Roxy-Pacific Holdings Limited

TOWARDS SUSTAINABLE FUTURE

ANNUAL REPORT 2016

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CORPORATE PROFILE

Roxy-Pacific Holdings Limited is an established property and hospitality group with an Asia-Pacific focus and a track record that extends back to May 1967.

Listed on the SGX Mainboard on 12 March 2008, the Group is principally engaged in the development and sale of residential and commercial properties ("Property Development"). The Group's recurring income streams are strengthened through its flagship hotel in the heart of historical Katong, Grand Mercure Singapore Roxy, self-managed upscale boutique hotel, Noku Kyoto, in Kyoto, Japan, and other investment properties in Asia-Pacific ("Hotel Ownership and Property Investment").

In Property Development, Roxy-Pacific is an established brand name for small to medium size residential developments such as apartments and condominiums targeted at middle to upper middle income segments.

Between 2004 and 2016, the Group developed and launched 43 small-to-medium sized developments comprising a total of more than 4,000 residential and commercial units in Singapore, Malaysia and Australia.

Grand Mercure Singapore Roxy, a major asset of the Group, is self-managed under franchise agreement with international hotel operator, Accor Group. Strategically located in the East Coast area, the hotel is close to the CBD, the Changi airport and the Marina Bay Resort Casino. Beyond Singapore, the Group has opened its first upscale boutique hotel under the *Noku Roxy* brand name in Kyoto, Japan, has acquired a resort in Maldives and acquired other land parcels intended for development into hotels in Phuket, Thailand.

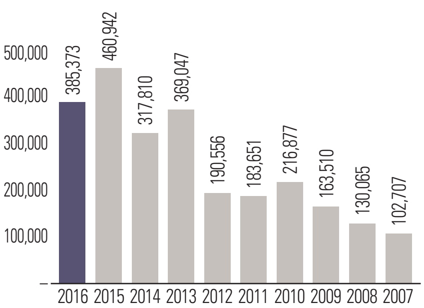
For Property Investment, the Group owns 52 retail shops at The Roxy Square Shopping Centre in Singapore. In Australia, Roxy-Pacific owns a 28-storey freehold commercial building at 59 Goulburn Street, Sydney, which is strategically located in the CBD area. In February 2016, it has acquired 50% interest in a 14-storey, freehold, commercial building at 117 Clarence Street in Sydney's CBD.

FINANCIAL HIGHLIGHTS

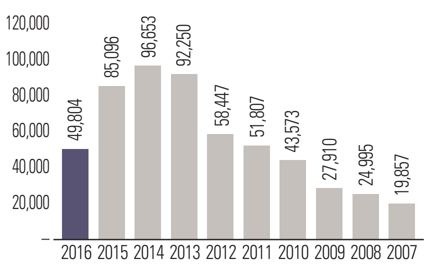
PERIOD	FULL YEAR Dec-16	FULL YEAR Dec-15	FULL YEAR Dec-14	FULL YEAR Dec-13	FULL YEAR Dec-12	FULL YEAR Dec-11	FULL YEAR Dec-10	FULL YEAR Dec-09	FULL YEAR Dec-08	FULL YEAR Dec-07
PROFIT & LOSS (S$'000)						(restated)[2]	(restated)[2]	(restated)[2]	(restated)[2]	(restated)[2]
Revenue	385,373	460,942	317,810	369,047	190,556	183,651	216,877	163,510	130,065	102,707
Finance Costs	(15,187)	(13,124)	(9,107)	(5,476)	(4,394)	(4,650)	(4,470)	(3,774)	(4,233)	(4,354)
Share of result of Associates	18,641	11,134	54,858	9,944	3,974	288	55	-	-	-
Profit Before Tax	65,584	101,060	110,275	106,728	65,875	58,524	53,232	36,248	30,365	23,940
Total Comprehensive Income Attributable to Shareholders	49,804	85,096	96,653	92,250	58,447	51,807	43,573	27,910	24,995	19,857
BALANCE SHEET (S$'000)										
No. of Ordinary Shares Issued ('000)	1,192,243	1,193,550	1,193,550	1,193,550	954,840	636,560	636,560	636,560	636,560	508,560
Share Capital	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	47,399	11,114
Treasury shares	(555)	-	-	-	-	-	-	-	-	-
Fair Value Reserve	50	68	174	111	144	-	-	-	-	-
Translation Reserve	(2,149)	(8,083)	(3,168)	-	-	-	-	-	-	-
Retained Earnings	446,518	418,197	355,933	282,112	206,038	166,864	124,605	87,398	64,262	45,633
Equity Attributable to Owners of the Company	491,263	457,581	400,338	329,622	253,581	214,263	172,004	134,797	111,661	56,747
Non-Controlling Interests	3,745	629	515	347	199	-	-	-	-	-
Total Equity	495,008	458,210	400,853	329,969	253,780	214,263	172,004	134,797	111,661	56,747
Long Term Liabilities	303,643	344,114	300,931	133,129	89,657	100,820	97,507	90,243	80,841	81,412
Current Liabilities	662,967	606,457	731,535	835,846	580,697	433,522	332,115	200,489	217,704	170,474
Total Equity and Liabilities	1,461,618	1,408,781	1,433,319	1,298,944	924,134	748,605	601,626	425,529	410,206	308,633
Property, plant and equipment	175,527	129,680	120,309	81,942	76,147	73,928	70,421	64,515	65,958	65,597
Intangible Assets	68	86	-	-	1,672	1,672	1,672	1,672	1,672	2,040
Investment Properties	198,835	179,768	175,663	67,987	61,247	44,692	78,767	55,688	32,428	30,640
Investment in Associates	146,458	60,460	69,005	16,726	6,837	2,413	1,635	450	-	-
Other Non-Current Assets	12,689	68,141	1,574	2,207	1,684	-	-	-	-	-
Current Assets	928,041	970,646	1,066,768	1,130,082	776,547	625,900	449,131	303,204	310,148	210,356
Total Assets	1,461,618	1,408,781	1,433,319	1,298,944	924,134	748,605	601,626	425,529	410,206	308,633
FINANCIAL RATIOS (S$)										
Earning Per Share (cents)[1]	4.17	7.13	8.10	7.73	4.90	4.34	3.65	2.34	2.09	1.66
Net Asset Value Per Share (cents)[1]	41.20	38.34	33.54	27.62	21.25	17.95	14.41	11.29	9.36	4.75
Return On Asset (ROA)	3%	6%	7%	7%	6%	7%	7%	7%	6%	6%
Return On Equity (ROE)	10%	19%	24%	28%	23%	24%	25%	21%	22%	35%
Total Liabilities to Equity Ratio (times)	1.31	1.39	1.54	1.87	1.64	1.43	1.58	1.35	1.68	3.84
Net Assets Value (S$m)	491.26	457.58	400.34	329.62	253.58	214.26	172.00	134.80	111.66	56.75
Revaluation surplus (S$m)[3]	471.94	463.42	460.35	441.47	384.53	344.14	257.10	169.00	214.18	246.44
Adjusted Net Assets Value (S$m) (ANAV)	963.20	921.00	860.69	771.09	638.11	558.40	429.10	303.80	325.84	303.19
Adjusted Net Assets Value per share[1]	80.79	77.16	72.11	64.60	53.46	46.78	35.95	25.45	27.30	25.40
Net Debt to ANAV (times)	0.53	0.45	0.58	0.68	0.56	0.45	0.51	0.47	0.48	0.64

(1) Adjusted based on total issue of 1,192,243,494 (2007 - 2015: 1,193,549,994) ordinary shares.
(2) The figures have been restated to take into account of the retrospective effect of adoption of Amendments to FRS 12.
(3) Refer to revaluation surplus of the Grand Mercure Roxy Hotel, Noku Hotel in Kyoto, hotel in Phuket and office premise

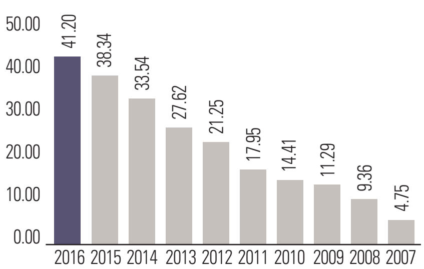
REVENUE (S$'000)



TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO SHAREHOLDERS (S$'000)



NET ASSET VALUE PER SHARE (cents)[1]



CALENDAR OF EVENTS

FEBRUARY

Payment of final dividend of S$0.01297 per ordinary share for financial year ended 2015.

Acquisition of Resort Property in Island of Kudafunafaru, Noonu Atoll, Maldives. The site has an estimated total land area of 89,896 square metres with 50 villas.

Completion of purchase of freehold property at 117 Clarence Street, Sydney, Australia. The property is a 14 storey commercial building with net lettable area of approximately 12,517 square metres, set on a total site of approximately 1,190 square metres.

Completion of purchase of development property at 37-41 Bayswater Road, Potts Point, Sydney, Australia. The site has a total land area of 930 square metres.

Completion of purchase of freehold residential properties at 178 and 180A Jalan Eunos, Singapore. The sites have an aggregate total land area of 1,601 square metres.

MARCH

Completion of purchase of properties at 10-11 Cowper Street, Glebe, Sydney, Australia. The city fringe properties are set for residential development and comprise an aggregate land area of approximately 7,125 square metres.

Sales launch for residential apartment, Octavia Killara located at 6A and 8 Buckingham Road, Killara, Sydney, Australia. Octavia Killara comprises 43 units with freehold in tenure.

MAY

Millage obtained its Temporary Occupation Permit on 24 May 2016.

Noku Kyoto, Japan

JUNE

Sales launch for residential apartment, The Hensley located at 37-41 Bayswater Road, Potts Point, Sydney, Australia.

The Hensley comprises a boutique block of 44 apartments and 1 retail space.

JULY

Sales launch for residential apartment, Straits Mansions located at 26 Sea Avenue, Singapore.

Straits Mansions comprises 25 exclusive units with freehold in tenure.

AUGUST

Payment of interim dividend of S$0.00503 per ordinary share for financial year ended 2016.

Announced acquisition of freehold residential site at 211 – 223A Pasir Panjang Road, Singapore with an estimated total land area of 2,856 square metres.

SEPTEMBER

Acquisition of freehold residential site, located at 180, 182 and 184 Jalan Eunos, Singapore. The site has an estimated total land area of 714 square metres. The Group intends to amalgamate this freehold site with another freehold site at 178 and 180A Jalan Eunos which it had acquired in February 2016.

OCTOBER

Whitehaven obtained its Temporary Occupation Permit on 11 October 2016.

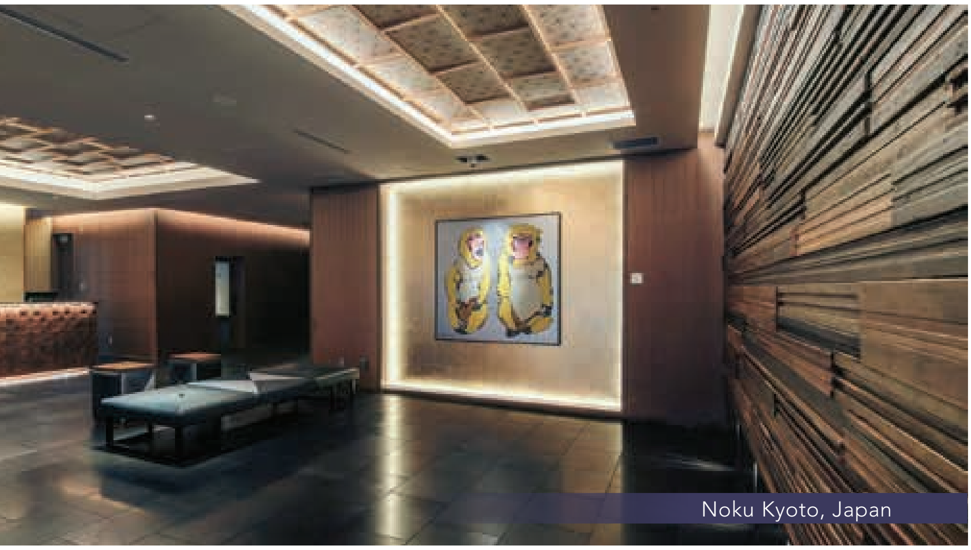
NOVEMBER

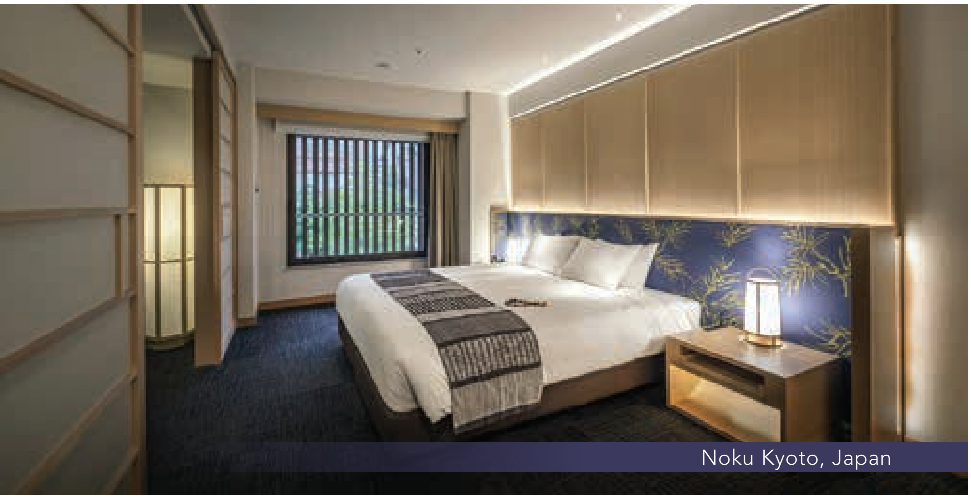
Acquisition of development property at 120 Grange Road, Singapore. The site is freehold and has an estimated total land area of 1,466 square metres.

DECEMBER

Approval from the Strata Titles Board for the purchase of the freehold residential site at 211 – 223A Pasir Panjang Road, Singapore.

LIV on Sophia obtained its Temporary Occupation Permit on 16 December 2016.


Noku Kyoto, Japan


Noku Kyoto, Japan


Grand Mercure Roxy Singapore

OUR AWARDS

HOTEL OWNERSHIP

- **Fire Safety Award 2016**
  This award was presented by the Singapore Hotel Association and the Singapore Civil Defence Force to hotel security staff that fulfilled fire safety requirements.
- **Excellent Service Award 2016 – 1 Star, 14 Gold and 18 Silver**
  A national award presented by Singapore Hotel Association to recognise individuals who have delivered quality service in Singapore.
- **Service Gold – National Kindness Award 2016**
  The award is to recognise hotel staffs who have displayed service excellence, gracious and kind acts at the workplace by Singapore Hotel Association.
- **Certificate of Appreciation – Boon Lay Garden Primary School**
  The award is to recognise the efforts in support of Boon Lay Garden Primary School's, Learning Buffet 2016 programme.
- **Hotel Security Excellence Award 2016**
  The award is to recognise the hotel for ensuring security measures are in compliance with the standards of the Singapore Hotel Association and Singapore Police Force.
- **Friends of BLGPS Award**
  The award was presented during the opening ceremony of the Garden Library in Boon Lay Garden Primary School.
- **BCA Green Mark – Gold Award**
  The award is presented by the Building & Construction Authority (BCA) in Singapore to recognise the hotel for its efforts in heading towards a more environmental-friendly building such as improvements in energy efficiency, water efficiency and sustainable operation & management.

CHAIRMAN'S STATEMENT

Roxy Resort, Chalong Bay, Phuket, Thailand
Artist Impression

TEO HONG LIM
Executive Chairman and Chief Executive Officer

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, it is my great pleasure to present to you the Annual Report for the full year ended December 31, 2016 ("**FY2016**").

OPPORTUNITIES AMIDST UNCERTAINTIES

It has been a volatile year filled with many uncertainties brought about by major macro-economic and political events, and a challenging one for many industry players with the sustained slowdown in the local property market and expectations for economic growth to decelerate.

In view of the challenging operating environment, we have taken proactive steps over the last few years to rebalance our business mix and property portfolio to ensure resilience and long-term sustainable growth. Some measures we have taken include geographical diversification of our portfolio to markets with favourable property cycles, such as Australia, and the strengthening of our recurring income streams through our hospitality pillar and property investments to complement our core development business.

For FY2016, we achieved revenue of $385.4 million, a 16% decrease from $460.9 million recorded in preceding financial year ("**FY2015**"), mainly due to the absence of Property Development revenue recognised on completion of Centropod@Changi in FY2015.

Notably, this was partially offset by higher revenue from our recurring income streams in the Hotel Ownership and Property Investment segments, demonstrating the effectiveness of our rebalancing strategy. The decrease in revenue was also mitigated by progressive revenue recognised from Trilive, Sunnyvale, LIV on Wilkie and LIV on Sophia projects in FY2016.

We also saw an 86% increase in other operating income in FY2016 to S$23.0 million from S$12.3 million in FY2015, lifted by higher net fair value gains on investment property in Australia and higher interest income from fixed deposits.

Due mainly to lower revenue coupled with higher expenses relating to sales launches this year – including Straits Mansions in Singapore as well as Octavia and The Hensley in Australia – FY2016 net profit decreased 41% to S$49.8 million from S$85.1 million in FY2015.

Notwithstanding the challenges in our local property market, we are pleased to report that Straits Mansions has since been fully sold, the profits of which will be progressively recognised from 4Q2017. The Hensley and Octavia have also received warm reception from the market and are currently over 90% sold, profits will be recognised upon completion of the projects in 2018.

The success of these projects are a testament of our ability to identify and execute projects that resonate well with buyers and investors at the right time. Identifying an opportunity to replenish our land bank while prices are subdued, we have been accumulating sites in Singapore that presents good yield potential, while executing project launches and developments in Australia in FY2016.

As with the nature of the business, our rebalancing strategy requires some gestation time, and we are pleased to have started seeing results. We will continue to seek an optimal mix between our three segments – Property Development, Property Investment and Hotel Ownership – and balance our asset portfolio both geographically and across sectors for sustainable growth.

Our strategy is supported by our strong balance sheet, with cash and cash equivalents of S$237.3 million, low net debt-to-ANAV gearing ratio of 0.53 time and good headroom from

Roxy Resort, Chalong Bay, Phuket, Thailand
Artist Impression

our S$500 million Multicurrency Debt Issuance programme, of which S$60 million has been issued to date. This allows us the financial flexibility to 'strike when the iron is hot', capitalising on attractive opportunities as they come by.

PROPERTY DEVELOPMENT

Latest statistics from the Urban Redevelopment Authority ("**URA**")[1] showed that private residential property prices in 2016 declined at a gentler rate of 3.1% compared to 3.7% in 2015, marking the slowest rate of decline in three years[2]. Prices in 4Q 2016 declined 0.5% compared to the 1.5% decline in the preceding quarter, amidst expectations of prices bottoming in 2017.

Coupled with returning demand – developers sold 7.2% more units in 2016 at 7,972 units, compared to 7,440 units in 2015 – the property market appears to be stabilising despite the authorities reaffirming that the cooling measures will not be lifted any time soon[3].

