


GSH CORPORATION LIMITED
Full Year Financial Statements for the Period Ended 31/12/2017
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 4th Quarter and 12 Months Ended 31 December

	4th Quarter Ended 31 December			12 months Ended 31 December		
	31.12.2017	31.12.2016	+/-	31.12.2017	31.12.2016	+/-
	Unaudited	Unaudited		Unaudited	Unaudited	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	37,794	17,655	>100%	110,325	87,159	26.6%
Cost of sales	(19,296)	(8,642)	>100%	(51,217)	(44,070)	16.2%
Gross profit	18,498	9,013	>100%	59,108	43,089	37.2%
Gross profit margin	49%	51%	(3.9%)	54%	49%	10.2%
Other income	779	449	73.5%	77,972	2,095	>100%
Distribution and selling expenses	(744)	(729)	2.1%	(3,117)	(3,568)	(12.6%)
Administrative expenses	(8,012)	(6,505)	23.2%	(28,002)	(21,836)	28.2%
Other expenses	(478)	(2,067)	(76.9%)	(535)	(2,117)	(74.7%)
Operating profit	10,043	161	>100%	105,426	17,663	>100%
Amortisation and depreciation	(2,440)	(2,691)	(9.3%)	(9,300)	(8,907)	4.4%
Exchange gain/(loss)	426	16,520	(97.4%)	(12,438)	2,982	Nm
Finance expenses	(4,259)	(4,238)	0.5%	(19,024)	(17,523)	8.6%
Finance income	619	1,409	(56.1%)	3,200	5,648	(43.3%)
Net change in fair value of financial derivatives	(739)	(15,211)	(95.1%)	11,452	453	>100%
Share of profit of equity-accounted investee	14,206	-	Nm	17,327	-	Nm
Profit before tax	17,856	(4,050)	Nm	96,643	316	>100%
Taxation	(2,163)	328	Nm	(5,651)	(3,913)	44.4%
Profit for the period	15,693	(3,722)	Nm	90,992	(3,597)	Nm
Attributable to:						
Owners of the Company	15,159	(3,334)	Nm	87,536	(3,638)	Nm
Non-controlling interests	534	(388)	Nm	3,456	41	>100%
	15,693	(3,722)	Nm	90,992	(3,597)	Nm

	4th Quarter Ended 31 December			12 months Ended 31 December		
	31.12.2017	31.12.2016	+/-	31.12.2017	31.12.2016	+/-
	Unaudited	Unaudited		Unaudited	Unaudited	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	15,693	(3,722)	Nm	90,992	(3,597)	Nm
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Realisation of foreign currency translation reserve arising from disposal of a subsidiary	-	-	Nm	930	-	Nm
Translation differences relating to financial statements of foreign subsidiaries	5,706	(4,905)	Nm	4,110	(3,944)	Nm
Share of foreign currency translation differences of equity-accounted investees	339	-	Nm	339	-	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation	2,263	(1,054)	Nm	1,977	(1,319)	Nm
Total comprehensive income for the period	24,001	(9,681)	Nm	98,348	(8,860)	Nm
Attributable to:						
Owners of the Company	22,149	(8,061)	Nm	93,852	(7,942)	Nm
Non-controlling interests	1,852	(1,620)	Nm	4,496	(918)	Nm
	24,001	(9,681)	Nm	98,348	(8,860)	Nm

Nm - Not meaningful

Notes to Group profit and loss account

1 a(i) Pre-tax profit of the Group is arrived at after charging/(crediting) the following:

	4th Quarter Ended 31 December			12 Months Ended 31 December		
	31.12.2017 Unaudited S\$'000	31.12.2016 Unaudited S\$'000	+/- %	31.12.2017 Unaudited S\$'000	31.12.2016 Unaudited S\$'000	+/- %
Personnel expenses*	8,609	5,787	48.8%	29,717	20,491	45.0%
Operating lease expenses	174	186	(6.5%)	758	994	(23.7%)
Non-executive directors' fees	86	81	6.2%	316	325	(2.8%)
Executive directors' remuneration	1,637	336	>100%	6,085	1,108	>100%
Depreciation of property, plant & equipment	2,440	2,691	(9.3%)	9,300	8,907	4.4%
Foreign exchange (gain)/loss	(426)	(16,520)	(97.4%)	12,438	(2,982)	Nm
Change in fair value of investment property	431	2,037	(78.8%)	431	2,037	(78.8%)
Rental income	(518)	(321)	61.4%	(1,833)	(1,371)	33.7%
Write back of allowance for inventory obsolescence	(3)	(3)	0.0%	(8)	(28)	(71.4%)
(Reversal)/ Provision of impairment loss on trade receivables	(2)	8	Nm	(4)	(21)	(81.0%)
Gain on disposal of a subsidiary	-	-	Nm	(74,511)	-	Nm

