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**UNAUDITED RESULTS FOR FULL YEAR ENDED 31 DECEMBER 2016**


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**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Note	Group					
		Fourth Quarter Ended		+/(-) %	Financial Year Ended		+/(-) %
		31.12.2016	31.12.2015		31.12.2016	31.12.2015	
		\$'000	\$'000	\$'000	\$'000		
<b>Revenue</b>		2,865	3,250	(11.8)	11,202	13,077	(14.3)
Cost of sales	1	(853)	(1,598)	(46.6)	(4,209)	(4,543)	(7.4)
<b>Gross profit</b>		2,012	1,652	21.8	6,993	8,534	(18.1)
Other income	2	463	2,490	(81.4)	10,867	5,809	87.1
General and administrative costs	3	(1,185)	(674)	75.8	(5,513)	(6,559)	(15.9)
Other operating costs	4	(2,902)	(342)	n.m.	(5,020)	(2,016)	n.m.
Finance costs	5	(356)	(222)	60.4	(1,366)	(816)	67.4
Share of after tax results of associates and joint ventures	6	171	514	(66.7)	830	1,677	(50.5)
(Loss)/profit before taxation		(1,797)	3,418	n.m.	6,791	6,629	2.4
Taxation	7	680	536	26.9	(242)	152	n.m.
<b>Net (loss)/profit after taxation</b>		(1,117)	3,954	n.m.	6,549	6,781	(3.4)
<b>Attributable to:</b>							
<b>Owners of the Company</b>		(1,117)	3,954	n.m.	6,549	6,781	(3.4)
<b>(Loss)/profit for the year attributable to owners of the Company</b>		(1,117)	3,954		6,549	6,781	

n.m. denotes not meaningful.

(Loss)/profit before taxation included the following:

	Group					
	Fourth Quarter Ended			Financial Year Ended		
	31.12.2016	31.12.2015	+/(-) %	31.12.2016	31.12.2015	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Investment income	258	450	(42.7)	1,151	1,480	(22.2)
Interest income (included in revenue)	338	323	4.6	1,392	837	66.3
Interest on borrowings	(356)	(222)	60.4	(1,366)	(816)	67.4
Depreciation on property, plant and equipment and investment properties	(494)	(422)	17.1	(2,232)	(2,337)	(4.5)
Allowance written back/(made) for doubtful debts due from an associate	7	-	n.m.	(349)	-	n.m.
Allowance made for doubtful debts due from other receivables	(3)	-	n.m.	(20)	-	n.m.
Allowance written-back for impairment loss on - investment properties	605	355	70.4	605	355	70.4
Allowance made for impairment loss on - quoted current investments	(136)	(342)	(60.2)	(1,881)	(2,016)	(6.7)
- unquoted non-current investments	(2,770)	-	n.m.	(2,770)	-	n.m.
Overprovision of taxation in prior years	567	640	(11.4)	567	640	(11.4)
Foreign exchange (loss)/gain	(106)	766	n.m.	6,095	(851)	n.m.
Gain on disposal of an associated company	2	-	n.m.	2	-	n.m.
Gain on disposal of investment securities - included in revenue	272	402	(32.3)	1,132	2,082	(45.6)
Loss on disposal of property, plant and equipment - included in general and administrative costs	-	-	-	-	(4)	n.m.
Gain on disposal of investment properties - included in other income	2	2,133	n.m.	2,182	4,785	(54.4)

## Notes to Group Profit and Loss Statement:

- Cost of sales decreased by \$0.3 million year-on-year (“yoy”) and \$0.7 million qoq mainly due a lower property tax expense in the Paya Lebar property tax arising from an amicable settlement with the Comptroller of Income tax (“CPT”). The reduction is offset by an increase in the UK business rates payable of \$0.6 million yoy and \$0.1 million qoq on 20 Midtown (formerly known as Eagle House) property as the property was undergoing asset enhancement work and not tenanted. In the past, the tenant was liable for the UK business rates payable.
- Other income comprised the following:

	4Q2016	4Q2015	+ / (-)	FY2016	FY2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	-	20	(100.0)	20	74	(73.0)
Dividend income	-	(170)	n.m.	-	128	n.m.
Gain on disposal of investment properties	2	2,133	n.m.	2,182	4,785	(54.4)
Refund of property tax	-	-	n.m.	957	-	n.m.
Allowance written back for impairment loss on investment properties	605	355	70.4	605	355	70.4
Other investment income	(116)	19	n.m.	700	130	n.m.
Foreign exchange gain (net)	(106)	-	n.m.	6,095	-	n.m.
Sundry	78	133	(41.4)	308	337	(8.6)
	<u>463</u>	<u>2,490</u>		<u>10,867</u>	<u>5,809</u>	

The weakening of the Sterling Pound against Singapore Dollars had resulted in unrealised translation gain mainly attributable to our Sterling Pound loans. Sterling Pound has declined from \$2.1159 as at 31 December 2015 to \$1.80876 as at 31 December 2016.