Including the aforementioned projects – Straits Mansions, The Hensley and Octavia – we have locked in total attributable pre-sale revenue of S$369.3 million as at February 16, 2017, the profits of which will be progressively recognised from 1Q2017 to FY2020. We also intend to launch a total of 726 residential units – both in Singapore and abroad – for sale in 2017 and 2018.

In line with our strategy to acquire well-located, freehold properties that offer strong and unique selling propositions, we have replenished our Singapore land bank during the year under review with the purchase of freehold residential sites at Jalan Eunos, Pasir Panjang Road (formerly known as Harbour View Gardens), and 120 Grange Road.

We intend to develop the 2,315 square metres ("**sqm**") site at Jalan Eunos into 48 residential units; the 2,856 sqm site at Pasir Panjang Road into 57 residential units, and the 1,466 sqm site at 120 Grange Road into 56 residential units. We will continue to monitor the market closely and launch these projects progressively in FY2017 and FY2018 at an opportune time.

For Australia, the Australian Bureau of Statistics reported a 3.5% year-on-year increase in the weighted average residential property prices of eight capital cities, and 1.5% quarter-on-quarter growth for the quarter ended September 2016. On a year-on-year basis, prices rose in Sydney (3.2%), Melbourne (6.9%), Brisbane (3.1%), Adelaide (3.2%), Hobart (6.8%) and Canberra (5.5%) and declined 4% in Perth and 7.2% in Darwin[4].

Apart from Octavia and The Hensley in Sydney, launched in March and June 2016 respectively, we've also in January 2016 launched the first phase of our 40%-owned luxury condominium project in Brisbane, New World Towers for sale. Phase One, consisting 195 of the total 435 units, has received healthy reception and is 61% sold as at 16 February 2017.

Our freehold 7,125 sqm site in Glebe, Australia, will consist of 231 residential units, and we intend to launch the project for sale in March 2017.

We also look forward to the impending launch of the second phase of our Malaysian JV project, The Luxe by Wisma Infinitum in 2017. The freehold project is strategically located in the Kuala Lumpur City Centre, and its first phase, The Colony by Wisma Infinitum that comprises 423 residential units, is close to 70% sold as at 16 February 2017, having found a niche in the form of compact dual key configurations that are efficiently designed. Phase two, The Luxe, has 300 residential units and will be positioned higher than The Colony to target a different market segment, while bearing in mind the market's appetite for high-end developments.

CHAIRMAN'S STATEMENT

Roxy Maldives Resort, Maldives

Additionally, subsequent to the financial year-end, we acquired five freehold adjoining two-storey shophouses at Upper Bukit Timah Road with an estimated total land area of 953 sqm and an 80%-stake in freehold properties along Upper Bukit Timah Road. We intend to re-develop the shophouses into 34 residential apartment units.

Subsequent to year end, the authorities eased property cooling measures for the first time since 2009 – the Seller's Stamp Duty has been relaxed while the Total Debt Servicing Ratio has been recalibrated with effect from March 11, 2017[5]. With these favourable developments, we are optimistic on the performance of our impending property launches in the coming year.

Separately, having accumulated experience overseas, especially in Australia, we will continue to work closely with our strategic partners to deepen our footprint in these favourable markets, while we continue to prudently seek yield-accretive opportunities in Singapore to replenish our land bank. We will also focus on project execution in FY2017 and FY2018.

PROPERTY INVESTMENT

Our strategy for this segment would be to acquire well-located and tenanted commercial buildings which will strengthen our recurring income stream. Our two investment properties in Sydney – 59 Goulburn Street and our 50%-owned 117 Clarence Street – have been contributing strong recurring rental income. Occupancy for both properties remain high at 100% and 98%, respectively.

Subsequent to the financial year-end, we have announced our intention to dispose of the 59 Goulburn Street property should an offer be made at the right price to unlock value and capitalise on favourable market cycles. We have engaged marketing agents for the sale, and will update shareholders when there are material developments.

HOTEL OWNERSHIP

Latest statistics from the Singapore Tourism Board ("**STB**")[6] showed a 7.7% year-on-year rise in international visitor arrivals for the whole of 2016, exceeding an earlier forecast of 0-3% growth. Singapore received a total of 16.4 million visitors during the period, compared to the earlier forecast of between 15.1 million and 15.5 million tourists in 2016.

For 2017, the STB is projecting modest growth for the local tourism industry this year, forecasting arrivals of 16.4 million to 16.7 million and tourism spend is expected to come in at between S$25.1 billion and S$25.8 billion, compared to S$24.8 billion in 2015.

The STB[7] also reported a 2.3% year-on-year growth in total room revenue to S$3.2 billion for 2016, while Standard Average Occupancy Rate slipped slightly by 0.9% to 84.2%. Revenue per Available Room ("**RevPAR**") dipped 4.6% to S$199.1 and Average Room Rate ("**ARR**") decreased 3.6% to S$236.6 during the same comparative periods.

The Grand Mercure Roxy Hotel has maintained its resilient performance, reporting healthy average occupancy rate ("**AOR**"), ARR and RevPAR of 88.5%, S$156.6 and S$138.5 in FY2016 respectively *(FY2015: AOR: 89.6%; ARR: S$169.2; RevPAR: S$151.6)*.

Contrary to Singapore's subdued tourism outlook, preliminary statistics from the Japan National Tourism Organisation showed a 21.8% surge in visitors in 2016[8], and a 24.0% growth in visitors in January 2017[9].

Our first self-managed hotel asset, Noku Kyoto, which was launched in November 2015, recorded AOR, ARR and RevPAR of 52.0%, S$310.5 and S$161.6 in FY2016. Noku Kyoto has

Cowper Street, Glebe, Sydney, Australia
Artist's Impression

enjoyed high ARR since its opening; with its favourable location adjacent to the Kyoto Imperial Palace and connectivity to the Marutamachi train station, coupled with its unique value proposition through curated tours and personalised services, we are optimistic of its performance in the coming year.

We also look forward to the extension of our self-managed Noku Roxy hospitality brand to Maldives in 4Q2017, followed by Chalong Sub-District in Phuket, Thailand, in 2019. Retrofitting works in Maldives resort and redevelopment of Chalong resort are progressing on-schedule.

With a geographically-diversified portfolio, we hope to progressively build a sustainable stream of recurring income for the Hotel Ownership segment. While we intend to self-manage hotel assets where possible, we will also consider collaborating with international hotel operators in managing larger-scale city hotels. For Grand Mercure Roxy Hotel in Singapore, it is self-managed under franchise agreement with Accor Group.

Going forward, we continue to explore opportunities to deepen our presence in existing markets while expanding into new geographies to build up our yield-accretive property and hospitality asset base.

PROPOSED DIVIDEND & SHARE BUY-BACK

In appreciation of the strong support we have received from its shareholders over the past eight years of our listing, we have proposed a special dividend (one-tier tax exempt) of 0.622 SGD cents. In addition to a proposed final dividend (one-tier tax exempt) of 0.542 SGD cents per ordinary share, this will lift our total dividends for FY2016 to 1.667 SGD cents per share, equivalent to a dividend payout ratio of approximately 40% of our FY2016 net profit.

In addition, since the renewal of our Share Purchase Mandate at the last AGM in 2016, the Group has purchased a total of 1,326,500 shares as at Feb 28, 2017, amounting to 0.1111% of the Group's total issued share capital base.

WORDS OF APPRECIATION

We would like to take this opportunity to thank Mr Teo Hong Wee for his invaluable contributions over the past 25 years of his tenure before he stepped down as Executive Director on 1 January 2017. He will continue to contribute his experience to Roxy-Pacific as Senior Director for development projects.

In closing, I would like to thank our Board of Directors for their guidance and wise counsel in the last financial year, our management and staff for their dedication and contributions to Roxy-Pacific. Last but not least, I would like to extend our appreciation to our shareholders, clients, consultants, suppliers, partners and business associates for their strong support as we look forward to growing alongside all of you as we work towards a sustainable future.

TEO HONG LIM
Executive Chairman and
Chief Executive Officer

Sources:
1. *Urban Redevelopment Authority, January 26, 2017 – Release of 4th Quarter 2016 real estate statistics*
2. *Straits Times, January 27, 2017 – Things looking up for property market*
3. *Straits Times, February 22, 2017 – Property curbs 'to stay for some time'*
4. *Australian Bureau of Statistics, December 13, 2016 – Residential Property Price Indexes: Eight Capital Cities, Sep 2016*
5. *Business Times, March 10, 2017 – Quick Takes: Some property measures eased for first time since 2009, more to follow?*
6. *Singapore Tourism Board, February 14, 2017 – International Visitor Arrivals Statistics*
7. *Singapore Tourism Board, February 15, 2017 – Hotel Statistics 2016*
8. *Japan National Tourism Organisation – 2016 Foreign Visitors & Japanese Departures*
9. *Japan National Tourism Organisation – 2017 Foreign Visitors & Japanese Departures*

FINANCIAL & OPERATIONS REVIEW

TURNOVER REVIEW

The Group registered total revenue of S$385.4 million for the financial year ended December 31, 2016 ("**FY2016**"), a 16% decline from S$460.9 million in the preceding financial year ("**FY2015**"). The lower turnover was mainly due to the absence of revenue recognised in FY2015 on completion of Centropod@ Changi.

PROPERTY DEVELOPMENT

The Property Development segment contributed S$326.6 million or 85% of the Group's total FY2016 revenue, a 19% decrease from S$404.2 million recorded in FY2015 in the absence of revenue recognised on completion of Centropod@Changi. The decrease was partially offset with progressive revenue recognised from Trilive, Sunnyvale, LIV on Wilkie and LIV on Sophia projects in FY2016.

Based on units sold from ongoing development projects, the Group has accumulated total attributable pre-sale revenue of S$369.3 million, the profits of which will be progressively recognised from 1Q2017 to FY2020. The Group intends to launch a total of 726 residential units – both in Singapore and abroad – for sale in 2017 and 2018.

Despite the challenges in our local property market in Singapore, the Group's Straits Mansion project has been fully sold just six months within its launch. It is expected to contribute positively to the Groups' performance from 4Q2017.

In Australia, the Group has sold over 90% of its launched projects in Sydney – The Hensley and Octavia – and in January 2016 launched the first phase of its luxury condominium project in Brisbane, New World Towers, for sale which we own 40% stake. Phase One of the project, consisting 195 of the total 435 units, is currently 61% sold as at 16 February 2017.

The Group will also launch the second phase of its Malaysian JV project, The Luxe, in the coming financial year. The Luxe is strategically located in the Kuala Lumpur City Centre, adjacent to the first phase of the development, The Colony by Infinitum. Phase one of the development is close to 70% sold as at 16 February 2017. The Kuala Lumpur project has received warm reception so far, offering compact dual key configurations at a prime location and affordable prices.

To replenish its land bank, the Group has been on the lookout for well-located, freehold sites that will offer strong differentiated value proposition. During the year under review, Roxy-Pacific acquired freehold residential sites at Jalan Eunos, 120 Grange Road and Pasir Panjang Road (formerly known as Harbour View Gardens). The Group will continue to monitor the market closely and launch these projects progressively over the next two financial years at an opportune time.

Subsequent to the year-end, the Group has also acquired five freehold adjoining two-storey shophouses at Upper Bukit Timah Road with an estimated total land area of 953 sqm. It holds an 80%-stake in the freehold properties and will potentially develop into 34 residential apartment units.

For its overseas markets, Roxy-Pacific will continue to collaborate with local partners with extensive network and deep market experience to seek yield-accretive property development opportunities for sustainable long-term growth.

HOTEL OWNERSHIP

The Hotel Ownership segment, which contributed 12% of the Group's FY2016 turnover, reported a 4% growth in topline to S$46.3 million from S$44.5 million in FY2015. The improved performance was mainly lifted by additional contributions from the self-managed Noku Kyoto hotel that had commenced operations in November 2015.

The Group's flagship Grand Mercure Roxy Hotel maintained healthy average occupancy rate ("**AOR**") of 88.5%, average room rate ("**ARR**") of S$156.6 and revenue per available room ("**RevPar**") of S$138.5 in FY2016 (FY2015 – AOR:89.6%; ARR: $169.2; RevPar: $151.6).

The upscale boutique hotel Noku Kyoto in Japan, is the first self-managed hotel launched under the Group's new *Noku Roxy* hospitality brand. *Noku Kyoto* recorded an AOR, ARR and RevPar of 52.0%, S$310.5 and S$161.6, respectively, in FY2016. To strengthen its recurring income streams, the Group plans to grow the *Noku Roxy* brand and self-manage hotel assets, wherever possible, to develop its hotel management expertise.

The Group looks forward to the extension of the Noku Roxy brand with the launch of its resort in the Kudafunafaru island, Maldives, in 4Q2017, followed by a luxury resort in Chalong Sub-District, Mueang, Phuket, Thailand in 2019.

PROPERTY INVESTMENT

The Property Investment segment contributed S$12.5 million revenue, constituting the remaining 3% of the Group's FY2016 turnover, compared to S$12.2 million in FY2015. The Group's two investment properties in Sydney – the 59 Goulburn Street office building and 50%-owned 14-storey freehold commercial building, 117 Clarence Street – continues to contribute healthy recurring income to the segment.

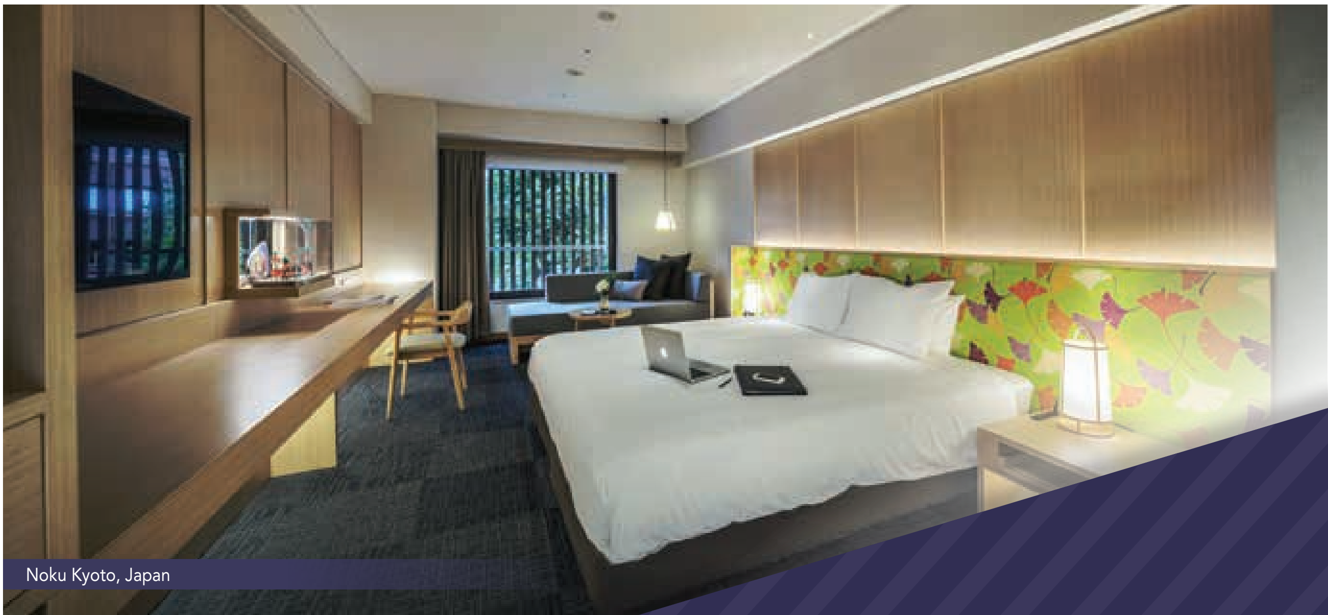
Subsequent to the financial year-end, the Group has announced its intention to sell the 59 Goulburn Street property, should an offer at the right price be made, to unlock value and capitalise on favourable market cycles. Marketing agents have been appointed for the sale, and Roxy-Pacific will update shareholders when there are material developments.

In the meantime, the Group continues to seek well-located and tenanted commercial buildings to strengthen its recurring property investment income, both in Singapore and abroad.

ONGOING DEVELOPMENT PROJECTS

No.	Project name	Type of Development	Group's Stake	Total units in project	Unit sold	Attributable total sale value[(i)]	Attributable revenue recognised up to 31 December 2016	Balance attributable progress billings to be recognised from 1Q2017
	Singapore		%	Units	%	$'m	$'m	$'m
1	Eon Shenton	Office	20%	98	100%	$60.1	$49.6	$10.5
		Residential	20%	132	96%	$38.4	$31.7	$6.7
		Shop	20%	23	100%	$4.8	$4.0	$0.8
2	Jade Residences	Residential	100%	171	100%	$216.7	$212.7	$4.0
		Shop	100%	2	100%	$1.7	$1.7	–
3	LIV on Wilkie	Residential	90%	81	91%	$94.2	$84.1	$10.1
4	Sunnyvale Residences	Residential	100%	30	70%	$32.8	$28.6	$4.2
5	Trilive	Residential	85%	222	86%	$185.7	$97.1	$88.6
		Shop	85%	2	50%	$0.7	$0.4	$0.3
6	Straits Mansions	Residential	100%	25	100%	$48.1	–	$48.1
	Malaysia							
7	Wisma Infinitum, The Colony	Residential	47%	423[(ii)]	67%	$46.8	–	$46.8
	Australia							
	Sydney							
8	The Hensley	Residential	100%	44	91%	$68.1	–	$68.1
		Shop	100%	1	100%	$1.2	–	$1.2
9	Octavia, Killara	Residential	100%	43	91%	$48.0	–	$48.0
	South Brisbane							
10	New World Towers	Residential	40%	195[(iii)]	61%	$31.9	–	$31.9
	Total			**1,492**		**$879.2**	**$509.9**	**$369.3**

(i) Includes Option to Purchase granted up to 16 February 2017.
(ii) Represents Block A – The Colony by Infinitum. An additional 331 units in Block B are pending launch.
(iii) Represents Tower 1 of the development, Tower 2 with an estimated 240 units are pending launch.


Noku Kyoto, Japan

FINANCIAL & OPERATIONS REVIEW

LAND BANK AS AT 14 MARCH 2017

No.	Location/Description	Proposed Development	Approximate Land Area (sqm)	Approximate Gross Floor Area (sqm)	Group's stake	Approximate Attributable Gross Floor Area (sqm)	Approximate Attributable Land Cost (SGD)	Approximate Attributable Land Cost (foreign currency)
	Singapore							
1	178, 180, 180A, 182 & 184 Jalan Eunos	48 units of residential development	2,315	3,242	100%	3,242	S$25.2m	NA
2	211-233A Pasir Panjang Road	57 units of residential development	2,856	3,998	100%	3,998	S$33.3m	NA
3	120 Grange Road	56 units of residential development	1,466	3,079	100%	3,079	S$48.5m	NA
4	826/A-834/A Upper Bukit Timah Road	34 units of residential development	953	2,382	80%	1,906	S$13.6m	NA
	Australia							
1	54 & 85 Bracks Street, North Fremantle, Perth(1)	Industrial Land; to be rezoned for Commercial & Residential use	45,463	TBC	20.2%	TBC	S$12.8m	AUD11.9m
2	10-11 Cowper Street, Glebe, Sydney	231 units of residential development	7,125	18,960	100%	18,960	S$69.7m	AUD67.4m
	Indonesia							
1	Jalan Kramat, Raya No 110, Jakarta	Commercial development	1,703	TBC	49%	TBC	S$3.3m	IDR33.4b
	Total		**61,881**				**S$206.4m**	

(1) The properties are currently zoned as "Industrial" by the relevant Australian authorities. A decision to onsell or redevelop the land will be made by the joint venture upon successful rezoning of the property for commercial and residential use.

