



FIRST SPONSOR GROUP LIMITED

(Incorporated in the Cayman Islands)

(Registration No. AT-195714)

UNAUDITED FOURTH QUARTER AND FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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

1(a) An income statement and statement of comprehensive income, for the group, together with comparative statements for the corresponding period of the immediately preceding financial year.

	The Group Fourth quarter ended 31 December			The Group Full year ended 31 December		
	2016	2015	Incr / (Decr)	2016	2015	Incr / (Decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	21,596	100,297	-78.5%	189,715	214,963	-11.7%
Cost of sales	(28,204)	(61,010)	-53.8%	(145,065)	(122,232)	18.7%
Gross profit	(6,608)	39,287	n.m.	44,650	92,731	-51.8%
Administrative expenses	(10,871)	(3,027)	259.1%	(27,008)	(16,407)	64.6%
Selling expenses	(523)	(528)	-0.9%	(5,633)	(6,496)	-13.3%
Other (expenses)/income	(25,218)	2,095	n.m.	(24,468)	4,135	n.m.
Other gains/(losses)	98,842	(512)	n.m.	98,335	(236)	n.m.
Results from operating activities	55,622	37,315	49.1%	85,876	73,727	16.5%
Finance income	7,491	5,210	43.8%	28,470	21,841	30.4%
Finance costs	(2,372)	(1,626)	45.9%	(8,235)	(4,636)	77.6%
Net finance income	5,119	3,584	42.8%	20,235	17,205	17.6%
Share of after-tax profit of associates	5,073	39	n.m.	12,278	39	n.m.
Profit before tax	65,814	40,938	60.8%	118,389	90,971	30.1%
Tax credit/(expenses)	7,872	(8,667)	n.m.	(3,473)	(22,651)	-84.7%
Profit for the period/year	73,686	32,271	128.3%	114,916	68,320	68.2%
Attributable to:						
Equity holders of the Company	72,915	31,914	128.5%	113,089	67,362	67.9%
Non-controlling interests	771	357	116.0%	1,827	958	90.7%
Profit for the period/ year	73,686	32,271	128.3%	114,916	68,320	68.2%
Earnings per share (cents)						
- basic	12.36	5.41	128.5%	19.17	11.42	67.9%
- diluted	12.36	5.41	128.5%	19.17	11.42	67.9%

n.m.: not meaningful

Consolidated Statement of Comprehensive Income

	The Group Fourth quarter ended 31 December		The Group Full year ended 31 December	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Profit for the period/year	73,686	32,271	114,916	68,320
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss:				
Realisation of foreign currency translation differences arising from liquidation of a subsidiary, net of tax	-	101	-	(364)
Share of translation differences on financial statements of associates, net of tax	58	1	(203)	1
Translation differences on financial statements of foreign subsidiaries, net of tax	19,816	(27,728)	(45,177)	20,563
Translation differences realised on dilution of interests in subsidiaries reclassified to profit or loss	(3,618)	-	(3,618)	-
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	1,302	(1,672)	(2,522)	1,257
Other comprehensive income for the period/year, net of tax	17,558	(29,298)	(51,520)	21,457
Total comprehensive income for the period/year	<u>91,244</u>	<u>2,973</u>	<u>63,396</u>	<u>89,777</u>
Total comprehensive income attributable to:				
Equity holders of the Company	90,494	2,752	61,647	88,836
Non-controlling interests	750	221	1,749	941
Total comprehensive income for the period/year	<u>91,244</u>	<u>2,973</u>	<u>63,396</u>	<u>89,777</u>

Notes to the Group's Income Statement:

Profit before income tax includes the following:

	The Group Fourth quarter ended 31 December		The Group Full year ended 31 December	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Other gains/(losses) comprise:				
Gain on dilution of interests in subsidiaries	97,322	-	97,322	-
Gain on liquidation of a subsidiary	-	1	-	287
Gain/(Loss) on disposal of:				
- property held for sale	1,836	-	1,836	-
- investment properties	(65)	(478)	(319)	(478)
- property, plant and equipment (net)	(2)	3	(2)	1
Property, plant and equipment written off	(1)	(38)	(5)	(46)
Others	(248)	-	(497)	-
	<u>98,842</u>	<u>(512)</u>	<u>98,335</u>	<u>(236)</u>
Profit before income tax includes the following expenses/(income):				
Depreciation of property, plant and equipment	460	396	1,541	1,625
Exchange (gain)/loss (net)	(519)	1,028	(1,002)	(2,879)
Fair value loss/(gain) on investment properties (net)	9,478	(1,816)	9,478	(1,816)
Impairment loss on property, plant and equipment	10,312	-	10,312	-
Hotel pre-opening expenses	1,911	-	2,432	-
Hotel base stocks written off	2,451	-	2,451	-
IPO expenses written back	-	-	-	(562)
Operating lease expense	101	101	415	400
Net investment return from a PRC government linked entity	(363)	(519)	(1,765)	(5,644)

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.

