LAFE CORPORATION LIMITED

Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2016

(All in US Dollars)

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

1(a)(i) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Year ended 31 Dec,		
	2016	**2015**	Increase/ (decrease)
	US$'000	US$'000	%
Revenue	**11,610**	**12,626**	**(8)**
Cost of sales	(8,662)	(8,916)	(3)
Gross profit	**2,948**	**3,710**	**(21)**
Other net loss	(5,116)	(28,954)	(82)
Administrative costs	(8,188)	(10,611)	(23)
Finance costs	(547)	(949)	(42)
Loss before taxation	**(10,903)**	**(36,804)**	**(70)**
Taxation	1,121	(28)	n/m
Net loss for the year	**(9,782)**	**(36,832)**	**(73)**
Other comprehensive (loss)/income			
Items that are or may be reclassified subsequently to profit or loss:			
Reclassification of exchange reserve to profit or loss arising from disposal of foreign subsidiaries	-	(7,016)	n/m
Fair value changes on available-for-sale investments	(3)	-	n/m
Currency translation differences arising on consolidation	(50)	155	n/m
Item that will not be reclassified subsequently to profit or loss:			
Revaluation gain on property, plant and equipment	12	366	n/m
Other comprehensive loss for the year	**(41)**	**(6,495)**	**(99)**
Total comprehensive loss for the year	**(9,823)**	**(43,327)**	**(77)**

1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the statement of profit or loss and other comprehensive income or in the notes to the statement of profit or loss and other comprehensive income for the current financial period reported on and the corresponding period of the immediately preceding financial year:

	Year ended 31 Dec,		
	2016	**2015**	Increase/ (decrease)
	US$'000	US$'000	%
Depreciation of property, plant and equipment	(181)	(326)	(44)
Gain / (loss) on disposal of property, plant and equipment	47	(21)	n/m
Loss on reversal of the previously recognised additional compensation on disposal of the Panyu property	-	(25,782)	n/m
Gain on disposal of a foreign subsidiary	-	2,134	n/m
Impairment loss on goodwill	(520)	-	n/m
Impairment loss on trademark	(5,096)	-	n/m
Provision for rental guarantee	(735)	-	n/m
Net foreign currency exchange loss	(516)	(3,942)	(87)
Reversal of / (allowance for) impairment on receivables	22	(310)	n/m
Write-off of bad debts	(8)	(43)	(81)
Write-back of trade and other payables	68	65	5
Extension fees on investment property	-	(1,603)	n/m
Interest income	1,563	458	241
Interest on bank and other borrowings	(270)	(613)	(56)
Discount on provision unwound	(270)	(95)	184

n/m – not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31/12/2016	As at 31/12/2015	As at 31/12/2016	As at 31/12/2015
	US$'000	US$'000	US$'000	US$'000
Non-current assets				
Property, plant and equipment	5,306	5,547	-	-
Investments in subsidiaries	-	-	-	-
Available-for-sale investments	11	-	8	-
Non-trade receivable from a related party	41,142	42,004	-	-
Non-trade receivable from a subsidiary	-	-	-	36,180
Trademark	5,220	10,321	-	-
Goodwill	-	520	-	-
Other non-current assets	246	-	-	4,328
	51,925	**58,392**	**8**	**40,508**
Current assets				
Trade and other receivables	1,991	1,598	-	-
Other current assets	270	479	23	1,170
Non-trade receivable from a related party	-	24,672	-	24,672
Non-trade receivables from subsidiaries	-	-	71,948	8,901
Cash and cash equivalents	12,809	1,313	3	5
	15,070	**28,062**	**71,974**	**34,748**
Current liabilities				
Trade and other payables	1,892	2,831	224	230
Non-trade payable to related parties	10	6,155	-	-
Short-term bank loans	181	185	-	-
Provisions	1,762	1,805	1,762	1,805
Tax payable	16	27	-	-
	3,861	**11,003**	**1,986**	**2,035**
Net current assets	**11,209**	**17,059**	**69,988**	**32,713**
Total assets less current liabilities	**63,134**	**75,451**	**69,996**	**73,221**
Non-current liabilities				
Long-term bank loans	1,779	2,001	-	-
Provisions	5,196	6,327	4,933	6,086
Deferred tax liabilities	775	1,916	-	-
	7,750	**10,244**	**4,933**	**6,086**
NET ASSETS	**55,384**	**65,207**	**65,063**	**67,135**

