	285,034
Cash and cash equivalents	28,779	60,442	5,688	40,413
Current assets	74,648	102,134	308,365	325,447
Total assets	685,120	670,963	478,740	495,214
LIABILITIES				
Loans and borrowings	141,049	138,042	-	-
Trade and other payables	7,790	7,481	489	558
Lease liabilities	50	-	24	-
Deferred tax liabilities	40,046	37,957	-	-
Non-current liabilities	188,935	183,480	513	558
Loans and borrowings	170,227	169,965	165,601	165,601
Trade and other payables	30,970	30,089	45,485	56,487
Provisions	40,719	42,079	40,719	42,079
Lease liabilities	336	-	232	-
Current tax liabilities	12	1	-	-
Current liabilities	242,264	242,134	252,037	264,167
Total liabilities	431,199	425,614	252,550	264,725
NET ASSETS	253,921	245,349	226,190	230,489
EQUITY				
Share capital	418,913	418,913	418,913	418,913
Merger reserve	(65,742)	(65,742)	-	-
Asset revaluation reserve	3,630	3,630	-	-
Foreign currency translation reserve	(458)	(7,754)	-	-
Fair value reserve	(4,601)	(5,571)	-	-
Accumulated losses	(97,900)	(98,206)	(192,723)	(188,424)
Equity attributable to owner of the Company	253,842	245,270	226,190	230,489
Non-controlling interests	79	79	-	-
Total equity	253,921	245,349	226,190	230,489

Notes to the Financial Statements

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

	Group					
	Second Quarter ended	Second Quarter ended	Change	Six Months ended	Six Months ended	Change
	30.06.2019	30.06.2018		30.06.2019	30.06.2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible assets	57	61	-6.6	115	120	-4.2
Amortisation of lease prepayments	10	11	-9.1	21	22	-4.5
Foreign exchange (gains), net	(748)	(1,060)	-29.4	(724)	(148)	n.m.
Depreciation of property, plant and equipment	228	493	-53.8	462	990	-53.3
Depreciation of right-of-use assets	87	-	n.m.	174	-	n.m.
Interest income	(41)	(126)	-67.5	(114)	(162)	-29.6
Interest expenses	2,425	2,999	-19.1	4,813	6,235	-22.8

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

	Group					
	Second Quarter ended	Second Quarter ended	Change	Six Months ended	Six Months ended	Change
	30.06.2019	30.06.2018		30.06.2019	30.06.2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax (expense)/credit	(10)	(1)	>100	(12)	25	n.m.
Deferred tax (expense)/credit	(619)	(632)	-2.1	(1,076)	195	n.m.
Tax (expense)/credit for the period	(629)	(633)	-0.6	(1,088)	220	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 30.06.2019			As at 31.12.2018		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable within one year	129,704	40,523	170,227	129,441	40,524	169,965
Amount repayable after one year	141,049	-	141,049	138,042	-	138,042

The secured borrowings of the Group as at 30 June 2019 comprised of term loans and bonds secured by the following:

- corporate guarantees from the Company;
- personal, joint and several guarantees by certain shareholders;
- a fixed charge over the total assets of a subsidiary of the Group which mainly comprised of investment properties and cash and cash equivalents;
- a charge created over an investment property under development of the Group;
- a debenture over the assets and rights of a subsidiary pertaining to a development project of the Group; and
- 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) Consolidated Statements of Cash Flows