	The Group		The Company	
	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000
Non-current assets				
Property, plant and equipment	234,537	151,110	367	-
Investment properties	231,197	245,624	-	-
Interests in subsidiaries	-	-	880,429	881,329
Interests in associates	55,055	14,426	-	-
Amounts due from subsidiaries	-	-	209,912	287,222
Other receivables	185,938	310,327	-	-
Deferred tax assets	16,694	7,368	-	-
	<u>723,421</u>	<u>728,855</u>	<u>1,090,708</u>	<u>1,168,551</u>
Current assets				
Development properties	403,199	660,187	-	-
Inventories	80	148	-	-
Amounts due from subsidiaries	-	-	70,724	133,696
Trade and other receivables	388,877	299,560	392	1,653
Cash and cash equivalents	280,567	112,044	99,896	1,257
	<u>1,072,723</u>	<u>1,071,939</u>	<u>171,012</u>	<u>136,606</u>
Total assets	<u>1,796,144</u>	<u>1,800,794</u>	<u>1,261,720</u>	<u>1,305,157</u>
Equity				
Share capital	736,404	736,404	736,404	736,404
Reserves	288,185	238,334	82,511	37,637
Equity attributable to owners of the Company	<u>1,024,589</u>	<u>974,738</u>	<u>818,915</u>	<u>774,041</u>
Non-controlling interests	5,108	3,359	-	-
Total equity	<u>1,029,697</u>	<u>978,097</u>	<u>818,915</u>	<u>774,041</u>
Non-current liabilities				
Deferred tax liabilities	6,446	11,963	-	-
Loans and borrowings	347,186	260,824	316,166	229,181
Derivative liabilities	2,763	3,327	2,763	3,327
	<u>356,395</u>	<u>276,114</u>	<u>318,929</u>	<u>232,508</u>
Current liabilities				
Amounts due to subsidiaries	-	-	106,897	80,447
Trade and other payables	196,254	127,838	7,515	1,881
Receipts in advance	189,735	182,059	-	-
Loans and borrowings	9,452	216,280	9,452	216,280
Current tax payable	14,611	20,406	12	-
	<u>410,052</u>	<u>546,583</u>	<u>123,876</u>	<u>298,608</u>
Total liabilities	<u>766,447</u>	<u>822,697</u>	<u>442,805</u>	<u>531,116</u>
Total equity and liabilities	<u>1,796,144</u>	<u>1,800,794</u>	<u>1,261,720</u>	<u>1,305,157</u>

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

The Group's net borrowings refer to aggregate borrowings from banks and financial institutions, after deducting cash and cash equivalents. Unamortised balance of transaction costs have not been deducted from the gross borrowings.

	The Group	
	As at 31 December 2016 S\$'000	As at 31 December 2015 S\$'000
Unsecured		
- repayable within one year	9,452	216,280
- repayable after one year	316,166	229,181
Total	<u>325,618</u>	<u>445,461</u>
Secured		
- repayable within one year	-	-
- repayable after one year	31,020	31,643
Total	<u>31,020</u>	<u>31,643</u>
Grand total	<u><u>356,638</u></u>	<u><u>477,104</u></u>
Gross borrowings	361,894	480,892
Less: cash and cash equivalents as shown in the statement of financial position	<u>(280,567)</u>	<u>(112,044)</u>
Net borrowings	<u><u>81,327</u></u>	<u><u>368,848</u></u>

Details of any collateral

Secured borrowing is secured by a mortgage on a subsidiary's investment property, assignment of its bank accounts, lease receivables and insurance proceeds (where applicable).

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.

	The Group Fourth quarter ended 31 December		The Group Full year ended 31 December	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Cash flows from operating activities				
Profit for the period/year	73,686	32,271	114,916	68,320
Adjustments for:				
Depreciation of property, plant and equipment	460	396	1,541	1,625
Fair value loss/(gain) on:				
- investment properties	9,478	(1,816)	9,478	(1,816)
- derivative liabilities	997	(1,561)	(564)	3,327
Finance income	(7,491)	(5,210)	(28,470)	(21,841)
Finance costs	2,372	1,626	8,235	4,636
Gain on dilution of interests in subsidiaries	(97,322)	-	(97,322)	-
Gain on liquidation of a subsidiary	-	(1)	-	(287)
Impairment loss on property, plant and equipment	10,312	-	10,312	-
(Gain)/Loss on disposal of:				
- property held for sale	(1,836)	-	(1,836)	-
- investment properties	65	478	319	478
- property, plant and equipment (net)	2	(3)	2	(1)
Property, plant and equipment written off	1	38	5	46
Share of after-tax profit of associates	(5,073)	(39)	(12,278)	(39)
Tax (credit)/expense	(7,872)	8,667	3,473	22,651
	(22,221)	34,846	7,811	77,099
Changes in working capital:				
Development properties	(56,192)	(8,611)	(23,241)	(84,629)
Inventories	7	357	61	321
Trade and other receivables	(2,230)	1,706	40,673	(87,003)
Trade and other payables	74,497	31,771	52,859	44,138
Receipts in advance	65,471	(65,287)	15,106	(22,771)
Cash generated from/(used in) operations	59,332	(5,218)	93,269	(72,845)
Interest received	781	9,289	4,793	34,463
Tax paid	(6,973)	(12,178)	(22,463)	(23,952)
Net cash generated from/(used in) operating activities	53,140	(8,107)	75,599	(62,334)

	The Group		The Group	
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Acquisition of a subsidiary	-	-	-	(73,963)
Acquisition of associates	-	(14,884)	-	(14,884)
Interest received	4,436	5,215	31,113	24,992
Payment for additions to:				
- investment properties	(53)	(90)	(2,744)	(83,960)
- property, plant and equipment	(7,756)	(15,350)	(71,340)	(33,702)
Proceeds from disposal of:				
- investment properties	1,035	4,936	1,779	4,936
- property, plant and equipment	148	3	148	11
- property held for sale	3,968	-	3,968	-
Repayment of advances/loans by third parties	14,779	2,651	27,952	18,304
Loans to associates	(9,045)	(179,108)	(13,630)	(179,108)
Repayment of loans by an associate	11,998	-	83,894	-
Return of capital from an associate ^{Note 1}	701	-	10,775	-
Net cash inflows from dilution of interests in subsidiaries	67,546	-	116,138	-
Receipt of investment return from a PRC government linked entity	2,172	-	4,263	3,567
Net cash generated from/(used in) investing activities	89,929	(196,627)	192,316	(333,807)
Cash flows from financing activities				
Advances from an associate	39,167	-	39,167	-
Dividends paid to:				
- owners of the Company	-	(4,128)	(11,796)	(8,611)
- non-controlling interests	-	(2,847)	-	(2,847)
Interest paid	(466)	(2,869)	(4,880)	(4,812)
Restricted cash	(263)	-	(263)	-
Payment of transaction costs related to borrowings	-	(1,816)	(4,605)	(3,048)
Proceeds from issue of medium-term notes	-	-	-	50,000
Proceeds from bank borrowings	277,747	378,659	669,716	655,758
Repayment of bank borrowings	(311,163)	(175,986)	(782,609)	(313,121)
Net cash generated from/(used in) from financing activities	5,022	191,013	(95,270)	373,319
Net increase/(decrease) in cash and cash equivalents	148,091	(13,721)	172,645	(22,822)
Cash and cash equivalents at beginning of the period/year	130,045	120,298	112,044	131,797
Effect of exchange rate changes on balances held in foreign currencies	2,168	5,467	(4,385)	3,069
Cash and cash equivalents at end of the period/year	280,304	112,044	280,304	112,044