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. - *continued*

	Group		Company	
	As at 31/12/2016	**As at 31/12/2015**	**As at 31/12/2016**	**As at 31/12/2015**
	US$'000	US$'000	US$'000	US$'000
CAPITAL AND RESERVES				
Share capital	50,667	50,667	50,667	50,667
Reserves	4,717	14,540	14,396	16,468
	55,384	**65,207**	**65,063**	**67,135**

1(b)(ii) In relation to the aggregate amount of 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:-

Amount repayable in one year or less, or on demand

As at 31 December 2016	
Secured	Unsecured
US$'000	US$'000
181	NIL

As at 31 December 2015	
Secured	Unsecured
US$'000	US$'000
185	6,155

Amount repayable after one year

As at 31 December 2016	
Secured	Unsecured
US$'000	US$'000
1,779	NIL

As at 31 December 2015	
Secured	Unsecured
US$'000	US$'000
2,001	NIL

Details of any collateral

The Group's secured borrowings are bank loans secured by the land and building of the Group.

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.

	Year ended 31 Dec,	
	2016	**2015**
	US$'000	US$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	**(10,903)**	**(36,804)**
Adjustments for :		
Depreciation of property, plant and equipment	181	326
Provision for staff benefits	22	(58)
(Reversal of) / allowance for impairment on receivables	(22)	310
Write-off of bad debts	8	43
Reversal of the outstanding additional compensation previously recognised on disposal of the Panyu property	-	16,812
Impairment loss on goodwill	520	-
Impairment loss on trademark	5,096	-
Provision for rental guarantee	735	-
Gain on disposal of a foreign subsidiary	-	(2,134)
Write-back of trade and other payables	(68)	(65)
(Gain) / loss on disposal of property, plant and equipment	(47)	21
Discount on provision unwound	270	95
Interest expenses	270	613
Interest income	(1,563)	(458)
Unrealised currency translation gain	(195)	-
Operating cash flow before working capital changes	**(5,696)**	**(21,299)**
Changes in working capital		
Trade and other receivables and other current assets	(421)	5,883
Trade and other payables	(831)	6,213
Provisions	(2,136)	(471)
Currency translation adjustments	284	3,209
Cash used in operations	**(8,800)**	**(6,465)**
Taxation paid	(30)	(18)
Interest paid	(300)	(594)
Interest received	1,554	458
Net cash used in operating activities	**(7,576)**	**(6,619)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(37)	(30)
Proceeds from disposal of property, plant and equipment	47	115
Non-trade receivable from a related party	25,664	-
Proceeds from disposal of a foreign subsidiary #	-	2,167
Net cash generated from investing activities	**25,674**	**2,252**
CASH FLOWS FROM FINANCING ACTIVITIES		
Non-trade payable to a related party	(6,155)	3,897
Proceeds from bank loans	-	1,304
Repayment of bank loans	(181)	(3,843)
Share placement expenses paid	-	(38)
Net cash (used in) / generated from financing activities	**(6,336)**	**1,320**

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. - *continued*

	Year ended 31 Dec,	
	2016	**2015**
	US$'000	US$'000
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**11,762**	**(3,047)**
Cash and cash equivalents at beginning of year	1,313	4,369
Effects of exchange rate changes on cash and cash equivalents	(266)	(9)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**12,809**	**1,313**

Note:

Proceeds from disposal of a foreign subsidiary in September 2015

	US$'000
Assets of a foreign subsidiary disposed of:	
Investment property	73,955
Trade and other receivables	10,925
Other current assets	48
Cash and cash equivalents	40
	84,968
Liabilities of a foreign subsidiary disposed of:	
Trade and other payables	(3,414)
Short-term bank loans	(17,321)
Non-trade payable to the Company	(66,127)
Deferred tax liabilities	(184)
	(87,046)
Net liabilities of a foreign subsidiary disposed of:	(2,078)
Direct expenses incurred for the disposal	173
Provision for net rental expenses pursuant to a guaranteed rental agreement	8,267
Reclassification of exchange reserve to profit or loss upon disposal of a foreign subsidiary	(6,116)
Gain on disposal of a foreign subsidiary	2,134
Cash consideration received	2,380
Less : Cash outflow for direct expenses incurred for the disposal	(173)
Cash and cash equivalents of a foreign subsidiary disposed of	(40)
Net cash flow effect on disposal of a foreign subsidiary	2,167

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.