	Group			
	Second Quarter ended 30.06.2019 S\$'000	Second Quarter ended 30.06.2018 S\$'000	Six Months ended 30.06.2019 S\$'000	Six Months ended 30.06.2018 S\$'000
Cash flows from operating activities				
Profit/(Loss) after tax	144	(2,906)	334	(5,644)
Adjustments for:				
Depreciation of property, plant and equipment	228	493	462	990
Amortisation of lease prepayments	10	11	21	22
Amortisation of intangible assets	57	61	115	120
Depreciation of right-of-use assets	87	-	174	-
Loss on disposal of property, plant and equipment	-	1	-	1
Interest income	(41)	(126)	(114)	(162)
Interest expense	2,425	2,999	4,813	6,235
Share of (profit)/loss of equity-accounted investees, net of tax	(2,235)	104	(4,771)	179
Tax expense/(credit)	629	633	1,088	(220)
	1,304	1,270	2,122	1,521
Changes in working capital:				
Inventories	85	321	(203)	152
Trade and other receivables	(2,674)	717	(8,221)	883
Trade and other payables	(1,529)	(2,476)	2,142	(4,008)
Cash used in operations	(2,814)	(168)	(4,160)	(1,452)
Tax paid	-	-	(1)	(23)
Net cash used in operating activities	(2,814)	(168)	(4,161)	(1,475)
Cash flows from investing activities				
Additions to investment properties	(381)	(157)	(381)	(157)
Additions to investment properties under development	-	-	-	(86)
Dividends from an equity-accounted investee	1,797	-	3,594	-
Acquisition of equity-accounted investees	(27,591)	-	(27,591)	(2,120)
Interest received	41	126	114	162
Proceeds from sale of property, plant and equipment	-	-	27	-
Purchase of property, plant and equipment	(287)	(89)	(981)	(121)
Net cash used in investing activities	(26,421)	(120)	(25,218)	(2,322)
Cash flows from financing activities				
Proceeds from borrowings	-	-	504	6,653
Proceeds from issue of share capital	-	-	-	78,750
Repayment of borrowings	(1,099)	(19,825)	(2,199)	(31,809)
Payment of finance lease liability	(86)	-	(173)	(106)
Interest paid	(458)	(1,427)	(1,000)	(3,004)
Payment of transaction costs related to issuance of share capital	-	-	-	(1,300)
Net cash (used in)/generated from financing activities	(1,643)	(21,252)	(2,868)	49,184
Net (decrease)/increase in cash and cash equivalents	(30,878)	(21,540)	(32,247)	45,387
Cash and cash equivalents at beginning of financial period	59,110	89,066	60,442	21,530
Effect of exchange rate fluctuations on cash and cash equivalents	547	(208)	584	401
Cash and cash equivalents at end of financial period	28,779	67,318	28,779	67,318

1(d) Statement of Changes in Equity

GROUP	Attributable to owners of the Company									
	Share capital S\$'000	Merger reserve S\$'000	Asset revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Statutory surplus reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2019, as previously reported	418,913	(65,742)	3,630	(7,754)	(5,571)	-	(98,206)	245,270	79	245,349
Impact of change in accounting policy	-	-	-	-	-	-	(28)	(28)	-	(28)
Adjusted balance at 1 January 2019	418,913	(65,742)	3,630	(7,754)	(5,571)	-	(98,234)	245,242	79	245,321
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	190	190	-	190
Other comprehensive income										
Foreign currency translation differences relating to foreign operations	-	-	-	3,661	-	-	-	3,661	-	3,661
Share of foreign currency translation differences of an equity-accounted investee	-	-	-	(10)	-	-	-	(10)	-	(10)
Share of fair value reserve of an equity-accounted investee	-	-	-	-	(13)	-	-	(13)	-	(13)
Total other comprehensive income	-	-	-	3,651	(13)	-	-	3,638	-	3,638
Total comprehensive income for the period	-	-	-	3,651	(13)	-	190	3,828	-	3,828
At 31 March 2019	418,913	(65,742)	3,630	(4,103)	(5,584)	-	(98,044)	249,070	79	249,149
At 1 April 2019	418,913	(65,742)	3,630	(4,103)	(5,584)	-	(98,044)	249,070	79	249,149
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	144	144	-	144
Other comprehensive income										
Foreign currency translation differences relating to foreign operations	-	-	-	3,647	-	-	-	3,647	-	3,647
Share of foreign currency translation differences of an equity-accounted investee	-	-	-	(2)	-	-	-	(2)	-	(2)
Share of fair value reserve of an equity-accounted investee	-	-	-	-	983	-	-	983	-	983
Total other comprehensive income	-	-	-	3,645	983	-	-	4,628	-	4,628
Total comprehensive income for the period	-	-	-	3,645	983	-	144	4,772	-	4,772
At 30 June 2019	418,913	(65,742)	3,630	(458)	(4,601)	-	(97,900)	253,842	79	253,921