	The Group		The Group	
	Fourth quarter ended		Full year ended	
	31 December		31 December	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and cash equivalents comprise:-				
Cash and cash equivalents as shown in the statement of financial position	280,567	112,044	280,567	112,044
Less: Restricted cash	(263)	-	(263)	-
Cash and cash equivalents at end of the period/year	<u>280,304</u>	<u>112,044</u>	<u>280,304</u>	<u>112,044</u>

Note 1: The return of capital by an associate of S\$10,775,000 was offset against an advance of S\$10,074,000 from the associate during the year.

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.

The Group	Share capital S\$'000	Share premium S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
At 1 January 2016	736,404	9,609	22,680	225	105,365	100,455	974,738	3,359	978,097
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	113,089	113,089	1,827	114,916
Other comprehensive income									
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	(45,099)	-	(45,099)	(78)	(45,177)
Translation differences realised on dilution of interests in subsidiaries reclassified to profit or loss	-	-	-	-	(3,618)	-	(3,618)	-	(3,618)
Share of translation differences on financial statements of associates, net of tax	-	-	-	-	(203)	-	(203)	-	(203)
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	(2,522)	-	(2,522)	-	(2,522)
Total other comprehensive income	-	-	-	-	(51,442)	-	(51,442)	(78)	(51,520)
Total comprehensive income for the year	-	-	-	-	(51,442)	113,089	61,647	1,749	63,396
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid to the owners of the Company	-	-	-	-	-	(11,796)	(11,796)	-	(11,796)
Transfer to statutory reserves	-	-	4,765	-	-	(4,765)	-	-	-
Total contributions by and distributions to owners	-	-	4,765	-	-	(16,561)	(11,796)	-	(11,796)
Total transactions with owners of the Company	-	-	4,765	-	-	(16,561)	(11,796)	-	(11,796)
At 31 December 2016	736,404	9,609	27,445	225	53,923	196,983	1,024,589	5,108	1,029,697

	Share capital S\$'000	Share premium S\$'000	Statutory Reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Retained earnings S\$'000	Total attributable to equity holders of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
The Group									
At 1 January 2015	736,404	9,570	14,835	(1,497)	83,891	51,271	894,474	-	894,474
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	67,362	67,362	958	68,320
Other comprehensive income									
Realisation of foreign currency translation differences arising from liquidation of a subsidiary, net of tax	-	-	-	-	(364)	-	(364)	-	(364)
Share of translation differences on financial statements of foreign associates, net of tax	-	-	-	-	1	-	1	-	1
Translation differences on financial statements of foreign subsidiaries, net of tax	-	-	-	-	20,580	-	20,580	(17)	20,563
Translation differences on monetary items forming part of net investment in foreign subsidiaries, net of tax	-	-	-	-	1,257	-	1,257	-	1,257
Total other comprehensive income	-	-	-	-	21,474	-	21,474	(17)	21,457
Total comprehensive income for the year	-	-	-	-	21,474	67,362	88,836	941	89,777
Transaction with owners, recognised directly in equity									
Contributions by and distributions to owners									
Dividends paid to owners of the Company	-	-	-	-	-	(8,611)	(8,611)	-	(8,611)
Dividends paid to the non-controlling interests	-	-	-	-	-	-	-	(2,847)	(2,847)
Reversal of share issue expenses	-	39	-	-	-	-	39	-	39
Transfer to statutory reserves	-	-	8,531	-	-	(8,531)	-	-	-
Total contributions by and distributions to owners	-	39	8,531	-	-	(17,142)	(8,572)	(2,847)	(11,419)
Changes in ownership interests in subsidiaries									
Acquisition of a subsidiary with non-controlling interests	-	-	-	-	-	-	-	5,265	5,265
Liquidation of a subsidiary	-	-	(686)	1,722	-	(1,036)	-	-	-
Total changes in ownership interests in subsidiaries	-	-	(686)	1,722	-	(1,036)	-	5,265	5,265
Total transactions with owners of the Company	-	39	7,845	1,722	-	(18,178)	(8,572)	2,418	(6,154)
At 31 December 2015	736,404	9,609	22,680	225	105,365	100,455	974,738	3,359	978,097

	Share capital S\$'000	Share premium S\$'000	Capital reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
The Company					
At 1 January 2016	736,404	9,821	(5,988)	33,804	774,041
Total comprehensive income for the year					
Profit for the year	-	-	-	56,670	56,670
Total comprehensive income for the year	-	-	-	56,670	56,670
Transaction with owners, recognised directly in equity					
Contributions by and distributions to owners					
Dividends paid to the owners of the Company	-	-	-	(11,796)	(11,796)
Total contributions by and distributions to owners	-	-	-	(11,796)	(11,796)
Total transactions with owners of the Company	-	-	-	(11,796)	(11,796)
At 31 December 2016	736,404	9,821	(5,988)	78,678	818,915
At 1 January 2015	736,404	9,821	245	(15,916)	730,554
Total comprehensive income for the year					
Profit for the year	-	-	-	58,331	58,331
Total comprehensive income for the year	-	-	-	58,331	58,331
Transaction with owners, recognised directly in equity					
Contributions by and distributions to owners					
Dividends paid to the owners of the Company	-	-	-	(8,611)	(8,611)
Waiver of preference share dividends	-	-	(6,233)	-	(6,233)
Total contributions by and distributions to owners	-	-	(6,233)	(8,611)	(14,844)
Total transactions with owners of the Company	-	-	(6,233)	(8,611)	(14,844)
At 31 December 2015	736,404	9,821	(5,988)	33,804	774,041

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There was no change in the Company's issued share capital during the three months ended 31 December 2016. As at 31 December 2016 and 31 December 2015, the issued and fully paid up share capital of the Company was US\$589,814,949 comprising 589,814,949 ordinary shares of US\$1 each.