GROSS PROFIT

FY2016 gross profit decreased 37% to S$81.2 million in FY2016 compared to S$129.7 million in the preceding financial year.

The Property Development segment contributed 56% of the Group's gross profit, and recorded a 9 percentage-point decrease in its gross profit margin in FY2016 to 14% from 23% the year earlier due to higher profit margins recognised from the Centropod@Changi project in FY2015.

The remaining 44% of the gross profit was contributed by the Hotel Ownership and Property Investment segments, which registered a gross profit margin of 58% and 72% in FY2016 respectively. While the gross profit margin of Property Investment segment increased by 1 percentage point, the Hotel Ownership segment saw a 4 percentage point decrease in profit margin mainly due to lower RevPar in FY2016.

NET PROFIT

Lifted mainly by higher net fair value gains on investment property in Australia and higher interest income from fixed deposits, Roxy-Pacific's other operating income increased S$10.7 million to S$23.0 million in FY2016, compared to S$12.3 million a year ago.

The Group's share of results of associates grew 67.6% to S$18.6 million in FY2016 from S$11.1 million due to higher profits recognised from the Eon Shenton project and contribution from the 117 Clarence Street investment property in Australia.

As a result of the above, the Group achieved net profit after tax of S$49.8 million in FY2016, declining from S$85.1 million in FY2015.

BALANCE SHEET

As at December 31, 2016, the Group's balance sheet remained healthy with cash and cash equivalents amounting to S$237.3 million and a comfortable net debt-to-ANAV gearing ratio of 0.53 time.

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER:
196700135Z

REGISTERED OFFICE:
50 East Coast Road #B1-18
Roxy Square
Singapore 428769

BOARD OF DIRECTORS:

Teo Hong Lim
(Executive Chairman and Chief Executive Officer)

Chris Teo Hong Yeow
(Executive Director and Managing Director)

Koh Seng Geok
(Executive Director and Chief Financial Officer)

Hew Koon Chan
(Lead Independent Director)

Winston Tan Tien Hin
(Independent Director)

Tay Kah Poh
(Independent Director)

COMPANY SECRETARY:
Koh Seng Geok, *CA*

INVESTOR RELATIONS:
Dolores Phua
Citigate Dewe Rogerson, i.MAGE
55 Market Street #02-01/02
Singapore 048941
Tel: (65) 6534 5122
Fax: (65) 6534 4171

SHARE REGISTRAR AND SHARE TRANSFER OFFICE:
KCK CorpServe Pte. Ltd.
333 North Bridge Road #08-00
KH KEA Building
Singapore 188721

AUDIT RISK MANAGEMENT COMMITTEE:
Hew Koon Chan *(Chairman)*
Tay Kah Poh
Winston Tan Tien Hin

NOMINATING COMMITTEE:
Tay Kah Poh *(Chairman)*
Hew Koon Chan
Winston Tan Tien Hin

REMUNERATION COMMITTEE:
Tay Kah Poh *(Chairman)*
Hew Koon Chan
Winston Tan Tien Hin

PRINCIPAL BANKERS:
DBS Bank Limited
Hong Leong Finance Limited
Malayan Banking Berhad
Overseas-Chinese Banking Corporation Limited
Standard Chartered Bank
United Overseas Bank Limited

AUDITORS:
Foo Kon Tan LLP
(a principal member of HLB International)
Chartered Accountants
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621
(Partner-in-charge: Mr Robin Chin Sin Beng, CA)
(Appointed from the financial year ended 31 December 2016)

Straits Mansions, Singapore
Artist's Impression

PROJECTS TOP
IN 2016

Whitehaven Singapore
TOP on 11 October 2016

Millage Singapore
TOP on 24 May 2016

LIV on Sophia Singapore
TOP on 16 December 2016

Whitehaven Singapore
TOP on 11 October 2016

ASSETS ACQUIRED IN 2016

117 Clarence Street, Sydney, Australia

Cowper Street, Glebe, Sydney, Australia

Artist's Impression

Cowper Street, Glebe, Sydney, Australia

Artist's Impression

Roxy Maldives Resort, Maldives

The Hensley, Potts Point, Sydney, Australia

Artist's Impression

Artist's Impression

The Hensley, Potts Point, Sydney, Australia

BOARD OF DIRECTORS

TEO HONG LIM

Teo Hong Lim, our Executive Chairman and Chief Executive Officer and a Director since 20 May 1993. Mr Teo sets out our Group's strategies and leads overall management. He was last re-elected as Director on 27 March 2015. Mr Teo graduated from the National University of Singapore with an honours degree in Accountancy. He worked for DBS Bank Ltd as assistant treasurer before joining our Company.

CHRIS TEO HONG YEOW

Chris Teo Hong Yeow joined our Group in 1993 and his main task was in the planning and facilities design of Grand Mercure Roxy Hotel. He has been an Executive Director since 4 January 1999 and was appointed as our Managing Director on 16 July 2001. He was last re-elected as Director on 4 April 2016. Mr Teo is primarily responsible for all aspects of our Hotel Ownership business, including ongoing evaluation, investment and improvement of the hotel segment. Mr Teo graduated from Michigan State University with a Bachelor of Arts degree in Hotel, Restaurant and Institutional Management. Mr Teo has more than 20 years of experience in the hospitality industry. He is also Director of Shatec Global Limited. He has previously held managerial appointments at several international hotels in Asia, such as the Oriental Hotel in Singapore, the Amanpuri in Phuket, Thailand and the Amandari in Bali, Indonesia.

KOH SENG GEOK

Koh Seng Geok has been the Executive Director of our Company since 1 September 2001 and was last re-elected as Director on 28 March 2014. He is also our Chief Financial Officer and Company Secretary. Mr Koh is primarily responsible for the financial, banking and accounting aspects of our Group. He also oversees our Group's corporate secretarial and legal matters. Mr Koh joined our Group in February 2000 as the Financial Controller of Grand Mercure Roxy Hotel. He graduated from the National University of Singapore with a Bachelor of Accountancy degree and he is a non-practising member of the Institute of Singapore Chartered Accountants. He also holds a Master in Business Administration from the University of Leicester. Prior to joining our Group, Mr Koh worked as an auditor in Deloitte and Touche and Haw Par Brothers International Limited, and held appointments as the Finance Manager of Goldtron Electronics Pte Ltd and Equant Integration Services Pte Ltd.

HEW KOON CHAN

Hew Koon Chan was appointed as our Company's Lead Independent Director on 17 December 2007 and was last re-elected as Director on 4 April 2016. He is Chairman of Roxy-Pacific Holdings Limited's Audit Risk Management Committee and a Member of Nominating Committee and Remuneration Committee. Mr Hew is an Independent Director of DeClout Limited, Far East Group Limited and Nordic Group Limited. He is also currently the Managing Director of Integer Capital Pte Ltd, a company which is in business advisory and consultancy services. Mr Hew's previous appointments include investment director in Seavi Venture Services Pte Ltd which is a private equity firm. He was also previously an Independent Director of Action Asia Limited and a process engineer in Texas Instruments Singapore (Pte) Ltd. Mr Hew graduated from the National University of Singapore with a Bachelor of Engineering (Mechanical) degree and he also holds a Certified Diploma in Accounting and Finance conferred by the Association of Chartered Certified Accountants.

TAY KAH POH

Tay Kah Poh was appointed as an Independent Director of our Company on 17 December 2007 and was last re-elected as Director on 28 March 2014. He is Chairman of Roxy-Pacific Holdings Limited's Nominating Committee and Remuneration Committee and a Member of Audit Risk Management Committee. He is currently Executive Director, Residential Services at Knight Frank Pte Ltd, Singapore. He was previously an Associate Professor at the National University of Singapore Department of Real Estate, and Executive Vice President at the Pacific Star Group. Mr Tay holds a Master of Arts in Business Administration from the University of Georgia (Athens), United States of America and a Bachelor of Science (Honours) degree in Estate Management from the National University of Singapore.

WINSTON TAN TIEN HIN

Winston Tan Tien Hin has been a Non-Executive Director of our Company since 14 December 2006. Mr Tan was re-designated from the position of Non-Executive and Non Independent Director to Independent Director on 12 January 2012 and was last re-elected as Director on 27 March 2015. He is a Member of Roxy-Pacific Holdings Limited's Audit Risk Management Committee, Nominating Committee and Remuneration Committee. Mr Tan is a Non-Executive Director of Plastoform Holdings Limited and Serrano Limited. He is currently the Managing Director for Winmark Investments Pte. Ltd., Corporate Brokers International Pte. Ltd. and ZhenXing Commercial Consultancy (Shanghai) Co. Ltd. Amongst others, he was also previously an Independent Non-Executive Director of Pteris Global Limited and Singapore Technologies Engineering Ltd.; Director of Singapore Technologies Kinetics Limited; Director of Ascendas Pte. Ltd. and AETOS Security Management Pte Ltd; General Manager of Deutsche Bank AG (Singapore Branch) and Vice-President at Citibank N.A. Mr Tan graduated from the University of Singapore with a Bachelor of Science (Physics) degree.

SENIOR EXECUTIVE OFFICERS

TEO HONG HEE

Teo Hong Hee is the Senior Human Resource and Administration Director of the Company. He joined the Group in 1988 and was an Executive Director from 30 August 1989 to 30 September 2014. He currently heads our human resource and administration department of the Group. Mr Teo graduated with a Bachelor of Science degree in Business Administration from the University of Southern California.

MICHAEL TEO HONG WEE

Michael Teo Hong Wee has been our Executive Director since 14 November 1991. He holds an important role in the architectural conceptualisation, design and planning of all of our development projects. In particular, he was heavily involved in the development of the second phase of Roxy Square and the Grand Mercure Roxy Hotel, from their respective pre-construction stage to completion. He heads our Property Development arm and oversees the progress of all our development projects. Mr Teo graduated from the University of Southern California with a Bachelor of Architecture degree. Mr Teo resigned as Executive Director of the Group and was appointed as Senior Director with effect from 1 January 2017.

FOO YONG KIT STEVE

Foo Yong Kit Steve is the Director (Developments), for the Group's Property Development business. Mr Foo joined the Group in May 2007 as Project Manager and he oversees all aspects of our development projects from review of development designs, evaluation of tender and administration of construction and maintenance programmes. As head of the Contract, Project and Property Management division he ensures successful initiation, completion and handover of our developments projects. He also supports the technical aspects of the Group overseas Hospitality development projects. Mr Foo has more than 30 years of experience in the field of construction and property management. Prior to joining our Group, Mr Foo was employed by the Keppel Club as Manager overseeing the Club maintenance and development of a new MasterPlan project. Mr Foo holds a certificate in Architectural Draughtsmanship and a Diploma in Building from Singapore Polytechnic and also holds a certificate in Common Examination for Housing Agents from the Singapore Institute of Surveyors and Valuers (SISV). He is also a certified Fire Safety Manager as awarded by the Singapore Civil Defence Force (SCDF).

SHERMIN CHAN POH CHOO

Shermin Chan Poh Choo is the Assistant Director of Finance for the Group. She joined the Group in May 2007 as Assistant Finance Manager. Her duties and responsibilities include management of the Group's financial and accounting functions, as well as corporate reporting, secretarial and banking matters. Ms Chan was trained and started her career as an auditor for a mid-tier Singapore public accounting firm for 10 years. Prior to joining our Group, she worked for Xpress Print Pte Ltd in the accounting and finance department. Ms Chan obtained her professional qualification in accountancy from The Association of Chartered Certified Accountants and is a non-practising member of the Institute of Singapore Chartered Accountants.

ANGELA KHOO YING HUI

Angela Khoo Ying Hui is the Assistant Director of Sales & Marketing and Assistant Director of Human Resource and Administration department. She joined the Group in 2010 as Manager of Sales and Marketing. Her responsibilities for Sales & Marketing include preparing and launch of projects, management of the sales and marketing team and overseeing the Groups leasing and investment properties segment. As Assistant Director for Human Resource and Administration, she works closely with the Senior Human Resource and Administration Director in planning for personnel and human resource needs of the Company, leading the Groups corporate and social responsibility initiatives, and collaborating to achieve the Groups strategies. Prior to joining our Group, Ms Khoo was with Knight Frank Pte Ltd as Residential Tenancy & Leasing Manager with a large portfolio of multinational clients. Ms Khoo holds a Bachelor's of Science degree with honours in Business and Management from the University of Bradford (UK) and a Diploma in Building and Real Estate Management from Ngee Ann Polytechnic.

KLAUS GOTTSCHALK

Klaus Gottschalk joined the Group in April 2014 as General Manager of Grand Mercure Roxy Hotel, responsible for the overall operations of our Singapore hotel. Mr Klaus has more than 35 years of experience in the Hospitality Industry. Having started his career in Germany, he has since worked in senior management positions in Europe, the Middle East, Australia, New Zealand, China, Indonesia and Malaysia. He joined Accor in 1994 as Deputy General Manager for the Novotel Twin Waters Resort in Australia's Sunshine Coast and thereafter also held positions as Hotel Manager in Ibis Slipi Jakarta and later as General Manager for Ibis Jakarta Mangga Dua. In 2000 Klaus returned to Australia as General Manager for the Novotel Pacific Bay Resort before transferring to New Zealand in 2005. Based at the Novotel & Ibis properties in Rotorua, he was Area General Manager for the Central North Island, New Zealand. Mr Klaus graduated from Hotel Management School, D. Speiser Tegernsee in Germany.

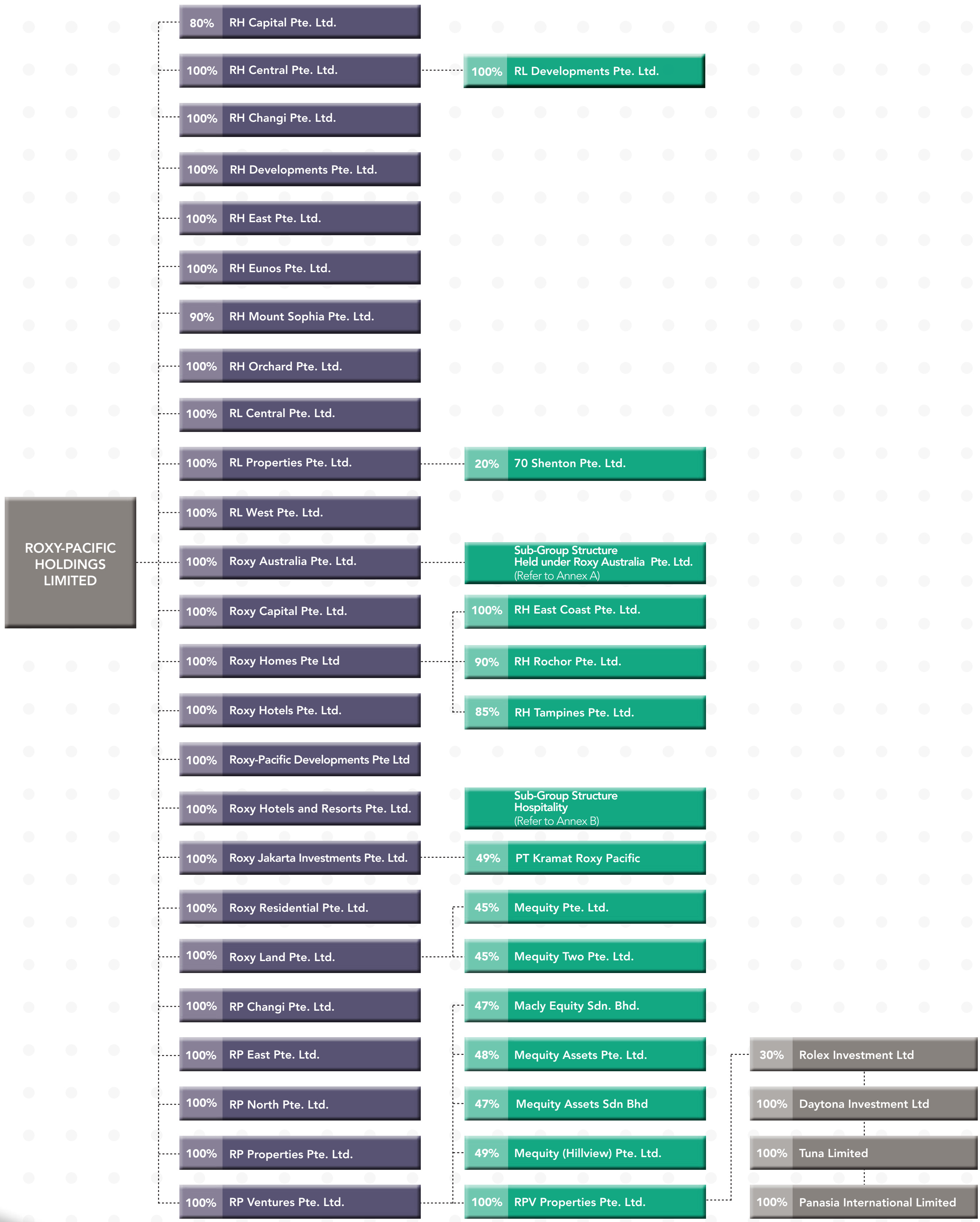
MELVIN POON TUCK MENG

Melvin Poon Tuck Meng is the Director (Hotel Operations), and is responsible for the overall business and operational matters of the Group's hotels. Mr Poon joined Grand Mercure Roxy Hotel in 2002 as a Financial Controller and was subsequently promoted to Finance and Administration Director. Mr Poon has more than 20 years of experience in hotel financial management and administration. Prior to joining our Group, he was the executive assistant manager of Yuda Palace Hotel in Zhengzhou, China. Previously, he held appointments as the Financial and Accounts Controller of other hotels in Singapore, namely Golden Landmark Hotel, Boulevard Hotel and Orchard Parade Hotel. Mr Poon holds two Master degrees; a Master of International Business degree from the University of Wollongong, Australia and a Master of Business in Accounting degree from Victoria University of Technology, Melbourne, Australia.