* Personnel expenses inclusive of executive directors' remuneration

Nm - Not meaningful

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

CONSOLIDATED FINANCIAL POSITION as at 31 DECEMBER

	Group		Company	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Property, plant and equipment	403,404	397,415	29,962	21,689
Investment property	5,260	6,158	-	-
Investment in subsidiaries	-	-	313	260
Investment in associated company	58,640	-	-	-
Non-current assets	467,304	403,573	30,275	21,949
Development property	211,762	783,370	-	-
Inventories	986	737	-	-
Trade receivables	2,973	5,124	70	1,283
Other receivables, deposits and prepayments	8,512	5,993	4,643	3,284
Amounts due from subsidiaries (non-trade)	-	-	332,641	356,152
Fixed deposits	136,212	303,883	96,500	284,704
Cash and bank balances	100,472	13,232	86,790	2,982
Current assets	460,917	1,112,339	520,644	648,405
Total assets	928,221	1,515,912	550,919	670,354
EQUITY				
Share capital	343,458	343,458	343,458	343,458
Treasury shares	(5,131)	(5,131)	(5,131)	(5,131)
Reserves	81,619	7,356	33,640	(26,258)
Equity attributable to equity holders of the Company	419,946	345,683	371,967	312,069
Non-controlling interests	58,157	92,451	-	-
Total equity	478,103	438,134	371,967	312,069
LIABILITIES				
Other payables and accruals	-	2,176	-	-
Loans and borrowings	326,902	235,091	149,319	72,559
Redeemable preference shares	426	419	-	-
Deferred tax liabilities	58,475	62,939	-	-
Non current liabilities	385,803	300,625	149,319	72,559
Trade payables	3,845	8,057	-	-
Other payables and accruals	36,466	41,063	13,778	15,173
Loans and borrowings	20,957	650,511	809	244,268
Amounts due to subsidiaries (non-trade)	-	-	14,039	13,948
Amounts due to related parties	301	64,448	-	-
Provision for taxation	1,862	737	123	-
Derivative financial liabilities	884	12,337	884	12,337
Current liabilities	64,315	777,153	29,633	285,726
Total liabilities	450,118	1,077,778	178,952	358,285
Total equity and liabilities	928,221	1,515,912	550,919	670,354

Note 1

In Q22017, the Group has recognised the gain on disposal of Plaza Ventures Pte Ltd ("PVPL") as it has fulfilled the conditions precedent and other substantive obligations pursuant to the sale and purchase agreement.

Effect of disposal on the financial position of the Group

	S\$'000
Development property	545,194
Trade and other receivables	12,621
Cash and cash equivalents	38,654
Trade and other payables (including amount due to related parties)	(151,946)
Loan and borrowings	(359,691)
Deferred tax liabilities	(5,669)
Identified net assets	<u>79,163</u>
Non-controlling interest	(38,791)
Realisation of foreign currency translation reserve	930
Gain on disposal of PVPL	<u>74,511</u>
Total consideration	115,813
Repayment of amounts due to the Group	79,989
Cash and cash equivalents disposed of	<u>(38,654)</u>
Net cash inflow	<u>157,148</u>

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 December 2017			As at 31 December 2016		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
20,957	-	20,957	650,511	-	650,511

Amount repayable after one year

As at 31 December 2017			As at 31 December 2016		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
198,068	129,260	327,328	175,512	59,998	235,510

Total borrowings*

As at 31 December 2017			As at 31 December 2016		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
219,025	129,260	348,285	826,023	59,998	886,021
- Attributable to owners of the Company		308,978	- Attributable to owners of the Company		664,424
- Attributable to non-controlling interests		39,307	- Attributable to non-controlling interests		221,597

Less: Cash and cash equivalents

As at 31 December 2017			As at 31 December 2016		
S\$'000			S\$'000		
236,684			317,115		
		S\$'000			S\$'000
- Attributable to owners of the Company		223,705	- Attributable to owners of the Company		307,158
- Attributable to non-controlling interests		12,979	- Attributable to non-controlling interests		9,957

Net borrowings

As at 31 December 2017			As at 31 December 2016		
S\$'000			S\$'000		
111,601			568,906		
		S\$'000			S\$'000
- Attributable to owners of the Company		85,273	- Attributable to owners of the Company		357,266
- Attributable to non-controlling interests		26,328	- Attributable to non-controlling interests		211,640

Details of any collateral

As at 31 December 2017, the Group's borrowings were secured by legal charges on the Group's development properties of \$85.5 million (2016: \$723.0 million), property, plant and equipment of \$192.5 million (2016: \$184.4 million), and pledge of fixed deposits and bank balances of S\$38.6 million (2016: S\$271.8 million).