There were also no outstanding convertible instruments and treasury shares as at 31 December 2016 and 31 December 2015.

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 ordinary shares (excluding treasury shares) as at 31 December 2016 and 31 December 2015 is 589,814,949.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 31 December 2016.

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

The figures have neither been audited nor reviewed by our 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 Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2015.

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 adopted various new standards, amendments to standards and interpretations that are effective for the financial period beginning on 1 January 2016. The adoption of these IFRSs did not result in any significant impact on the financial statements of the Group.

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

	Fourth quarter ended 31 December		Full year ended 31 December	
	2016	2015	2016	2015
Basic and diluted earnings per share (cents)	12.36	5.41	19.17	11.42
a) Profit attributable to equity holders of the Company (S\$'000)	72,915	31,914	113,089	67,362
b) Weighted average number of ordinary shares in issue: - basic and diluted	589,814,949	589,814,949	589,814,949	589,814,949

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.

	The Group		The Company	
	As at 31 December 2016	As at 31 December 2015	As at 31 December 2016	As at 31 December 2015
Net asset value per ordinary share (cents) based on 589,814,949 issued ordinary shares (excluding treasury shares)	173.71	165.26	138.84	131.23

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

Group performance

Revenue and cost of sales

The breakdown of the Group's revenue (net of business tax/value added tax) for the period/year under review is as follows:

	Fourth quarter ended 31 December		Full year ended 31 December	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Revenue from sale of properties	12,186	86,330	162,095	165,429
Rental income from investment properties	3,385	3,516	14,150	10,494
Hotel operations	1,131	1,069	3,969	3,590
Revenue from property financing	4,569	9,382	8,725	35,450
Others	325	-	776	-
Total revenue	<u>21,596</u>	<u>100,297</u>	<u>189,715</u>	<u>214,963</u>

4Q 2016 vs 4Q 2015

Revenue of the Group in 4Q 2016 decreased by 78.5% or S\$78.7 million, from S\$100.3 million in 4Q 2015 to S\$21.6 million in 4Q 2016. The decrease in 4Q 2016 is due mainly to lower revenue from sale of properties and property financing of S\$74.1 million and S\$4.8 million respectively.

Revenue from sale of properties is recognised when the construction of the properties has been completed and they are ready for delivery to the purchasers pursuant to the sale and purchase agreements and the collectability of related receivables are reasonably assured. The significant decrease in revenue from sale of properties in 4Q 2016 compared to 4Q 2015 mainly resulted from the lower number of units in the Millennium Waterfront project handed over in the current quarter (4Q 2016: 58 residential units, 19 commercial units and 47 car park lots; 4Q 2015: 739 residential units, 20 commercial units and 135 car park lots).

Rental income from investment properties remained constant at approximately S\$3.4 million.

Revenue from property financing decreased by 51.3% or S\$4.8 million, from S\$9.4 million in 4Q 2015 to S\$4.6 million in 4Q 2016. This decrease was due mainly to various loan defaults in December 2015 and January 2016 relating to an aggregate loan principal amount of S\$133.5 million (RMB640.0 million). The Group had recognised penalty interest of S\$3.5 million (RMB16.8 million) in 4Q 2016 upon the successful foreclosure auctions of the mortgaged properties for a S\$14.6 million (RMB70.0 million) loan in default.

Cost of sales comprises mainly land costs, development expenditure and cost adjustments, borrowing costs, hotel-related depreciation charge, and other related expenditure. Cost of sales decreased by 53.8% or S\$32.8 million, from S\$61.0 million in 4Q 2015 to S\$28.2 million in 4Q 2016. The decrease is net of an increase in cost of S\$18.8 million due to reallocation of all costs relating to car parks of the Millennium Waterfront project to their respective residential and commercial units. Excluding the effect of this cost adjustment, the decrease in cost of sales in the current quarter is in line with the decline in sales revenue.

The Group recorded a gross loss of S\$6.6 million in 4Q 2016 as compared to a gross profit of S\$39.3 million in 4Q 2015. This was due mainly to lower contribution from sale of properties as a result of significantly fewer residential units handed over for the Millennium Waterfront project in the current quarter as well as the reallocation of all costs relating to car parks for the Millennium Waterfront project.

The Group's overall gross margin is a loss of 30.6% in 4Q 2016 as compared to a profit of 39.2% in 4Q 2015. This was due mainly to the reallocation of all costs relating to car parks for the Millennium Waterfront project.

Administrative expenses

Administrative expenses comprise mainly staff costs, rental expenses, depreciation charge in relation to non-hotel assets, professional fees, and other expenses such as office, telecommunications and travelling expenses, stamp duties and other indirect PRC taxes.

These expenses had increased by 259.1% or S\$7.9 million, from S\$3.0 million in 4Q 2015 to S\$10.9 million in 4Q 2016 due mainly to increase in staff costs.

Other expenses

In 4Q 2016, the Group recorded S\$25.2 million of other expenses. These comprise mainly net fair value loss on investment properties of S\$9.5 million, impairment of property, plant and equipment of S\$10.3 million, and hotel base stocks written off and pre-opening expenses relating to the two hotels in Wenjiang, Chengdu which had their soft opening on 28 December 2016, of S\$2.5 million and S\$1.9 million respectively.

Other gains

Other gains of S\$98.8 million in 4Q 2016 mainly relate to gain on dilution of interests in subsidiaries in relation to the Star of East River ("SoER") project of S\$97.3 million and gain on disposal of a property held for sale (Blue Wings) in the Netherlands of S\$1.8 million.

Share of after-tax profit of associates

Share of after-tax profit of associates of S\$5.1 million for 4Q 2016 relates mainly to the Group's 33% share of results of FSMC NL Property Group B.V. ("FSMC"). This includes the share of profit from FSMC's disposal of a non-core property in the Netherlands of S\$3.2 million and a share of net attributable fair value gain on its investment properties of S\$1.3 million in 4Q 2016.