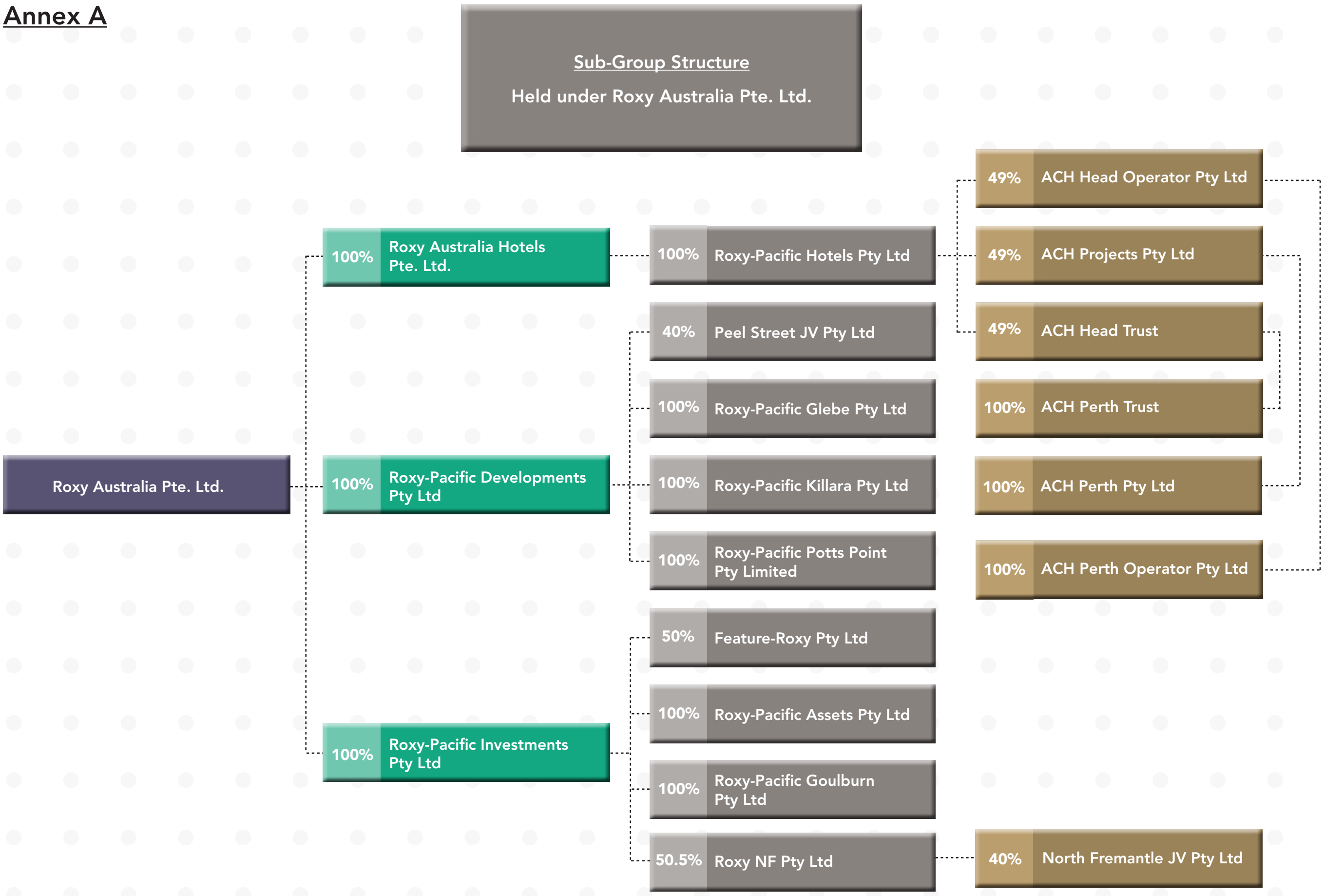
BENJAMIN HOPKINS

Benjamin Hopkins joined the Group in January 2015 as the Director of the Group's operations in Australia. Mr Hopkins was previously employed at Savills plc, where he spent 10 years working in the Asia-Pacific region. From 2011, he was based in Singapore as the Director of the Development and Project Management Division for Southeast Asia. Mr Hopkins has been involved in development projects in Singapore, Philippines, Papua New Guinea, India, Malaysia, Myanmar, Japan, Australia and New Zealand. Mr Hopkins holds a Bachelor of Engineering Honours (Civil) from the University of Sydney and a Diploma in Property Investment and Finance certificate by the Property Council of Australia. He is also a Green Star Accredited Professional by the Green Building Council of Australia.

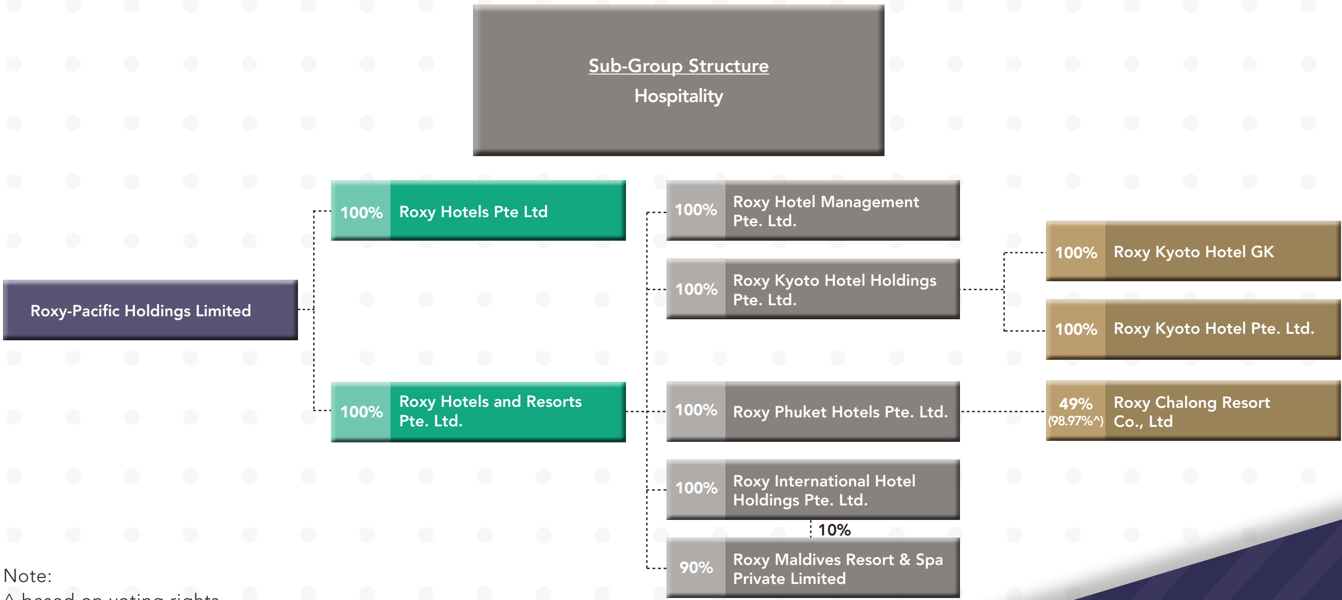
GROUP STRUCTURE



Annex A



Annex B



Note:
^ based on voting rights
Updated on 28 February 2017

SUSTAINABILITY

Our Group believes that to grow sustainably as a forward-looking corporate entity, we have to regularly reach out to all stakeholders, from our employees to the community, and to be responsible stewards of our natural environment. It is this productive, dynamic and on-going process that will enable us to secure holistic growth in the long run.

RISK MANAGEMENT

Risk assessment and management is an integral part of the strategic and operational decision-making process at all levels of the Group. Since FY2012, the Group has in place an Enterprise Risk Management (ERM) Framework, which governs the risk management process in the Group. Through this Framework, risk capabilities and competencies are continuously enhanced. The Group also has in place a risk management process that requires business units to perform regular assessment of the effectiveness of their internal controls. For more information regarding risk management in the Group, please refer to page 47 of this Annual Report.

STAKEHOLDER ENGAGEMENT

OUR INVESTORS

To maintain profitability and maximise shareholder returns through strong fundamentals and prudent strategies.

OUR CUSTOMERS

To deliver an affordable, quality and innovative product and service that meets our customers requirements.

OUR EMPLOYEES

Care for our staff personal well-being and career development.

OUR BUSINESS PARTNERS

To treat our business partners fairly and to build on each other's competencies.

OUR COMMUNITY

To act as a responsible corporate citizen by contributing to the communities in which we operate.

We believe that the measurement of our success lies beyond our financial performance. While we aim to maintain profitability and maximise shareholder returns, we also recognise that to ensure business is sustainable; we have to strike a balance between our business needs and the need of our society and the environment. We are committed to creating value to our stakeholders and at the same time being beneficial to the community at large.

Cowper Street, Glebe, Sydney, Australia

Artist's Impression

INVESTOR
RELATIONS

The Group continued to engage and maintain positive relationships with its shareholders and the investment community. We are committed to delivery of timely and transparent communication with our shareholders.

INVESTOR RELATIONS

TIMELY AND FAIR DISCLOSURES

The Group is committed to high standards of corporate transparency and disclosure, and providing timely and consistent releases of quarterly financial results, results presentations, annual reports, regulatory and other announcements pertaining to changes in the Group's business, which could have a material impact on the Company's share price. Information is shared on both the Singapore Exchange and our corporate website.

DEDICATED INVESTOR RELATIONS SECTION

Our corporate website has a dedicated investor relations section where stakeholders can access relevant information easily. Investors can also sign up for investor alerts on the website to receive updates on announcements.

ENCOURAGE PARTICIPATION

The Company's AGMs are the principal forums for dialogue with our shareholders. Our Group encourages full participation of shareholders and open dialogue with our Board of Directors at the Annual General Meeting ("AGM").

Throughout the year, our Group maintained communication with analysts, reporters and potential investors through yearly results briefing, one-on-one meetings, telephone calls and emails.

Our AGM this year will be held on 11 April 2017 at our Grand Mercure Roxy Hotel, Frankel Room, 3rd Floor. Our directors and external auditors will be present to address shareholders' queries on all business issues during the meeting as well as after the meeting to allow informal interactions.

SHARE PRICE PERFORMANCE

**Source from http://ir.listedcompany.com/stocks_factsheet.pl/c/sg/id/E8Z*

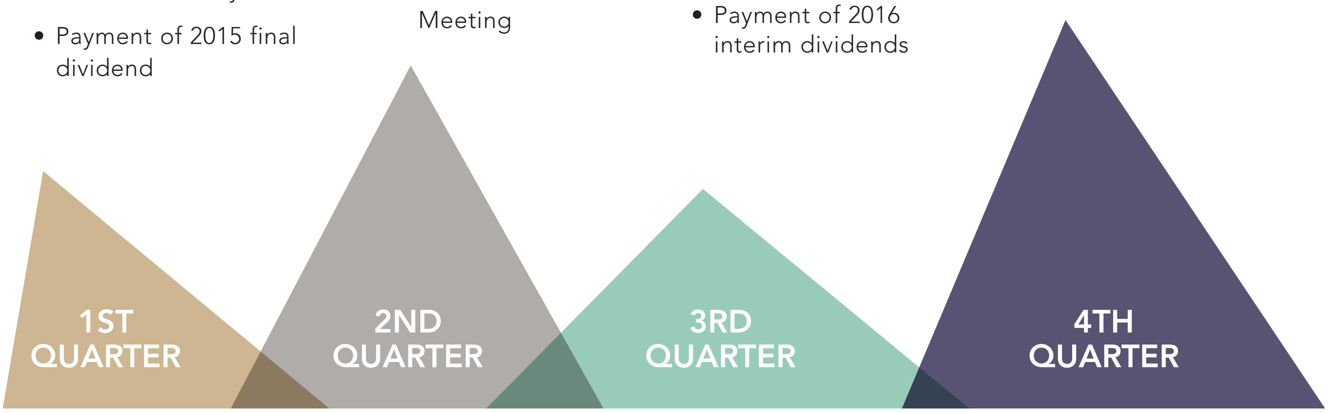
2016 INVESTOR RELATIONS CALENDAR

- Release of 4Q2015 and FY2015 financial results and results briefing to media and analyst
- Payment of 2015 final dividend

- Release of 1Q2016 financial results
- Annual General Meeting

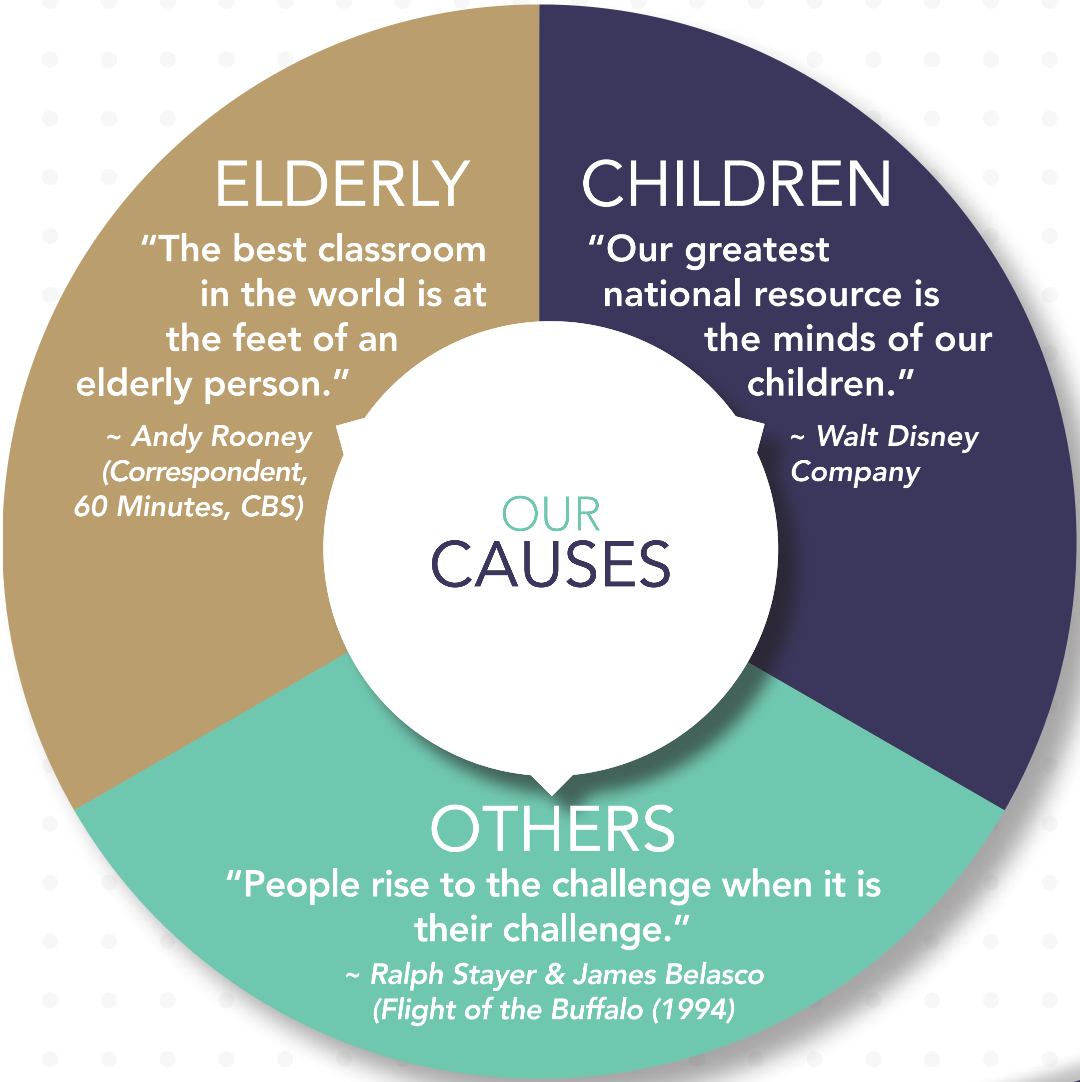
- Release of 2Q2016 and 1H2016 financial results
- Payment of 2016 interim dividends

- Release of 3Q2016 and 9M2016 financial results



CORPORATE SOCIAL RESPONSIBILITY

Roxy-Pacific Holdings Limited recognises its responsibility to be good corporate citizens in its professional community and beyond. As such, each year we seek to achieve continual improvements in our Corporate Social endeavours and bring the wider community closer together in our common quest for a better tomorrow. This year, we are delighted to be part of several community initiatives which made a positive difference to the lives of our various beneficiaries and employees.



CORPORATE SOCIAL RESPONSIBILITY

1. *Mdm Ruth Cheng Fong Leng, PBM District Councillor of South East CDC receiving the donation cheque on behalf of the Roxy Children Fund from Mr Teo Hong Lim, Chairman and CEO of Roxy-Pacific Holdings Limited as witnessed by Emeritus Senior Minister Goh Chok Tong.*

2. *Children from St Hilda's Kindergarten performed alongside the Executive Directors' spouses during the Roxy Foundation Chinese New Year lunch.*

3. *Senior citizens arriving at the Grand Mercure Roxy Singapore.*

CORPORATE SOCIAL RESPONSIBILITY

Roxy-Pacific Holdings Limited is a strong believer in giving back to the society beyond our professional business commitments, hence corporate social responsibility is an area we place high emphasis on. Through our corporate social initiatives, we strive to play our part to make the overall environment a better place for the community. Just like the previous years, we take pleasure in organising and participating in several community projects to create a positive impact in the lives of others.

ROXY FOUNDATION CONNECTS HEARTS AND MINDS

Launched in 27 February 2015 by Emeritus Senior Minister Goh Chok Tong, the Roxy Foundation has been administered by the "Community Foundation of Singapore" to boost our outreach to the underprivileged children in the community. This year, the Foundation continued to support as well as fund various initiatives and events that benefitted these children.

CHILDREN ARE OUR HOPE FOR THE FUTURE

As our prominent initiative, "Children Are Our Hope For The Future" entered its ninth year since its launch in 2007, we were purposeful in our efforts to reach out to the underprivileged children through helping to improve their living standard and raise the quality of their life. This year, Grand Mercure Roxy Singapore worked with Marine Parade Citizens Consultative Committee to organise meaningful annual corporate social responsibility events.

As part of our charity efforts under the framework of this initiative, our Executive Chairman cum Chief Executive Officer (CEO), Mr Teo Hong Lim led our annual car wash fund-raising event on 6 May 2016. Prominently located along the hotel driveway we washed a total of 120 vehicles and raised a sum of S$123,000. Thanks to the big-hearted support of our business associates and the general public. Concurrently, Mr Edwin Tong, Member of Parliament for Marine Parade GRC made an appearance as our Guest-of-Honour.

During the year, we also held our annual "Children Are Our Hope For The Future" dinner gathering on 28 July 2016 with Emeritus Senior Minister Goh Chok Tong as our Guest-of-Honour.

Alongside this charity event, the Group also topped up S$25,000 to the Roxy Children's Fund, which is managed by the South East CDC. Together with this amount, our community engagement programme for 2016 saw S$3,000 of the total donation go towards Swiss Cottage Secondary School for their students to voluntarily assist in the dinner. Additionally, 145 students from six other schools also received vouchers of S$300 each, while 15 Nanyang Polytechnic students and two students in the Marine Parade precinct were awarded S$1,000 individually to assist them in their learning journey. Overall, the fund gave out S$88,500 to assist students from various institutions.

On 24 June 2016, we proceeded with our yearly Iftar (Breaking of Fast) activity, which was organised to offer support to the beneficiaries of the Jamiyah Children Home, in the month of Ramadan. The event involved accompanying children from the home to break fast and have dinner together. In line with the practice of other years, we handed out a donation of S$5,000 to the home, while presenting the children with a S$10 Zakat each, so as to brighten up their festive mood. We were honoured to have Mr Tan Chuan Jin, Minister for Social and Family Development preside over the event to lend importance to it.

