

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

TABLE OF CONTENTS

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
2. STATEMENTS OF FINANCIAL POSITION
3. CONSOLIDATED STATEMENT OF CASH FLOWS
4. STATEMENTS OF CHANGES IN EQUITY
5. CHANGES IN SHARE CAPITAL
6. CHANGES IN TREASURY SHARES
7. GROUP BORROWINGS AND DEBT SECURITIES
8. AUDITOR'S REPORT
9. ACCOUNTING POLICIES
10. EARNINGS PER SHARE
11. NET ASSET VALUE PER SHARE
12. VARIANCE FROM FORECAST STATEMENT
13. REVIEW OF CORPORATE PERFORMANCE
14. BUSINESS OUTLOOK
15. SEGMENT INFORMATION
16. BREAKDOWN OF REVENUE AND RESULTS
17. INTERESTED PERSON TRANSACTIONS
18. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER
19. DIVIDEND
20. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720(1)

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1(i) Consolidated Statement of Comprehensive Income For The Financial Year Ended 31 December 2016 ("FY2016")

	Group		Change %
	2016 S\$'000	2015 S\$'000	
Revenue	621,036	464,064	34%
Materials and subcontract costs	(473,549)	(318,979)	48%
Employee benefits	(43,713)	(42,964)	2%
Depreciation and amortisation	(4,673)	(4,593)	2%
Finance costs	(33,427)	(20,089)	66%
Other operating expenses	(79,266)	(83,744)	-5%
Interest income	12,956	6,502	99%
Rental income	2,276	6,968	-67%
Other income	4,190	4,502	-7%
Share of results of associates and a joint venture	1,058	1,810	-42%
Profit before tax	6,888	13,477	-49%
Taxation	(2,078)	(4,319)	-52%
Profit for the year	4,810	9,158	-47%
Other comprehensive income			
Net fair value changes of available-for-sale financial assets	(5,823)	(2,402)	142%
Foreign currency translation	1,387	(3,109)	n.m
Share of other comprehensive income of a joint venture	(3,106)	10,260	n.m
Other comprehensive income for the year, net of tax	(7,542)	4,749	n.m
Total comprehensive income for the year	(2,732)	13,907	n.m
Profit attributable to:			
Owners of the Company	1,092	8,573	-87%
Non-controlling interests	3,718	585	n.m
	4,810	9,158	-47%
Total comprehensive income attributable to:			
Owners of the Company	(6,650)	13,435	n.m
Non-controlling interests	3,918	472	n.m
	(2,732)	13,907	n.m
Earnings per ordinary share (cents)			
-Basic	0.06	0.46	-88%
-Diluted	0.06	0.46	-88%

Other information :-

	Group		Change %
	2016 S\$'000	2015 S\$'000	
Amortisation of intangible assets and prepaid rent	563	723	-22%
Depreciation of property, plant and equipment	4,110	3,870	6%
Net foreign exchange (gain)/loss	(1,985)	10,023	n.m
Manufacturing and melting loss	724	861	-16%
Impairment loss on investment securities	1,500	-	n.m
Impairment loss on interest receivables	42	-	n.m
Property, plant and equipment written off	916	290	216%

n.m - means "not meaningful"

1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

NOTES:

- 1a. - Depreciation of fixed assets in retail outlets is computed on a straight-line basis over 3 to 5 years.
- 1b. - The Group recognises all inventory, including trade-in stock and sales return stock at their cost values. For finished stocks aged 2 years and above, partial provisions for stock obsolescence were made to take into consideration labour costs for designing and rework.
- 1c. - The increase in materials and subcontract costs in FY2016 was in tandem with higher revenue recognition.
- 1d. - The increase in employee benefits expenses for FY2016 was mainly due to increase in staff cost and higher provision of performance bonus for the financial service business and the real estate business, partially offset by lower staff cost for the jewellery business.
- 1e. - The increase in finance cost in FY2016 was due to higher interest paid for multicurrency medium term notes (MTN) and retail bonds. The outstanding amount of the MTN and retail bonds as at 31 December 2016 was S\$630 million as compared to S\$560 million as at 31 December 2015.
- 1f. - Lower other operating expenses in FY2016 was mainly due to lower foreign exchange loss and rental costs, partially offset by impairment loss of investment securities.
- 1g. - The increase in interest income was mainly due to higher income from investment securities.
- 1h. - Other income was mainly derived from foreign exchange gain and government grants such as the Wage Credit Scheme.
- 1i. - The decrease in share of results of associates and a joint venture in FY2016 was mainly due to share of lower profit from the real estate business.

2. STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31-Dec-16 S\$'000	31-Dec-15 S\$'000	31-Dec-16 S\$'000	31-Dec-15 S\$'000
Non-current assets				
Property, plant and equipment	42,304	23,252	880	864
Intangible assets	6,964	7,474	35	35
Investment properties	45,700	45,700	-	-
Investment in subsidiaries	-	-	180,013	161,712
Investment in associates	18,033	18,961	-	-
Investment in joint ventures	12,092	40,815	5,025	5,025
Investment securities	1,365	13	-	-
Other investment	-	-	-	29,614
Other receivables	5,328	5,423	34	6
Prepaid rent	-	42	-	-
Deferred tax assets	9,587	8,369	-	428
	141,373	150,049	185,987	197,684
Current assets				
Inventories	141,517	128,836	-	-
Development properties	798,011	875,597	-	-
Properties held for sale	16,944	8,929	-	-
Trade and other receivables	298,877	229,443	366	350
Prepaid rent	42	53	-	-
Prepayments	9,496	9,225	1,211	2,098
Due from subsidiaries (non-trade)	-	-	370,224	434,082
Due from a joint venture (non-trade)	82,897	55,605	82,897	55,313
Due from associates (non-trade)	6,350	17,660	-	-
Investment securities	155,985	152,868	-	-
Cash and bank balances	70,284	132,995	751	3,316
	1,580,403	1,611,211	455,449	495,159
Total assets	1,721,776	1,761,260	641,436	692,843
Current liabilities				
Trade and other payables	59,213	45,999	4,006	11,014
Due to subsidiaries (non-trade)	-	-	97,074	2,807
Due to an associate (non-trade)	5,260	4,980	-	-
Provision for taxation	17,539	5,162	77	50
Term notes and bonds	55,750	100,000	55,750	100,000
Interest-bearing loans and borrowings	447,748	480,057	-	-
	585,510	636,198	156,907	113,871
Net current assets	994,893	975,013	298,542	381,288
Non-current liabilities				
Interest bearing loans and borrowings	175,612	265,125	-	-
Term notes and bonds	574,000	460,000	230,000	310,000
Other payables	1,696	4,176	-	-
Deferred tax liabilities	8,088	19,466	109	-
	759,396	748,767	230,109	310,000
Total liabilities	1,344,906	1,384,965	387,016	423,871
Net assets	376,870	376,295	254,420	268,972
Equity attributable to shareholders of the Company				
Share capital	226,152	215,872	226,152	215,872
Treasury shares	(2,589)	(2,796)	(2,589)	(2,796)
Other reserves	(5,329)	2,560	1,413	1,429
Revenue reserves	93,755	111,564	29,444	54,467
	311,989	327,200	254,420	268,972
Non-controlling interests	64,881	49,095	-	-
Total equity	376,870	376,295	254,420	268,972
Net asset value per ordinary share (in cents)	16.14	17.30	13.16	14.22

2. STATEMENTS OF FINANCIAL POSITION (CONTINUED)

2a. - Review of Financial Position

Group shareholders' funds increased from S\$376.3 million as at 31 December 2015 to S\$376.9 million as at 31 December 2016. The increase was mainly due to the increase in share capital and non-controlling interest partially offset by decrease in other reserves and revenue reserves. The increase in share capital was due to ordinary shares issued under the scrip dividend scheme while the decrease in other reserves was mainly due to changes in fair value of available-for-sale financial assets. The lower revenue reserves was due to dividend payment in 2016.

The Group's total assets of S\$1,721.8 million as at 31 December 2016 was S\$39.5 million lower than that as at 31 December 2015 mainly due to decline in development properties, investment in joint ventures and cash and bank balances. The decrease in development properties and increase in trade and other receivables were mainly due to reclassification of development properties to trade receivables as the Group had obtained Temporary Occupation Permits ("TOP") for its Urban Vista and The Hillford projects. The decrease in investment in joint ventures and increase in amount due from a joint venture was due to disposal of investment in a joint venture which proceeds were used as loan to the joint venture.

The decrease was partially offset by the increase in property, plant and equipment, properties held for sales, investment securities, trade and other receivables, amount due from a joint venture and inventories. The increase in property, plant and equipment was mainly due to purchase of three properties for the Group's financial services business during the year.

The Group's total liabilities of S\$1,344.9 million as at 31 December 2016 was S\$40.1 million lower than that as at 31 December 2015 mainly due to the redemption of all its outstanding S\$100 million term notes due in July 2016, repayment of interest bearing loans and borrowings and decrease in deferred tax liabilities. The decrease was partially offset by the issuance of retail bonds in April 2016 and provision for taxation.