GROUP	Attributable to owners of the Company									
	Share capital S\$'000	Merger reserve S\$'000	Asset revaluation reserve S\$'000	Foreign currency translation reserve S\$'000	Fair value reserve S\$'000	Statutory surplus reserve S\$'000	Accumulated losses S\$'000	Total S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
At 1 January 2018	192,707	(65,742)	3,630	(3,751)	-	327	(89,210)	37,961	74	38,035
Total comprehensive income for the period										
Loss for the period	-	-	-	-	-	-	(2,738)	(2,738)	-	(2,738)
Other comprehensive income										
Foreign currency translation differences relating to foreign operations	-	-	-	6,888	-	-	-	6,888	-	6,888
Total other comprehensive income	-	-	-	6,888	-	-	-	6,888	-	6,888
Total comprehensive income for the period	-	-	-	6,888	-	-	(2,738)	4,150	-	4,150
Transaction with owners, recognised directly in equity										
Contributions by owners										
Issue of ordinary shares, net of issuance costs	77,450	-	-	-	-	-	-	77,450	-	77,450
Total contributions by and distributions to owners	77,450	-	-	-	-	-	-	77,450	-	77,450
Total transactions with owners	77,450	-	-	-	-	-	-	77,450	-	77,450
At 31 March 2018	270,157	(65,742)	3,630	3,137	-	327	(91,948)	119,561	74	119,635
At 1 April 2018	270,157	(65,742)	3,630	3,137	-	327	(91,948)	119,561	74	119,635
Total comprehensive income for the period										
Loss for the period	-	-	-	-	-	-	(2,906)	(2,906)	-	(2,906)
Other comprehensive income										
Foreign currency translation differences relating to foreign operations	-	-	-	(2,406)	-	-	-	(2,406)	-	(2,406)
Total other comprehensive income	-	-	-	(2,406)	-	-	-	(2,406)	-	(2,406)
Total comprehensive income for the period	-	-	-	(2,406)	-	-	(2,906)	(5,312)	-	(5,312)
At 30 June 2018	270,157	(65,742)	3,630	731	-	327	(94,854)	114,249	74	114,323

1(d)(i) Statement of Changes in Equity (Continued)

COMPANY	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
At 1 January 2019, as previously reported	418,913	(188,424)	230,489
Impact of change in accounting policy	-	(27)	(27)
Adjusted balance at 1 January 2019	418,913	(188,451)	230,462
Total comprehensive income for the period			
Loss for the period	-	(2,631)	(2,631)
Total comprehensive income for the period	-	(2,631)	(2,631)
At 31 March 2019	418,913	(191,082)	227,831
At 1 April 2019	418,913	(191,082)	227,831
Total comprehensive income for the period			
Loss for the period	-	(1,641)	(1,641)
Total comprehensive income for the period	-	(1,641)	(1,641)
At 30 June 2019	418,913	(192,723)	226,190
At 1 January 2018	192,707	(122,882)	69,825
Total comprehensive income for the period			
Loss for the period	-	(2,107)	(2,107)
Total comprehensive income for the period	-	(2,107)	(2,107)
Transaction with owners, recognized directly in equity			
Contributions by owners			
Issue of ordinary shares, net of issuance costs	77,450	-	77,450
Total contributions by and distributions to owners	77,450	-	77,450
Total transactions with owners	77,450	-	77,450
At 31 March 2018	270,157	(124,989)	145,168
At 1 April 2018	270,157	(124,989)	145,168
Total comprehensive income for the period			
Loss for the period	-	(3,111)	(3,111)
Total comprehensive income for the period	-	(3,111)	(3,111)
At 30 June 2018	270,157	(128,100)	142,057

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 shares	Paid-up share capital S\$
Balance as at 30 June 2019 and 31 March 2019	4,443,129,206	418,912,580

There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2019 and 30 June 2018.

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

As at 30 June 2019 and 31 December 2018, the Company had 4,443,129,206 issued and fully paid-up 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 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.**

The Group and the Company adopted the following new SFRS(I)s, amendments and interpretations of SFRS(I)s effective from 1 January 2019:

- SFRS(I)16 *Leases*
- SFRS(I) INT 23 *Uncertainty over Income Tax Treatments*
- *Long-term Interests in Associates and Joint Ventures* (Amendments to SFRS(I) 1-28)
- *Prepayment Features with Negative Compensation* (Amendments to SFRS(I) 9)
- *Previously Held Interest in a Joint Operation* (Amendments to SFRS(I) 3 and 11)
- *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to SFRS(I) 1-12)
- *Borrowing Costs Eligible for Capitalisation* (Amendments to SFRS(I)1-23)
- *Plan Amendment, Curtailment or Settlement* (Amendments to SFRS(I)1-19)

The adoption of the above new SFRS(I)s, amendments and interpretations of SFRS(I)s is assessed to have no material financial effect on the results and financial position of the Group and the Company for the year ending 31 December 2019 except for SFRS(I)16 Leases. The Group and the Company's assessment of SFRS(I)16, which are expected to have a more significant impact on the Group and the Company are described below.