Subsequently, on 30 June 2016, we held our second Iftar event for the beneficiaries of Montfort Care. For this event, we brought 19 senior citizens on a Hari Raya shopping trip to the vibrant

Geylang Serai. The elderly were each given a Zakat of S$50 each to spend at the outing.

Apart from helping underprivileged children with their education and daily expenses, the Group also did not forget to infuse some joy and glee into their lives. As part of our annual September holiday activity, we treated 248 children and families from Montfort Care to the highly anticipated "The Secret Life of Pets" animation movie matinee at I12 Katong on 8 September 2016.

This year, we continued our past tradition of hosting a Christmas party for the associates of Montfort Care for the fifth year running. The jubilant celebration took place on 15 December 2016 and was themed "The Magic of Christmas". Hosted by Mr Teo Hong Lim, our Executive Chairman cum CEO, the event welcomed a number of distinguished guests, including Guest-of-Honour Emeritus Senior Minister Goh Chok Tong. The party proved to be a highly entertaining affair and all our guests of 51 families, comprising 20 senior citizens had a pleasant and enjoyable time immersing themselves in the celebration programme put up by the talented Montfort Care members. Gifts of hampers worth S$80 and S$40 were also handed out to families and senior citizens respectively.

This year also marked the first time we took part in the "Football With A Heart" charity event coordinated by Tote Board held on 21 May 2016 at the National Stadium. We not only participated in the event by gamely playing on the field but also donated S$5,000 as a Silver Team corporate donor. The funds raised were distributed amongst nine beneficiaries, namely CARE United, DaySpring, Disabled People's Association, Kwong Wai Shiu Hospital, O'Joy Care Services, President's Challenge, Sparkle Care, SportCares Foundation and WE CARE Community Services Limited.

OUTREACH TO THE ELDERLY

We cherish the contributions made by the elderly, especially the pioneer generation, towards our nation-building efforts and view them as an invaluable asset of the country. Hence, we have always created purposeful ways to show our appreciation for the pioneer generation, particularly the desolated elderly, as part of our community outreach initiatives.

"A Celebration of Abundant Blessings"

This year on 18 February 2016, the Foundation organised a Chinese New Year celebration for the third time, which was themed "A Celebration of Abundant Blessings", and brought together 320 seniors and partnered 75 students from Tanjong Katong Secondary School, who volunteered to assist in serving the elderly during the celebratory event. The highly anticipated event was graced by Guest-of-Honour, Mr Lim Biow Chuan, Member of Parliament for Mountbatten SMC with Emeritus Senior Minister Goh Chok Tong as special guest.

The event culminated in a delectable Chinese New Year Lunch at the Marine Parade Foo Hai Elderly Lodge, which was located at Blk 4 Marine Terrace. 100 senior citizens were treated to a festive lion dance performance as they enjoyed their delightful Chinese Lunar New Year meal amidst the exuberant atmosphere.

We ended our community outreach programme for the year on 27 November 2016 with our bi-annual event, "Project We Care Garden Party at the Istana". In collaboration with the People's Association, the Garden Party provided an opportunity for the elderly and low-income families in Singapore to come together to enjoy an idyllic afternoon of fun and games with exciting performances by various

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4. Grand Mercure Roxy Singapore staffs taking part in the Football with a Heart event.

5. Mr Koh Seng Geok, Executive Director of Roxy Pacific Holdings participating in the charity car wash activity.

6. Mr Klaus Gottschalk, General Manager of Grand Mercure Roxy Singapore participating in the charity car wash activity.

7. Mr Klaus Gottschalk and Mr Samuel Ng posing together with families residing at Marine Parade during the "The Magic of Christmas" event.

groups. The Group chartered two buses to ferry families from Marine Parade and Tampines North to the Istana. Hosted by President Tony Tan Keng Yam, the event created joyful memories for several underprivileged families.

AWARDS OF APPRECIATION

In recognition of the Group's outstanding corporate social responsibility efforts, Roxy-Pacific Holdings Limited was conferred the Big Hearts Award on 15 September 2016 at the annual Mayor's Appreciation Luncheon @ South East 2016 held at Concorde Hotel Singapore and hosted by Dr Mohamad Maliki Osman, Mayor of South East District. The award ceremony presented a total of 67 awards to compliment the social achievements of various community and corporate partners in different areas, as well as to show appreciation for their strong community support.

We were also awarded by the People Association (PA) – Community Spirit Award 2016 on 19 October 2016 as further testament of our community contributions. The PA Community Spirit Award is given to commend partners who rendered significant assistance to the nation in its social and community development.

We are proud to be the recipients of these prestigious community awards and feel encouraged to continue in our efforts towards building a more caring and sustainable environment.

OTHERS

Besides our local outreach activities, we have also been actively organising overseas community projects as we recognise the need to assist our neighbouring countries in improving their living standards.

On July 2016, Mr Teo Hong Lim, our Executive Chairman cum CEO, made a site visit to the Salvation Army's Evangeline and William Booth at Medan to witness the commendable work that our staff volunteers have done for them over the past 2 years. Mr Teo even took the opportunity to interact closely with the team and children over a delightful dinner gathering.

In November, we coordinated our regular annual Medan community trip in the form of a 3-day exchange programme, bringing 17 students from St Andrew's Secondary School to Medan to volunteer and experience the overseas community project.

The students were introduced to the boys' home lifestyle in Medan and helped them install a LCD TV, dining chairs and gas stove in their home. They taught the children how to play Ukulele and had a fun time gathering at the Evangeline Booth.

As part of a goodwill effort, the Group also hired contractors to renovate the badminton court, walkway and washing area of the William Booth.

It had been a most rewarding cultural exchange for the students and even more so for the excited and elated children in Medan, who learned and benefited from the initiative.


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8. *St Andrew's Secondary School's teachers and student interacting at the William Booth in Medan.*

9. *Evangeline & William Booth Home Children in Medan*

10. *Mr Teo Hong Lim, Chairman and CEO of Roxy-Pacific Holdings Limited receiving the PA Community Spirit Award from Mr Chan Chun Sing, Minister of the Prime Minister's Office as witnessed by Dr Ang Hak Seng, CEO of People's Association.*

The success of our organisation is built on the foundation of a talented team. Our employees embrace their calling with passion and commitment, always acting in the best interest of the Group. Consequently, we also invest resources into engaging them dynamically and maximising each and every one of our employees' potential.

Together, we forge a family-oriented environment that is conducive for the growth and efficiency of the business. Employees are the main focus of our business as we strive to ensure that their capabilities are continually enhanced to suit the changing needs of our business landscape.

COMMUNICATING IDEAS

At Roxy-Pacific Holdings Limited, we always encourage open communication between employees and management to facilitate the flow of ideas and opinions. We have established a common corporate folder on the Intranet, which is accessible by all employees to communicate any implemented or updated policies and procedures to better guide employees in their course of work.

As part of our open communication approach, we also promote face-to-face conversations, which we believe is a more effective way to gather genuine feedback from employees. This also allows us to better adjust and align expectations between employees and our corporate goals.

DEVELOPING POTENTIAL

We are a strong advocate of developing employee potential to contribute towards the progress of the Group. Training programmes form part of our core focus. Our Heads of Departments set training objectives for their employees to ensure that they are adequately skilled to meet their relevant work requirements.

Additionally, employees can also initiate to undertake relevant training courses that are useful to their areas of work. We also sponsor some of the courses as we believe that learning is key to enhancing the productivity and efficiency of the Group in the long term.

FORGING BONDS

Our employees have worked hard and contributed invaluably towards the Group's success. We believe that in order to perform optimally at work, employees need to enjoy a healthy work-life balance. As such, we organise engaging events to actively promote positive bonding between management and employees.

This year, we organised a number of company events, including a Family Day outing to River Safari on 18 June 2016, a fully-sponsored 5 days 4 nights company trip to Perth in the month of August, as well as a couple of luncheons and department activities. These informal get-togethers have provided opportunities for employees to forge closer ties, which have enhanced working relationships.

To promote a healthy lifestyle, the Group also issues passes for employees to utilise the hotel gym and pool facilities. We also have a Healthy Fruit Day regime on a bi-weekly basis, which normally takes place on a Thursday with the employees being given varieties of fruits, nuts or juices.

As the Group continues to organise more meaningful events for our employees, we also encourage them to stay healthy and positive. We strongly believe that happy employees are an important aspect of a productive organisation.

Noku Kyoto, Japan

CONTENTS

SUMMARY OF PROPERTIES HELD BY THE GROUP 31-DEC-16

Hotel properties

Name	Location	Managed by	No of units	Approximate Land Area (sq m)	Approximate GFA (sq m)	Effective interest	Tenure
Grand Mercure Singapore Roxy	50 East Coast Road, Singapore	Roxy under franchise with Accor Group	576 rooms	15,172	35,336	100%	Freehold
Noku Kyoto	205-1 Okuracho, Kyoto, Japan	Noku Roxy	81 rooms	940	4,780	100%	Freehold

Hotel under development

Name	Location	Estimated Completion	No of units	Approximate Land Area (sq m)	Approximate GFA (sq m)	Effective interest	Tenure
Rising Sun Residence	48/13 Moo 6, Chaofa Road, Phuket, Thailand	2019	91 Villas	46,878	22,974	100%	Freehold
Maldives	Island of Kudafunafaru, Noonu Atoll, Maldives	2017	50 Villas	89,896	16,380	100%	Leasehold
ACH Perth	609 Wellington Street, Perth, Australia	2019	332 rooms	1,391	19,020	49%	Freehold

Commercial properties

Name	Location	Description	Approximate net lettable area (sq m)	Effective interest	Tenure
Roxy Square	50 East Coast Road, Singapore	47 shop units	2,352	100%	Freehold
59 Goulburn	59 Goulburn Street, Sydney, Australia	28-storey commercial building	19,410	100%	Freehold
117 Clarence	117 Clarence Street, Sydney, Australia	14-storey commercial building	12,517	50%	Freehold

Properties for sale under development

Project name	Location	Description	Stage of completion	Expected date of completion	Approximate land area (sq m)	Gross floor area (sq m)	Effective interest	Tenure
Jade Residences	1, 3, 5, 7 & 9 Lew Lian Vale Singapore	171 residential units & 2 shop units	98%	Jan 17	8,585	12,236	100%	Freehold
Sunnyvale Residences	132 Lorong K Telok Kurau Singapore	30 residential units	92%	Jun 18	2,152	3,012	100%	Freehold
Trilive	111, 113 & 115 Tampines Road Singapore	222 residential units & 2 shop units	56%	Dec 18	7,419	15,580	85%	Freehold
Liv on Wilkie	9 Wilkie Terrace Singapore	81 residential units	94%	Jun 19	2,093	4,396	90%	Freehold

PROPERTY SUMMARY REPORT

Project name	Location	Description	Stage of completion	Expected date of completion	Approximate land area (sq m)	Gross floor area (sq m)	Effective interest	Tenure
Properties for sale under development								
Straits Mansions	26 Sea Avenue Singapore	25 residential units	*	Sept 20	1,809	2,533	100%	Freehold
The Hensley	37-41 Bayswater Road, Potts Point, Sydney, Australia	44 residential units & 1 commercial unit	5%	Jun 18	930	3,581	100%	Freehold
Octavia Killara	6A & 8 Buckingham Road, Killara, Sydney, Australia	43 residential units	*	Aug 18	3,792	4,402	100%	Freehold
Eon Shenton	70 Shenton Way, Singapore	98 office units, 132 residential units, 98 office units & 23 shop units	82%	Dec 19	1,833	20,360	20%	Leasehold
New World Towers	64 Peel & 9 Cordelia Street, South Brisbine, Australia	195 residential units, 2 commercial units & 1 management office in Tower 1 & 240 residential units in Tower 2	*	Jun 19	2,597	56,830	40%	Freehold
Wisma Infinitum, The Colony & The Luxe	18 Jalan Denwan Sultan Sulaiman, Kuala Lumpur, Malaysia	423 residential units in Tower 1, 300 residential units in Tower 2 & 31 commercial units	19%	Oct 20	6,678	64,912	47%	Freehold
Land held for development								
Jalan Eunos	178,180,180A,182 & 184 Jalan Eunos, Singapore	48 residential units	*	TBC	2,315	3,242	100%	Freehold
Bracks Street	54 & 85 Bracks Street, North Fremantle, Perth, Australia	Industrial land; to be rezoned for commercial and residential use	*	TBC	45,463	TBC	20.2%	Freehold
Glebe	10-11 Cowper Street, Glebe, Sydney, Australia	231 residential units	*	Nov 18	7,125	18,960	100%	Freehold
Kramat, Jakarta	Jalan Kramat, Raya No 110, Jakarta, Indonesia	Commercial development	*	TBC	1,703	7,152	49%	Freehold

* Construction of these properties has yet to commence as of 31 Dec 2016.

Roxy-Pacific Holdings Limited (the "Company") and its subsidiaries (the "Group") are committed to ensuring and maintaining a high standard of corporate governance in complying with the Code of Corporate Governance. This report sets out the Group's corporate governance practices for the financial year ended 31 December 2016 ("FY2016") with reference to the Code of Corporate Governance 2012 (the "Code").

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: *Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.*

Guideline 1.1
Board's Role

The Board of Directors of the Company (the "Board") provides leadership to the Group by setting the corporate policies and strategic aims. The Board oversees the Group's affairs and is accountable to shareholders for the management of the Group business and its performance.

Guideline 1.2
Directors' Duties and Responsibilities

The principal responsibilities of the Board include the following:

(a) To provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the company to meet its objectives;

(b) To establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the company's assets;

(c) To review management performance;

(d) To identify the key stakeholder groups and recognise that their perceptions affect the company's reputation;

(e) To set the company's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met; and

(f) To consider sustainability issues as part of its strategy formulation.

Board Charter

The Board has a Board Charter which sets out the responsibilities for it to oversee the business affairs of the Group and document internal guidelines that govern the composition of the Board, process for appointment and resignation of directors, proceedings of Board meetings and matters reserved for Board's approval and the process for seeking Board's approval.

Sustainability issues

The Board recognises that to ensure business is sustainable; the Group has to strike a balance between its business needs and the need of the society and the environment in which the Group operates. The Board believes that to grow sustainably as a forward-looking corporate entity, the Group has to regularly reach out to all stakeholders, from its employees to the community, and to be responsible stewards of its natural environment. The Group's various initiatives on sustainability issues in FY2016 are set out in the Sustainability Report on page 20 to page 29.

Independent judgment

All directors exercise due diligence and independent judgment, and make decisions objectively in the best interests of the Group.

The present Board comprises six members. Of the six Board members, three are executive and three are independent directors.

	Board Committees			
Name of director	**Board Membership**	**Audit Risk Management Committee**	**Nominating Committee**	**Remuneration Committee**
Teo Hong Lim	Executive Chairman	–	–	–
Chris Teo Hong Yeow	Executive Director	–	–	–
Koh Seng Geok	Executive Director	–	–	–
Michael Teo Hong Wee[1]	Executive Director	–	–	–
Hew Koon Chan	Lead Independent Director	Chairman	Member	Member
Tay Kah Poh	Independent Director	Member	Chairman	Chairman
Winston Tan Tien Hin	Independent Director	Member	Member	Member

1 Mr Michael Teo Hong Wee resigned from the Board with effect from 1 January 2017.

Guideline 1.3
Delegation of Authority to Board Committees

In carrying out and discharging its duties and responsibilities efficiently and effectively, the Board is assisted by various Board Committees namely, the Audit Risk Management Committee ("ARMC"), the Nominating Committee ("NC") and the Remuneration Committee ("RC").

These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The Board also constantly reviews the effectiveness of each Board Committee. The segments of this report under Principle 4 to 5, 7 to 9, 11 to 13 detailed the activities of the NC, RC and ARMC respectively.

Guideline 1.4
Meetings of Board and Board Committees

The Board meets at least once every quarter, and as required by business imperatives. Where exigencies prevent a Director from attending a Board meeting in person, the Constitution of the Company permits the Director to participate via teleconferencing or video conferencing. The Board and Board Committees may also make decisions by way of resolutions in writing.

The table below sets out the number of Board and Board Committee meetings which were convened during FY2016:

	Board	Audit Risk Management	Remuneration	Nominating
Number of meetings held	4	4	1	1
Name of directors		**Number of meetings attended**		
Teo Hong Lim	4	NA	NA	NA
Chris Teo Hong Yeow	4	NA	NA	NA
Michael Teo Hong Wee[1]	4	NA	NA	NA
Koh Seng Geok	4	NA	NA	NA
Winston Tan Tien Hin	4	4	1	1
Hew Koon Chan	4	4	1	1
Tay Kah Poh	4	4	1	1

N.A. – Not applicable as the Directors are non-members of the Board Committees.

1 Mr Michael Teo Hong Wee resigned from the Board with effect from 1 January 2017.

While the Board considers Directors' attendance at Board meetings is important, it is not the only criterion to measure their contributions. The Board also takes into account the contributions by board members in other forms including periodic review, level of discussion at board meetings, provision of guidance and advice on various matters relating to the Group.

Guideline 1.5
Internal Guidelines on Matters Requiring Board Approval

Matters specifically reserved to the Board for its approval are:–

(a) Matters involving a conflict of interest for a substantial shareholder or a director;

(b) Strategic policies of the Group;

(c) Annual budgets;

(d) Material acquisitions and disposal of assets;

(e) Corporate or financial restructuring; and

(f) Share and bond issuances, interim dividends and other returns to shareholders.

Guideline 1.6
Continuous Training and Development of Directors

The Company has in place an orientation process. A new incoming director is issued a formal letter of appointment setting out his duties and obligations, and, where appropriate, incorporating processes to deal with possible conflicts of interest that may arise.

Incoming directors joining the Board will be briefed by the NC on their directors' duties and obligations and introduced to the Group's business and governance practice and arrangements, in particular the Company's policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving the Company, prohibition on dealings in the Company's securities and restrictions on disclosure of price-sensitive information.

The incoming director will meet up with senior management and the Company Secretary to familiarise himself or herself with their roles, organisation structure and business practices. This will enable him or her to get acquainted with senior management and the Company Secretary thereby facilitating board interaction and independent access to senior management and the Company Secretary.

The Directors are continually and regularly updated on the Group's business and governance practices, including changes in laws and regulations, financial reporting standards and code of corporate governance. All Directors are also encouraged to be members of the Singapore Institute of Directors (SID) and for them to receive journal updates and training from SID. Information on training programs, seminars and workshops organised by various professional bodies and organisations were circulated to the directors on a regular basis; some of which the Directors have attended or participated during the year.

Guideline 1.7
Formal Letter Setting Out Directors' Duties

A new Director will be provided with a formal letter setting out their duties and responsibilities.