3. CONSOLIDATED STATEMENT OF CASH FLOWS

	2016 S\$'000	2015 S\$'000
Operating activities		
Profit before taxation	6,888	13,477
Adjustments for:		
Property, plant and equipment written off	916	290
Depreciation of property, plant and equipment	4,110	3,870
Employee Share Award Scheme expenses	191	612
Interest receivables written off	42	-
Impairment loss on investment securities	1,500	-
Impairment loss on property, plant and equipment	-	374
(Gain)/loss on disposal of investment securities	(191)	242
Loss on disposal of a joint venture	211	-
Write down of inventories	407	343
(Recovery of)/allowance for doubtful receivables	(241)	282
Interest expense	33,427	20,089
Interest income	(12,956)	(6,502)
Amortisation of prepaid rent	53	212
Amortisation of intangible assets	510	511
Amortisation of prepaid commitment fees	2,410	1,542
Listing expenses of a subsidiary	980	800
Dividend income from investment securities	(2)	(3)
Share of results of associates and a joint venture	(1,058)	(1,810)
Unrealised foreign exchange differences	(1,710)	10,023
Operating profit before changes in working capital	35,487	44,352
Decrease/(increase) in:		
Inventories	(13,088)	1,959
Development properties	99,526	2,055
Properties held for sale	(8,271)	8,565
Trade and other receivables	(66,658)	(2,081)
Prepayments	2,081	(3,379)
Increase/(decrease) in:		
Trade and other payables	9,396	(16,231)
Net cash flows generated from operations	58,473	35,240
Interest paid	(53,052)	(35,930)
Income taxes paid	(845)	(18,910)
Net cash flows generated from/(used in) operating activities	4,576	(19,600)
Investing activities		
Proceeds from disposal of equity interest in a subsidiary without loss of control	-	16
Purchase of property, plant and equipment	(24,192)	(3,026)
Proceeds from sale of property, plant and equipment	113	9
Investment in associates	-	(3,881)
Investment in joint ventures	-	(5,000)
Interest received	10,716	4,545
Purchase of investment securities	(290,250)	(109,972)
Dividend income from investment securities	2	3
Dividend income from a joint venture	-	2,513
Proceeds from disposal of investment securities	248,187	70,844
Acquisition of non-controlling interests in a subsidiary	(136)	(800)
Disposal of investment in a joint venture	27,101	-
Due from associates (non-trade), net	11,880	(3,400)
Due from a joint venture (non-trade), net	(27,292)	(55,605)
Net cash flows used in investing activities	(43,871)	(103,754)
Financing activities		
Dividends paid to shareholders of the Company	(8,621)	(1,131)
Dividends paid to non-controlling interests of subsidiaries	(1,272)	(14,814)
Capital return to non-controlling shareholder upon liquidation of subsidiary	-	(474)
Proceeds from issuance of ordinary shares by subsidiaries to non-controlling interest	13,145	10,102
Proceeds from issuance of term notes and bonds	200,000	150,000
Repayment of term notes	(100,000)	(85,000)
Purchase of treasury shares	-	(867)
Proceeds from term loans	85,393	97,622
Repayment of term loans	(251,070)	(106,657)
Proceeds from short term bank borrowings, net	44,648	128,441
Proceeds from finance lease obligations	146	-
Repayment of finance lease obligations	(21)	-
Term notes and bonds commitment fee paid	(4,571)	(3,320)
Listing expenses paid by a subsidiary	(1,153)	(754)
Net cash flows (used in)/generated from financing activities	(23,376)	173,148
Net (decrease)/increase in cash and cash equivalents	(62,671)	49,794
Cash and cash equivalents at beginning of year	132,995	83,619
Effects of exchange rate changes on cash and cash equivalents	(40)	(418)
Cash and cash equivalents at end of year	70,284	132,995

3. CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statements comprise the following amounts:-

	2016 S\$'000	2015 S\$'000
Amounts held under the "Project Account (Amendment) Rules - 1997" withdrawals of which are restricted to payments for expenditure incurred on projects	16,762	63,190
Cash at bank	53,522	69,805
Cash and cash equivalents	70,284	132,995

3a. - Cashflow Analysis

FY2016

Net cash generated from operating activities for FY2016 was S\$4.6 million compared to net cash used in operating activities S\$19.6 million for FY2015. This was mainly due to decrease in development properties and prepayments and increase in trade and other payables, partially offset by increase in trade and other receivables, inventories and properties held for sale. The decrease in development properties and increase in trade and other receivables was mainly due to reclassification of development properties to trade receivables as the Group had obtained TOPs for its Urban Vista and The Hillford projects.

Net cash used in investing activities of S\$43.9 million in FY2016 was mainly due to increase in investment securities and property, plant and equipment. The increase in property, plant and equipment was mainly due to the purchase of three properties for the Group's financial service business during the year.

Net cash used in financing activities was S\$23.4 million compared to net cash generated from financing activities of S\$173.1 million in FY2015. This was mainly due to the redemption of its outstanding S\$100 million term notes due in July 2016 and repayment of interest bearing loans, partially offset by proceeds from the issuance of retail bonds and short term bank borrowings (net).

