

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

	Third Quarter ended 30.09.2019	Third Quarter ended 30.09.2018	Change	Nine Months ended 30.09.2019	Nine Months ended 30.09.2018	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Continuing Operations</b>						
<b>Revenue</b>	5,000	4,850	3	14,531	14,922	(3)
Less: Cost of sales	(1,103)	(1,137)	(3)	(3,539)	(3,948)	(10)
<b>Gross profit</b>	3,897	3,713	5	10,992	10,974	<1
Less: Administrative expenses	(3,625)	(6,353)	(43)	(11,655)	(12,842)	(9)
Add: Other income	-	-	n.m.	1,562	-	n.m.
	272	(2,640)	n.m.	899	(1,868)	n.m.
Finance income	48	130	(63)	162	292	(45)
Finance costs	(1,317)	(2,177)	(40)	(5,407)	(8,264)	(35)
<b>Net finance costs</b>	(1,269)	(2,047)	(38)	(5,245)	(7,972)	(34)
Share of profit/(loss) of equity-accounted Investees, net of tax	2,015	(130)	n.m.	6,786	(309)	n.m.
<b>Profit/(Loss) before tax</b>	1,018	(4,817)	n.m.	2,440	(10,149)	n.m.
Tax (expense)/credit	(684)	(54)	n.m.	(1,772)	166	n.m.
<b>Profit/(Loss) after tax from Continuing Operations</b>	334	(4,871)	n.m.	668	(9,983)	n.m.
<b>Discontinued Operations</b>						
Loss from Discontinued Operation, net of tax	-	-	n.m.	-	(532)	n.m.
<b>Profit/(Loss) for the period</b>	334	(4,871)	n.m.	668	(10,515)	n.m.
<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	992	(5,492)	n.m.	8,300	(1,010)	n.m.
Foreign currency translation differences realised on deconsolidation of a subsidiary reclassified to profit or loss	-	(509)	n.m.	-	(509)	n.m.
Share of currency translation differences of equity-accounted investees	23	-	n.m.	12	-	n.m.
Share of fair value reserve of an equity-accounted investee	(477)	-	n.m.	493	-	n.m.
Other comprehensive income, net of tax	538	(6,001)	n.m.	8,805	(1,519)	n.m.
<b>Total comprehensive income for the period</b>	872	(10,872)	n.m.	9,473	(12,034)	n.m.
<b>Profit/(Loss) attributable to:</b>						
Owners of the Company	334	(4,871)	n.m.	668	(10,515)	n.m.
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	872	(10,872)	n.m.	9,473	(12,034)	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	
	30.09.2019 S\$'000	31.12.2018 S\$'000	30.09.2019 S\$'000	31.12.2018 S\$'000
<b>ASSETS</b>				
Property, plant and equipment	31,604	31,683	254	302
Intangible assets and goodwill	3,134	3,310	-	-
Investment properties	307,809	290,231	-	-
Investment properties under development	92,879	93,663	-	-
Lease prepayments	4,460	4,595	-	-
Right-of-use assets	289	-	184	-
Associate and joint ventures	174,920	145,347	40,553	40,553
Subsidiaries	-	-	119,038	119,038
Trade and other receivables	-	-	10,445	9,874
<b>Non-current assets</b>	615,095	568,829	170,474	169,767
Inventories	276	261	-	-
Trade and other receivables	49,930	41,431	308,447	285,034
Cash and cash equivalents	26,501	60,442	6,401	40,413
<b>Current assets</b>	76,707	102,134	314,848	325,447
<b>Total assets</b>	691,802	670,963	485,322	495,214
<b>LIABILITIES</b>				
Loans and borrowings	141,281	138,042	-	-
Trade and other payables	7,914	7,481	489	558
Lease liabilities	142	-	141	-
Deferred tax liabilities	41,045	37,957	-	-
<b>Non-current liabilities</b>	190,382	183,480	630	558
Loans and borrowings	175,270	169,965	165,601	165,601
Trade and other payables	31,278	30,089	56,075	56,487
Provisions	39,892	42,079	39,892	42,079
Lease liabilities	164	-	60	-
Current tax liabilities	23	1	-	-
<b>Current liabilities</b>	246,627	242,134	261,628	264,167
<b>Total liabilities</b>	437,009	425,614	262,258	264,725
<b>NET ASSETS</b>	254,793	245,349	223,064	230,489
<b>EQUITY</b>				
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	557	(7,754)	-	-
Fair value reserve	(5,078)	(5,571)	-	-
Accumulated losses	(97,566)	(98,206)	(195,849)	(188,424)
<b>Equity attributable to owner of the Company</b>	254,714	245,270	223,064	230,489
Non-controlling interests	79	79	-	-
<b>Total equity</b>	254,793	245,349	223,064	230,489