Tax credit

The Group recorded a tax credit of S\$7.9 million in 4Q 2016 on a profit before tax of S\$65.8 million in 4Q 2016, due mainly to tax effects of impairment of property, plant and equipment, fair value losses of investment properties and reallocation of all costs relating to car parks for the Millennium Waterfront project. After adjusting for the share of after-tax profit of associates, tax effect of non-taxable income of \$24.6 million and tax effect of non-deductible expenses of S\$0.9 million, the effective tax rate of the Group would be approximately 25.9% for 4Q 2016.

FY2016 vs FY2015

Revenue of the Group for the year ended 31 December 2016 ("FY2016") decreased by 11.7% or S\$25.3 million, from S\$215.0 million in 31 December 2015 ("FY2015") to S\$189.7 million in FY2016. The decrease is due mainly to a slight decline (2.0%) in revenue from sale of properties of S\$3.3 million from S\$165.4 million in FY2015 to S\$162.1 million in FY2016 and lower revenue from property financing of S\$26.8 million, from S\$35.5 million in FY2015 to S\$8.7 million in FY2016. This is partially offset by an increase in rental income from investment properties of S\$3.7 million, from S\$10.5 million in FY2015 to S\$14.2 million in FY2016.

The 34.8% increase in rental income from investment properties to S\$14.2 million in FY2016 is due mainly to the full year contribution from Zuiderhof I and Arena Towers in the Netherlands in FY2016. They were acquired in February 2015 and June 2015 respectively.

Revenue from property financing decreased by 75.4% or S\$26.8 million, from S\$35.5 million in FY2015 to S\$8.7 million in FY2016. This reflects the cessation of recognition of interest income from the loans with aggregate principal amount of S\$133.5 million (RMB640.0 million) in default since December 2015/ January 2016. The Group recognised penalty interest of S\$3.5 million (RMB16.8 million) in 4Q 2016 upon the successful foreclosure auctions of the mortgaged properties for a S\$14.6 million (RMB70.0 million) loan in default.

Cost of sales increased by 18.7% or S\$22.9 million, from S\$122.2 million in FY2015 to S\$145.1 million in FY2016. S\$18.8 million of the increase is due to reallocation of all costs relating to car parks for the Millennium Waterfront project in FY2016 to their respective residential and commercial units.

Gross profit decreased by 51.8% or S\$48.0 million, from S\$92.7 million in FY2015 to S\$44.7 million in FY2016. The decrease was due mainly to lower gross profit generated from sale of properties of S\$25.6 million and from property financing of S\$26.8 million, partially offset by the increase in gross profit from rental of investment properties of S\$3.7 million.

Administrative expenses

Administrative expenses increased by 64.6% or S\$10.6 million, from S\$16.4 million in FY2015 to S\$27.0 million in FY2016. This was due mainly to increase in staff costs and legal costs in relation to the property financing loans in default.

Other expenses

In FY2016, we recorded other expenses of S\$24.5 million which comprise mainly impairment loss of property, plant and equipment and fair value loss on investment properties of S\$10.3 million and S\$9.5 million respectively, and hotel base stocks written off and pre-opening expenses of the two hotels in Wenjiang, Chengdu of S\$2.5 million and S\$2.4 million respectively.

Other gains

Other gains of S\$98.3 million in FY2016 mainly relate to gain on dilution of interests in subsidiaries in relation to the SoER project of S\$97.3 million and gain on disposal of a property held for sale (Blue Wings) in the Netherlands of S\$1.8 million.

Net finance income

Net finance income increased by 17.6% or S\$3.0 million, from S\$17.2 million in FY2015 to S\$20.2 million in FY2016. This was due mainly to higher finance income arising from the loans to FSMC (mostly disbursed in December 2015) of S\$9.5 million, which was partially offset by lower interest income of S\$2.2 million from the loans to the Chengdu Wenjiang government as a result of partial repayment of loan principal and increase in finance costs of S\$3.6 million.

Share of after-tax profit of associates

The Group's share of after-tax profit of associates of S\$12.3 million for FY2016 relates mainly to the Group's share of results of FSMC. This includes a share of profit of S\$9.7 million from FSMC's disposal of nine non-core properties in the Netherlands in FY2016 and a share of net attributable fair value gain on its investment properties of S\$1.3 million.

Tax expense

The Group recorded total income tax expense of S\$3.5 million on profit before tax of S\$118.4 million in FY2016. After adjusting for the share of after-tax profit of associates, tax effect of non-taxable income of \$26.8 million, tax effect of non-deductible expenses of S\$3.9 million and tax effect of deferred tax assets not recognised of S\$0.7 million, the effective tax rate of the Group would be approximately 22.4%.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Non-current assets

Property, plant and equipment increased by S\$83.4 million, from S\$151.1 million as at 31 December 2015 to S\$234.5 million as at 31 December 2016. The increase is due mainly to additions of S\$101.1 million, which is mainly attributable to the two hotels in Wenjiang, Chengdu, partially offset by impairment loss of M Hotel Chengdu of S\$10.3 million.

Interests in associates increased by S\$40.7 million, from S\$14.4 million as at 31 December 2015 to S\$55.1 million as at 31 December 2016. This is due mainly to recognition of the fair value of the 30% retained interest in the SoER project, amounting to S\$39.3 million, upon the dilution of the Group's interests in October 2016.

Other receivables decreased by S\$124.4 million, from S\$310.3 million as at 31 December 2015 to S\$185.9 million as at 31 December 2016. This is due mainly to the net repayment of unsecured loans amounting to S\$75.2 million by FSMC to the Group upon FSMC's disposal of its non-core properties. In addition, S\$128.8 million of the loans receivable from the Chengdu Wenjiang government had been reclassified to current assets as they are due in March 2017 and April 2017. This is partially offset by recognition of loans to the Group's 30% owned associate of S\$79.6 million upon the dilution of its stake in the SoER project.