GROUP

	Share capital	Share premium	Capital reserve	Revaluation reserve	Fair value reserve	Exchange reserve	Accumulated profits / (losses)	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2015	46,667	27,209	24	1,532	-	7,516	21,624	104,572
Issue of shares	4,000	-	-	-	-	-	-	4,000
Share placement expenses	-	(38)	-	-	-	-	-	(38)
Net loss for the year	-	-	-	-	-	-	(36,832)	(36,832)
Other comprehensive income / (loss)								
Reclassification of exchange reserve to profit or loss arising from disposal of foreign subsidiaries	-	-	-	-	-	(7,016)	-	(7,016)
Revaluation gain recognised during the year	-	-	-	366	-	-	-	366
Currency translation differences arising on consolidation	-	-	-	-	-	155	-	155
Total comprehensive income / (loss)	-	-	-	366	-	(6,861)	(36,832)	(43,327)
Balance at 31 December 2015	**50,667**	**27,171**	**24**	**1,898**	**-**	**655**	**(15,208)**	**65,207**
Balance at 1 January 2016	50,667	27,171	24	1,898	-	655	(15,208)	65,207
Net loss for the year	-	-	-	-	-	-	(9,782)	(9,782)
Other comprehensive loss								
Revaluation gain recognised during the year	-	-	-	12	-	-	-	12
Fair value changes on available-for-sale investments	-	-	-	-	(3)	-	-	(3)
Currency translation differences arising on consolidation	-	-	-	-	-	(50)	-	(50)
Total comprehensive income loss	-	-	-	12	(3)	(50)	(9,782)	(9,823)
Balance at 31 December 2016	**50,667**	**27,171**	**24**	**1,910**	**(3)**	**605**	**(24,990)**	**55,384**

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	Share premium	Fair value reserve	Accumulated profits / (losses)	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2015	46,667	27,209	-	63,994	137,870
Issue of shares	4,000	-	-	-	4,000
Share placement expenses	-	(38)	-	-	(38)
Total comprehensive loss	-	-	-	(74,697)	(74,697)
Balance at 31 December 2015	**50,667**	**27,171**	**-**	**(10,703)**	**67,135**
Balance at 1 January 2016	50,667	27,171	-	(10,703)	67,135
Total comprehensive loss	-	-	(2)	(2,070)	(2,072)
Balance at 31 December 2016	**50,667**	**27,171**	**(2)**	**(12,773)**	**65,063**

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 share for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as 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.

Not applicable.

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.

The total number of issued shares excluding treasury shares as at both 31 December 2016 and 31 December 2015 was 25,333,333.

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2015.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation, and/or use of treasury shares 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 nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Company and the Group have applied the same accounting policies and methods of computation in the financial statements for the current financial year as those of the audited financial statements as at 31 December 2015, as well as all the applicable International Financial Reporting Standard ("IFRS") which became effective for the financial year beginning on or after 1 January 2016. The adoption of those new and revised IFRS has had no material effect on the financial statements for the current year.

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.

Please refer to paragraph 4 above.

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:-

	Year ended 31 Dec,	
	2016	**2015**
Loss per ordinary share for the year based on net loss attributable to shareholders: -		
(i) Based on the weighted average number of ordinary shares in issue	(US 38.61 cents)	(US 153.91 cents)
(ii) On a fully diluted basis	(US 38.61 cents)	(US 153.91 cents)

Note:

The loss per ordinary share for the corresponding period had been restated on the basis of the Company's share consolidation of every fifty (50) ordinary shares in its authorised and issued share capital into one (1) ordinary share with effect from 25 May 2015.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year:-

	Group		Company	
	31/12/2016	**31/12/2015**	**31/12/2016**	**31/12/2015**
Net asset value per ordinary share	US 218.6 cents	US 257.4 cents	US 256.8 cents	US 265.0 cents

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.