*Including redeemable preference shares

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	12 Months Ended 31 December	
	2017	2016
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from operating activities		
Profit/(Loss) for the period	90,992	(3,597)
Adjustment for:		
Depreciation of property, plant & equipment	9,300	8,907
Interest expense	19,024	17,523
Interest income	(3,200)	(5,648)
Write back of allowance for inventory obsolescence	(8)	(28)
Loss on disposal of property, plant & equipment	40	20
Reversal of impairment loss on trade receivables	(4)	(21)
Unrealised foreign exchange gain arising from revaluation of fixed deposit pledged	(144)	(1,619)
Change in fair value of investment property	431	2,037
Gain on disposal of a subsidiary	(74,511)	-
Share of profit of equity-accounted investee	(17,327)	-
Net change in fair value of financial derivatives	(11,452)	(453)
Tax expense	5,651	3,913
Operating profit before working capital changes	18,792	21,034
Change in		
Development property	34,093	(36,423)
Inventories	(241)	346
Trade and other receivables	(15,496)	19,111
Trade and other payables	(2,250)	299
Balances with related parties	301	9,800
Cash from operations	35,199	14,167
Tax paid, net	(4,459)	(1,863)
Net cash from operating activities	30,740	12,304
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,494)	(3,979)
Payment for investment in associated company	(40,974)	-
Payment of consideration on acquisition of subsidiaries	-	(17,353)
Deposit pledged	233,377	16,766
Interest received	5,711	4,977
Proceeds from disposal of property, plant and equipment	5	6
Disposal of a subsidiary, net of cash disposed of	157,149	-
Net cash from investing activities	350,774	417

	GROUP	
	12 Months Ended 31 December	2016
	2017	2016
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from financing activities		
Finance expense paid (including amounts capitalised in development property)	(22,553)	(30,616)
Payment of finance lease obligations	-	(328)
Proceeds from borrowings	137,043	105,535
Repayment of borrowings	(323,659)	(115,492)
Purchase of treasury shares	-	(5,131)
Dividends paid	(19,589)	(988)
Net cash used in financing activities	(228,758)	(47,020)
Net increase/(decrease) in cash and cash equivalents	152,756	(34,299)
Effect of exchange rate changes on balances held in foreign currencies	46	(162)
Cash and cash equivalents at beginning of the period	45,319	79,780
Cash and cash equivalents at end of the period (Note A)	198,121	45,319

	GROUP	
	12 Months Ended 31 December	2016
	2017	2016
	Unaudited	Audited
	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:		
Fixed deposits	136,212	303,883
Cash and bank balances	100,472	13,232
	236,684	317,115
Less: fixed deposits pledged	(38,563)	(271,796)
Cash and cash equivalents	198,121	45,319

1(d)(i) A statement (for the company 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.

Statement of changes in Equity as at 31 December 2017

Group	Attributable to owners of Company						Non-controlling interest	Total Equity
	Share capital	Treasury Shares	Asset		Accumulated profits	Total		
			revaluation reserves	Translation reserves				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2017	343,458	(5,131)	4,132	(41,011)	44,235	345,683	92,451	438,134
Total comprehensive income for the year								
Profit for the year	-	-	-	-	87,536	87,536	3,456	90,992
Other comprehensive income								
Foreign currency translation differences realised on disposal of a subsidiary	-	-	-	930	-	930	-	930
Foreign currency translation differences relating to foreign operations				3,080	-	3,080	1,030	4,110
Share of foreign currency translation differences of equity-accounted investees	-	-	-	329	-	329	10	339
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	1,977	-	1,977	-	1,977
Total other comprehensive income, net of tax	-	-	-	6,316	-	6,316	1,040	7,356
Total comprehensive income for the year	-	-	-	6,316	87,536	93,852	4,496	98,348
Transactions with owners, recognised directly in equity								
Contribution by and distributions to owners								
Dividends declared and paid	-	-	-	-	(19,589)	(19,589)	-	(19,589)
Total contribution by and distributions to owners	-	-	-	-	(19,589)	(19,589)	-	(19,589)
Changes in ownership interests in a subsidiary								
Disposal of a subsidiary with non-controlling interests	-	-	-	-	-	-	(38,790)	(38,790)
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	(38,790)	(38,790)
Total transactions with owners								
	-	-	-	-	(19,589)	(19,589)	(38,790)	(58,379)
As at 31 December 2017	343,458	(5,131)	4,132	(34,695)	112,182	419,946	58,157	478,103