## Notes to the Financial Statements

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

	Group					
	Third Quarter ended	Third Quarter ended	Change	Nine Months ended	Nine Months ended	Change
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible assets	56	57	(2)	171	177	(3)
Amortisation of lease prepayments	11	4	<i>n.m.</i>	32	26	23
Foreign exchange gains, net	(1,138)	(294)	<i>n.m.</i>	(1,862)	(442)	<i>n.m.</i>
Depreciation of property, plant and equipment	226	164	38	688	1,154	(40)
Depreciation of right-of-use assets	68	-	<i>n.m.</i>	242	-	<i>n.m.</i>
Interest income	(48)	(130)	(63)	(162)	(292)	(45)
Interest expenses	2,455	2,471	(1)	7,269	8,706	(17)
Loss on deconsolidation of a subsidiary	-	497	<i>n.m.</i>	-	497	<i>n.m.</i>

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

	Group					
	Third Quarter ended	Third Quarter ended	Change	Nine Months ended	Nine Months ended	Change
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax (expense)/credit	(11)	-	<i>n.m.</i>	(23)	25	<i>n.m.</i>
Deferred tax (expense)/credit	(673)	(54)	<i>n.m.</i>	(1,749)	141	<i>n.m.</i>
Tax (expense)/credit for the period	(684)	(54)	<i>n.m.</i>	(1,772)	166	<i>n.m.</i>

### 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 30.09.2019			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	134,747	40,523	175,270	129,441	40,524	169,965
Amount repayable after one year	141,281	-	141,281	138,042	-	138,042

The secured borrowings of the Group as at 30 September 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			
	Third Quarter ended 30.09.2019 S\$'000	Third Quarter ended 30.09.2018 S\$'000	Nine Months ended 30.09.2019 S\$'000	Nine Months ended 30.09.2018 S\$'000
<b>Cash flows from operating activities</b>				
Profit/(Loss) after tax	334	(4,871)	668	(10,515)
Adjustments for:				
Depreciation of property, plant and equipment	226	164	688	1,154
Amortisation of lease prepayments	11	4	32	26
Amortisation of intangible assets	56	57	171	177
Depreciation of right-of-use assets	68	-	242	-
Loss on disposal of a subsidiary	-	497	-	497
Loss on disposal of property, plant and equipment	-	-	-	1
Interest income	(48)	(130)	(162)	(292)
Interest expense	2,455	2,471	7,269	8,706
Share of (profit)/loss of equity-accounted investees, net of tax	(2,015)	130	(6,786)	309
Tax expense/(credit)	684	54	1,772	(166)
	1,771	(1,624)	3,894	(103)
Changes in working capital:				
Inventories	124	292	(79)	444
Trade and other receivables	4,666	(4,125)	(3,555)	(3,242)
Trade and other payables	(5,091)	4,553	(2,949)	545
	1,470	(904)	(2,689)	(2,356)
Tax paid	-	-	(1)	(23)
<b>Net cash generated from/(used in) operating activities</b>	1,470	(904)	(2,690)	(2,379)
<b>Cash flows from investing activities</b>				
Additions to investment properties	(407)	(225)	(788)	(382)
Additions to investment properties under development	-	(244)	-	(330)
Disposal of a subsidiary, net of cash disposed of	-	(294)	-	(294)
Dividends from an equity-accounted investee	1,798	-	5,392	-
Acquisition of subsidiaries, net of cash acquired	-	-	-	(2,120)
Acquisition of equity-accounted investees	-	-	(27,591)	-
Interest received	48	130	162	292
Proceeds from sale of property, plant and equipment	-	-	27	-
Purchase of property, plant and equipment	(523)	(9)	(1,504)	(130)
Advance to Joint Venture partner	(4,110)	-	(4,110)	-
Loans to Joint Venture	(2,755)	-	(2,755)	-
<b>Net cash used in investing activities</b>	(5,949)	(642)	(31,167)	(2,964)
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	4,150	-	4,654	6,653
Proceeds from issue of share capital	-	-	-	78,750
Repayment of borrowings	(1,134)	(632)	(3,333)	(32,441)
Payment of finance lease liability	(79)	-	(252)	(106)
Interest paid	(972)	(676)	(1,972)	(3,680)
Payment of transaction costs related to issuance of share capital	-	-	-	(1,300)
<b>Net cash generated from/(used in) financing activities</b>	1,965	(1,308)	(903)	47,876
<b>Net (decrease)/increase in cash and cash equivalents</b>	(2,514)	(2,854)	(34,760)	42,533
<b>Cash and cash equivalents at beginning of financial period</b>	28,779	67,318	60,442	21,530
Effect of exchange rate fluctuations on cash and cash equivalents	236	(391)	819	10
<b>Cash and cash equivalents at end of financial period</b>	26,501	64,073	26,501	64,073