As a result, cash and cash equivalent balances decreased to S\$70.3 million as at 31 December 2016 from S\$133.0 million as at 31 December 2015.

4. STATEMENTS OF CHANGES IN EQUITY

	Attributable to owners of the Company				Non-controlling interests	Total
	Share capital S\$'000	Treasury shares S\$'000	Revenue reserves S\$'000	Other reserves S\$'000		
Group						
Balance as at 1 January 2016	215,872	(2,796)	111,564	2,560	49,095	376,295
Profit for the year	-	-	1,092	-	3,718	4,810
<u>Other comprehensive income for the year</u>						
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(5,823)	-	(5,823)
Foreign currency translation	-	-	-	1,187	200	1,387
Share of other comprehensive income of a joint venture	-	-	-	(3,106)	-	(3,106)
Other comprehensive income, net of tax	-	-	-	(7,742)	200	(7,542)
<u>Contributions by and distributions to owner</u>						
Dividends on ordinary shares- cash and scrip dividends	-	-	(18,901)	-	(1,272)	(20,173)
Ordinary shares issued under scrip dividend	10,280	-	-	-	-	10,280
Treasury shares reissued pursuant to employee share award	-	207	-	(16)	-	191
Total contributions by and distributions to owners	10,280	207	(18,901)	(16)	(1,272)	(9,702)
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interests in a subsidiary	-	-	-	(131)	(5)	(136)
Capital contribution from non-controlling interests	-	-	-	-	13,145	13,145
Total changes in ownership interests in subsidiaries	-	-	-	(131)	13,140	13,009
Balance as at 31 December 2016	226,152	(2,589)	93,755	(5,329)	64,881	376,870
Balance as at 1 January 2015	202,179	(2,473)	125,696	(44)	44,387	369,745
Profit for the year	-	-	8,573	-	585	9,158
<u>Other comprehensive income for the year</u>						
Net loss on fair value changes of available-for-sale financial assets	-	-	-	(2,402)	-	(2,402)
Foreign currency translation	-	-	-	(2,996)	(113)	(3,109)
Share of other comprehensive income of a joint venture	-	-	-	10,260	-	10,260
Other comprehensive income, net of tax	-	-	-	4,862	(113)	4,749
<u>Contributions by and distributions to owners</u>						
Dividends on ordinary shares- Cash and scrip dividends - Dividend In Specie	-	-	(14,825)	-	(14,814)	(29,639)
Ordinary shares issued under scrip dividend	13,693	-	(7,880)	-	7,880	-
Treasury shares reissued pursuant to employee share award	-	544	-	68	-	612
Purchase of treasury shares	-	(867)	-	-	-	(867)
Capital contribution from non-controlling interests	-	-	-	-	10,102	10,102
Capital return to non-controlling shareholder upon liquidation of subsidiary	-	-	-	-	(474)	(474)
Total contributions by and distributions to owners	13,693	(323)	(22,705)	68	2,694	(6,573)
<u>Changes in ownership interests in subsidiaries</u>						
Acquisition of non-controlling interests in a subsidiary	-	-	-	(2,331)	1,531	(800)
Disposal of equity interests without a change in control	-	-	-	5	11	16
Total changes in ownership interests in subsidiaries	-	-	-	(2,326)	1,542	(784)
Balance as at 31 December 2015	215,872	(2,796)	111,564	2,560	49,095	376,295

4. STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to shareholders of the Company				Non-controlling interests	Total
	Share capital S\$'000	Treasury shares S\$'000	Revenue reserves S\$'000	Other reserves S\$'000		
Company						
Balance as at 1 January 2016	215,872	(2,796)	54,467	1,429	-	268,972
Loss for the year	-	-	(6,107)	-	-	(6,107)
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares- cash and scrip dividends	-	-	(18,916)	-	-	(18,916)
Ordinary shares issued under scrip dividend	10,280	-	-	-	-	10,280
Treasury shares reissued pursuant to employee share award	-	207	-	(16)	-	191
Total contributions by and distributions to owners	10,280	207	(18,916)	(16)	-	(8,445)
Balance as at 31 December 2016	226,152	(2,589)	29,444	1,413	-	254,420
Balance as at 1 January 2015	202,179	(2,473)	(18,527)	2,403	-	183,582
Profit for the year	-	-	95,617	-	-	95,617
<i>Other comprehensive income for the year</i>						
Reversal of fair value changes of available-for-sale- financial assets	-	-	-	(1,042)	-	(1,042)
Other comprehensive income, net of tax	-	-	-	(1,042)	-	(1,042)
<i>Contributions by and distributions to owner</i>						
Dividends on ordinary shares- Cash and scrip dividend	-	-	(14,825)	-	-	(14,825)
- Dividend In Specie	-	-	(7,798)	-	-	(7,798)
Ordinary shares issued under scrip dividend	13,693	-	-	-	-	13,693
Treasury shares reissued pursuant to employee share award	-	544	-	68	-	612
Purchase of treasury shares	-	(867)	-	-	-	(867)
Total contributions by and distributions to owners	13,693	(323)	(22,623)	68	-	(9,185)
Balance as at 31 December 2015	215,872	(2,796)	54,467	1,429	-	268,972