Statement of Profit or Loss and Other Comprehensive Income

The Group's revenue decreased by US$1.0 million from US$12.6 million for 2015 to US$11.6 million for 2016. The decrease was mainly attributable to the decrease in rental income.

Cost of sales decreased by US$0.2 million from US$8.9 million for 2015 to US$8.7 million for 2016. The decrease was mainly attributable to the lower contracted manpower costs in the Vigers and close protection operations.

The Group recorded a gross profit of US$2.9 million for 2016 as compared to US$3.7 million for 2015, a decrease of US$0.8 million as explained in the preceding paragraphs.

The Group had other net loss of US$5.1 million for 2016 as compared to US$29.0 million for 2015. In 2016, the other net loss comprised mainly the impairment loss on the goodwill and trademark total of US$5.6 million, the additional provision on rental guarantee of US$0.7 million, the net foreign currency exchange loss of US$0.5 million arising from translating the monetary items denominated in foreign currencies and interest income of US$1.6 million. In 2015, the other net loss comprised mainly the reversal of the previously recognised additional compensation of US$25.8 million on disposal of the Panyu property as more fully described in the Company's announcement dated 26 May 2015, the gain on disposal of a foreign subsidiary of US$2.1 million, the extension fees of US$1.6 million paid to the Singapore Land Authority for the investment property, the net foreign currency exchange loss of US$3.9 million arising from translating the monetary items denominated in foreign currencies and interest income of US$0.5 million

Administrative costs decreased by US$2.4 million from US$10.6 million for 2015 to US$8.2 million for 2016. The decrease was mainly attributable to the decrease in operating costs on the investment property (Residences at Emerald Hill, Singapore) in consequence of the disposal of Lafe (Emerald Hill) Development Pte. Ltd. ("**LEHD**"), a wholly-owned foreign subsidiary, in September 2015 and the decrease in property development and investment service fees.

Finance costs decreased by US$0.4 million from US$0.9 million for 2015 to US$0.5 million for 2016. The decrease was mainly attributable to the decrease in the loan interest for the investment property of US$0.4 million, the decrease in the facility fee on the loan for the investment property of US$0.2 million and the increase in the notional finance charge of US$0.2 million recognised in compliance with the IFRS for the provision of net rental expenses pursuant to a guaranteed rental agreement entered into with LEHD.

As a result of the above, the Group's loss before taxation for 2016 was US$10.9 million, as compared to US$36.8 million for 2015, a decrease of US$25.9 million, as explained in the preceding paragraphs.

The tax credit in 2016 was mainly represented by the reduction in the deferred tax provision of US$1.1 million arising from the diminution in the fair value of the trademark.

As a result of the above, the Group's net loss for 2016 was US$9.8 million, as compared to US$36.8 million for 2015, a decrease of US$27.0 million, as explained in the preceding paragraphs.

Included in the other comprehensive loss of US$6.5 million for 2015 was a reclassification of US$7.0 million from the exchange reserve to profit or loss in compliance with the IFRS in consequence of the disposal of foreign subsidiaries. The US$7.0 million comprised US$6.1

million relating to the disposal of LEHD in 2015 and US$0.9 million relating to the disposal of foreign subsidiaries in prior years.

Other comprehensive loss of US$0.05 million representing currency translation differences arising on consolidation of foreign subsidiaries was recognised in 2016, as compared to an income of US$0.2 million in 2015.

Revaluation gain of US$0.01 million was recognised in other comprehensive loss for the year based on the valuation performed by an independent professional valuer on the Singapore office compared to a revaluation gain of US$0.4 million in 2015.

As a result of the above, the Group's total comprehensive loss for the year was US$9.8 million as compared to US$43.3 million for 2015, a decrease of US$33.5 million, as explained in the preceding paragraphs.

Statement of Financial Position

Property, plant and equipment decreased by US$0.2 million from US$5.5 million as at 31 December 2015 to US$5.3 million as at 31 December 2016. The decrease was mainly due to the translation adjustment of US$0.1 million arising from translating a property denominated in foreign currency, the depreciation charged to profit or loss of US$0.1 million and a revaluation gain of US$0.01 million recognised during the financial year. The revaluation gain was recognised based on the valuation performed by an independent professional valuer.