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
<b>At 1 January 2019, as previously reported</b>	<b>418,913</b>	<b>(65,742)</b>	<b>3,630</b>	<b>(7,754)</b>	<b>(5,571)</b>	-	<b>(98,206)</b>	<b>245,270</b>	<b>79</b>	<b>245,349</b>
Impact of change in accounting policy	-	-	-	-	-	-	(28)	(28)	-	(28)
<b>Adjusted balance at 1 January 2019</b>	<b>418,913</b>	<b>(65,742)</b>	<b>3,630</b>	<b>(7,754)</b>	<b>(5,571)</b>	-	<b>(98,234)</b>	<b>245,242</b>	<b>79</b>	<b>245,321</b>
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	334	334	-	334
<b>Other comprehensive income</b>										
Foreign currency translation differences relating to foreign operations	-	-	-	7,308	-	-	-	7,308	-	7,308
Share of foreign currency translation differences of an equity-accounted investee	-	-	-	(12)	-	-	-	(12)	-	(12)
Share of fair value reserve of an equity-accounted investee	-	-	-	-	970	-	-	970	-	970
Total other comprehensive income	-	-	-	7,296	970	-	-	8,266	-	8,266
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,296</b>	<b>970</b>	<b>-</b>	<b>334</b>	<b>8,600</b>	<b>-</b>	<b>8,600</b>
<b>At 30 June 2019</b>	<b>418,913</b>	<b>(65,742)</b>	<b>3,630</b>	<b>(458)</b>	<b>(4,601)</b>	-	<b>(97,900)</b>	<b>253,842</b>	<b>79</b>	<b>253,921</b>
<b>At 1 July 2019</b>	<b>418,913</b>	<b>(65,742)</b>	<b>3,630</b>	<b>(458)</b>	<b>(4,601)</b>	-	<b>(97,900)</b>	<b>253,842</b>	<b>79</b>	<b>253,921</b>
<b>Total comprehensive income for the period</b>										
Profit for the period	-	-	-	-	-	-	334	334	-	334
<b>Other comprehensive income</b>										
Foreign currency translation differences relating to foreign operations	-	-	-	992	-	-	-	992	-	992
Share of foreign currency translation differences of an equity-accounted investee	-	-	-	23	-	-	-	23	-	23
Share of fair value reserve of an equity-accounted investee	-	-	-	-	(477)	-	-	(477)	-	(477)
Total other comprehensive income	-	-	-	1,015	(477)	-	-	538	-	538
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,015</b>	<b>(477)</b>	<b>-</b>	<b>334</b>	<b>872</b>	<b>-</b>	<b>872</b>
<b>At 30 September 2019</b>	<b>418,913</b>	<b>(65,742)</b>	<b>3,630</b>	<b>557</b>	<b>(5,078)</b>	-	<b>(97,566)</b>	<b>254,714</b>	<b>79</b>	<b>254,793</b>