Current assets

Trade and other receivables increased by S\$89.3 million, from S\$299.6 million as at 31 December 2015 to S\$388.9 million as at 31 December 2016. This is due mainly to the abovementioned reclassification of loans receivable from the Chengdu Wenjiang government amounting to S\$128.8 million from non-current assets, deferred consideration of S\$41.7 million (RMB200.0 million) and related accrued interest of S\$0.3 million relating to the dilution of the Group's interests in the SoER project and amount due from associates of S\$16.9 million. These have been partially offset by the repayment of short-term entrusted loans by third parties amounting to S\$60.9 million, bringing the total property financing loan portfolio to S\$152.3 million (RMB730.0 million) as at 31 December 2016 from S\$213.2 million (RMB980.0 million) as at 31 December 2015, repayment of loan principal and interest receivable from the Chengdu Wenjiang government loans of S\$21.9 million, as well as receipts of partial repayment of loan principal of S\$10.4 million and investment return of S\$4.3 million from a PRC government linked entity.

Current liabilities

Trade and other payables increased by S\$68.5 million, from S\$127.8 million as at 31 December 2015 to S\$196.3 million as at 31 December 2016. This is due mainly to accruals relating to the Millennium Waterfront project and the two hotels in Wenjiang, Chengdu, and advances from an associate of S\$39.2 million at year end.

Loans and borrowings

The Group's gross borrowings had decreased by S\$119.0 million, from S\$480.9 million as at 31 December 2015 to S\$361.9 million as at 31 December 2016. This is due mainly to the repayment of bridging loans and bank borrowings of S\$162.0 million funded by the net proceeds received from the dilution of the Group's interests in the SoER project and repayment of loans from FSMC upon the disposal of its non-core properties. This is partially offset by bank borrowings to fund the acquisition of properties in the Netherlands amounting to S\$43.5 million. The Group maintained a healthy net gearing ratio of 0.08 as at 31 December 2016.

Foreign currency risk management

The Group is exposed to volatility of the RMB due to its operations in the PRC. Therefore, any depreciation in the RMB against the S\$ will adversely affect the Group's earnings, net assets, value of any dividends we pay to our shareholders in S\$ or require us to use more RMB funds to service the same amount of any S\$ debt. Fluctuations in RMB exchange rates are affected by, amongst others, changes in political and economic conditions and the PRC's foreign exchange regime and policy.

Since the Group's entry to the Dutch property market in February 2015, whilst the Group tries to fully hedge its currency exposure by financing all its Dutch acquisitions with euro-denominated borrowings and non-euro-denominated borrowings swapped to euros, the Group's earnings is still exposed to the volatility of the euro against S\$ to the extent that these are unhedged.

As at 31 December 2016, the Group has a cumulative translation gain of S\$53.9 million recorded as part of the reserves in its shareholders' equity. This has mainly arisen from the translation of the net assets and income and expenses of the Group's foreign operations in the PRC to S\$ at the exchange rates prevailing at the end of each reporting period. The Group has been benefitting from cumulative favourable exchange rate movements between the RMB and S\$ so far although the exchange rate has fluctuated against the Group during FY2016.

We do not currently have a formal hedging policy with respect to our foreign exchange exposure and have not used any financial hedging instruments to actively manage our foreign exchange risk. In view of the recent RMB exchange rate volatility, we have assessed the use of hedging instruments to manage this exposure. However, the cost of entering into such hedging arrangements is currently fairly expensive. We will continue to monitor our foreign exchange exposure and take appropriate actions when necessary. There is no assurance as to the effectiveness and success of any hedging action that we might or might not take.

Statement of cash flows of the Group

4Q 2016

Net cash generated from operating activities of S\$53.1 million in 4Q 2016 is due mainly to sales receipts from the Millennium Waterfront project partially offset by the payment of income tax of S\$7.0 million and payment of construction costs for the Millennium Waterfront project.

Net cash generated from investing activities of S\$89.9 million in 4Q 2016 is due mainly to the net cash inflows of S\$67.5 million from the dilution of the Group's interests in the SoER project, comprising net proceeds of S\$162.0 million, partially offset by loans to associates of S\$94.5 million. The remaining cash inflows relate to repayment of loan principal of S\$14.8 million in aggregate by the Chengdu Wenjiang government and a PRC government linked entity, repayment of loans of S\$12.0 million from FSMC, net cash proceeds from disposal of a property held for sale and investment properties of S\$5.0 million in aggregate, interest received of S\$4.4 million (primarily in respect of the loans to the Chengdu Wenjiang government and associates) and receipt of investment return from a PRC government linked entity of S\$2.2 million. This had been partially offset by payments for the additions of property, plant and equipment totaling S\$7.8 million and loans to associates of S\$9.0 million.

Net cash generated from financing activities amounted to S\$5.0 million. This is due mainly to advances from an associate of S\$39.2 million, which is partially offset by net repayment of bank borrowings of S\$33.4 million.

FY2016

Net cash generated from operating activities of S\$75.6 million in FY2016 is due mainly to sales receipts from the Millennium Waterfront project, repayment of secured entrusted loans of S\$52.2 million (RMB250.0 million) and interest received of S\$4.8 million (primarily from the property financing business). This had been partially offset by payment of income tax of S\$22.5 million, payment of construction costs for the Millennium Waterfront project and the SoER project (prior to the dilution of the Group's interests in the project).

Net cash generated from investing activities amounted to S\$192.3 million for FY2016. This comprise net cash inflows of S\$116.1 million from the dilution of the Group's interests in the SoER project, comprising net proceeds of S\$210.6 million, partially offset by loans to associates of S\$94.5 million. The remaining cash inflows relate to partial repayment of unsecured loans amounting to S\$83.9 million by FSMC following the disposal of its non-core properties, interest received of S\$31.1 million (primarily in respect of the loans to the Chengdu Wenjiang government and associates), investment return received and loan principal repayment from a PRC government linked entity of S\$14.7 million in aggregate, repayment of loan principal of S\$17.5 million by the Chengdu Wenjiang government and net proceeds from the disposals of property held for sale and investment properties of S\$5.7 million in aggregate. This had been partially offset by the payments for the additions of property, plant and equipment and investment properties totaling S\$74.1 million.