- General and administrative costs decreased by \$1.0 million yoy and increased by \$0.5 million qoq mainly due to:
  - lower bonus expense of \$0.2 million yoy and qoq;
  - prior year foreign exchange loss of \$0.9 million and prior quarter foreign exchange gain of \$0.8 million were classified within general and administrative costs. This unrealised foreign exchange loss/gain in FY2015 and 4Q2015 arose mainly from the translation of bank loans denominated in Sterling Pounds.
- Other operating costs comprised the following:

	4Q2016	4Q2015	+ / (-)	FY2016	FY2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Allowance written-back/(made) for impairment loss on						
- current investment securities	(136)	(342)	(60.2)	(1,881)	(2,016)	(6.7)
- non-current investment securities	(2,770)	-	n.m.	(2,770)	-	n.m.
Allowance made for doubtful debts						
- due from an associate	7	-	n.m.	(349)	-	n.m.
- due from other receivables	(3)	-	n.m.	(20)	-	n.m.
	<u>(2,902)</u>	<u>(342)</u>		<u>(5,020)</u>	<u>(2,016)</u>	

Allowance for impairment loss on current and non-current investment securities relate to investment securities that suffered a significant or prolonged decline in the market value below the acquisition cost of those investments.

As announced by the Group on 16 January 2017, relating to profit guidance for the fourth quarter of the financial year ended 31 December 2016, the impairment loss relating to certain financial assets held by the Group refers mainly to the impairment of \$2.8 million on the fair

value changes in non-current investment securities. Had the \$2.8 million impairment not been made, the fourth quarter would have recorded a profit of approximately \$1.7 million.

The non-current investment securities relate to an investment in a 6 storey prime freehold residential building located in London, United Kingdom. The charge relates primarily to carrying costs incurred due to unexpected delays in obtaining planning permission for the redevelopment of the property and also includes the effect of unrealised foreign exchange losses. Following receipt of planning approval, the investment security is accounted for on a fair value basis vis-à-vis the cost method prior to obtaining planning approval.

5. Finance costs increased by \$0.6 million yoy and \$0.1 million qoq mainly due to draw down of interest bearing loan facilities during the period.
6. Share of results of associates and joint ventures decreased by \$0.8 million yoy and \$0.3 qoq mainly due to share of loss of \$1.1 million yoy and \$0.4 million qoq from a newly acquired associated company, Clan Kilmuir (Jersey) Limited in 2Q2016. \$0.5 million yoy and \$0.2 million qoq share of loss in Clan Kilmuir resulted from the need to depreciate the investment property arising from realignment to Group accounting policy. The share of loss yoy was offset by higher contributions from associated company, Scotts Spazio Pte Ltd and from two joint ventures, Neo Pav E Investments LLP and Neo Bankside Retail LLP of \$0.3 million yoy and \$0.1 million qoq.
7. The effective tax rate for FY2016 was 3.6%. The taxation charge for FY2015, 4Q2016 and 4Q2015 were credit balance mainly due to reversal of tax no longer required to be provided. The taxation charge for the Group for FY2016 was lower than that arrived at by applying the statutory tax rate of 17% to the profit before taxation mainly due to certain gains being capital in nature, absence of tax effect on share of results of associates and joint ventures, offset by certain non-deductible expenses and losses incurred by foreign subsidiaries which are not available for set off against profits of local subsidiaries.

## Statement of Comprehensive Income

	Note	Group					
		Fourth Quarter Ended			Financial Year Ended		
		31.12.2016 \$'000	31.12.2015 \$'000	+ / (-) %	31.12.2016 \$'000	31.12.2015 \$'000	+ / (-) %
<b>Net profit after taxation</b>		(1,117)	3,954	n.m.	6,549	6,781	(3.4)
<b>Other comprehensive (loss)/income:</b>							
Items that may be reclassified subsequently to profit or loss:							
Net gain/(loss) on available-for-sale investments (net of tax)	1	669	977	(31.5)	1,151	(5,186)	n.m.
Exchange difference arising from - consolidation	2	70	(633)	n.m.	(4,602)	538	n.m.
- revaluation of net investment in foreign operation	2	70	(1,327)	n.m.	(8,369)	1,218	n.m.
Other comprehensive gain/(loss), net of tax		<u>809</u>	<u>(983)</u>		<u>(11,820)</u>	<u>(3,430)</u>	
<b>Total comprehensive (loss)/gain for the period</b>		<b><u>(308)</u></b>	<b><u>2,971</u></b>		<b><u>(5,271)</u></b>	<b><u>3,351</u></b>	
Total comprehensive (loss)/gain for the period attributable to:							
Owner of the Company		(308)	2,971	(110.4)	(5,271)	3,351	n.m.
Non-controlling Interests		-	-	-	-	-	-
		<u>(308)</u>	<u>2,971</u>		<u>(5,271)</u>	<u>3,351</u>	

- 1) Net gains on available-for-sale investments (net of tax) in FY2016 and 4Q2016 were mainly due to recognition of fair value losses as impairment losses for those investment securities that suffered a significant or prolonged decline in market value below the acquisition cost of those investments, offset by fair value losses arising from unfavourable market conditions and realisation of fair value gains on disposal of available-for-sale investments.
- 2) Exchange differences arising from the consolidation of \$4.6 million in FY2016 and revaluation of net investment in foreign operation of \$8.4 million in FY2016 were mainly due to unfavourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollars for those UK net investments and assets. The weakening of the Sterling Pound against Singapore Dollar resulted in overall net foreign exchange loss of approximately \$6.9 million for FY2016 made up of \$4.6 million and \$8.4 million in the Other Comprehensive Income net of a translation gain in the profit and loss of \$6.1 million mainly attributable to our Sterling Pound loans.