Available-for-sale investments increased by US$0.01 million from nil as at 31 December 2015 to US$0.01 million as at 31 December 2016. The increase was due to the conversion of certain debts to equity shares held by the Group during the financial year.

Non-trade receivable from a related party under "Non-current assets" and "Current assets" decreased in total by US$25.6 million from US$66.7 million as at 31 December 2015 to US$41.1 million as at 31 December 2016. The decrease was mainly attributable to the settlement of the current portion during the financial year and the translation adjustment arising from translating the receivable denominated in foreign currency. The outstanding balance comprises fixed term loans extended to LEHD. The non-current portion of US$41.1 million bears interest at 3% per annum and is repayable by 27 September 2020. It is secured by a corporate guarantee given by The Ho Family Trust Limited, a related party, and a second-ranking pledge of the entire shares in LEHD.

Goodwill of US$0.52 million was fully impaired and trademark has been written down by US$5.1 million to its recoverable amount of US$5.2 million during the year. The recoverable amount of the cash generating unit to which the goodwill and trademark have been allocated to has been determined based on value in use calculation using cash flow projections from budgets.

Other non-current assets increased by US$0.2 million from nil as at 31 December 2015 to US$0.2 million as at 31 December 2016. The increase was mainly due to the reclassification of rental deposits from current assets to non-current assets resulting from renewal of office tenancy agreements with expiry date over one year from 31 December 2016.

Trade and other receivables increased by US$0.4 million from US$1.6 million as at 31 December 2015 to US$2.0 million as at 31 December 2016. The increase was mainly due to the increase in outstanding receivables in Vigers operations.

Other current assets decreased by US$0.2 million from US$0.5 million as at 31 December 2015 to US$0.3 million as at 31 December 2016. The decrease was mainly due to the reclassification of rental deposits from current assets to non-current assets resulting from renewal of office tenancy agreements with expiry date over one year from 31 December 2016.

Trade and other payables decreased by US$0.9 million from US$2.8 million as at 31 December 2015 to US$1.9 million as at 31 December 2016. The decrease was mainly due to the repayment of the outstanding obligation of US$0.9 million in respect of the additional compensation on

disposal of the Panyu property as disclosed in the Company's announcement dated 12 August 2015.

Non-trade payable to related parties decreased by US$6.2 million from US$6.2 million as at 31 December 2015 to US$0.01 million as at 31 December 2016. The decrease was mainly due to the repayments made during the current financial year. The short-term borrowing was obtained from an interested party for general working capital purposes. It bore interest at 5.25% per annum and was unsecured and repayable on demand.

Bank loans under "Current liabilities" and "Non-current liabilities" decreased in total by US$0.2 million from US$2.2 million as at 31 December 2015 to US$2.0 million as at 31 December 2016. The movements during the current financial year comprised the partial repayments made of US$0.18 million and the translation adjustment arising from translating the bank loans denominated in foreign currency of US$0.05 million.

Provisions under "Current liabilities" and "Non-current liabilities" decreased in total by US$1.1 million from US$8.1 million as at 31 December 2015 to US$7.0 million as at 31 December 2016. The decrease was mainly attributable to the net effect of the payments made during the current financial year, the additional provision for rental guarantee recognised during the financial year, the translation adjustment arising from translating the provisions denominated in foreign currency and the discount unwound adjustment charged to profit or loss during the current financial year.

Deferred tax liabilities decreased by US$1.1 million from US$1.9 million as at 31 December 2015 to US$0.8 million as at 31 December 2016. The decrease was attributable to the diminution in the fair value of the trademark.

The movement in cash and cash equivalents from US$1.3 million as at 31 December 2015 to US$12.8 million as at 31 December 2016, an increase of US$11.5 million, is explained in the statement of cash flows below.