**Attributable to owners of the Company**

<b>GROUP</b>	<b>Share capital</b> S\$'000	<b>Merger reserve</b> S\$'000	<b>Asset revaluation reserve</b> S\$'000	<b>Foreign currency translation reserve</b> S\$'000	<b>Fair value reserve</b> S\$'000	<b>Statutory surplus reserve</b> S\$'000	<b>Accumulated losses</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling interests</b> S\$'000	<b>Total equity</b> S\$'000
<b>At 1 January 2018</b>	<b>192,707</b>	<b>(65,742)</b>	<b>3,630</b>	<b>(3,751)</b>	<b>-</b>	<b>327</b>	<b>(89,210)</b>	<b>37,961</b>	<b>74</b>	<b>38,035</b>
<b>Total comprehensive income for the period</b>										
Loss for the period	-	-	-	-	-	-	(5,644)	(5,644)	-	(5,644)
<b>Other comprehensive income</b>										
Foreign currency translation differences relating to foreign operations	-	-	-	4,482	-	-	-	4,482	-	4,482
Total other comprehensive income	-	-	-	4,482	-	-	-	4,482	-	4,482
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,482</b>	<b>-</b>	<b>-</b>	<b>(5,644)</b>	<b>(1,162)</b>	<b>-</b>	<b>(1,162)</b>
<b>Transaction with owners, recognised directly in equity</b>										
<b>Contributions by 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>	<b>77,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,450</b>	<b>-</b>	<b>77,450</b>
<b>Total transactions with owners</b>	<b>77,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,450</b>	<b>-</b>	<b>77,450</b>
<b>At 30 June 2018</b>	<b>270,157</b>	<b>(65,742)</b>	<b>3,630</b>	<b>731</b>	<b>-</b>	<b>327</b>	<b>(94,854)</b>	<b>114,249</b>	<b>74</b>	<b>114,323</b>
<b>At 1 July 2018</b>	<b>270,157</b>	<b>(65,742)</b>	<b>3,630</b>	<b>731</b>	<b>-</b>	<b>327</b>	<b>(94,854)</b>	<b>114,249</b>	<b>74</b>	<b>114,323</b>
<b>Total comprehensive income for the period</b>										
Loss for the period	-	-	-	-	-	-	(4,871)	(4,871)	-	(4,871)
<b>Other comprehensive income</b>										
Foreign currency translation differences relating to foreign operations	-	-	-	(5,492)	-	-	-	(5,492)	-	(5,492)
Foreign currency translation differences realised on deconsolidation of a subsidiary reclassified to profit or loss	-	-	-	(509)	-	-	-	(509)	-	(509)
Total other comprehensive income	-	-	-	(6,001)	-	-	-	(6,001)	-	(6,001)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,001)</b>	<b>-</b>	<b>-</b>	<b>(4,871)</b>	<b>(10,872)</b>	<b>-</b>	<b>(10,872)</b>
<b>Transaction with owners, recognized directly in equity</b>										
<b>Changes in ownership interests in a subsidiary</b>										
Disposal of interests in a subsidiary	-	-	-	-	-	(327)	322	(5)	5	-
<b>Total changes in ownership interests in a subsidiary</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(327)</b>	<b>322</b>	<b>(5)</b>	<b>5</b>	<b>-</b>
<b>Total transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(327)</b>	<b>322</b>	<b>(5)</b>	<b>5</b>	<b>-</b>
<b>At 30 September 2018</b>	<b>270,157</b>	<b>(65,742)</b>	<b>3,630</b>	<b>(5,270)</b>	<b>-</b>	<b>-</b>	<b>(99,403)</b>	<b>103,372</b>	<b>79</b>	<b>103,451</b>