SFRS(I) 16

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group and the Company have adopted SFRS(I) 16 with a date of initial application on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting SFRS(I) 16 recognised as an adjustment to the opening balance of accumulated losses at 1 January 2019, with no restatement of comparative information.

The following reconciliation summarises the impact on initial application of SFRS(I)16 on the Group's consolidated statement of financial position as at 1 January 2019.

	1 January 2019		
	As previously reported S\$'000	Adjustments S\$'000	As restated S\$'000
ASSETS			
Property, plant and equipment	31,683	-	31,683
Intangible assets and goodwill	3,310	-	3,310
Investment properties	290,231	-	290,231
Investment properties under development	93,663	-	93,663
Lease prepayments	4,595	-	4,595
Right-of-use assets	-	532	532
Associate and joint ventures	145,347	-	145,347
Non-current assets	568,829	532	569,361
Inventories	261	-	261
Trade and other receivables	41,431	-	41,431
Cash and cash equivalents	60,442	-	60,442
Current assets	102,134	-	102,134
Total assets	670,963	532	671,495
LIABILITIES			
Loans and borrowings	138,042	-	138,042
Trade and other payables	7,481	-	7,481
Lease liabilities	-	220	220
Deferred tax liabilities	37,957	-	37,957
Non-current liabilities	183,480	220	183,700
Loans and borrowings	169,965	-	169,965
Trade and other payables	30,089	-	30,089
Provisions	42,079	-	42,079
Lease liabilities	-	340	340
Current tax liabilities	1	-	1
Current liabilities	242,134	340	242,474
Total liabilities	425,614	560	426,174
NET ASSETS	245,349	(28)	245,321
EQUITY			
Share capital	418,913	-	418,913
Merger reserve	(65,742)	-	(65,742)
Asset revaluation reserve	3,630	-	3,630
Foreign currency translation reserve	(7,754)	-	(7,754)
Fair value reserve	(5,571)	-	(5,571)
Accumulated losses	(98,206)	(28)	(98,234)
Equity attributable to owner of the Company	245,270	(28)	245,242
Non-controlling interests	79	-	79
Total equity	245,349	(28)	245,321

The following reconciliation summarises the impact on initial application of SFRS(I)16 on the Company's statement of financial position as at 1 January 2019.

	1 January 2019		
	As previously reported S\$'000	Adjustments S\$'000	As restated S\$'000
ASSETS			
Property, plant and equipment	302	-	302
Right-of-use assets	-	349	349
Associate and joint ventures	40,553	-	40,553
Subsidiaries	119,038	-	119,038
Trade and other receivables	9,874	-	9,874
Non-current assets	169,767	349	170,116
Trade and other receivables	285,034	-	285,034
Cash and cash equivalents	40,413	-	40,413
Current assets	325,447	-	325,447
Total assets	495,214	349	495,563
LIABILITIES			
Trade and other payables	558	-	558
Lease liabilities	-	140	140
Non-current liabilities	558	140	698
Loans and borrowings	165,601	-	165,601
Trade and other payables	56,487	-	56,487
Provisions	42,079	-	42,079
Lease liabilities	-	236	236
Current liabilities	264,167	236	264,403
Total liabilities	264,725	376	265,101
NET ASSETS	230,489	(27)	230,462
EQUITY			
Share capital	418,913	-	418,913
Accumulated losses	(188,424)	(27)	(188,451)
Total equity	230,489	(27)	230,462

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

	Group			
	Second Quarter ended 30.06.2019	Second Quarter ended 30.06.2018	Six Months ended 30.06.2019	Six Months ended 30.06.2018
Net profit/(loss) attributable to owners of the Company (S\$'000)	144	(2,906)	334	(5,644)
Weighted average number of ordinary shares in issue	4,443,129,206	2,221,564,603	4,443,129,206	2,081,716,537
Basic earnings per share (Singapore cents)	0.003	(0.131)	0.008	(0.271)

Basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2019 and 30 June 2018 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.