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.

	Note	Group		Company	
		31.12.2016 \$'000	31.12.2015 \$'000	31.12.2016 \$'000	31.12.2015 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		4,672	4,883	-	-
Investment properties	1	120,254	100,300	-	-
Investment in subsidiaries	2	-	-	169,687	170,164
Investment in joint ventures	3	7,311	8,375	-	-
Investment in associates	4	26,550	16,527	746	746
Investment securities	5	20,780	22,187	-	-
Other receivables	6	5,362	7,143	-	-
Amounts due from associates		2,000	2,000	-	-
		<b>186,929</b>	<b>161,415</b>	<b>170,433</b>	<b>170,910</b>
<b>Current assets</b>					
Tax recoverable		-	18	-	-
Properties classified as held for sale	7	-	1,524	-	-
Trade receivables	8	595	154	-	-
Prepayments and deposits		223	231	53	49
Other receivables	9	13,519	14,329	-	3
Amounts due from subsidiaries	10	-	-	8,674	8,200
Amounts due from associates	11	7,355	8,814	-	-
Investment securities	12	28,872	29,748	-	-
Cash and bank balances	13	36,866	40,538	1,381	4,340
		<b>87,430</b>	<b>95,356</b>	<b>10,108</b>	<b>12,592</b>
<b>Current liabilities</b>					
Bank overdrafts (secured)		-	(229)	-	-
Trade payables	14	(683)	(351)	-	-
Other payables		(1,924)	(2,011)	(350)	(318)
Accrued operating expenses	15	(1,944)	(2,345)	(199)	(203)
Amounts due to associates		(563)	(571)	(381)	(376)
Bank loans (secured)	16	(57,705)	(39,253)	-	-
Tax payable		(1,419)	(1,457)	-	-
		<b>(64,238)</b>	<b>(46,217)</b>	<b>(930)</b>	<b>(897)</b>
<b>Net current assets</b>		<b>23,192</b>	<b>49,139</b>	<b>9,178</b>	<b>11,695</b>
<b>Non-current liabilities</b>					
Bank loans (secured)	16	(11,212)	-	-	-
Deferred tax liabilities		(4,034)	(3,803)	-	-
Other payables		(456)	(428)	-	-
		<b>(15,702)</b>	<b>(4,231)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>194,419</b>	<b>206,323</b>	<b>179,611</b>	<b>182,605</b>

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to owner of the Company</b>				
Share capital	172,154	172,154	172,154	172,154
Treasury shares	(98)	-	(98)	-
Capital reserve	1,202	1,202	-	-
Revenue reserve	37,592	37,578	7,555	10,451
Fair value reserve	6,326	5,175	-	-
Currency translation reserve	(22,757)	(9,786)	-	-
	194,419	206,323	179,611	182,605
Non-controlling interests	-	-	-	-
<b>Share capital and reserves</b>	194,419	206,323	179,611	182,605

Note:

1. Investment properties increased by \$20.0 million mainly due to acquisition of a property at Herbal Hill, Clerkenwell of \$24.9 million and a writeback of impairment loss of \$0.6 million in a UK commercial property. The increase was offset by :
  - a. disposal of a UK residential property in London;
  - b. translation loss arising from the UK properties as Sterling Pound had weakened against the Singapore Dollar;
  - c. and depreciation of the investment properties.
  
2. Investment in subsidiaries decreased by \$0.5 million arising from an impairment made on the cost of investment in a subsidiary further to an assessment made on the carrying values of all the subsidiaries.
  
3. Investment in joint ventures decreased by \$1.1 million mainly due to translation loss as Sterling Pound had weakened against the Singapore Dollar.
  
4. Investment in associates increased by \$10.0 million mainly due to a \$12.7 million investment in an UK associated company, Clan Kilmuir (Jersey) Limited and share of results of associates of \$0.8 million during the year. The increase was offset by \$2.5 million payment of dividends received from 2 associated companies and share of currency translation loss of \$0.8 million in one of the associated companies.
  
5. Non-current investment securities decreased by \$1.4 million mainly due to fair value change of the available-for-sale investments offset by additions made during the period.
  
6. Non-current other receivables decreased by \$1.8 million mainly due to partial repayment of a loan of \$0.8 million from a UK joint venture and reclassification of the remaining balance of \$1.5 million to current other receivables as the amount is expected to be repaid within one year. The decrease was offset by an increase of \$0.4 million from deferred rental income from its Paya Lebar Property.
  
7. Properties classified as held for sale in FY2015 relates to the commercial property in Liverpool which was disposed in 2Q2016.