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

COMPANY	Share capital	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000
<b>At 1 January 2019, as previously reported</b>	<b>418,913</b>	<b>(188,424)</b>	<b>230,489</b>
Impact of change in accounting policy	-	(27)	(27)
<b>Adjusted balance at 1 January 2019</b>	<b>418,913</b>	<b>(188,451)</b>	<b>230,462</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(4,272)	(4,272)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(4,272)</b>	<b>(4,272)</b>
<b>At 30 June 2019</b>	<b>418,913</b>	<b>(192,723)</b>	<b>226,190</b>
<b>At 1 July 2019</b>	<b>418,913</b>	<b>(192,723)</b>	<b>226,190</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(3,126)	(3,126)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(3,126)</b>	<b>(3,126)</b>
<b>At 30 September 2019</b>	<b>418,913</b>	<b>(195,849)</b>	<b>223,064</b>
<b>At 1 January 2018</b>	<b>192,707</b>	<b>(122,882)</b>	<b>69,825</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(5,218)	(5,218)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(5,218)</b>	<b>(5,218)</b>
<b>Transaction with owners, recognized directly in equity</b>			
<b>Contributions by 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>-</b>	<b>77,450</b>
<b>Total transactions with owners</b>	<b>77,450</b>	<b>-</b>	<b>77,450</b>
<b>At 30 June 2018</b>	<b>270,157</b>	<b>(128,100)</b>	<b>142,057</b>
<b>At 1 July 2018</b>	<b>270,157</b>	<b>(128,100)</b>	<b>142,057</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(5,746)	(5,746)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(5,746)</b>	<b>(5,746)</b>
<b>At 30 September 2018</b>	<b>270,157</b>	<b>(133,846)</b>	<b>136,311</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 shares	Paid-up share capital S\$
Balance as at 30 September 2019 and 30 June 2019	4,443,129,206	418,912,580

There were no outstanding convertibles, treasury shares or subsidiary holdings as at 30 September 2019 and 30 September 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 September 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	Adjustments	As restated
	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>			
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
<b>Non-current assets</b>	<b>568,829</b>	<b>532</b>	<b>569,361</b>
Inventories	261	-	261
Trade and other receivables	41,431	-	41,431
Cash and cash equivalents	60,442	-	60,442
<b>Current assets</b>	<b>102,134</b>	<b>-</b>	<b>102,134</b>
<b>Total assets</b>	<b>670,963</b>	<b>532</b>	<b>671,495</b>
<b>LIABILITIES</b>			
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
<b>Non-current liabilities</b>	<b>183,480</b>	<b>220</b>	<b>183,700</b>
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
<b>Current liabilities</b>	<b>242,134</b>	<b>340</b>	<b>242,474</b>
<b>Total liabilities</b>	<b>425,614</b>	<b>560</b>	<b>426,174</b>
<b>NET ASSETS</b>	<b>245,349</b>	<b>(28)</b>	<b>245,321</b>
<b>EQUITY</b>			
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)
<b>Equity attributable to owner of the Company</b>	<b>245,270</b>	<b>(28)</b>	<b>245,242</b>
Non-controlling interests	79	-	79
<b>Total equity</b>	<b>245,349</b>	<b>(28)</b>	<b>245,321</b>

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
<b>ASSETS</b>			
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
<b>Non-current assets</b>	<b>169,767</b>	<b>349</b>	<b>170,116</b>
Trade and other receivables	285,034	-	285,034
Cash and cash equivalents	40,413	-	40,413
<b>Current assets</b>	<b>325,447</b>	<b>-</b>	<b>325,447</b>
<b>Total assets</b>	<b>495,214</b>	<b>349</b>	<b>495,563</b>
<b>LIABILITIES</b>			
Trade and other payables	558	-	558
Lease liabilities	-	140	140
<b>Non-current liabilities</b>	<b>558</b>	<b>140</b>	<b>698</b>
Loans and borrowings	165,601	-	165,601
Trade and other payables	56,487	-	56,487
Provisions	42,079	-	42,079
Lease liabilities	-	236	236
<b>Current liabilities</b>	<b>264,167</b>	<b>236</b>	<b>264,403</b>
<b>Total liabilities</b>	<b>264,725</b>	<b>376</b>	<b>265,101</b>
<b>NET ASSETS</b>	<b>230,489</b>	<b>(27)</b>	<b>230,462</b>
<b>EQUITY</b>			
Share capital	418,913	-	418,913
Accumulated losses	(188,424)	(27)	(188,451)
<b>Total equity</b>	<b>230,489</b>	<b>(27)</b>	<b>230,462</b>