5. CHANGES IN SHARE CAPITAL

	Company	
	No. of shares '000	S\$ '000
Issued and fully paid share capital (excluding treasury shares)		
Balance at 1 January and 31 March 2016	1,891,628	213,076
Ordinary shares issued under Scrip Dividend Scheme ^(Note 1)	41,118	10,280
Balance at 30 June and 30 September 2016	1,932,746	223,356
Distributed as staff benefits	753	207
Balance at 31 December 2016	1,933,499	223,563

Note 1 - On 23 June 2016, the Company issued 41,117,827 new shares at an issue price of S\$0.25 to eligible Shareholders who had elected to participate in Company's scrip dividend scheme.

6. CHANGES IN TREASURY SHARES

There were 753,177 (31 December 2015: 1,975,000) treasury shares transferred to employees under the Aspiat Share Award Scheme during the financial year.

	Company	
	No. of shares '000	S\$ '000
Balance at 1 January, 31 March, 30 June and 30 September 2016	10,158	2,796
Distributed as staff benefits	(753)	(207)
Balance at 31 December 2016	9,405	2,589

7. GROUP BORROWINGS AND DEBT SECURITIES

Amount repayable in one year or less, or on demand

As at 31-Dec-16		As at 31-Dec-15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
447,748	55,750	480,057	100,000

Amount repayable after one year

As at 31-Dec-16		As at 31-Dec-15	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
175,612	574,000	265,125	460,000

Details of collateral

The Group's borrowings and debt securities are secured as follows:-

- i) legal mortgages over subsidiaries' development properties;
- ii) legal assignment of subsidiaries' interest under the Sale and Purchase agreements and tenancy agreements in respect of development properties or units;
- iii) legal assignment of subsidiaries' interest in the Project Account and Rental Account;
- iv) corporate guarantee by the Company; and
- v) fixed and floating charge on all current assets of certain subsidiaries.

8. AUDITOR'S REPORT

The figures have not been audited nor reviewed by the auditors.

9. ACCOUNTING POLICIES

The Group has applied the same accounting policies and methods of computation in the full year results announcement for the current financial year ended 31 December 2016 as those of the audited financial statements for the financial year ended 31 December 2015, as well as all applicable new and revised Financial Reporting Standards ("FRSs") which became effective for financial years beginning on or after 1 January 2016. The adoption of these new and revised FRSs has no material effect on the current financial year ended 31 December 2016.

10. EARNINGS PER SHARE

	Group	
	FY2016 cents	FY2015 cents
i) Basic earnings per share	0.06	0.46
ii) Diluted earnings per share	0.06	0.46
-Weighted average number of shares (excluding treasury shares) ('000)	1,913,227	1,873,148

11. NET ASSET VALUE PER SHARE

	Group		Company	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
Net asset value per ordinary share (in cents)	16.14	17.30	13.16	14.22
Number of ordinary shares in issue (excluding treasury shares) ('000)	1,933,499	1,891,628	1,933,499	1,891,628

12. VARIANCE FROM FORECAST STATEMENT

No forecast for the year ended 31 December 2016 was previously provided.

13. REVIEW OF CORPORATE PERFORMANCE

The Group has delivered another year of strong revenue growth despite the challenging business environment. Real Estate Business and Financial Service Business continued to drive the Group revenue. For FY2016, Group revenue rose 33.8% to S\$621.0 million from S\$464.1 million in the previous year.

Revenue from the Real Estate Business grew by 56.2% from S\$216.4 million in FY2015 to S\$338.0 million in FY2016. The growth was contributed by the progress recognition of sales from CityGate and Waterfront@Faber and final recognition of sales from The Hillford and Urban Vista.

The Financial Service Business delivered another year of solid growth in 2016. Revenue increased by S\$42.1 million or 34.8% from S\$121.1 million in FY2015 to S\$163.2 million in FY2016, driven by its record high pledge book and higher sales from the retail and trading of gold and jewellery business. The Group continues to strengthen its leadership position in Singapore with its largest network of pawnshops and pledge book.

The Jewellery Business continued to be affected by weak consumer sentiments. Revenue dropped marginally by S\$1.6 million from S\$131.0 million in FY2015 to S\$129.4 million in FY2016.