8. Increase in trade receivables by \$0.4 million was mainly due to increase in rental receivables as at end December 2016.
9. Current other receivables decreased by \$0.8 million mainly due to repayment from loans provided to UK joint ventures of \$11 million. The reduction was offset by:
  - a. loan of \$9.8 million provided to a joint venture partner in April 2016;
  - b. reclassification of \$1.5 million from non-current other receivables to current account as this amount is expected to be repaid within one year; and
  - c. decrease in amounts due from estate agents.
10. Amounts due from subsidiaries increased by \$0.5 million mainly due to funds provided to a subsidiary for its working capital purposes.
11. Amounts due from associates reduced by \$1.5 million mainly due to repayment of loans and non-trade balances provided to two of the associated companies.
12. Decrease in current investment securities by \$0.9 million was mainly due to disposals and fair value change of available-for-sale investments during the period.
13. Decrease in the Company's cash and bank balances by \$3.0 million was mainly due to payment of dividends during the period. Decrease in the Group's cash and bank balances by \$3.7 million was mainly due to payment of dividends offset by receipts from the disposal of investment properties and property tax refund from Comptroller of Income Tax.
14. Trade payables increased by \$0.3 million mainly due to higher VAT payable of \$0.1 million and \$0.1 million relating to UK business rates payable for the 20 Midtown property in FY2016 respectively.
15. Accrued operating expenses decreased by \$0.4 million mainly due to payment of \$0.4 million of accrued refurbishment costs.
16. Bank loans increased by \$29.7 million mainly due to funds obtained to finance the acquisitions of Herbal Hill, Clan Kilmuir (Jersey) Limited and loan to one of the UK joint partners. The increase was offset by translation gain due to the weakening of Sterling Pound against Singapore Dollars.



## 1(b)(ii) Aggregate amount of group's borrowings and debt securities.

### Amount repayable in one year or less, or on demand

	31.12.2016		31.12.2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank overdrafts	-	-	229	-
Short term bank loans	57,705	-	39,253	-
	<u>57,705</u>	<u>-</u>	<u>39,482</u>	<u>-</u>

### Amount repayable after one year

	Secured	Unsecured	Secured	Unsecured
	\$'000	\$'000	\$'000	\$'000
Long term bank loan	<u>11,212</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group has sufficient resources to repay the short-term and long-term bank loans.

### Details of any collateral

Short term bank loans comprised:

- An amount of \$24.1 million (2015: \$17.4 million) secured by a pledge of \$15 million (2015: \$15 million) on a subsidiary's fixed deposits and a corporate guarantee from the Company.
- An amount of \$25.3 million (2015: \$10.6 million) secured by a legal charge over a subsidiary's investment property and assignment of tenancy agreement in respect of the property.
- An amount of \$2.9 million (2015: \$2.9 million) secured by a deed of guarantee and indemnity of \$4 million (2015: \$4 million) from a subsidiary.
- An amount of \$5.4 million (2015: \$8.4 million) secured by a pledge of \$4 million (2015: \$4 million) on a subsidiary's fixed deposits.

Bank overdraft was secured by a corporate guarantee from the Company for \$15 million.

Long term bank loan of \$11.2 million is secured by a legal charge over a subsidiary's investment property.

**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.**

	Group			
	Fourth Quarter Ended		Financial Year Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities:</b>				
(Loss)/profit before taxation	(1,797)	3,418	6,791	6,629
Adjustments for:				
Interest income	(338)	(343)	(1,412)	(911)
Interest expense	356	222	1,366	816
Dividend income from investment securities	(258)	(280)	(1,151)	(1,608)
Depreciation of property, plant and equipment and investment properties	494	422	2,232	2,337
Share of results of associates and joint ventures	(171)	(514)	(830)	(1,677)
Allowance (written back)/made for doubtful debts due from an associate	(7)	-	349	-
Allowance (written-back)/made for impairment loss on				
- investment properties	(605)	(355)	(605)	(355)
- non-current investment securities	2,770	-	2,770	-
- current investment securities	136	342	1,881	2,016
- other receivables	3	-	20	-
Gain on disposal of investment properties	(2)	(2,133)	(2,182)	(4,785)
Loss on disposal of property, plant and equipment	-	-	-	4
Unrealised exchange differences	18	(45)	(907)	(11)
	2,396	(2,684)	1,531	(4,174)
<b>Operating cash flows before changes in working capital</b>	599	734	8,322	2,455
Decrease/(increase) in receivables and current investments	754	(447)	(730)	(1,792)
(Decrease)/increase in payables	(842)	636	129	(727)
	(88)	189	(601)	(2,519)
<b>Cash flows from/(used in) operations</b>	511	923	7,721	(64)
Interest received	599	(127)	922	255
Interest paid	(356)	(222)	(1,366)	(816)
Dividend income from investment securities	258	280	1,151	1,608
Income taxes paid	(4)	(26)	(219)	(151)
	497	(95)	488	896
<b>Net cash flows from operating activities carried forward</b>	1,008	828	8,209	832