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

	Group			
	Third Quarter ended 30.09.2019	Third Quarter ended 30.09.2018	Nine Months ended 30.09.2019	Nine Months ended 30.09.2018
Net profit/(loss) attributable to owners of the Company (S\$'000)	334	(4,871)	668	(10,515)
Weighted average number of ordinary shares in issue	4,443,129,206	2,221,564,603	4,443,129,206	2,128,844,823
Basic earnings per share (Singapore cents)	0.008	(0.219)	0.015	(0.494)

Basic and diluted earnings per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 September 2019 and 30 September 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 30.09.2019	As at 31.12.2018	As at 30.09.2019	As at 31.12.2018
Net asset value attributable to owners of the Company (S\$'000)	254,714	245,270	223,064	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)	5.73	5.52	5.02	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 third quarter ended 30 September 2019 ("3Q2019")**

**3Q2019 vs 3Q2018**

**(a) Revenue**

The Group's revenue for 3Q2019 has been relatively stable for the quarter. The marginal increase was due mainly to the effect of a stronger Japanese Yen on the rental income from the Japan nursing facilities.

**(b) Cost of sales**

The Group's cost of sales for 3Q2019 was marginally lower compared to 3Q2018 due mainly to lower sales recorded by the China pharmaceutical distribution business.

**(c) Gross profit**

The increase in gross profit for 3Q2019 was due mainly to the increase in revenue from the Japan nursing facilities.

**(d) Administrative expenses**

The Group's administrative expenses for 3Q2019 decreased to S\$3.6 million due mainly to lower legal and professional fees incurred.

**(e) Depreciation and amortization**

Aggregate depreciation and amortization increased to S\$361,000 in 3Q2019 due mainly to the impact of the adoption of SFRS(I) 16 Leases.

**(f) Finance income**

The finance income relates to fixed deposit interests earned. The decrease compared with 3Q2018 was due to lower fixed deposits balances during the current quarter.

**(g) Finance costs**

The Group's finance costs decreased to S\$1.3 million in 3Q2019. Total interest expenses remained stable at S\$2.5 million. This was offset by higher foreign exchange gains recorded during the quarter.

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

The Group's share of profits of equity-accounted investees of S\$2.0 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 mainly relates to the provision of 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\$334,000 for 3Q2019 compared with a loss of S\$4.9 million in the corresponding period.

**Review of financial performance of Discontinued Operation**

**(a) Discontinued Operation**

There is no financial impact from Discontinued Operation in 3Q2019.

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 also refer to the announcements dated 6 August 2018 and 23 August 2018.

**Review of Statement of Financial Position as at 30 September 2019**

(a) Non-current assets increased to S\$615.1 million as at 30 September 2019 due mainly to:

- (i) an increase in the Group's investment in associate and joint ventures of S\$29.6 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 share of results of equity accounted investees.
- (ii) an increase of S\$17.6 million in the carrying value of the Group's investment properties due mainly to the stronger Japanese Yen on the carrying value of the nursing facilities in Japan.

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 to S\$76.7 million 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 to S\$190.4 million due mainly to the impact of a stronger Japanese Yen on loans and borrowings, and Yen denominated liabilities.

(d) Current liabilities increased to S\$246.6 million due mainly to accrued interest and an increase in loans and borrowings, and the recognition of lease liabilities under SFRS(I) 16, which was partly offset by a decrease in provisions.

## **Review of 3Q2019 Cashflows and Working Capital**

- a) Operating activities generated net cash of S\$1.5 million after adjustments for non-cash items, reclassification adjustments and working capital changes.
- b) Investing activities utilised net cash of S\$5.9 million. Advance to a Joint Venture partner and loan to Joint Venture amounted to S\$4.1 million and S\$2.7 million respectively. During the quarter, distribution received from First REIT amounted to S\$1.8 million.
- c) Financing activities provided net cash of S\$2.0 million, comprising proceeds from borrowings of S\$4.2 million less repayment of borrowings and interest totaling S\$2.2 million.
- d) As at 30 September 2019, the Group's net current liabilities amounted to S\$169.9 million. The current liabilities include shareholder's loans and accrued interest totaling S\$184.4 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.**

Amidst continuing global economic uncertainties, OUE Lippo Healthcare Limited (“**OUELH**” and together with its subsidiaries the “**Group**”) is cautiously optimistic about the growth opportunities with positive healthcare trends in its key markets such as the ongoing healthcare and foreign investments reforms in China and Myanmar.