Board Composition and Guidance

Principle 2: *There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

Guideline 2.1
Strong and Independent Element of the Board

As at the date of this Report, the Board of Directors comprises six members; of whom three are independent:

Teo Hong Lim	Executive Chairman and Chief Executive Officer
Chris Teo Hong Yeow	Executive Director and Managing Director
Koh Seng Geok	Executive Director, Chief Financial Officer and Company Secretary
Hew Koon Chan	Lead Independent Director
Tay Kah Poh	Independent Director
Winston Tan Tien Hin	Independent Director

Guideline 2.2
Composition of Independent Directors on the Board

Under Guideline 2.2 of the Code, the independent directors should make up half the Board where the Chairman is part of management team and is not an independent director. The Board currently has six members, of which, three are Independent Directors.

In accordance with Guideline 2.2, the Board currently has Independent Directors making up half the Board when both the Executive Chairman and CEO is the same person.

Guidelines 2.3 & 2.4
Independence of Directors

The criterion for independence is based on the definition given in the Code. The Code has defined an "independent" director as one who has no relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interests of the Company. The independence of each Independent Director is reviewed annually by the NC, based on the definition of independence as stated in the Code.

Each Independent Director is required to complete a Director's Independence Checklist annually to confirm his independence based on the guidelines as set out in the Code. The Directors must also confirm whether they consider themselves independent despite not having any relationship identified in the Code. Each of the Independent Directors has confirmed their independence based on the guidelines as set out in the Code.

Mr Winston Tan Tien Hin who was appointed on 14 December 2006, and Mr Hew Koon Chan and Mr Tay Kah Poh, both appointed on 17 December 2007 have served for more than nine years on the Board.

The Board recognises that independent directors may over time develop significant insights in the Group's business and operations, and can continue to provide noteworthy and valuable contributions to the Board. The independence of the independent directors must be based on the substance of their professionalism, integrity, and objectivity, and not merely based on form, such as the number of years which they have served on the Board.

The Board is of the view that Mr Tan, Mr Hew and Mr Tay have demonstrated strong independent character and judgment over the years in discharging their duties and responsibilities as Independent Directors of the Company with the utmost commitment in upholding the interest of the non-controlling shareholders. They have expressed individual viewpoints, debated issues and objectively scrutinised and challenged Management. They have sought clarification and amplification as they deemed necessary, including through direct access to the Management. They have also sought external professional advice, where necessary, such as in the review of executive directors' remuneration.

Having served on the Board for more than nine years, each of the Independent Directors is subject to a rigorous review which requires him to complete a Directors' Declaration Checklist to confirm his independence under stricter criteria over and above the guidelines set out in the Code. Under such rigorous review, each Independent Director has confirmed that he or any of his immediate family, relatives and associates (collectively, "**connected persons**") does not have any relationship or business dealings with a controlling shareholder or a controlling shareholder's connected persons that would give rise to a conflict of interest or impairment of the Independent Director's independence. Having subject their independence to rigorous review, the Board has resolved that Mr Tan, Mr Hew and Mr Tay are independent notwithstanding their length of appointment.

Whilst the Board has considered the Independent Directors independent, Mr Hew Koon Chan and Mr Tay Kah Poh as Independent Directors recognise the importance of being independent and be perceived by all stakeholders to be so. In this regard, they have offered to retire when each of them is due to retire by rotation pursuant to the constitution of the Company. However, the Board has requested that for a smooth transition, Mr Hew and Mr Tay serve one more term of three years. Mr Tay Kah Poh who is due for retirement by rotation at the forthcoming annual general meeting has agreed to serve for an additional term.

Guidelines 2.5 & 2.6
Composition and Competency of the Board

It is the Board's policy that the members of the Board should possess the relevant core competencies in areas such as accounting and finance, legal, strategic planning, business and management experience. In particular, the Executive Directors possess good industry knowledge while the Non-Executive Directors who are professional and experts in their fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent judgement during Board deliberations.

The current Board members comprise persons whose diverse skills, experience and attributes provide for effective direction for the Group. The composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Guideline 2.7
Role of Non-Executive Directors

During the year, the non-executive Independent Directors constructively challenge and help develop both the Group's short-term and long-term business strategies. Management's progress in implementing such agreed business strategies are monitored by the Non-Executive Directors.

Guideline 2.8
Regular Meetings of Non-Executive and Independent Directors

Sessions are available for the Non-Executive and Independent Directors to meet without the presence of management and Executive Directors during the course of Board meetings or outside of Board meetings. The Non-Executive and Independent Directors have convened sessions without the presence of management. The implementation of a Rigorous Directors' Declaration Checklist and the extension of the Company's whistleblowing policy to cover governance issues are a result of such sessions.

Executive Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.*

Guidelines 3.1 and 3.2
Separate Role of Chairman and CEO
Role of Chairman

The Executive Chairman, Mr Teo Hong Lim, is also the Group's CEO. As Chairman, he leads the Board, approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He promotes an open environment for debate, and ensures that the Non-Executive and Independent Directors are able to speak freely and contribute effectively. He exercises control over the quality and quantity of the information as well as the timeliness of the flow of information between the Board and management. He ensures that the responsibilities as set out in the Code are properly discharged.

As CEO, Mr Teo Hong Lim manages and develops the businesses of the Group and implements the Board's decision. He undertakes the executive responsibilities of the Group's performance.

Guidelines 3.3 and 3.4
Lead Independent Director

In assuming his roles and responsibilities, Mr Teo consults with the Board and Board Committees on major issues. The Board has appointed Mr Hew Koon Chan as the lead Independent Director to co-ordinate and to lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board.

The Lead Independent Director is the principal liaison on Board issues between the Independent Directors and the Executive Chairman. He is available to shareholders where they have concerns in which contact through the normal channels of the Executive Chairman and CEO or CFO has failed to resolve or is inappropriate. The Independent Directors, led by the lead Independent Director, meet amongst themselves without the presence of the other directors where necessary, and the lead Independent Director will provide feedback to the Chairman after such meetings. The Board believes that there are adequate safeguards in place against having a concentration of power and authority in a single individual.

BOARD MEMBERSHIP

Principle 4: *There should be a formal and transparent process for the appointment and reappointment of directors to the Board.*

Guideline 4.1
Nominating Committee

The NC comprises three Directors, all of whom, including the Chairman are independent.

Tay Kah Poh	Chairman	Independent Director
Hew Koon Chan	Member	Lead Independent Director
Winston Tan Tien Hin	Member	Independent Director

Guideline 4.2
NC Responsibilities

The NC has written terms of reference, under which the key functions of the NC are as follows:

(a) to review of board succession plans for directors, in particular, the Chairman and the CEO;

(b) to develop a process for evaluation of the performance of the Board, its committees and directors, and undertake assessment of the effectiveness of the Board, Board Committees and individual directors, including setting a limit on multiple board representations of directors where applicable;

(c) to review the training and professional development programs for the Board;

(d) to recommend to the Board the appointment and re-election of directors; and

(e) to assess the independence of the independent directors.

Guideline 4.3
Determining Directors' Independence

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Code, and has ascertained that they are independent.

Guideline 4.4
Directors' Multiple Board Representations

The NC annually reviews the composition of the Board to ensure that the Board has an appropriate balance of expertise, skills, attributes and abilities. The NC has set guidelines on the maximum number of Board appointments in listed companies that a Board member can hold to ensure that the directors are able to commit their time to effectively discharge their responsibilities. Based on the guidelines set by the NC, each Board member cannot have more than six listed Board representations including the Company. None of the directors currently sit on the boards of more than six listed companies.

Guideline 4.5
Alternate Directors

The Company has no alternate directors on its Board.

Guideline 4.6
Process for the Selection, Appointment and Re-appointment of Directors

The Company has in place policies and procedures for the appointment of new directors to the Board, including a description on the search and nomination process. The NC will determine the criteria for identifying candidates and reviewing nominations for the appointment of directors to the Board, ensuring that the process of Board appointments and re-nominations are transparent.

The Articles of the Company's Constitution require at least one-third of the directors, including the CEO or a person holding an equivalent position to retire from office by rotation at each AGM. Accordingly, the directors will submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Pursuant to the Articles of the Company's Constitution, Mr Koh Seng Geok and Mr Tay Kah Poh will retire by rotation pursuant to Article 103 of the Constitution and are eligible for re-election at the forthcoming AGM. Taking into account their attendance and participation at Board meetings, the NC is satisfied that Mr Koh Seng Geok and Mr Tay Kah Poh have committed their time to effectively discharge their responsibilities. The NC has recommended their re-election.

Guideline 4.7
Key Information on Directors

Key information on the directors is set out on page 14 to 15 of this Annual Report.

Succession planning

The NC will review board succession plans for directors, and will seek to refresh the Board membership in an orderly manner where it deems applicable. The NC will also ensure that the Company has succession planning for its CEO, executive directors and key management personnel, including appointing, training and mentoring successors. The NC has reviewed contingency arrangements for any unexpected incapacity of the CEO or any of the top management personnel and is satisfied with procedures in place to ensure a transition to a full operational management team.

BOARD PERFORMANCE

Principle 5: *There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.*

Guideline 5.1
Conduct of Board Performance

The NC will conduct a formal assessment of the effectiveness of the Board as a whole and its committees and the contribution by each director to the effectiveness of the Board on an annual basis.

The NC has with the Board's approval, implemented a process to annually assessing the effectiveness of the Board and its committees and the contribution by each individual director.

This process includes having the directors complete a performance evaluation form seeking their evaluation on various aspects of Board performance, such as Board's level of governance, effective delegation to the Board committees, leadership and accountability. The Company Secretary compiles the directors' evaluation into a consolidated report. The report is discussed at the NC meeting and also shared with the entire Board. The Chairman will act on the results of the performance evaluation and propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

Guidelines 5.2 and 5.3
Performance Criteria for Board Evaluation
Evaluation of Individual Directors

The NC also evaluates the Board's performance on the level of governance against its peers and industry with reference to the Singapore Transparency and Governance Index. The NC also reviews the Board's performance to enhance shareholders' value in terms of the Company's profitability, liquidity, gearing, dividend yield and total shareholder return against industry peers based on their published financial results.

The NC has reviewed the evaluations of the Board and is satisfied that the Board has been effective in the conduct of its duties and the directors have each contributed to the effectiveness of the Board.

ACCESS TO INFORMATION

Principle 6: *In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.*

Guidelines 6.1 and 6.2
Board's Access to Information

All Directors are furnished with information concerning the Company on a periodic and timely basis to enable them to be fully cognisant of the decisions and actions of the Company's executive management team. Management also provides the Board with regular management reports, which includes budgets, forecasts and quarterly management accounts. In respect of budgets, any material variances between the projections and actual results are disclosed and explained to the Board. Management provides Directors with information whenever necessary and board papers are sent to Directors prior to each Board and Board Committee meeting. In carrying out its duties, the Board has unrestricted access to the Company's records and information.

Guidelines 6.3
Board's Access to Company Secretary

The Board has separate and independent access to the Company Secretary and senior management at all times. The Company Secretary attends all Board meetings and meetings of the Committees of the Company and ensures that Board procedures are followed and that applicable rules and regulations are complied with.

Guideline 6.4
Appointment and Removal of Company Secretary

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Guideline 6.5
Board's Access to Independent Professional Advice

The Board takes independent professional advice as and when necessary, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to discharge its responsibilities effectively.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his or her own remuneration.*

Guideline 7.1
Remuneration Committee

The RC comprises the following three members, all of whom including the Chairman are independent.

Tay Kah Poh	Chairman	Independent Director
Hew Koon Chan	Member	Lead Independent Director
Winston Tan Tien Hin	Member	Independent Director

The RC carried out their duties in accordance with the terms of reference which include the following:

(a) To review and commend to the Board a framework for remuneration for the directors and key executives of the Company;

(b) To review and recommend directors' fees for non-executive directors for approval at the AGM;

(c) To determine specific remuneration packages for each executive director as well as key management personnel;

(d) To review the Group's obligations arising in the event of termination of the executive directors' and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous; and

(e) To review the remuneration of employees who are immediate family members of a director or the CEO to ensure that the remuneration of each of such employee commensurate with his or her duties and responsibilities, and no preferential treatment is given to him or her.

Guideline 7.2
Remuneration Framework

The annual reviews of the compensation are carried out by the RC to ensure that the remuneration of the executive directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial, commercial health and business needs of the Group. The Company recognises the need to pay competitive fees to attract, motivate and retain directors and key management personnel without being excessive and thereby maximise shareholder value.

Guideline 7.3
RC's Access to Advice on Remuneration Matters

The RC is provided access to expert professional advice on remuneration matters as and when necessary to ensure the Company's compensation and benefits schemes continue to be relevant and competitive in order to retain and motivate the directors and key management personnel. The expense of such services shall be borne by the Company.

Guideline 7.4
Termination Clauses in Service Contract

Each of the Executive Directors and key management personnel have a service agreement or employment contract with the Company which can be terminated by either party giving notice of resignation/termination. Each appointment is on a long term basis and no onerous removal clauses are contained in the service agreement or employment contract.

LEVEL AND MIX OF REMUNERATION

Principle 8: *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

Guideline 8.1
Remuneration of Executive Directors and Key Management Personnel

A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration is aligned with the interests of shareholders and promotes the long-term success of the Company.

Guideline 8.2
Long-term Incentive Scheme

The Company has no employee share incentive scheme or other long term incentives. In this regard, the RC has reviewed and is satisfied that the existing compensation structure with variable components paid out in cash has continued to be effective in incentivising performance without being excessive.

Guideline 8.3
Remuneration of Non-executive and Independent Directors

Executive directors are not paid directors' fee. All the non-executive directors who are independent directors have no service contract and are compensated based on a fixed annual fee taking into consideration their respective contributions and attendance at meetings. Additional variable fees are paid for appointment to Board Committees according to the level of responsibilities undertaken as Chairman or member of the Board Committees.

The RC has reviewed the fee structure for the non-executive and independent directors as being reflective of their responsibilities and work commitments and recommends the directors fee for FY2017 in accordance with the fee structure for shareholders' approval at the Company's AGM. The RC is of the view that the fee structure does not compromise the independence of the non-executive and independent directors. There is no policy to prohibit or require the non-executive and independent directors to hold shares in the Company. Mr Hew Koon Chan, independent director, does not hold any shares in the Company. Mr Winston Tan Tien Hin and Mr Tay Kah Poh, independent directors, hold shares in the Company amounting to 1.64% and 0.08% respectively of the total issued shares in the Company (including treasury shares). The RC and the Board are of the view that the holding of shares by non-executive and independent directors of less than 5% of the total issued shares in the Company encourages the alignment of their interests with the interests of shareholders without compromising their independence.

Guideline 8.4
Contractual Provisions

There are no contractual provisions in the employment contracts of directors and key management personnel for the Company to reclaim incentive components of remuneration as there are policies to factor management of risks as performance indicators and to manage risk exposures identified.

DISCLOSURE OF REMUNERATION

Principle 9: *Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.*

Guidelines 9.1, 9.2 and 9.3
Remuneration Report

Remuneration of directors and the CEO

The remuneration paid to or accrued to each individual director and the CEO for FY2016 is as follows:

Name of Director	Directors Fee S$'000	Salary S$'000	Bonus S$'000	Other benefits[1] S$'000	Total Remuneration S$'000
Chairman and CEO					
Teo Hong Lim	–	600	2,097	89	2,786
Executive Directors					
Chris Teo Hong Yeow	–	400	1,200	71	1,671
Michael Teo Hong Wee[2]	–	400	1,200	88	1,688
Koh Seng Geok	–	400	1,200	86	1,686
Independent Directors					
Hew Koon Chan	55	–	–	–	55
Tay Kah Poh	52	–	–	–	52
Winston Tan Tien Hin	46	–	–	–	46

1 Other benefits refer to benefits-in-kind such as food and beverage benefits, automobile benefits, etc. made available to directors, as appropriate.
2 Mr Michael Teo Hong Wee resigned from the Board with effect from 1 January 2017.

The remuneration paid to or accrued to the top key management personnel (who are not directors or the CEO) for FY2016 is as follows:

Remuneration Band and Name	Base/Fixed Salary %	Bonus %	Other benefits[1] %	Total %
S$250,000 to S$499,999	48%	14%	38%	100%
Klaus Gottschalk				
(General Manager – Grand Mercure Roxy Hotel)				
Melvin Poon Tuck Meng	62%	28%	10%	100%
(Director – Hotel Operations)				
Steve Foo Yong Kit	57%	35%	8%	100%
(Director – Developments)				
Angela Khoo Ying Hui	56%	33%	11%	100%
(Assistant Director – Sales and Marketing				
Assistant Director – Human Resource and Administration)				
Ben Hopkins	65%	28%	7%	100%
(Director – Australia)				
Below S$250,000				
Teo Hong Hee	59%	0%	41%	100%
(Senior Human Resource and Administration Director)				
Shermin Chan Poh Choo	55%	34%	11%	100%
(Assistant Director – Finance)				

1 Other benefits refer to food and beverage benefits, automobile benefits, home passage and CPF contribution.

The aggregate total remuneration paid or accrued to the top key management personnel for FY2016 is $1,879,123.

Guideline 9.4
Remuneration of employees who are immediate family members of a director or the CEO

For FY2016, saved as disclosed in the following table which shows the remuneration of employees who are related to our directors, the Company and its subsidiary companies do not have any other employee who is an immediate family member of a director or the CEO and whose remuneration exceeds S$50,000.

Remuneration Band and Name	Relationship to director or the CEO
S$100,000 to S$149,999	
Cheong Kwai Fun (Assistant Manager – Sales and Marketing)	Cousin of Teo Hong Lim, Chris Teo Hong Yeow and Michael Teo Hong Wee
$50,000 to S$99,999	
Phua Lay Leng (Senior Executive – Corporate Secretarial)	Cousin of Teo Hong Lim, Chris Teo Hong Yeow and Michael Teo Hong Wee

Guideline 9.5
Employee Share Option Scheme

The Company does not have any share option or other share incentive schemes for its employees.

Guideline 9.6
Link between remuneration paid to the Directors, the CEO and Key Management Personnel, and performance

The executive directors do not receive directors' fees. They are paid a fixed salary and a performance-related profit sharing bonus pursuant to their respective service agreements. The performance-related profit sharing bonus is linked to the Company and individual performance. It is based on incremental profit over and above a minimum level set aside for dividends and reserves which help to ensure prudence as well as fairness and equity. The RC reviews and approves the overall variable bonus payable to the executive directors within the framework of the service agreements.

The remuneration structure for the Company's top key management personnel comprised both fixed and variable components. The variable component is determined annually based on achievement of specific key performance indicators (KPIs) which are clearly set out for each management personnel each financial year and such KPIs comprise both quantitative and qualitative factors.

The KPIs for individual performance take into consideration the broad categories of objectives, namely financial, business and functional, regulatory and controls, and organisational and people development as well as alignment to the Company's risk policies. For FY2016, the RC has evaluated the extent to which each of key management personnel has delivered on the corporate and individual objectives (details are not disclosed for strategic and confidentiality reasons) and based on the evaluation, has approved the compensation for the key management personnel which were endorsed by the Board.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

Principle 10: *The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

Guideline 10.1
Accountability for Company's Performance, Position and Prospects

The Board provides a balanced and meaningful assessment of the Group's financial performance and prospects regularly through financial statements, announcement of results to shareholders and the SGX-ST as well as the Chairman's statement, and review of operations in the annual report. Financial results are released on a quarterly basis to the shareholders through SGXNET.