Statement of changes in Equity as at 31 December 2016

Group	Attributable to owners of Company							Total Equity S\$'000
	Share capital S\$'000	Asset			Accumulated profits S\$'000	Total S\$'000	Non-controlling interest S\$'000	
		Treasury Shares S\$'000	revaluation reserves S\$'000	Translation reserves S\$'000				
At 1 January 2016	343,458	-	4,132	(36,707)	48,861	359,744	93,369	453,113
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(3,638)	(3,638)	41	(3,597)
Other comprehensive income								
Foreign currency translation differences relating to foreign operations	-	-	-	(2,985)	-	(2,985)	(959)	(3,944)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(1,319)	-	(1,319)	-	(1,319)
Total other comprehensive income, net of tax	-	-	-	(4,304)	-	(4,304)	(959)	(5,263)
Total comprehensive income for the year	-	-	-	(4,304)	(3,638)	(7,942)	(918)	(8,860)
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Purchase of treasury shares	-	(5,131)	-	-	-	(5,131)	-	(5,131)
Dividends declared and paid	-	-	-	-	(988)	(988)	-	(988)
Total transactions with owners	-	(5,131)	-	-	(988)	(6,119)	-	(6,119)
As at 31 December 2016	343,458	(5,131)	4,132	(41,011)	44,235	345,683	92,451	438,134

Statements of changes in Equity as at 31 December 2017**Company**

	Share capital S\$'000	Treasury Share S\$'000	Accumulated (losses)/profit S\$'000	Total S\$'000
As at 1 January 2017	343,458	(5,131)	(26,258)	312,069
Total comprehensive income for the year				
Profit for the year	-	-	79,487	79,487
Total comprehensive income for the year	-	-	79,487	79,487
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Dividends declared and paid	-	-	(19,589)	(19,589)
Total transactions with owners	-	-	(19,589)	(19,589)
As at 31 December 2017	343,458	(5,131)	33,640	371,967
As at 1 January 2016	343,458	-	(25,678)	317,780
Total comprehensive income for the year				
Profit for the year	-	-	408	408
Total comprehensive income for the year	-	-	408	408
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Purchase of treasury shares	-	(5,131)	-	(5,131)
Dividends declared and paid	-	-	(988)	(988)
Total transactions with owners	-	(5,131)	(988)	(6,119)
As at 31 December 2016	343,458	(5,131)	(26,258)	312,069

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 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.

Details changes in the company's share capital arising from share buy-backs are as follows:

	Number of shares issued and fully paid	Share capital S\$'000	Number of treasury shares	Treasury shares S\$'000
As at 1 January 2017	1,977,036,050	343,458	(18,102,700)	(5,131)
Purchase of treasury shares	-	-	-	-
As at 31 December 2017	1,977,036,050	343,458	(18,102,700)	(5,131)

	Number of shares issued and fully paid	Share capital S\$'000	Number of treasury shares	Treasury shares S\$'000
As at 1 January 2016	1,977,036,050	343,458	-	-
Purchase of treasury shares	-	-	(6,072,700)	(1,536)
As at 30 June 2016	1,977,036,050	343,458	(6,072,700)	(1,536)
Purchase of treasury shares	-	-	(10,997,000)	(3,284)
As at 30 September 2016	1,977,036,050	343,458	(17,069,700)	(4,820)
Purchase of treasury shares	-	-	(1,033,000)	(311)
As at 31 December 2016	1,977,036,050	343,458	(18,102,700)	(5,131)

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	As at 31.12.2017/ 31.12.2016
Total number of issued shares	1,977,036,050
Total number of treasury shares	(18,102,700)
Total number of issued shares (excluding treasury shares)	<u>1,958,933,350</u>

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 as at the end of the current financial period reported on.

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

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2016.

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 a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2018. The adoption of these new standards, amendments to standards and interpretations 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.