At the pre-tax level, Group profit of S\$6.9 million was S\$6.6 million lower than 2015. The lower pre-tax profit was due to lower profit from the Real Estate Business and loss incurred by the Jewellery Business.

The Real Estate Business recorded a pre-tax profit S\$7.4 million as compared to pre-tax profit of S\$13.7 million in 2015. The lower pre-tax profit was mainly due to lower margins for some of the projects, the absence of a one-off gain from the sale of a property in Australia, loss of rental income as the Group had started the demolition of the old Keypoint building for the construction of the new CityGate project in 4Q 2015 and higher interest cost.

The Financial Service Business continued to record strong results. Pre-tax profit jumped 204.7% from S\$4.3 million in FY2015 to S\$13.1 million in FY2016. Both pawnbroking and retail and trading of jewellery registered higher pre-tax profit.

The Jewellery Business reported a pre-tax loss of S\$5.3 million as compared to pre-tax profit of S\$1.7 million in FY2015. The loss was due to lower gross profit as gold sales had contributed a larger proportion to the overall sales and higher branding/marketing and interest costs. Although the retail market and consumer sentiments were weak in 2015, the Group had invested in major brand campaigns for its Goldheart and CitiGems brands. Excluding the branding/marketing expense of S\$4.2 million and a write-off of about S\$0.2 million for a store closure at International Building, the Jewellery Business would have incurred a smaller loss of S\$0.9 million in 2016.

The Group had taken into account the following costs amounting to S\$6.3 million for FY2016:

1. Sales and marketing expenditure of S\$3.8 million for the marketing of the remaining units of Australia 108 and Avant projects and preparation of marketing materials for the launch of Nova City in Cairns and marketing spend for Waterfront@Faber and CityGate in Singapore;
2. One-off impairment of S\$1.5 million for its investment securities.
3. Expenses relating to the proposed spin-off and listing of its subsidiary, World Class Global Pte. Ltd. of S\$1.0 million.

Excluding the above costs, Group pre-tax profit would have been S\$13.2 million in FY2016.

14. BUSINESS OUTLOOK

Real Estate Business

The Singapore real estate market remains subdued in 2016. According to the real estate statistics released by URA, the prices of private residential properties declined 0.5% in 4Q 2016 as compared to 1.5% in 3Q 2016. For FY 2016, prices fell by 3.1%.

The table below provides an overview of the ongoing projects of the Group in Singapore and Australia:

Project	Type	Total Units	Launch Date	Units Launched	% Sold based on units launched
In Singapore					
Waterfront@Faber	Residential	210	2Q 2014	210	100%
CityGate*	Residential	311	3Q 2014	311	100%
CityGate*	Commercial	188	3Q 2014	188	63%
In Australia					
Australia 108 (Melbourne)	Residential & Commercial	1,103	4Q 2014	1,103	97%
Avant (Melbourne)	Residential & Commercial	456	2Q 2015	456	94%
Nova City (Cairns)	Residential & Commercial	187	4Q 2016	101	30%

* CityGate is 50% owned by a subsidiary of the Group and jointly developed with Fragrance Group Limited.

14. BUSINESS OUTLOOK (CONTINUED)

Real Estate Business (continued)

The Group has commenced construction of its CityGate project in 2016 and expects increased revenue and profit contribution from CityGate in FY2017 and FY2018.

In Australia, the Group has commenced construction works for its Australia 108 and Avant projects in Melbourne and expects to book revenue and profit for the units sold upon the completion of the first two phases of Australia 108 and the entire Avant project in 2018.

In 4Q 2016, the Group officially launched Tower 1 of its Nova City project in Cairns, Queensland. As at the date of this announcement, the Group has sold more than 30% of the units launched in Tower 1 and will continue to focus on the sales of the remaining units. In the next twelve months, the Group will work on the planning and launch of its 92-storey Albert Street project in Brisbane.

At current market prices, the Group expects to make **substantial** profits from its development projects in Singapore and Australia. The Real Estate Business is expected to contribute significantly to the Group's revenue and profitability due to the following reasons:-

First, based on the units sold in its property projects in Singapore as at the date of this announcement, the Group has locked in total revenue of about S\$295 million which will be progressively recognised in accordance with the stage of construction.

Second, the Group has locked in about A\$1.12 billion of sales revenue from Australia 108, Avant and Nova City Tower 1. The revenue and profit will be recognised upon the completion of the various phases of these projects from 2018 to 2020.

Third, at current market prices, the potential sales revenue from the Group's remaining local and overseas development projects is estimated to be in excess of S\$1.9 billion.

Overall, the Group has locked in about **S\$1.5 billion** of sales in Singapore and Australia.