Statement of Cash Flows

During the year, the Group's net cash used in operating activities was US$7.6 million as compared to net cash used in operating activities of US$6.6 million in 2015. The cash movement in 2016 was mainly attributable to the payments made for rental guarantee. The net cash generated from investing activities in 2016 of US$25.7 million was mainly attributable to the settlement of the current portion of the non-trade receivable from a related party. The net cash used in financing activities in 2016 of US$6.3 million was mainly attributable to the repayment of the short-term borrowing from a related party of US$6.15 million and the partial bank loan repayments of US$0.18 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.

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 will continue to look for suitable opportunities for future development and investment.

The Vigers Group, which provides property agency, appraisal and consultancy services, continues to make a positive contribution to the Group's operating results. In face of the severe competition in Hong Kong, the Vigers Group has been putting great efforts in developing its business in the PRC and Macau with a view to expanding its professional valuation services.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared or recommended for the period.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

By Business Segments

	Property US$'000	Consolidated US$'000
2016		
Revenue		
Revenue	11,610	11,610
Result		
Segment result	(10,356)	(10,356)
Finance costs	(547)	(547)
Loss before taxation	(10,903)	(10,903)
Taxation	1,121	1,121
Loss after taxation	(9,782)	(9,782)
Assets		
Segment assets	66,995	66,995
Liabilities		
Segment liabilities	11,611	11,611
Other information		
Depreciation	181	181
Capital expenditure: Property, plant and equipment	37	37
Gain on disposal of property, plant and equipment	47	47
Impairment loss on goodwill	520	520
Impairment loss on trademark	5,096	5,096
Provision for rental guarantee	735	735

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. - *continued*

By Business Segments

	Property US$'000	Consolidated US$'000
2015		
Revenue		
Revenue	12,626	12,626
Result		
Segment result	(35,855)	(35,855)
Finance costs	(949)	(949)
Loss before taxation	(36,804)	(36,804)
Taxation	(28)	(28)
Loss after taxation	(36,832)	(36,832)
Assets		
Segment assets	86,454	86,454
Liabilities		
Segment liabilities	21,247	21,247
Other information		
Depreciation	326	326
Capital expenditure: Property, plant and equipment	30	30
Loss on reversal of the previously recognised additional compensation on disposal of the Panyu property	25,782	25,782
Gain on disposal of a foreign subsidiary	2,134	2,134
Loss on disposal of property, plant and equipment	21	21

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year. - *continued*

By Geographical Segments

The revenue by geographical segment is based on the billing location of customers. All assets and capital expenditure of the Group are significantly located in the Asia Pacific region.

The following table provides an analysis of the Group's revenue and results by geographical market, which is analysed based on the billing address of each individual customer:

	Revenue		Results		Non-current assets	
	2016	2015	2016	2015	2016	2015
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Hong Kong	10,836	10,879	(10,244)	(7,266)	5,560	11,062
PRC	774	783	264	(25,785)	16	15
Singapore	-	964	198	(3,781)	5,196	5,311
	11,610	12,626	(9,782)	(36,832)	10,772	16,388

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8.

15 A breakdown of sales:-

	Group		
	Latest Financial Year 2016 US$'000	Previous Financial Year 2015 US$'000	Increase/ (decrease) %
a) Sales reported for first half year	5,750	6,965	(17)
b) Operating profit / (loss) after tax before deducting minority interests reported for first half year	1,013	(32,365)	n/m
c) Sales reported for second half year	5,860	5,661	4
d) Operating loss after tax before deducting minority interests reported for second half year	(10,795)	(4,467)	142

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year:-

	Latest Full Year 2016 US$'000	Previous Full Year 2015 US$'000
Ordinary	N/A	N/A
Preference	N/A	N/A
Total:	N/A	N/A

17 Aggregate value of interested persons transactions conducted pursuant to a shareholders' general mandate

The Group has not obtained a general mandate from the shareholders for the interested person transactions for the year ended 31 December 2016, as the value of the transactions falls below the required 5% of the Group's latest audited net tangible assets. The aggregate value of all interested person transactions during the financial year 2016, which fall under the listing manual, were as follows:

Name of Interested Person	**Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders mandate pursuant to Rule 920)**	**Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**
	US$'000	
Associates of Mr. Christopher Ho Wing-On	5,958	-

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial Shareholder of the Company.

19 Confirmation pursuant to Rule 720(1) of the Listing Manual

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