	4th Quarter Ended 31 December			12 Months Ended 31 December		
	31.12.2017	31.12.2016	+/- %	31.12.2017	31.12.2016	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	0.774	(0.170)	Nm	4.469	(0.185)	Nm
-Weighted average number of shares ('000)	1,958,933	1,959,138		1,958,933	1,969,929	
ii) On a fully diluted basis (cents)	0.774	(0.170)	Nm	4.469	(0.185)	Nm
-Adjusted weighted average number of shares ('000)	1,958,933	1,959,138		1,958,933	1,969,929	

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

	Group			Company		
	31.12.2017 (S\$ cents)	31.12.2016 (S\$ cents)	+/- %	31.12.2017 (S\$ cents)	31.12.2016 (S\$ cents)	+/- %
Net asset value per ordinary share	21.44	17.65	21.5%	18.99	15.93	19.2%

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.

Profit and Loss

The Group recorded revenue of S\$37.8 million in Q42017, compared to S\$17.7 million in Q42016, and an operating profit of S\$10.0 million in Q42017, compared to S\$0.2 million in Q42016. It posted a net profit after tax of S\$15.7 million in Q42017, compared to a net loss after tax of S\$3.7 million in Q42016.

In Q42017, our property business registered revenue of S\$18.8 million, compared to S\$1.7 million in Q42016. The increase was contributed from the progressive sales recognised from the Group's Eaton Residences project in Kuala Lumpur, Malaysia.

Our hospitality business grew by 19% from S\$15.9 million in Q42016 to S\$19.0 million in Q42017, due mainly to the increase in room occupancy and average room rates at our two hotels in Sutera Harbour Resort in Kota Kinabalu, Sabah.

Due to the fall of rental rates in Dubai, the valuation of the Group's investment property in Dubai was reduced by S\$0.4 million, as reflected in other expenses in Q42017.

The Group had entered into a loan and deposit arrangement (LDA) with a bank, which had a foreign exchange exposure. This exposure was fully hedged with a financial derivative. The LDA lapsed in Q22017. Consequently, there was a reduction of the exchange gain, net change in fair value of financial derivatives, finance expenses and finance income.

After the completion of the Group's investment in the food logistics hub (Henan Zhongyuan) on 10 March 2017 (Henan Investment), the Group recorded S\$14.2 million share of profit from the associated company in Q42017, which due mainly to the recognition of net negative goodwill of S\$11.7 million from the investment.

Balance Sheet

Investment in associated company of S\$58.6 million was recorded as of 31 December 2017, following the legal completion of the Henan Investment in March 2017.

With the lapse of the LDA in Q22017, the loan of S\$243.3 million was repaid, from the corresponding deposit. Hence, derivative financial liabilities, fixed deposits, and loan and borrowings, were reduced.

In Q22017, the Group derecognised the assets and liabilities of its 51% owned subsidiary, Plaza Ventures Pte Ltd (PVPL), as it had fulfilled the conditions precedent and other substantive obligations, pursuant to the sale and purchase agreement. Consequently, corresponding assets and liabilities items reduced (see page 5).

Cash Flow Analysis

For the financial year ended 31 December 2017, the operating profit before working capital changes, was S\$18.8 million. However, after adjusting for working capital changes, the Group recorded a net cash inflow from operating activities, of S\$30.7 million.

The Group registered a net cash inflow from investing activities of S\$350.8 million, which was due mainly to the proceeds of S\$157.1 million received, from the disposal of PVPL, the decrease in deposit pledged of S\$233.4 million and payment for investment in Henan Investment of S\$41.0 million, during the year.

The Group recorded a net cash outflow from financing activities of S\$228.8 million, which was due to the net repayment of borrowings of S\$186.6 million, payment of interest of S\$22.6 million and payment of dividend of S\$19.6 million.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

There are no new significant trends and competitive conditions.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Name of Dividend	Final (Proposed)
Dividend Type	Cash
Dividend Amount Per Share (in SGD cents)	1.25 cents per ordinary share
Tax Rate	One-Tier Tax Exempt

(b) Corresponding Period of the Immediately Preceding Financial Year. Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

The proposed final dividend as stated in 11(a) is subject to shareholders approval at the forthcoming Annual General Meeting.

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 Company does not have a general mandate for IPTs.