Net cash used in financing activities amounted to S\$95.3 million in FY2016 and is due mainly to net repayment of bank borrowings of S\$112.9 million, payment of interest, transaction costs related to borrowings and dividends to the owners of the Company of S\$4.9 million, S\$4.6 million and S\$11.8 million respectively. This is partially offset by advances from an associate of S\$39.2 million.

Note:

The figures stated in our statement of financial position have been translated based on the exchange rates at the end of each reporting period; and the figures in our income statement, statement of comprehensive income and statement of cash flows have been translated based on the average exchange rate for the relevant period and exchange rate at the date of the transaction, where applicable.

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

No forecast or prospect statement for the current financial period has been previously disclosed to shareholders.

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.

Industry Outlook

People's Republic of China

In the fourth quarter, renewed policies were introduced to restrain price volatility and the build up of a property bubble. Household loans account for half of RMB12.56 trillion loan extended by the Chinese banks in 2016. In November alone, the aggregate financing had swelled to RMB1.74 trillion and was largely fueled by home loans and shadow banking. Apart from increasing down-payment requirements and placing purchase restrictions, the Chinese government also introduced policies to restrict credit flow into the property market. The central

government promised to regulate the property market through varied approaches in 2017 to prevent speculation.

In line with the cooling measures implemented, property sales growth declined sharply from 26.4% in October to 7.9% in November according to the National Bureau of Statistics (NBS). Average new home prices calculated by Reuters using NBS's data showed a slower average new home price increase of 0.6% in November as compared to 1.1% in October. In addition, NBS reported price increases in 55 of the 70 cities tracked for new homes in November, as compared to 62 cities in October. New home prices have decreased in 10 cities as compared to 7 cities a month earlier.

The central government tried to balance between containment of the rising property prices and denting economic growth as the property sector contributed to 8% of China's GDP growth in the first three quarters of 2016. Meanwhile, in a Bloomberg survey, economists have projected China's growth in 2017 to be 6.4% while the Bank of China forecasted 6.7%.

The Netherlands

Statistics Netherlands revised its expectation of economic growth in 2017 from 1.7% to 2.1%. The upward revision came from confidence in consumer spending, where purchasing power is expected to increase by 0.7% in 2017, following wage increase for the past 2 years. In addition, the Netherlands' year on year third quarter GDP growth of 2.4% is significantly higher than its neighbouring countries such as Germany (1.7%), Belgium (1.2%), UK (2.3%) and France (1.1%) as well as the EU average (1.8%).

In a December report, Savills expected further contraction of yields on residential properties in 2017 due to higher demand as compared to supply. The national government projected a shortage of housing as it estimated the need for 80,000 to 90,000 new houses per year but had only issued 28,700 building permits in the first 8 months of 2016. Savills further reported that the demand is expected to be concentrated in the cities with notable house price increases, such as the 22% year-on-year increase already noted in Amsterdam. The rising demand in the residential market drew attention from the European Systemic Risk Board (ESRB) which issued a report in September stating its concerns on high loan to value ratios in Dutch mortgages. ESRB urged for tougher policies, on top of those that are already in place, to contain debt and increase regulations on mortgages provided by non-banking entities. Despite this, ESRB also pointed out that there is no sign of overheating in the housing market as the housing prices seem low as compared to historical records.

On the office front, Cushman & Wakefield (C&W) released a report in December which showed a year-on-year decrease in vacancy rate of 12%, decrease in stocks of 1.3% and increase in headline rental rates of 0.6%. The office take-up in Amsterdam constituted 31% of the national take-up in 2016. The national gross initial yield compressed slightly year-on-year from between 5.0% and 12.5% in 2015 to between 4.0% and 12.25% in 2016.

Company Outlook

Property Development

The Group has realised a gain of approximately S\$97.3 million in 4Q 2016 through a dilution of its interests in the SoER project in Dongguan. This partial divestment has unlocked the capital gain of the Group's investment in this project, thereby enabling the Group to recoup all its cash capital previously invested with a surplus cash return of approximately S\$23.2 million and a remaining 30% equity stake in the project. Going forward, the Group will work with Vanke to realise the full potential value of this project for the benefit of all investors.

The Millennium Waterfront project recorded a 50% increase in residential sales with 1,486 residential units sold in FY2016 (FY2015: 994 residential units) out of which 606 residential units were sold in the last quarter of the year. Capitalising on this strong buying sentiment, the Group has soft launched 2 residential blocks in Plot D, the last and best residential plot in the project, in late December 2016.

In the Netherlands, the Group has successfully purchased a commercial property – Oliphant on 30 December 2016 which is located in close proximity to the Arena Towers and Dreeftoren that the Group already owns in Amsterdam Southeast. The Group is studying the feasibility of realising the redevelopment potential of Dreeftoren and Oliphant by adding residential towers for sale. This would build up a strong business presence for the Group in Amsterdam Southeast. Through its 33% owned FSMC, the Group has secured the sale for 75% of the residential units by signing down a sales and purchase agreement with CBRE Global Investors (“CBRE GI”). In addition, FSMC retains the right to sell the remaining 25% to individuals at a higher price within twelve months from delivery of the residential units, failing which CBRE GI has agreed to purchase the remaining unsold units at a pre-determined price.

Property Holding

The Crowne Plaza Chengdu Wenjiang and Holiday Inn Express Chengdu Wenjiang Hotspring hotels had its soft opening on 28 December 2016. These hotels, which are part of the Millennium Waterfront project, have an aggregate of 608 rooms and are a significant addition to the property holding business of the Group. The Group remains on track for the opening of its hotspring facilities later this year.

The Group successfully disposed the last two non-core properties in the Netherlands, namely Blue Wings and Ooyevaarsnest, yielding attractive premiums to cost of 81% and 96% respectively. Among other lease extensions, the Group has also concluded the negotiation of a seven-year lease extension with the existing single tenant of the Zuiderhof I property bringing the remaining lease term to 9.6 years.

In addition, the Group will embark on a capital expenditure program to enhance the quality and organically expand its existing Dutch property portfolio, including Dreeftoren, Munthof and possibly Oliphant, all of which are located in Amsterdam.