### China

While the Chinese economy has slowed down during the year amidst trade tensions, the healthcare market in China remains robust, underpinned by steady domestic demand. With the country's comprehensive healthcare reforms to provide accessible healthcare at affordable costs<sup>1</sup>, complemented by the landmark foreign investment law, it creates an increasingly conducive climate for international healthcare companies like OUELH to tap on growing opportunities in China.

In October 2019, the Group announced that it has acquired a new hospital in the Jiangsu Province, further expanding its hospital operations in China. From 1 November 2019, the Group took over the full operating control of the Grade II Hospital in the city of Wuxi, Jiangsu. The acquisition puts the Group in good stead to capitalise on the opportunities found in the second largest contributing province to the country's GDP<sup>2</sup>.

### Myanmar

With Myanmar's new national health policy to be completed by 2020, the government has identified and prioritised its healthcare reform efforts on aspects including government and private sector cooperation, as well as the development of health and hospital information system<sup>3</sup>. The positive development of the country's healthcare infrastructure is in line with the government's aim to provide universal healthcare coverage by 2030. OUELH's joint venture in Myanmar, comprising three hospitals, a medical centre and two clinics, puts the Group in a favourable position to benefit from the fast-growing market.

### Indonesia

The Indonesian market continues to show growth with the Indonesian government planning to raise spending by 8.5% to Rp2,540 trillion in 2020 and the economic growth target has been set at 5.3% next year<sup>4</sup>. The healthcare market remains resilient in Indonesia and the Asia Pacific region, with the demand for healthcare being supported by positive demographic and socio-economic factors.

### Japan

Japan's economy continues to be stable amidst global uncertainties with an annualized growth rate of approximately 1.8 percent in the second quarter of 2019<sup>5</sup>. The Group believes that its twelve nursing homes will continue to serve as a stable source of income in the current economic climate and with an aging Japan population.

<sup>1</sup> "Background on China's new healthcare reforms" Retrieved from: [http://www.xinhuanet.com/english/2019-06/06/c\\_138119729.htm](http://www.xinhuanet.com/english/2019-06/06/c_138119729.htm)

<sup>2</sup> "Background on Jiangsu and Singapore-Jiangsu economic relations" Retrieved from: <https://www.enterprisesg.gov.sg/media-centre/media-releases/2019/september/singapore-professional-services-companies-band-together-to-seize-opportunities-in-jiangsu>

<sup>3</sup> "Background on Myanmar's national health policy" Retrieved from: <https://elevenmyanmar.com/news/new-national-health-policy-prioritizes-nine-sectors>

<sup>4</sup> "Indonesia to raise spending by 8.5% to 2,540t rupiah in 2020" Retrieved from: <https://www.businesstimes.com.sg/government-economy/indonesia-to-raise-spending-by-85-to-2540t-rupiah-in-2020>

<sup>5</sup> "Japan Posts Surprising Growth, but Economic Threats Loom" Retrieved from: <https://www.nytimes.com/2019/08/08/business/japan-economy.html>

**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 or recommended after taking into consideration of the Group's cash flow requirements.

**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**

Placement of 562,500,000 new ordinary shares in the capital of the Company to Browny Healthcare Pte Ltd ("**Placement**")

Further to the announcement made on 24 April 2019 on the change in and update on the use of proceeds from Placement, the remaining proceeds have been fully utilised as of 30 September 2019.

<b>Use of Placement Net Proceeds</b>	<b>Amount allocated S\$'000</b>	<b>Amount utilised S\$'000</b>	<b>Amount unutilised S\$'000</b>
Repayment of loans and borrowings	26,000	26,000	-
General working capital <sup>(1)</sup>	24,150	24,150	-
Development of healthcare business and healthcare related projects	27,300	27,300	-
<b>Total</b>	<b>77,450</b>	<b>77,450</b>	<b>-</b>

**Note:**

<sup>(1)</sup> Mainly relating to payroll, bank interest, legal and other professional fees, and other corporate expenditures.

**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 September 2019 to be false or misleading.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Mr Yet Kum Meng**  
**Executive Director and Chief Executive Officer**  
**13 November 2019**

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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") 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 assumes 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).*