14. Segment Analysis

SEGMENT ANALYSIS

	3 Months Ended 31 December 2017				3 Months Ended 31 December 2016			
	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000
Segment revenue	18,978	18,816	1,455	39,249	15,924	28,166	827	44,917
Elimination of inter-segment revenue	-	-	(1,455)	(1,455)	-	(26,435)	(827)	(27,262)
External revenue	18,978	18,816	-	37,794	15,924	1,731	-	17,655
Interest income	(16)	64	571	619	154	156	1,099	1,409
Interest expense	(2,024)	(450)	(1,785)	(4,259)	(1,869)	(514)	(1,855)	(4,238)
Depreciation	(2,109)	(190)	(141)	(2,440)	(2,184)	(457)	(50)	(2,691)
Reportable segment profit/(loss) before tax	3,379	19,046	(4,569)	17,856	1,644	(3,866)	(1,828)	(4,050)
Tax expense	(1,214)	(826)	(123)	(2,163)	4	324	-	328
Reportable segment profit/(loss) after tax	2,165	18,220	(4,692)	15,693	1,648	(3,542)	(1,828)	(3,722)
Share of profit of equity-accounted investee	-	14,206	-	14,206	-	-	-	-
Reportable segment assets	393,362	319,772	215,087	928,221	390,350	811,236	314,326	1,515,912
Reportable segment liabilities	(212,353)	(72,850)	(164,915)	(450,118)	(217,406)	(516,045)	(344,327)	(1,077,778)

* General corporate activities

Geographical Information

	Revenue 3 months ended 31 Dec		Non-current assets 3 months ended 31 Dec	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Malaysia	37,794	15,924	376,071	375,090
China	-	-	58,640	-
Singapore	-	1,731	27,333	22,323
Middle East	-	-	5,260	6,159
Total	37,794	17,655	467,304	403,573

SEGMENT ANALYSIS

	12 Months Ended 31 December 2017				12 Months Ended 31 December 2016			
	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000
Segment revenue	74,745	36,001	4,085	114,831	62,704	50,890	3,594	117,188
Elimination of inter-segment revenue	(16)	(650)	(3,840)	(4,506)	-	(26,435)	(3,594)	(30,029)
External revenue	74,729	35,351	245	110,325	62,704	24,455	-	87,159
Interest income	400	144	2,656	3,200	460	486	4,702	5,648
Interest expense	(8,260)	(4,584)	(6,180)	(19,024)	(9,392)	(2,423)	(5,708)	(17,523)
Depreciation	(8,128)	(743)	(429)	(9,300)	(8,239)	(472)	(196)	(8,907)
Reportable segment profit/(loss) before tax	17,592	94,419	(15,368)	96,643	7,624	(3,221)	(4,087)	316
Tax expense	(5,210)	(318)	(123)	(5,651)	(3,625)	(288)	-	(3,913)
Reportable segment profit/(loss) after tax	12,382	94,101	(15,491)	90,992	3,999	(3,509)	(4,087)	(3,597)
Share of profit of equity-accounted investee	-	17,327	-	17,327	-	-	-	-
Reportable segment assets	393,362	319,772	215,087	928,221	390,350	811,236	314,326	1,515,912
Reportable segment liabilities	(212,353)	(72,850)	(164,915)	(450,118)	(217,406)	(516,045)	(344,327)	(1,077,778)

* General corporate activities

Geographical Information

	Revenue 12 months ended 31 Dec		Non-current assets 12 months ended 31 Dec	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Malaysia	93,545	62,704	376,071	375,090
China	-	-	58,640	-
Singapore	16,780	24,455	27,333	22,323
Middle East	-	-	5,260	6,159
Total	110,325	87,159	467,304	403,573

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

There is no material changes in contribution to the Group's turnover as the hospitality and property business segments contributed 68% and 32% respectively to the Group's revenue in FY2017 (FY2016: 72% and 28%).

16. A breakdown of sales.**Breakdown for revenue**

	Group		
	Full Year Ended 31 December		
	2017	2016	Increase/
	Unaudited	Audited	(Decrease)
	S\$'000	S\$'000	%
<u>First Half</u>			
Revenue reported for the first half year	51,558	41,129	25.4%
Profit/(Loss) after tax reported for the first half year	72,367	(892)	Nm
<u>Second Half</u>			
Revenue reported for the second half year	58,767	46,030	27.7%
Profit/(Loss) after tax reported for the second half year	18,625	(2,705)	Nm

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

	Group	
	Full Year Ended 31 December	
	2017	2016
	Unaudited	Audited
	S\$'000	S\$'000
Ordinary	19,589	988

19. 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.

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms it has procured the undertakings.

BY ORDER OF THE BOARD

Lee Tiong Hock
Company Secretary
23 February 2018