	Group		Company	
	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
Net asset value attributable to owners of the Company (S\$'000)	253,842	245,270	226,190	230,489
Number of ordinary shares in issue	4,443,129,206	4,443,129,206	4,443,129,206	4,443,129,206
Net asset value per ordinary share (Singapore cents)	5.71	5.52	5.09	5.19

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 of Continuing Operations for the 2nd quarter ended 30 June 2019 ("2Q2019")

2Q2019 vs 2Q2018

- (a) Revenue**
The Group's revenue for 2Q2019 decreased by S\$164,000 to S\$4.8 million. The decrease was due mainly to lower revenue from the China pharmaceutical distribution business. Revenue from rental of the Japan nursing facilities was stable as compared to 2Q2018.
- (b) Cost of sales**
The Group's cost of sales for 2Q2019 of S\$ 1.2 million was relatively unchanged compared to 2Q2018.
- (c) Gross profit**
The Group's gross profit for 2Q2019 decreased by S\$151,000 to S\$3.6 million. The decrease was due mainly to repairs and maintenance costs incurred in relation to the Japan nursing facilities during the quarter.
- (d) Administrative expenses**
The Group's administrative expenses for 2Q2019 of S\$ 3.4 million was relatively unchanged compared with 2Q2018.
- (e) Depreciation and amortization**
Depreciation of property, plant and equipment decreased by S\$ 265,000 to S\$ 228,000 for 2Q2019. The decrease was due mainly to the deconsolidation of Wuxi New District Phoenix Hospital. Please refer to the commentary on Discontinued Operation below.
- (f) Finance income**
The finance income relates to fixed deposit interests earned. The decrease compared with 2Q2018 was due to lower fixed deposits balances during the current quarter.
- (g) Finance costs**
The Group's finance costs decreased by S\$ 260,000 to S\$1.7 million in 2Q2019. The decrease was due mainly to the repayment of a high interest borrowing in 2Q2018. Accordingly, there was no such borrowing in 2Q2019. The decrease was partly offset by lower foreign exchange gain.

(h) Share of results of equity-accounted investees, net of tax

The Group's share of profits of equity-accounted investees of S\$2.2 million relates to the share of results from First Real Estate Investment Trust ("**First REIT**") and its manager, Bowsprit Capital Corporation Limited, and the Group's joint ventures in China and Myanmar.

(i) Tax expense

The tax expense of S\$0.6 million was relates mainly to the provision for deferred tax liabilities in relation to the Group's operations in Japan.

(j) Profit after tax from Continuing Operations

The Group recorded a profit after tax from its Continuing Operations of S\$144,000 for 2Q2019.

Review of financial performance of Discontinued Operation

(a) Loss from Discontinued Operation

There is no financial impact from Discontinued Operation in 2Q2019. For 2Q2018, Discontinued Operation recorded a loss of S\$ 0.7 million.

The Discontinued Operation refers to the operation of the Wuxi New District Phoenix Hospital in Wuxi, Jiangsu Province, the People's Republic of China. Please refer to the announcements dated 6 August 2018 and 23 August 2018.

Review of Statement of Financial Position as at 30 June 2019

(a) Non-current assets increased by S\$ 41.6 million to S\$ 610.5 million as at 30 June 2019. The increase was due mainly to:

(i) an increase in the Group's investment in associate and joint ventures of S\$29.8 million arising from:

i. the completion of the acquisition of the stakes in Yoma Siloam Hospital Pun Hlaing Limited and Pun Hlaing International Hospital Limited ("**Myanmar acquisitions**") (Please refer to the announcement dated 24 April 2019.); and

ii. recognition of the Group's net share of profits of equity accounted investees of S\$2.2 million.

(ii) an increase of S\$12.4 million in the carrying value of the Group's investment properties in Japan due to the strengthening of the Japanese Yen as at 30 June 2019. The increase was partly offset by a weaker Chinese Yuan on the value of the Group's investment properties under development in China.

(b) Current assets decreased by S\$ 27.5 million to S\$ 74.6 million. The decrease was due mainly to the decrease in cash and cash equivalents following the completion of the Myanmar acquisitions. The decrease was partly offset by an increase in trade and other receivables, which was due mainly to deposits placed in relation to the actions taken to enforce the Singapore arbitration award against David Lin.