	Group			
	Fourth Quarter Ended		Financial Year Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
<b>Net cash flows from operating activities brought forward</b>	1,008	828	8,209	832
<b>Cash flows from investing activities:</b>				
Increase in other investments	(458)	(261)	(977)	(5,004)
Net (increase)/decrease in non-current other receivables	(100)	(10,998)	1,953	(10,998)
Dividends received from associate	-	900	2,535	1,650
Increase in investment in associate	-	-	(12,718)	-
Decrease in amounts due from associates	237	173	1,249	350
Proceeds from disposal of investment properties	145	2,372	4,139	5,663
Proceeds from disposal of property, plant and equipment	24	-	24	-
Decrease/(increase) in amounts due from joint ventures	-	6,668	-	(2,238)
Addition to investment properties	(580)	(1,163)	(30,375)	(2,754)
Purchase of property, plant and equipment	(50)	(1)	(169)	(3)
<b>Net cash flows used in investing activities</b>	(782)	(2,310)	(34,339)	(13,334)
<b>Cash flows from financing activities:</b>				
Proceeds from bank loans	(386)	(1,007)	29,664	7,994
Purchase of treasury shares	-	-	(98)	-
Dividends paid on ordinary shares	-	-	(6,535)	(7,515)
<b>Net cash flows (used in)/from financing activities</b>	(386)	(1,007)	23,031	479
Net decrease in cash and cash equivalents	(160)	(2,489)	(3,099)	(12,023)
Cash and cash equivalents at beginning of the period	18,024	23,989	21,309	33,156
Effects of exchange rate changes on cash and cash equivalents	2	(191)	(344)	176
<b>Cash and cash equivalents at end of the period</b>	17,866	21,309	17,866	21,309

For purposes of presenting consolidated cash flow statements, the consolidated cash and cash equivalents comprise the following:

	Group		Group	
	Fourth Quarter Ended		Financial Year Ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances:	36,866	40,538	36,866	40,538
Less: cash and bank balances pledged	(19,000)	(19,000)	(19,000)	(19,000)
Less: bank overdrafts	-	(229)	-	(229)
<b>Cash and cash equivalents at end of the period</b>	17,866	21,309	17,866	21,309

**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**

	----- Attributable to Owners of the Company -----							
	Share capital \$'000	Treasury shares \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>								
Balance at 1.1.2016	172,154	-	1,202	37,578	5,175	(9,786)	-	206,323
Total comprehensive gain/(loss) for the period	-	-	-	2,785	(142)	(5,060)	-	(2,417)
Balance at 31.3.2016	172,154	-	1,202	40,363	5,033	(14,846)	-	203,906
Total comprehensive gain/(loss) for the period	-	-	-	3,326	(31)	(4,459)	-	(1,164)
Dividends paid	-	-	-	(6,535)	-	-	-	(6,535)
Balance at 30.6.2016	172,154	-	1,202	37,154	5,002	(19,305)	-	196,207
Purchase of treasury shares	-	(98)	-	-	-	-	-	(98)
Total comprehensive (loss)/gain for the period	-	-	-	1,555	655	(3,592)	-	(1,382)
Balance at 30.9.2016	172,154	(98)	1,202	38,709	5,657	(22,897)	-	194,727
Total comprehensive (loss)/gain for the period	-	-	-	(1,117)	669	140	-	(308)
Balance at 31.12.2016	172,154	(98)	1,202	37,592	6,326	(22,757)	-	194,419
Balance at 1.1.2015	172,154	-	1,202	38,312	10,361	(11,542)	-	210,487
Total comprehensive gain/(loss) for the period	-	-	-	1,211	(1,409)	(921)	-	(1,119)
Balance at 31.3.2015	172,154	-	1,202	39,523	8,952	(12,463)	-	209,368
Total comprehensive gain/(loss) for the period	-	-	-	1,096	(1,246)	1,930	-	1,780
Dividends paid	-	-	-	(7,515)	-	-	-	(7,515)
Balance at 30.6.2015	172,154	-	1,202	33,104	7,706	(10,533)	-	203,633
Total comprehensive gain/(loss) for the period	-	-	-	520	(3,508)	2,707	-	(281)
Balance at 30.9.2015	172,154	-	1,202	33,624	4,198	(7,826)	-	203,352
Total comprehensive gain/(loss) for the period	-	-	-	3,954	977	(1,960)	-	2,971
Balance at 31.12.2015	172,154	-	1,202	37,578	5,175	(9,786)	-	206,323

\*\*Capital reserve relates to unrealised revaluation gain pertaining to certain properties purchased from an associate.