Property Financing

With regards to the property financing business segment, for the second defaulted loan which comprises eight inter-related loans with an aggregate loan principal of RMB470 million, the court has completed foreclosure auctions for one of the loans with principal amounting to RMB70 million in 4Q 2016. The mortgaged property - two floors of prime office space in Guangzhou, were sold for approximately RMB128 million. The auction proceeds were more than sufficient to cover the loan principal and its related penalty interest. The excess auction proceeds will serve as additional security for the remaining loans due to the cross collateralization. Correspondingly, the Group has recognised penalty interest income relating to only this particular defaulted loan in 4Q 2016 amounting to RMB16.8 million. The revised loan to value ratio for this second defaulted loan is estimated to be approximately 22%. The Group has obtained favourable rulings for the remaining seven loans of which six loans with principal amounting to RMB350 million in aggregate have just progressed to the court enforcement stage. The Group continues to be optimistic of the recovery of the loan principal sums and the associated interest.

11. If a decision regarding dividend has been made:—

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

The Company had paid the following tax exempt (one-tier) interim ordinary dividend to ordinary shareholders.

Name of Dividend	Interim Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	15 September 2016
Dividend Type	Cash
Dividend Amount	1.0 Singapore cent per ordinary share

The Directors are pleased to recommend a final tax-exempt (one-tier) dividend in respect of the financial year ended 31 December 2016 of 1.0 Singapore cent per ordinary share for approval by the ordinary shareholders at the forthcoming annual general meeting of the Company.

Name of Dividend	Final Tax-exempt (One-tier) Ordinary Dividend
Dividend Type	Cash
Dividend Amount	1.0 Singapore cent per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

Name of Dividend	Final Tax-exempt (One-tier) Ordinary Dividend
Date of Payment	26 May 2016
Dividend Type	Cash
Dividend Amount	1.0 Singapore cent per ordinary share

(c) Date payable

26 May 2017.

(d) Books closure date

5pm on 11 May 2017.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group does not have a shareholders' general mandate for IPTs.

Part II Additional Information Required for Full Year Announcement

14. 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.

Information about reportable segments

	Property development \$'000	Property investment \$'000	Property financing \$'000	Hotel operations \$'000	Total reportable segments \$'000	Unallocated \$'000	Total \$'000
2016							
Segment revenue	162,222	14,930	8,725	4,025	189,902	8,504	198,406
Elimination of inter-segment revenue	(127)	(4)	-	(56)	(187)	(8,504)	(8,691)
External revenue	162,095	14,926	8,725	3,969	189,715	-	189,715
Profit/(loss) from operating activities	108,308	3,562	5,306	(16,129)	101,047	(15,171)	85,876
Finance income	24,230	2,173	1,702	1	28,106	364	28,470
Finance costs	(4,182)	(3,078)	-	-	(7,260)	(975)	(8,235)
Net finance income/(costs)	20,048	(905)	1,702	1	20,846	(611)	20,235
Share of after-tax profit of associates	9,334	2,944	-	-	12,278	-	12,278
Segment profit/(loss) before income tax	137,690	5,601	7,008	(16,128)	134,171	(15,782)	118,389
2015							
Segment revenue	169,619	10,497	35,450	3,618	219,184	5,881	225,065
Elimination of inter-segment revenue	(4,190)	(3)	-	(28)	(4,221)	(5,881)	(10,102)
External revenue	165,429	10,494	35,450	3,590	214,963	-	214,963
Profit/(loss) from operating activities	39,807	8,664	34,377	(2,454)	80,394	(6,667)	73,727
Finance income	13,830	756	7,064	3	21,653	188	21,841
Finance costs	(184)	(2,857)	-	-	(3,041)	(1,595)	(4,636)
Net finance income/(costs)	13,646	(2,101)	7,064	3	18,612	(1,407)	17,205
Share of after-tax profit of associates	-	39	-	-	39	-	39
Segment profit/(loss) before income tax	53,453	6,602	41,441	(2,451)	99,045	(8,074)	90,971

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

Property Development

The FY2016 pre-tax profit for the property development segment has been boosted by the S\$97.3 million gain on dilution of the Group's interests in the SoER project.

Property Financing

Revenue from property financing segment decreased by S\$26.8 million or 75.4%, from S\$35.5 million in FY2015 to S\$8.7 million in FY2016. Pre-tax profit from this segment decreased significantly by S\$34.4 million or 83.1%, from S\$41.4 million in FY2015 to S\$7.0 million in FY2016.

The above mentioned material change in the contribution by the property financing segment is due mainly to the cessation of interest income recognition on the defaulted loans after the point of default in December 2015/January 2016. This is partially offset by the recognition of penalty interest income upon the successful foreclosure auctions on a RMB70.0 million loan in default.

16. **A breakdown of revenue as follows:-**

Group	FY2016	FY2015	% increase / (decrease)
	S\$'000	S\$'000	
(a) Revenue reported for first half year	87,769	42,628	105.9
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	21,604	18,854	14.6
(c) Revenue reported for second half year	101,946	172,335	-40.8
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	93,312	49,466	88.6

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

	FY2016 (S\$'000)	FY2015 (S\$'000)
Interim	5,898	4,128
Final	5,898	5,898
Total	11,796	10,026

The final tax-exempt (one-tier) ordinary dividend for the year ended 31 December 2016 of 1.0 Singapore cent per ordinary share is subject to the approval of ordinary shareholders at the forthcoming Annual General Meeting and the final dividend amount is based on the number of issued ordinary shares as at the books closure date. The total amount for FY2016 is hence subject to adjustments according to the number of ordinary shares existing as at the books closure date.

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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that there is no person occupying a managerial position in the Company who is related to a director, chief executive officer or substantial shareholder of the Company.

19. **CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL OF ITS DIRECTORS AND EXECUTIVE OFFICERS (IN THE FORMAT SET OUT IN APPENDIX 7.7) UNDER RULE 720(1)**

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

BY ORDER OF THE BOARD
Neo Teck Pheng
Group Chief Executive Officer
7 February 2017