Guideline 10.2
Compliance with Legislative and Regulatory Requirements

The Board is accountable to the shareholders and is committed to ensure compliance with the Listing Rules of the Singapore Exchange Trading Limited ("SGX-ST"). The Directors have each signed the respective undertaking in the form set out in Appendix 7.7 of Listing Rules to undertake to use their best endeavours to comply with the SGX-ST Listing Rules and to procure that the Company shall so comply. A similar undertaking has been executed by the Assistant Director of Finance in her capacity as Executive Officer.

The Board ensures timely, reliable and full disclosure of material information to shareholders in compliance with statutory requirements and the Listing Manual of the SGX-ST.

Price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced or issued within legally prescribed periods. The Board also ensures timely and full disclosure of material corporate developments to shareholders.

The Board also reviews regulatory compliance reports from management to ensure that the Group complies with the relevant regulatory requirements.

Guideline 10.3
Management Accounts

The Management currently provides the Board with management accounts which presents a balanced and understandable assessment of the Group's performance, position and prospects on a quarterly basis and as and when deemed necessary.

For FY2016, the CEO and the CFO have provided assurance to the Board that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances, and regarding the effectiveness of the Company's risk management and internal controls system.

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 11: *The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.*

Guidelines 11.1 and 11.2
Risk Management and Internal Controls System

The ARMC, through the assistance of internal and external auditors, reviews and reports to the Board at least annually on the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls, established by Management. In addition, the Board reviews and determines the Group's level of risk tolerance and risk policies, and oversees the design, implementation and monitoring of the risk management and internal control systems. In assessing the effectiveness of internal controls, the ARMC ensures primarily that key objectives are met, material assets are properly safeguarded, fraud or errors in the accounting records are prevented or detected, accounting records are accurate, complete, and reliable and financial information is prepared in compliance with applicable internal policies, laws and regulations.

Since FY2012, the Group has had in place an Enterprise Risk Management ("ERM") Framework, which governs the risk management processes of the Group. Risk management capabilities and competencies are continuously enhanced through this Framework. The ERM Framework also enables the identification, prioritisation, assessment, management and monitoring of key risks and associated key controls in the Group's business. The key risks of the Group are deliberated by Management and reported to the ARMC at least once a year. The ARMC reviews the adequacy and effectiveness of the ERM Framework against leading practices in risk management and vis-à-vis the external and internal environments, which the Group operates.

Complementing the ERM framework is a Group-wide system of internal controls, which includes documented policies and procedures, proper segregation of duties, approval procedures and authorisations, as well as checks-and-balances built into the business processes. The Group has in place a risk management process that requires business units to perform regular assessments of the effectiveness of applicable internal controls. In addition to ensuring that internal controls and risk management processes are adequate and effective, the ARMC is assisted by various independent professional service providers. The external auditor provided assurance over the risk of material misstatements in the Group's financial statements. The Internal auditor conducted audit reviews based on the approved internal audit plans.

All audit reports detailing audit findings and recommendations are provided to Management who timely respond to actions to be taken. The ARMC monitors closely and timely to ensure proper implementation of the required corrective action plans are undertaken by the Management.

The Board has received assurance from the CEO and CFO that, as at 31 December 2016:

(a) the financial record have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and

(b) the Group's risk management and internal control systems were adequate and effective to address key financial, operational, compliance and information technology risks.

Guidelines 11.3 and 11.4
Board's Comment on Adequacy and Effectiveness of Internal Controls
Risk Committee

Based on the review of the key risks identified through the ERM process, and the internal controls established and maintained by the Group, work performed by the internal and external auditors, reviews performed by management and the ARMC; and the aforesaid assurances from the CEO and CFO, the Board, with the concurrence of the ARMC, is of the opinion that the Group's internal controls, addressing financial, operational and compliance and information technology risks, were adequate as at 31 December 2016.

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

AUDIT COMMITTEE

Principle 12: *The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.*

Guideline 12.1
ARMC Membership

The ARMC comprises the following three members all of whom, including the Chairman, are independent.

Hew Koon Chan	Chairman	Lead Independent Director
Tay Kah Poh	Member	Independent Director
Winston Tan Tien Hin	Member	Independent Director

All members of the ARMC do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the ARMC members were previous partners or directors of the Company's external auditor within the last twelve months or hold any financial interest in the external auditor.

Guideline 12.2
Expertise of ARMC Members

The Chairman of the ARMC, Mr. Hew Koon Chan has recent and relevant risk management expertise and has obtained sufficient accounting knowledge to discharge his responsibilities as ARMC Chairman. The other members of the ARMC have many years of experience in business management and financial services. The Board is satisfied that the members of the ARMC have recent and relevant accounting or related financial management expertise or experience to discharge the ARMC's functions.

Guidelines 12.3 and 12.4
Roles, Responsibilities and Authorities of ARMC

The ARMC functions under the terms of reference that sets out its responsibilities as follows:

(a) To review the financial statements of the Company and the Group before submission to the Board;

(b) To review the external and internal audit plans of the Company with the external and internal auditors to ensure the adequacy of the audit scope and findings of auditor's reports;

(c) To review the effectiveness and adequacy of the internal audit and finance functions and co-operation given by the Company's management to the external auditor;

(d) To review and evaluate with internal and external auditors, the effectiveness and adequacy of internal control systems, including financial, operational and compliance controls and risk management policies and framework;

(e) To review the performance of the internal and external auditors and make recommendations to the Board on the appointment, re-appointment or removal of the external auditors;

(f) To review the independence of the external auditor and make recommendations to the Board on the appointment, re-appointment and removal of the external auditors;

(g) To review interested person transactions and potential conflicts of interest; and

(h) To review arrangements by which the staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting.

The ARMC has the power to conduct or authorise investigations into any matter within the ARMC's scope of responsibility. The ARMC is authorised to obtain independent professional advice if it deems necessary in the discharge of its responsibilities. Such expenses are to be borne by the Company. The ARMC has full access to and co-operation of Management, has full discretion to invite any director or executive officer to attend its meetings and has been given reasonable resources to enable it to discharge its functions. No member of the ARMC or any director is involved in the deliberations and voting on any resolutions in respect of matters he is interested in.

The role of the ARMC in relation to financial reporting is to monitor the integrity of the quarterly and full year financial statements and that of any formal announcements relating to the Group's financial performance. The ARMC has considered whether accounting standards are consistently applied across the Group and whether disclosures to the financial statements are clear and sufficient.

Significant Key Audit Matters considered

During the year, the ARMC considered the appropriateness of significant key audit matters made in connection with the financial statements.

Following discussions with management and the external auditors, the ARMC has determined that the following areas are the key risks factors of the Group's financial statements:

1. Valuation of development properties for sale

   As at 31 December 2016, development properties for sale (DP) amounted to $486.4 million, or 33% of total assets. DP are stated at the lower of their cost and their net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices.

Management have considered the main areas of judgement exercised in the determination of the estimated future selling prices of the unsold units of its development properties, taking into account macroeconomic factors and prices of comparable properties in the same vicinity. Senior management regularly keeping up with the latest price trends and carrying out regular review of its estimates of future selling prices and related selling expenses. For projects with slower-than-expected sales or with low profit margins, Foo Kon Tan LLP ("FKT") has checked that there were no foreseeable losses. There were no projects with negative margins during the year. For project costs, a monthly review of the projected cost is performed by senior management to ensure the reasonableness of the cost estimate. FKT has performed substantive testing including details of transactions on the project, testing of major cost components of the project costs to source documents and reviewing the reasonableness of the stage of completion to budgeted costs and total actual costs incurred to date.

The ARMC, having consulted with FKT, concurred with the judgements made by management and were satisfied that the valuation of development properties for sale reported as at 31 December 2016 are reasonable and appropriate. The process of recording of project costs when incurred and transferring the costs to profit and loss upon the transfer of control of risks and rewards to buyer are appropriate for the financial year ended 31 December 2016.

2. Valuation of investment properties

As investment properties are a significant part of the Group's balance sheet, it is a key area of focus. Property valuations inherently require significant judgements and estimates and hence valuations are prepared externally by independent property valuers.

The Group engaged Savills as the valuers for its Singapore and Australia investment properties. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The Group adopts a formal approach by which the valuation process, methodology, assumptions and outcomes are reviewed and to ensure that they are comparable against industry best practice. In addition, the Group has put in place a policy on the requirement to engage a second valuer to perform valuation on the same property should the fair value gain or loss on the investment property exceed certain threshold preset and approved by the ARMC. During the financial year, the fair value gain or loss does not exceed this threshold.

Our Group auditor, FKT, assessed the Group's processes for the selection of the external valuers, the determination of the scope of work of the valuers, and also reviewed the valuations reported by the external valuers. They evaluated the qualifications and competence of the external valuers. Through their appointed auditor's expert, they have also considered the valuation methodologies used against those applied by other valuers for similar property types. They considered other alternative valuation methods and have tested the integrity of inputs of the projected cash flows used in the valuation to supporting leases and other documents. They assessed the capitalisation, discount and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, they undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

Based on the degree of scrutiny applied to the valuation process, the ARMC concluded that the valuations had each been conducted independently, appropriately and in accordance with the valuer's professional standards. The assets were valued on a basis consistent with comparable market transactions.

3. Revenue recognition

Revenue recognition is significant to the Group as there is a risk of overstatement or deferral of revenue (and profit) in meeting current or future market expectations and senior management performance targets.

Management have considered the main areas of judgement exercised in accounting for matters related to revenue recognition, including timing and treatment of revenue from property development, hotel operations and rental income from investment properties. As part of the audit procedures, FKT reviewed the terms of sales and purchase agreement of development properties, assessed appropriateness of methods of revenue recognition for the types of development properties sold, reviewed the estimates involved in the methods applied for revenue recognition for e.g. percentage of completion, reviewed whether the transfer of risks and rewards of ownership had passed, tested the revenue billings and accrued costs after the year-end date and reviewed any cancellation of sales after the year end. They also performed detailed trend analysis by project developments to identify unusual fluctuations.

The ARMC, having consulted with FKT, concurred with the judgements made by management and were satisfied that the revenue reported for the year had been appropriately recognised.

The above description of the significant key audit matters should be read in conjunction with the Independent Auditor's Report on pages 61 to 66 and the significant accounting policies disclosed in note 2(d) to the financial statements on page 78 to 94.

Guideline 12.5
Meeting with External and Internal Auditors without Presence of Management

The ARMC meets with both the external and internal auditors without the presence of the Management at least once a year. These meetings enable the external auditors and internal auditors to raise issues encountered in the course of their work directly to the ARMC.

Guideline 12.6
Independence of External Auditors

The Company confirms compliance with Rule 712 and Rule 715 (read with Rule 716) of the Listing Manual in engaging Foo Kon Tan LLP ("FKT") which is registered with the Accounting and Corporate Regulatory Authority, as the external auditor of the Company and of its Singapore subsidiaries and significant Singapore and foreign associated companies.

Audit fees paid/payables to the external auditor of the Company amounted to S$246,000 for the financial year ended 31 December 2016. The ARMC has reviewed the amount of non-audit services rendered to the Group by the external auditors. During the year, the estimated fees payable to the external auditors of the Company for non-audit services amounted to S$8,000 or 3% of the audit fee. Being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors, the ARMC has recommended their re-nomination to the Board.

Guideline 12.7
Whistle-blowing Policy

The Company has a whistle-blowing policy to allow staff to raise concerns in confidence to the ARMC Chairman, and to encourage the reporting of fraud, misappropriation of assets, unauthorised expenditure and violation of regulations in the Group. In 2016, the whistleblowing policy was expanded to cover reporting of serious improper conduct including non-disclosure of conflict of interest by officers and directors or demonstration of or perceived impairment of independence by independent directors.

The policy makes available the contact details of the ARMC Chairman and sets out the procedures for raising concern or making a complaint and the process of investigation and dealing with the outcome of the investigation.

Employees are free to bring complaints to the attention of their supervisors or the Human Resource Department as they would in any other workplace concerns. The recipient of such complaints shall forward them promptly to the ARMC Chairman. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Following investigation and evaluation of a complaint, the ARMC Chairman shall report to the ARMC on recommended disciplinary or remedial action, if any. The action determined by the ARMC shall then be brought to the Board or to appropriate members of senior management for authorisation and implementation respectively.

The policy is communicated to all employees as part of the Group's efforts to promote awareness of fraud control.

The ARMC confirms that no reports have been received under the whistle-blowing policy in 2016.

Guideline 12.8
AC to Keep Abreast of Changes to Accounting Standards

During FY2016, the members of the ARMC attended external training on changes in accounting standards, risk management, corporate governance and regulatory related topics. Besides the external training, the ARMC has kept abreast of changes in accounting standards and issues which impact the financial statements from briefings from auditors during the quarterly ARMC meetings.

Guideline 12.9
Partners or Directors of the Company's Auditing Firm

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the ARMC.

INTERNAL AUDIT

Principle 13: *The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.*

Guidelines 13.1 and 13.2
Internal Auditors

The Company has engaged KPMG Services Pte. Ltd. as its internal auditor. The internal auditor reports directly to the Chairman of the ARMC on all internal audit matters.

The primary functions of internal audit are to help:–

(a) assess if adequate systems of internal controls are in place to protect the assets of the Group and to ensure control procedures are complied with;

(b) assess if operations of the business processes under review are conducted efficiently and effectively; and

(c) identify and recommend improvement to internal control procedures, where required.

Guidelines 13.3 & 13.4
Internal Audit Function

During the year, Group Internal Auditor adopted a risk-based audit approach that focused on material internal controls, including financial, operational, compliance and information technology controls. Audits were carried out on all significant business units in the Group. All Group Internal Audit reports are submitted to the ARMC for deliberation with copies of these reports extended to the Chairman and CEO, Executive Directors and the relevant senior key management personnel. In addition, Group Internal Audit summary of findings and recommendations are discussed at the ARMC meetings. To ensure timely and adequate closure of audit findings, the status of implementation of the actions agreed by management is tracked and discussed with the ARMC. The Internal Auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARMC.

Guideline 13.5
Adequacy and Effectiveness of Internal Audit Function

The ARMC has reviewed the Company's internal control assessment and based on the internal auditors' and external auditors' reports and the internal controls in place, it is satisfied that there are adequate internal controls to meet the needs of the Group in its current business environment.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: *Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.*

Guidelines 14.1
Sufficient Information to Shareholders

In line with continuous obligations of the Company pursuant to the SGX-ST's Listing Rules, the Board's policy is that all shareholders be informed of all major developments that impact the Group.

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the Company's share price. Information is disseminated to shareholders on a timely basis through:

(a) SGXNET announcements and news release;

(b) Annual Report prepared and issued to all shareholders;

(c) Press releases on major developments of the Group;

(d) Notices of and explanatory memoranda for AGM and extraordinary general meetings ("EGMs");

(e) Company's Investor Relations website at http://roxypacific.com.sg/, where shareholders can access timely information on the Group.

Guideline 14.2
Providing Opportunity for Shareholders to Participate and Vote at General Meetings

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairman of each Board Committee as well as external auditors are normally present at the AGMs to address shareholders' queries, if any.

Shareholders are encouraged to attend the AGMs/EGMs to ensure a high level of accountability and to stay apprised of the Group's strategy and goals. Notice of the AGM/EGM will be advertised in newspapers and announced on SGXNET.

Guideline 14.3
Proxies for Nominee Companies

The Company's Constitution allows all shareholders (who are not relevant intermediaries as set out under the Companies Act) to appoint up to two proxies to attend general meetings and vote on their behalf. The Companies Act allows relevant intermediaries such as the CPF agent bank nominees to appoint multiple proxies, and empower CPF investors to attend and vote at general meetings of the Company as their CPF agent banks' proxies.

COMMUNICATIONS WITH SHAREHOLDERS

Principle 15: *Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.*

Guidelines 15.1
Communication with Shareholders

The notices are also released via SGXNET, published in local newspapers, and posted on the Company's website. In the event that unpublished material information is inadvertently disclosed to any selected group in the course of the Group's interactions with the investing community, a media release or announcement will be released to the public via SGXNET.

Guidelines 15.2
Timely Information to Shareholders

In accordance with the Listing Rules of the SGX-ST, the Board's policy is that all shareholders be informed on a timely basis of all major developments that impact the Group. The Company does not practice selective disclosure and price sensitive information is publicly released on an immediate basis where required under the Listing Rules.

Guideline 15.3
Regular Dialogue with Shareholders

The Company's AGM is a forum for the Board to invite shareholders to ask questions on the resolutions tabled at the AGM and to express their views.

The Company has also engaged its shareholders and investors through results briefings and investor roadshows when there are major developments or as and when applicable.

Guideline 15.4
Soliciting and Understanding Views of Shareholders

The Group supports and encourages active shareholder participation at general meetings. The Board believes that general meetings serve as an opportune forum for shareholders to meet and interact with the Board and key management personnel. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders.

Guideline 15.5
Dividend Policy

The Company's priority is to achieve long-term capital growth for the benefit of shareholders. The bulk of its profits, when made, shall therefore be retained for investment into the future. Nevertheless, the Company recognises the desire of some of its shareholders to receive income out of their investment in the Company. Therefore, the Company has adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Company's business of hotel ownership and provision of hotel accommodation services (the "Hotel Business"), subject to the following factors:–

- The level of cash and retained earnings;
- The net profits of the Company;

- The actual and projected overall financial performance of the Company and its subsidiaries (taking into account all of the Company's businesses and operations);
- The projected levels of capital expenditure and other investment plans; and
- Restrictions on payment of dividend that may be imposed by financing arrangements (if any).

The net operating profits attributable to the Hotel Business are defined as the earnings before interest, taxes, depreciation and amortisation in respect of the Hotel Business.

The Board of Directors will continually review the dividend policy and reserve the right to update the dividend policy at any time, in the best interests of the Company and its shareholders.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: *Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.*

Guideline 16.1
Effective Shareholders' Participation

All resolutions at general meetings are put to vote by electronic poll to allow greater transparency and more equitable participation by shareholders. Voting and vote tabulation procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be displayed live-on-screen to shareholders immediately at the general meetings. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET.

Voting in absentia and by email, which are currently not permitted, may only be possible following careful study to ensure that the integrity of information and authentication of the identity of shareholders through the web are not compromised, and legislative changes are effected to recognise remote voting.

Guideline 16.2
Separate Resolutions at General Meetings

The Company provides for separate resolutions at the general meetings on each distinct issue.

Guideline 16.3
Attendance of Chairman of the Board and Board Committees at General Meetings

The Company's AGMs are the principal forums for dialogue with shareholders. The Chairmen of the ARMC, RC and NC are normally available at the meetings to answer any question relating to the work of these committees. The External Auditors shall also be present to assist the Directors in addressing any relevant queries by the shareholders.

Guideline 16.4
Minutes of General Meetings

The minutes of the general meetings are taken and are available to shareholders for their inspection upon request.