	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Company</b>				
Balance at 1.1.2016	172,154	-	10,451	182,605
Total comprehensive loss for the period	-	-	(162)	(162)
Balance at 31.3.2016	172,154	-	10,289	182,443
Total comprehensive loss for the period	-	-	(285)	(285)
Dividends paid	-	-	(6,535)	(6,535)
Balance at 30.6.2016	172,154	-	3,469	175,623
Total comprehensive loss for the period	-	(98)	(205)	(303)
Balance at 30.9.2016	172,154	(98)	3,264	175,320
Total comprehensive gain for the period	-	-	4,291	4,291
Balance at 31.12.2016	172,154	(98)	7,555	179,611
Balance at 1.1.2015	172,154	-	8,350	180,504
Total comprehensive loss for the period	-	-	(225)	(225)
Balance at 31.3.2015	172,154	-	8,125	180,279
Total comprehensive loss for the period	-	-	(296)	(296)
Dividends paid	-	-	(7,515)	(7,515)
Balance at 30.6.2015	172,154	-	314	172,468
Total comprehensive gain for the period	-	-	1,623	1,623
Balance at 30.9.2015	172,154	-	1,937	174,091
Total comprehensive gain for the period	-	-	8,514	8,514
Balance at 31.12.2015	172,154	-	10,451	182,605

**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.**

(a) No option has been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001. At the 58<sup>th</sup> Annual General Meeting held on 27 April 2011, the shareholders of the Company approved the extension of the scheme for another ten years from 29 May 2011 to 28 May 2021.

(b)

	31/12/2016	31/12/2015
	\$'000	\$'000
Share capital	172,154	172,154
	31/12/2016	31/12/2015
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(330)	-
Total number of issued shares excluding treasury shares	653,174	653,504

**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.**

	31/12/2016	31/12/2015
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(330)	-
Total number of issued shares excluding treasury shares	<u>653,174</u>	<u>653,504</u>

As at 31 December 2016 and 31 December 2015, there were no outstanding convertibles.

**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 330,000 ordinary shares buy-backs at a cost of \$98,000 and held as treasury shares during FY2016.

**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 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.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited consolidated financial statements for the financial 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 and the Company have adopted the following new and revised FRSs standards that are mandatory for the financial periods beginning on 1 January 2016:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016

Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(c) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016

The adoption of the revised FRS did not have any material financial impact on the financial statements of the Group and the Company for the year ended 31 December 2016.

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

	<b>GROUP</b>			
	<b>Fourth Quarter Ended</b>		<b>Financial Year Ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Earnings per ordinary share after deducting any provision for preference dividends:				
(i) Based on the weighted average number of ordinary shares in issue (cents)	(0.17)	0.61	1.00	1.04
(ii) On a fully diluted basis (cents)	(0.17)	0.61	1.00	1.04

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

**(a) current financial period reported on; and**

**(b) immediately preceding financial year.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2016</b>	<b>31.12.2015</b>	<b>31.12.2016</b>	<b>31.12.2015</b>
Net asset value per ordinary share (cents)	29.77	31.57	27.50	27.94

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.

### Revenue

	4Q2016 \$'000	4Q2015 \$'000	+/(-) %	FY2016 \$'000	FY2015 \$'000	+/(-) %
Rental	1,996	2,074	(3.8)	7,527	8,678	(13.3)
Investments	869	1,176	(26.1)	3,675	4,399	(16.5)
Corporate and Others	-	-	-	-	-	-
	<u>2,865</u>	<u>3,250</u>		<u>11,202</u>	<u>13,077</u>	

Decrease in revenue for rental segment by \$1.2 million yoy takes into account:-

- decrease in rental income from 20 Midtown property in London by \$1.5 million yoy and \$0.3 million qoq as the property was undergoing asset enhancement work;
- increase in rental income from Herbill Hill by \$0.6 million yoy and \$0.3 million qoq arising from the acquisition of the property in May 2016;
- decrease in rental income of \$0.2 million yoy from certain residential properties in UK as lower rental income were received subsequent to the disposed units in 2015 and 2016.

Decrease in revenue for investments segment by \$0.7 million yoy and \$0.3 million qoq takes into account:

- Reduction in net gains from sale of investment securities by \$1 million yoy and \$0.1 million qoq mainly due to decrease in share trading activities;
- Decrease in dividend income by \$0.3 million yoy and \$0.2 million qoq;
- Increase in interest income by \$0.6 million yoy mainly from interest from a loan provided to a joint venture partner in June 2016 at an interest rate of 8% pa.

### Profit before tax

	4Q2016 \$'000	4Q2015 \$'000	+/(-) %	FY2016 \$'000	FY2015 \$'000	+/(-) %
Rental	1,358	2,660	(48.9)	5,439	7,318	(25.7)
Investments	(2,243)	853	n.m.	(1,463)	3,019	n.m.
Corporate and Others	(477)	(487)	(2.1)	(1,987)	(2,053)	(3.2)
	<u>(1,362)</u>	<u>3,026</u>		<u>1,989</u>	<u>8,284</u>	
Unallocated items	(435)	392	n.m.	4,802	(1,655)	n.m.
	<u>(1,797)</u>	<u>3,418</u>		<u>6,791</u>	<u>6,629</u>	



Rental segment refers to rental of residential, commercial properties and warehouse. Profit before taxation for Rental segment decreased by \$1.9 million yoy and \$1.3 million qoq mainly due to:-

- decrease in gain from disposal of investment properties by \$2.6 million yoy and \$2.1 million qoq;
- increase in reversal of impairment loss on an investment property of \$0.3 million yoy and qoq;
- allowance made for impairment loss on doubtful debts due from an associate of \$0.3 million yoy.
- property tax refund of \$1 million in 2Q2016 following a mutually amicable settlement with Comptroller of income tax;
- reduction in property tax payable of \$0.9 million yoy and \$0.8 million qoq.
- increase in recognition of Other investment income of \$0.6 million yoy and a reduction of \$0.1 million qoq arising mainly from the development of Sheffield post office site;
- loss of results from 20 Midtown property by \$2.1 million yoy and \$0.7 million qoq as the property was not revenue generating due to commencement of asset enhancement work in 1Q2016;
- profits of \$0.2 million from Herbill Hill yoy and qoq subsequent to acquisition in May 2016.