The Group had obtained TOPs for its Urban Vista in April 2016, Kensington Square project in August 2016 and The Hillford in September 2016 and expects to obtain TOP for the fully-sold Waterfront@Faber in 1H 2017.

The Group's total debt had reduced in FY2016 as a result of the repayment of S\$100 million of bonds due in Jul 2016, repurchase of some of the bonds due in 2017 and repayment of project debt upon the TOP of some of its projects. In January 2017, the Group had fully redeemed its outstanding bonds amounting to S\$55.75 million due on 23 January 2017.

The expected TOP of Waterfront@Faber in 1H 2017 will contribute positive cashflow and reduce project borrowings by about S\$85 million.

In September 2016 and January 2017, the Group had secured two construction loans, one for Australia 108 and the other for Avant amounting to about A\$335 million. With these loans, the Group will be able to complete the two projects with minimal further capital injections.

Overall, the Group expects its cash and debt position to strengthen as its projects complete in 2017 and 2018.

Financial Service Business

The Group will continue to improve its operations amid the competitive business environment and leverage on its strong "Maxi-cash" brand and its largest retail network in Singapore to increase revenue and profits.

For the Group, the sales of new jewellery coupled with its modern, professional and innovative business approaches are expected to continue to drive its growth in 2017.

Jewellery Business

The Group expects consumer sentiments to remain weak in 2017 given the uncertain economic outlook in Singapore and the region, and will continue its efforts to improve operational effectiveness and efficiency of its Jewellery Business.

Other Investment

The existing core business of AF Global Limited, namely the hotel and serviced residence business is expected to remain profitable. The Group, through its joint venture company AF Corporation Pte Ltd, is currently reviewing the strategy and plans for the commercial phase of the Xuzhou project and its site at Rawai, Phuket.

The Group

Barring unforeseen circumstances and major depreciation of Malaysian and Australian currencies, the Group expects to remain profitable in 2017.

15. SEGMENT INFORMATION

2016	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	337,951	154,516	128,569	-	-	621,036
Intersegment revenue	-	8,672	796	438	(9,906)	-
	337,951	163,188	129,365	438	(9,906)	621,036
Results :						
Segment result	15,310	17,684	(2,852)	(6,352)	3,816	27,607
Unallocated expenses	-	-	-	-	-	(248)
Interest income	590	-	-	48,564	(36,198)	12,956
Profit from operations	15,900	17,684	(2,852)	42,212	-	40,315
Finance cost	(8,493)	(4,535)	(2,430)	(47,641)	29,672	(33,427)
Profit from operations before taxation	7,407	13,149	(5,282)	(5,429)	-	6,888
Taxation	(343)	(1,699)	443	(479)	-	(2,078)
Profit for the year	7,064	11,450	(4,839)	(5,908)	-	4,810
Assets and liabilities						
Segment assets	987,952	306,898	131,007	1,201,200	(914,868)	1,712,189
Unallocated assets	-	-	-	-	-	9,587
Total assets						1,721,776
Segment liabilities	806,957	208,763	86,412	948,978	(731,831)	1,319,279
Unallocated liabilities	-	-	-	-	-	25,627
Total liabilities						1,344,906
Other segment information						
Dividend income	-	-	2	3,895	(3,895)	2
Depreciation and amortisation	115	1,382	2,550	578	48	4,673
Share of result from associates	(879)	-	242	-	-	(637)
Share of result from joint venture	-	-	-	1,695	-	1,695
Capital expenditure	166	2,608	4,679	16,739	-	24,192
Other significant non-cash expenses	-	428	571	1,542	-	2,541
Investment in join ventures	-	-	-	12,092	-	12,092
Investment in associates	14,046	-	3,987	-	-	18,033

2015	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	216,426	116,975	130,663	-	-	464,064
Intersegment revenue	-	4,078	300	428	(4,806)	-
	216,426	121,053	130,963	428	(4,806)	464,064
Results :						
Segment result	19,748	8,362	3,195	(2,739)	(1,254)	27,312
Unallocated expenses	-	-	-	-	-	(248)
Interest income	140	-	-	30,487	(24,125)	6,502
Profit from operations	19,888	8,362	3,195	27,748	-	33,566
Finance cost	(6,186)	(4,027)	(1,468)	(30,956)	22,548	(20,089)
Profit from operations before taxation	13,702	4,335	1,727	(3,208)	-	13,477
Taxation	(4,715)	(425)	633	188	-	(4,319)
Profit for the year	8,987	3,910	2,360	(3,020)	-	9,158