(c) Non-current liabilities increased by S\$ 5.5 million to S\$ 188.9 million. The increase was due mainly to the impact of a stronger Japanese Yen on loans and borrowings, deferred tax liabilities and trade and other payables.

(d) Current liabilities increased marginally by S\$ 0.1 million to S\$ 242.3 million. The increase was due mainly to accrued interest on loans and borrowings [and recognition of lease liabilities as required under SFRS(I) 16], which was partly offset by a decrease in provisions.

Review of 2Q2019 Cashflows and Working Capital

- (a) Operating activities utilised net cash of S\$2.8 million, which was due mainly to deposits placed in relation to the actions taken to enforce the Singapore arbitration award.
- (b) Investing activities utilised net cash of S\$26.4 million, which was due mainly to the completion of the Myanmar acquisitions and partly offset by distributions received from First REIT during the quarter.
- (c) Financing activities utilised net cash of S\$1.6 million, which was due mainly to repayment of borrowings and interest.
- (d) As at 30 June 2019, the Group's net current liabilities amounted to S\$ 167.6 million. The current liabilities include shareholder's loans and accrued interest totalling S\$ 178.6 million.

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.

The Group remains cautiously optimistic about the prospects of the healthcare businesses in our Pan-Asian markets. While global economic conditions remain uncertain, OUE Lippo Healthcare Limited (“OUE LH”) believes that the healthcare sector in Asia will continue to see domestically-driven growth, albeit at a slower pace, brought by various government reforms.

China

While the Chinese economy has slowed down in 2019 amidst trade tensions, we believe that the healthcare market in China will continue to be supported by evolving government policies and steady domestic demand¹.

With OUE LH's diversified properties and hospital management projects in key Chinese cities, China continues to be a core market in our Pan-Asian network and the Company believes that we remain well-positioned to capture the growing healthcare opportunities in China.

Myanmar

Myanmar's economic outlook remains positive, with growth projected at 6.7 percent by 2020/21². With the liberalisation of government policies and introduction of government reforms, the country's domestic landscape continues to evolve.

OUE LH's presence in the key cities of Yangon, Mandalay and Taunggyi puts the Company in a favourable position to capture the wealth of growth opportunities in the fast-growing Myanmar market.

Indonesia

The economic outlook for Indonesia remains stable and the re-election of the incumbent president provides for a mandate of policy continuity and growth.

Demand for private healthcare in Indonesia continues to rise with the growing nationwide adoption of the national health insurance scheme. Healthcare spending in Indonesia has also been projected to rise to Rp1,224 trillion by 2027³, which bodes well for our strategic investments in First REIT and its manager Bowsprit Capital Corporation Limited. First REIT is the first listed healthcare real estate investment trust with

¹ <https://www.straitstimes.com/asia/east-asia/premier-li-says-china-woefully-lacking-in-services-pledges-increased-government>

² <https://www.worldbank.org/en/country/myanmar/publication/myanmar-economic-monitor-reforms-building-momentum-for-growth>

³ 20 April 2018, Healthcare Asia Magazine - Indonesia's healthcare spending to balloon to \$47.1b by 2022

a portfolio of 20 properties across Asia including 16 properties in Indonesia, 3 nursing homes in Singapore and 1 hospital in South Korea.

Japan

While growth is moderately reducing in pace, Japan remains a very stable and mature economy with a balanced import-export market. The ageing population in Japan will continue to be a key healthcare pillar of the country, as seen from the consistently positive performance of the Company's twelve nursing homes with an average occupancy rate of more than 85%.

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/recommended, a statement to that effect, and the reason(s) for the decision.

No dividend has been declared/recommended as the Company currently does not have profits available for the declaration of dividend.

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 further update to the announcement made on 24 April 2019 on the use of proceeds arising from the placement of 562,500,000 new ordinary shares to Browny Healthcare Pte Ltd.

The Company will make further announcement(s) on the use of the remaining net proceeds from the Placements 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

Pursuant to Rule 705(5) of Catalist Rules, the Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company and the Group for the quarter ended 30 June 2019 to be false or misleading.

BY ORDER OF THE BOARD OF DIRECTORS

Mr Yet Kum Meng
Executive Director and Chief Executive Officer
7 August 2019

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist..

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the 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).