Investment segment refers to investment holding. The profit before taxation for Investment segment declined from a profit to a loss position by \$4.5 million yoy and \$3.1 million qoq mainly due to:-

- decrease in gain on disposal of investment securities of \$1 million yoy and \$0.1 million qoq;
- net increase in impairment loss on quoted current and unquoted non-current investment of \$2.6 million yoy and qoq. Impairment loss on available-for-sale investments are made when the investment securities suffer a significant or prolonged decline in the market value below the acquisition cost of those investments;
- decrease in dividend income by \$0.5 million yoy;
- decrease in share of profits of the associates of \$0.8 million yoy and \$0.3 million qoq;
- increase in interest income by \$0.6 million yoy.

Corporate segment refers to the provision of management, administrative and support services to related companies and investment holding. The loss before tax of the Corporate segment yoy and qoq remained relatively the same and were mainly contributed by salaries, bonuses and accruals of director fees.

Unallocated items refer to items such as finance costs and certain foreign exchange differences which are managed on a Group basis and were not allocated to the segments. The profits yoy was mainly due to favourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollar offset by higher finance costs of \$0.6 million incurred yoy. The profits declined from \$0.4 million to a loss of \$0.4 million qoq mainly due to unfavourable exchange impact arising from the translation of Sterling Pound against Singapore Dollar.

- 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 geopolitical and economic uncertainties around the world continue to pose challenges to the business environment.

The Singapore residential market is expected to face further downward pressure in rentals and capital values.

Overall, management expects occupancy levels for our investment properties in Singapore and UK to remain stable, providing recurrent income for the Group. The Group intends to continue its policy of borrowing in Sterling Pound as it provides partial hedge against future exchange rate fluctuations.

The Group is in advanced negotiations with a potential tenant to enter into a long term lease for 20 Midtown after the completion of its refurbishment.

## 11. Dividend

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Final Ordinary Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent, (one-tier) tax exempt
Tax Rate	Not applicable

### **(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 Ordinary Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent, (one-tier) tax exempt
Tax Rate	Not applicable

### **(c) Date payable**

The proposed final dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 19 May 2017.

### **(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 5 May 2017 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrars, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00 p.m. on 4 May 2017 will be registered before entitlements to the dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

### **(e) Interim dividend declared and paid for the current reporting period**

Not applicable.

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

Not applicable.

**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.**

The Group has 3 reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services and are managed separately because they require different strategies.

The following summary describes the operations in each of the Group’s reportable segments:

- rental: rental of residential, commercial properties and warehouse
- investment: investment holding
- corporate and others: trading of chemicals and packing and trading of edible oils as well as investment holding.

For purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors performance based on segment profit before income tax. Segment profit is measured as management believes that such segment transactions are determined on an arm’s length basis.

There are no asymmetrical allocations to reportable segments.

Unallocated items such as cash at bank, bank overdrafts, bank loans, provision for tax, deferred taxation, finance costs and certain foreign exchange differences are managed on a Company and Group basis and were not allocated to the segments.

FY2016	Rental \$’000	Investments \$’000	Corporate & Others \$’000	Note	Eliminations \$’000	Total \$’000
<b><u>Income Statement</u></b>						
Revenue						
- external	7,527	3,675	-		-	11,202
- inter-segment	-	3,535	5,000	A	(8,535)	-
Total revenue	<u>7,527</u>	<u>7,210</u>	<u>5,000</u>			<u>11,202</u>
Interest income (in other income)	1	-	19		-	20
Depreciation of property plant and equipment and investment properties	(2,038)	(37)	(157)		-	(2,232)
Gain on disposal of investment properties	2,182	-	-		-	2,182
Allowance made for impairment loss on current investment securities	-	(1,881)	-		-	(1,881)
Allowance made for impairment loss on non-current investment securities	-	(2,770)	-		-	(2,770)
Allowance made for impairment loss on amount due from associate	(349)	-	-		-	(349)
Allowance written back for impairment loss on investment properties	605	-	-		-	605
Allowance made for doubtful debts due from other receivables	(20)	-	-		-	(20)
Share of results from associates and unincorporated joint venture	-	830	-		-	830
Profit/(loss) before taxation	<u>5,439</u>	<u>(1,463)</u>	<u>(1,987)</u>	B	4,802	<u>6,791</u>
<b><u>Balance Sheet</u></b>						
Investment in joint ventures	-	7,311	-		-	7,311
Investment in associates	-	26,550	-		-	26,550
Additions to non-current assets	30,377	1	167	C	-	30,545
Segment assets	<u>143,615</u>	<u>124,084</u>	<u>184,238</u>	D	(177,578)	<u>274,359</u>
Segment liabilities	<u>(55,353)</u>	<u>(20,503)</u>	<u>(3,002)</u>	E	(1,082)	<u>(79,940)</u>