15. SEGMENT INFORMATION (CON'T)

2015	Real Estate	Financial Service	Jewellery	Others	Elimination	Group
Business Segment	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Assets and liabilities						
Segment assets	1,086,262	260,086	134,844	1,014,472	(742,808)	1,752,856
Unallocated assets						8,404
Total assets						1,761,260
Segment liabilities	919,866	192,688	84,214	748,292	(584,723)	1,360,337
Unallocated liabilities						24,628
Total liabilities						1,384,965
Other segment information						
Dividend income	-	-	2	98,835	(98,835)	2
Depreciation and amortisation	123	1,640	2,377	405	48	4,593
Share of result from associates	3,227	-	154	-	-	3,381
Share of result from joint venture				(1,571)		(1,571)
Capital expenditure	120	704	1,346	856	-	3,026
Other significant non-cash expenses	-	268	647	374	-	1,289
Investment in joint ventures	-	-	-	40,815	-	40,815
Investment in associates	14,926	-	4,035	-	-	18,961

16. BREAKDOWN OF REVENUE AND RESULTS

	GROUP		
	2016 S\$'000	2015 S\$'000	Increase/(Decrease) %
Sales reported for first half	273,928	200,479	36.6%
(Loss)/profit after tax before deducting non-controlling interests for first half	(2,165)	483	n.m
Sales reported for second half	347,108	263,585	31.7%
Profit after tax before deducting non-controlling interests for second half	6,975	8,675	(19.6%)

17. INTERESTED PERSON TRANSACTIONS

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual.

18. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Kwee Hua	45	Wife of Koh Wee Seng (CEO)	Business Development Manager of World Class Land Pte Ltd since 2007	No change
Ng Sheng Tiong	50	Husband of Koh Lee Hwee (Executive Director)	He is the CEO of a subsidiary, World Class Global Pte Ltd. He is also a Director of the following subsidiaries/sub-subsidiaries: Subsidiaries World Class Land Pte Ltd	He was appointed as the CEO of World Class Global Pte Ltd in March 2016

18. DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION WHO IS A RELATIVE OF A DIRECTOR OR CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER (CON'T)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ng Sheng Tiong	50	Husband of Koh Lee Hwee (Executive Director)	<u>Sub-subsidiaries</u> Advance Property Pte Ltd World Class Capital Pte Ltd World Class Property Pte Ltd Dynamic Project Management Services Pte Ltd World Class Property (Eastcoast) Pte Ltd World Class Investment Pte Ltd Headway Construction Pte Ltd World Class Property (Dunearn) Pte Ltd World Class Property (Central) Pte Ltd World Class Property (Telok Kurau) Pte Ltd World Class Developments Pte Ltd World Class Developments (Bedok) Pte Ltd World Class Developments (Central) Pte Ltd World Class Developments (City Central) Pte Ltd World Class Developments (North) Pte Ltd World Class Global Pte Ltd World Class Land (Australia) Pty Ltd WCL- King (VIC) Pty Ltd WCL- Central Park (QLD) Pty Ltd WCL- Cairns(QLD) Pty Ltd WCL-Southbank (VIC) Pty Ltd WCL-A Beckett (VIC) Pty Ltd WCL (QLD) Holdings Pty Ltd WCL (QLD) Albert St Pty Ltd WCL (QLD) Margaret St Pty Ltd WCL (CNS) CBD Pty Ltd WCL (CNS) Aplin Pty Ltd World Class Land (Malaysia) Sdn Bhd World Class Land (Penang) Sdn Bhd World Class Land (Georgetown) Sdn Bhd World Class Land (Georgetown) Holdings Sdn Bhd WCL (Macallum) Sdn Bhd WCL (Noordin St) Sdn Bhd WCL (Magazine) Sdn Bhd WCL (Bertam R) Sdn Bhd WCL (Bertam L) Sdn Bhd Dynamic PMS Sdn Bhd	

19. DIVIDEND

(i) Proposed Dividend

Name of dividend	2016	2015
Name of dividend	Final	Final
Dividend Type	Cash/Scrip	Cash/Scrip
Dividend Rate	0.25 cents per ordinary share	1 cent per ordinary share
Tax Rate	One-tier tax exempt	One-tier tax exempt
Book closure date	To be announced later	12 May 2016
Payment date	To be announced later	23 June 2016

(ii) Total Annual Dividend

Total dividend proposed and paid for the financial year ended 31 December 2016 will be 0.25 cents per share (2015: 1 cent).

Name of dividend	2016 \$	2015 \$
Ordinary Dividend		
Interim dividend	-	-
Final dividend #	4,833,746	18,916,276
Total annual dividend	4,833,746	18,916,276

The proposed final one-tier tax exempt dividend in respect of FY2016 is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

20. PROCURED UNDERTAKINGS BY THE BOARD AND EXECUTIVE OFFICERS PURSUANT TO RULE 720(1)

The Company confirms that all the required undertakings under Rule 720 (1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

On behalf of the Board of Directors,

Koh Wee Seng
CEO

Koh Lee Hwee
Director

22 February 2017