FY2015	Rental \$'000	Investments \$'000	Corporate & Others \$'000	Note	Eliminations \$'000	Total \$'000
<b><u>Income Statement</u></b>						
Revenue						
- external	8,678	4,399	-		-	13,077
- inter-segment	-	2,000	11,845	A	(13,845)	-
Total revenue	<u>8,678</u>	<u>6,399</u>	<u>11,845</u>			<u>13,077</u>
Interest income (in other income)	8	29	37		-	74
Depreciation of property plant and equipment and investment properties	(2,155)	(51)	(131)		-	(2,337)
Gain on disposal of investment properties	4,785	-	-		-	4,785
Allowance written back for impairment loss on investment properties	355	-	-		-	355
Allowance made for impairment loss on current investment securities	-	(2,016)	-		-	(2,016)
Loss on disposal of property, plant and equipment	(3)	(1)				(4)
Share of results from associates and joint ventures	-	1,677	-		-	1,677
Profit/(loss) before taxation	<u>7,318</u>	<u>3,019</u>	<u>(2,053)</u>	B	(1,655)	<u>6,629</u>
<b><u>Balance Sheet</u></b>						
Investment in joint ventures	-	8,375	-		-	8,375
Investment in associates	-	16,527	-		-	16,527
Additions to non-current assets	2,755	2	-	C	-	2,757
Segment assets	<u>125,207</u>	<u>122,542</u>	<u>183,866</u>	D	(174,844)	<u>256,771</u>
Segment liabilities	<u>(60,736)</u>	<u>(18,104)</u>	<u>(3,134)</u>	E	31,526	<u>(50,448)</u>

A. Inter-segment revenues are eliminated on consolidation.

B. The following items are added/(deducted from) segment profit to arrive at "profit before tax from continuing operations" presented in the consolidated income statement:

	FY2016 \$'000	FY2015 \$'000
Finance costs	(1,366)	(816)
Unallocated (expenses)/income	6,168	(839)
	<u>4,802</u>	<u>(1,655)</u>

C. Additions to non-current assets consist of additions to property, plant and equipment and investment properties.

D. The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	FY2015 \$'000	FY2015 \$'000
Cash and bank balances	36,866	40,538
Inter-segment assets	(214,444)	(215,382)
	<u>(177,578)</u>	<u>(174,844)</u>

- E. The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	<b>FY2016</b> <b>\$'000</b>	<b>FY2015</b> <b>\$'000</b>
Bank loans	68,917	39,253
Bank overdrafts	-	229
Tax payable	1,419	1,457
Deferred tax liabilities	4,034	3,803
Inter- segment liabilities	(73,288)	(76,268)
Total liabilities	<u>1,082</u>	<u>(31,526)</u>

**Geographical information:**

	<b>FY2016</b>		<b>FY2015</b>	
	<b>Revenue</b> <b>\$'000</b>	<b>Non-current</b> <b>assets</b> <b>\$'000</b>	<b>Revenue</b> <b>\$'000</b>	<b>Non-current</b> <b>assets</b> <b>\$'000</b>
Singapore	8,885	109,004	9,740	104,456
United Kingdom	2,317	77,925	3,337	56,959
	<u>11,202</u>	<u>186,929</u>	<u>13,077</u>	<u>161,415</u>

In presenting information on the basis of geographical segments, segment revenue and non-current assets are based on geographical location of customers and assets respectively.

Information about a major customer

Revenue of \$4.4 million (2015: \$4.4 million) was derived from a single external customer. This revenue was derived in Singapore and relates to rental income.

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 Section 8 of this announcement.

15. A breakdown of sales.

	GROUP		
	FY2016 \$'000	FY2015 \$'000	+/(–) %
(a) Revenue reported for first half year	5,255	6,795	(22.7)
(b) Operating profit after tax before deducting minority interests reported for first half year	6,111	2,307	n.m.
(c) Revenue reported for second half year	5,947	6,282	(5.3)
(d) Operating profit after tax before deducting minority interests reported for second half year	438	4,474	(90.2)

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

	GROUP	
	FY2016 \$'000	FY2015 \$'000
Ordinary	6,535	7,515
Preference	–	–
Total	6,535	7,515

17. Interested Person Transactions

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$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 \$100,000)
Hong Leong Investment Holdings Pte. Ltd. Group – Interest charged on shareholder loan to Hong Property Investment Pte Ltd	\$148,229	Not applicable*

\* There is no subsisting shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

- 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 prescribed format. If there are no such persons, the issuer must make an appropriate negative statement.**

Please refer to the Group's other Announcement dated 26 January 2017.

**19. UNDERTAKINGS CONFIRMATION**

The Company hereby confirms that the undertakings as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual has been procured from all its Directors and Executive Officers.

Submitted by

Lee Soo Wei  
Chief Financial Officer  
26 January 2017