Guideline 16.5
Results of Resolutions by Poll

All resolutions at general meetings are put to vote by electronic poll. Voting and polling procedures are disclosed at the general meetings. Votes cast for, or against, each resolution will be read out to shareholders immediately. The total numbers of votes cast for or against the resolutions are also announced after the general meetings via SGXNET.

INTERESTED PERSONS TRANSACTIONS

When a potential conflict of interest arises, the director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

The Company has established review and approval procedures to ensure that interested person transactions (IPT) entered into by the Group are conducted on normal terms and are not prejudicial to the interest of the shareholders. The Board meets quarterly to review if the Company will be entering into any interested person transaction.

There were no IPT for the financial year ended 31 December 2016.

Disclosure of interested person transactions is set out as follows:

Name of Interested Person	Aggregate value of all interested person transactions conducted (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)
Nil	Nil	NA

DEALINGS IN SECURITIES

The Company has issued an internal compliance policy to all employees of the Group setting out the implications of insider trading.

Under the Company's policy, the directors and key management personnel of the Group are prohibited in dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements. Notices are issued to all directors and employees of the Group to remind them of, inter alia, laws of insider trading and the importance of not dealing in the shares of the Company and within the Group on short-term consideration or during prohibitive periods. Directors and employees are expected to observe the insider trading laws at all times even when dealing in shares of the Company within permitted trading periods.

MATERIAL CONTRACTS

There was no material contract entered into by the Company or any of its subsidiary companies involving the interest of the CEO, any Director, or controlling shareholder during the financial year ended 31 December 2016.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

We are pleased to submit this annual report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2016 and statement of financial position of the Company as at 31 December 2016.

In our opinion:

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2016 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors in office at the date of this report are:

Teo Hong Lim	(Executive Chairman and Chief Executive Officer)
Chris Teo Hong Yeow	(Executive Director and Managing Director)
Michael Teo Hong Wee	(Executive Director, resigned on 1 January 2017)
Koh Seng Geok	(Executive Director and Chief Financial Officer)
Hew Koon Chan	(Lead Independent Director)
Winston Tan Tien Hin	(Independent Director)
Tay Kah Poh	(Independent Director)

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body other than as disclosed in this statement.

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the following directors who held office at the end of the financial year were interested in shares of the Company and its related corporations as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	As at 1.1.2016	**As at 31.12.2016**	**As at 1.1.2016**	**As at 31.12.2016**
The Company	Number of ordinary shares			
Roxy-Pacific Holdings Limited				
Teo Hong Lim	139,183,125	**139,203,125**	581,467,500	**582,916,500**
Chris Teo Hong Yeow	28,751,875	**28,751,875**	11,250	**11,250**
Michael Teo Hong Wee *(resigned on 1 January 2017)*	35,313,750	**35,313,750**	168,750	**168,750**
Koh Seng Geok	6,138,000	**6,388,000**	–	**–**
Winston Tan Tien Hin	–	**–**	20,756,875	**19,556,875**
Tay Kah Poh	985,000	**985,000**	–	**–**
Roxy-Pacific Holdings Limited				
$500 million, Multicurrency Debt Issuance Programme, 4.5% Fixed Rate Notes due 2018	Principal value of debentures			
Koh Seng Geok	–	**–**	–	**$500,000**
The Holding Company	Number of ordinary shares			
Kian Lam Investment Pte Ltd				
Teo Hong Lim	6,892	**6,892**	–	**–**
Chris Teo Hong Yeow	3,101	**3,101**	–	**–**
Michael Teo Hong Wee	3,299	**3,299**	–	**–**
Related company	Number of ordinary shares			
Sen Lee Development Private Limited				
Teo Hong Lim	3,390	**3,390**	182,000	**182,000**
Chris Teo Hong Yeow	3,390	**3,390**	–	**–**
Michael Teo Hong Wee	3,390	**3,390**	–	**–**

Mr Teo Hong Lim, by virtue of the provisions of Section 7 of the Act, is deemed to have an interest in the other subsidiaries of the Company, all but five are wholly-owned.

Mr Winston Tan Tien Hin is deemed to have interest in the shares of the Company held by Winmark Investments Pte Ltd, a Company wholly-owned by Mr Winston Tan Tien Hin and his wife.

There are no changes to the above shareholdings or debentures between the end of the financial year and 21 January 2017.

Share options

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued during the financial year to which this report related by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or its subsidiaries or debentures under option at the end of the financial year.

Audit Committee

The Audit Risk Management Committee comprises the following members:

Hew Koon Chan (Chairman)
Tay Kah Poh
Winston Tan Tien Hin

The Audit Risk Management Committee performs the functions set out in Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing its functions, the Audit Risk Management Committee reviewed the following:

– audit plans of the internal auditor and external auditor, assistance given by the Company's officers to the internal auditor and external auditor and results of the internal and external auditor's audit procedures;

– reviewed the internal and external auditor's evaluation of the Company's system of internal accounting controls;

– reviewed the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, information technology controls and risk management systems via reviews carried out by the internal auditor;

– met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Risk Management Committee;

– reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

– reviewed the cost effectiveness and the independence and objectivity of the external auditor;

– reviewed the nature and extent of non-audit services provided by the external auditor;

– reviewed quarterly financial information and annual financial statements of the Group and the Company before submission to the directors of the Company for approval; and

– reviewed interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Risk Management Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Risk Management Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Risk Management Committee are provided on the Statement of Corporate Governance.

In appointing our auditors of the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants has expressed its willingness to accept re-appointment.

On behalf of the Directors

TEO HONG LIM

KOH SENG GEOK

Dated: 14 March 2017

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ROXY-PACIFIC HOLDINGS LIMITED

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Roxy-Pacific Holdings Limited (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2016 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of development properties for sale (Refer to Note 11 to the financial statements)

Risk:

Development properties for sale include properties for sale under development and developed properties for sale. The Group has significant residential and mixed development properties for sale in its core markets – Singapore, Australia and Malaysia. Development properties for sale represent the largest category of assets on the balance sheet, at $486.4 million as at 31 December 2016.

Development properties for sale are stated at the lower of their cost and their net realisable values. The determination of the estimated net realisable value of these development properties is critically dependent upon the Group's expectations of future selling prices.

Weak demand and the consequential oversupply of residential units, arising from government policies in Singapore and Australia and a slowdown in global economic activity, might exert downward pressure on transaction volumes and residential property prices in these core markets. This could lead to future trends in these markets departing from known trends based on past experience. There is therefore a risk that the current estimates of net realisable values exceeds the future selling prices, resulting in more losses when properties are sold.

Furthermore, there is a possible risk of understatement of project costs where work has been completed up to certain stage but liabilities owing to contractors or suppliers have yet been recorded. In addition for development properties that have been completed or under construction but control of risks and rewards have been transferred to the buyer, there is a possible risk of not transferring the project costs in the balance sheet by recognising the corresponding project costs in the profit or loss.

Our response:

We assessed the Group's forecast selling prices by comparing the forecast selling price to, where available, recently transacted prices and prices of comparable properties located in the same vicinity as the development project. We focused our work on development projects with slower-than-expected sales or with low or negative margins. For projects which are expected to sell below cost, we checked the computations of the foreseeable losses, if any, and considered the adequacy of the disclosures in respect of the allowance for foreseeable losses.

We also performed substantive testing including test of details of transactions on the accuracy and completeness of the total project costs including testing of major costs components of the project costs to source documents and reviewing the reasonableness of the stage of completion to budgeted costs and total actual costs incurred to date.

Our findings:

In making its estimates of future selling prices, the Group takes into account macroeconomic and real estate price trend information. Senior management has applied its knowledge of the business in its regular review of these estimates. We found that reasonable estimates were made in the determination of net realisable values and allowance for foreseeable losses.

The process of recording of project costs when incurred and transferring the costs to profit and loss upon the transfer of control of risks and rewards to buyer are appropriate for the financial year ended 31 December 2016.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements. The Group's disclosures about development properties for sale are included in Note 11 to the financial statements.

Valuation of investment properties (Refer to Note 6 to the financial statements)

Risk:

The Group owns a portfolio of investment properties comprising commercial buildings and shopping malls, located primarily in Australia and Singapore. Investment properties represent the second largest category of assets on the balance sheet, at $198.8 million as at 31 December 2016.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving the capitalisation, discount and terminal yield rates i.e. a small change in the assumptions can have a significant impact to the valuation.

Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers. We:

a) Evaluated the competence, capabilities and objectivity of management expert;

b) Obtained an understanding of the work of that expert; and

c) Evaluated the appropriateness of that expert's work as audit evidence for the relevant assertion.

We have evaluated whether the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the valuation methodologies used against those applied by other valuers for similar property types. We also considered other alternative valuation methods. We assessed the capitalisation, discount and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of the descriptions in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Our findings:

The Group has a structured process in appointing and instructing valuers, and in reviewing, assessing and accepting their valuations. The valuers are members of generally-recognised professional bodies for valuers and have considered their own independence in carrying out their work. The valuation methodologies used are in line with generally accepted market practices and the key assumptions used are within the range of market data. The approach to the methodologies and in deriving the assumptions in the valuations is supported by market practices and data and the disclosures included in Note 6 and 33 in the financial statements are appropriate.

Revenue recognition (Refer to Note 3 to the financial statements)

Risk:

Revenue recognition is one of the key areas of audit focus. Under SSA 240, The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements, there is a presumption of fraud risk with regards to revenue recognition. The need to assess whether the transfer of risks and rewards of ownership have passed before revenue is recognised is key to the revenue recognition process.

Revenue from sale of development properties was $326.6 million out of total revenue of $385.4 million for the financial year ended 31 December 2016. For Singapore residential property and mixed developments, revenue on development properties that have been sold are recognised using the percentage of completion method. The stage of completion is measured by reference to the development costs incurred to-date to the budgeted total costs to complete for the property. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. The Group accounts for revenue on its Singapore commercial and all overseas properties under development on completed contract method i.e. control and risks and rewards of the properties are transferred to the buyers in its entirety at a single time which usually at completion, upon and after delivery.

Our response:

We assessed the revenue recognition policies adopted to ensure compliance with FRS. We carried out testing of key controls over revenue recognition, including the timing of revenue recognition. We also performed substantive testing including test of details of transactions.

Procedures performed in our audit included reviewing the terms of sales and purchase agreement of development properties, assessing appropriateness of methods of revenue recognition for the types of development properties sold, reviewing the estimates involved in the methods applied for revenue recognition for e.g. percentage of completion, reviewing whether the transfer of risks and rewards of ownership had passed, testing the revenue billings and accrued costs after the year-end date and reviewing any cancellation of sales after the year end.

We also performed gross profit margin analysis by project developments to identify unusual fluctuations.

Our findings:

The Group has policies and internal controls in place with regards to revenue recognition from the sale of development properties, hotel ownership and rental income from investment properties.

The revenue recognition process and the related disclosures are appropriate for the financial year ended 31 December 2016.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Robin Chin Sin Beng.

Foo Kon Tan LLP
Public Accountants and Chartered Accountants
Singapore
14 March 2017

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Note	The Group 31 December 2016 $'000	The Group 31 December 2015 $'000	The Company 31 December 2016 $'000	The Company 31 December 2015 $'000
ASSETS					
Non-Current					
Property, plant and equipment	4	**175,527**	129,680	**847**	949
Intangible assets	5	**68**	86	**–**	–
Investment properties	6	**198,835**	179,768	**–**	–
Investments in subsidiaries	7	**–**	–	**189,404**	110,571
Investments in associates	8	**146,458**	60,460	**–**	–
Amounts owing by associates	9	**11,264**	66,694	**–**	–
Available-for-sale financial assets	10	**1,425**	1,447	**–**	–
		533,577	438,135	**190,251**	111,520
Current					
Development properties for sale	11	**486,369**	516,545	**–**	–
Inventories	12	**784**	126	**–**	–
Trade receivables	13	**93,145**	28,850	**8**	6
Other receivables	14	**22,418**	30,114	**251,582**	244,373
Cash and bank balances	15	**325,325**	395,011	**156,715**	228,342
		928,041	970,646	**408,305**	472,721
Total assets		**1,461,618**	1,408,781	**598,556**	584,241
EQUITY					
Capital and Reserves					
Share capital	16	**47,399**	47,399	**47,399**	47,399
Treasury shares	17	**(555)**	–	**(555)**	–
Reserves	18	**(2,099)**	(8,015)	**4,187**	(229)
Retained earnings		**446,518**	418,197	**68,392**	71,388
Equity attributable to owners of the Company		**491,263**	457,581	**119,423**	118,558
Non-controlling interests		**3,745**	629	**–**	–
Total equity		**495,008**	458,210	**119,423**	118,558
Liabilities					
Non-Current					
Borrowings	19	**270,549**	322,786	**60,000**	60,000
Deferred tax liabilities	20	**33,094**	21,328	**168**	–
		303,643	344,114	**60,168**	60,000
Current					
Trade payables	21	**15,550**	11,760	**58**	82
Other payables	22	**83,165**	84,791	**355,448**	360,753
Current tax liabilities		**2,104**	24,958	**217**	–
Borrowings	19	**562,148**	484,948	**63,242**	44,848
		662,967	606,457	**418,965**	405,683
Total liabilities		**966,610**	950,571	**479,133**	465,683
Total equity and liabilities		**1,461,618**	1,408,781	**598,556**	584,241

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Revenue	3	**385,373**	460,942
Cost of sales		**(304,205)**	(331,258)
Gross profit		**81,168**	129,684
Other income	24	**22,994**	12,347
Distribution and selling expenses		**(5,205)**	(1,938)
Administrative expenses		**(15,030)**	(17,312)
Other expenses		**(21,797)**	(19,731)
Finance costs	25	**(15,187)**	(13,124)
Share of results of associates (net of income tax)		**18,641**	11,134
Profit before taxation	26	**65,584**	101,060
Tax expense	27	**(12,664)**	(15,853)
Profit for the year		**52,920**	85,207
Attributable to:			
– Equity holders of the Company		**49,804**	85,096
– Non-controlling interests		**3,116**	111
		52,920	85,207
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale financial assets		**(22)**	(128)
Tax on other comprehensive income		**4**	22
Currency translation differences arising from consolidation		**5,934**	(4,913)
Other comprehensive income, net of tax		**5,916**	(5,019)
Total comprehensive income for the year		**58,836**	80,188
Attributable to:			
– Equity holders of the Company		**55,720**	80,075
– Non-controlling interests		**3,116**	113
		58,836	80,188
Earnings per share – Basic/Diluted (cents)	28	**4.17**	7.13

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Attributable to owners of the Company							
	Share capital $'000	Treasury shares $'000	Fair value reserve $'000	Translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2015	47,399	–	174	(3,168)	355,933	400,338	515	400,853
Total comprehensive income for the year								
Profit for the year	–	–	–	–	85,096	85,096	111	85,207
Other comprehensive income								
Net change in fair value of available-for-sale financial assets	–	–	(128)	–	–	(128)	–	(128)
Tax on other comprehensive income	–	–	22	–	–	22	–	22
Foreign currency translation differences	–	–	–	(4,915)	–	(4,915)	2	(4,913)
Total other comprehensive income	–	–	(106)	(4,915)	–	(5,021)	2	(5,019)
Total comprehensive income for the year	–	–	(106)	(4,915)	85,096	80,075	113	80,188
Transactions with owners, directly recognised in equity								
Contributions by and distributions to owners								
Issue of shares to non-controlling interests	–	–	–	–	–	–	1	1
Dividend to shareholders (Note 35)	–	–	–	–	(22,832)	(22,832)	–	(22,832)
Total transactions with owners	–	–	–	–	(22,832)	(22,832)	1	(22,831)
At 31 December 2015	47,399	–	68	(8,083)	418,197	457,581	629	458,210
At 1 January 2016	**47,399**	**–**	**68**	**(8,083)**	**418,197**	**457,581**	**629**	**458,210**
Total comprehensive income for the year								
Profit for the year	**–**	**–**	**–**	**–**	**49,804**	**49,804**	**3,116**	**52,920**
Other comprehensive income								
Net change in fair value of available-for-sale financial assets	**–**	**–**	**(22)**	**–**	**–**	**(22)**	**–**	**(22)**
Tax on other comprehensive income	**–**	**–**	**4**	**–**	**–**	**4**	**–**	**4**
Foreign currency translation differences	**–**	**–**	**–**	**5,934**	**–**	**5,934**	**–**	**5,934**
Total other comprehensive income	**–**	**–**	**(18)**	**5,934**	**–**	**5,916**	**–**	**5,916**
Total comprehensive income for the year	**–**	**–**	**(18)**	**5,934**	**49,804**	**55,720**	**3,116**	**58,836**
Transactions with owners, directly recognised in equity								
Share buy back	**–**	**(555)**	**–**	**–**	**–**	**(555)**	**–**	**(555)**
Contributions by and distributions to owners								
Dividend to shareholders (Note 35)	**–**	**–**	**–**	**–**	**(21,483)**	**(21,483)**	**–**	**(21,483)**
Total transactions with owners	**–**	**(555)**	**–**	**–**	**(21,483)**	**(22,038)**	**–**	**(22,038)**
At 31 December 2016	**47,399**	**(555)**	**50**	**(2,149)**	**446,518**	**491,263**	**3,745**	**495,008**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Year ended 31 December 2016 $'000	Year ended 31 December 2015 $'000
Cash Flows from Operating Activities			
Profit before taxation		**65,584**	101,060
Adjustments for:			
Depreciation of property, plant and equipment	4	**6,459**	4,898
Amortisation of intangible assets	5	**18**	1
Impairment of other receivable		**708**	20
Dividend income from available-for-sale financial assets		**(83)**	–
Fair value gains on investment properties	6	**(17,165)**	(8,388)
Share of associates' results		**(18,641)**	(11,134)
Interest income	24	**(3,244)**	(2,491)
Interest expense on bank loans	25	**14,949**	12,958
Fair value (gain)/loss on cross currency interest rate swap	24, 26	**(336)**	2,403
Loss on disposal of property, plant and equipment		**–**	200
Foreign exchange loss/(gain) (unrealised)		**606**	(843)
Operating profit before working capital changes		**48,855**	98,684
Changes in properties for sale under development		**53,582**	33,839
Changes in developed properties for sale		**(7,342)**	–
Changes in inventories		**(657)**	–
Changes in operating receivables		**(68,135)**	27,840
Changes in operating payables		**5,817**	772
Cash generated from operations		**32,120**	161,135
Income tax paid		**(24,576)**	(8,594)
Net cash generated from operating activities		**7,544**	152,541
Cash Flows from Investing Activities			
Dividend received from associates		**13,295**	3,677
Investments in associates		**(1,642)**	(18)
Acquisition of intangible assets		**–**	(87)
Amounts loaned to associates		**(19,312)**	(51,339)
Repayment from associates		**3,879**	27,201
Acquisition of property, plant and equipment		**(47,861)**	(13,701)
Interest received		**2,911**	1,393
Net cash (used in) investing activities		**(48,730)**	(32,874)
Cash Flows from Financing Activities			
Proceeds from bank loans		**210,303**	159,700
Repayment of bank loans		**(191,261)**	(266,187)
Fixed deposits pledged to financial institutions		**(6,017)**	(82,000)
Investor loan		**–**	9,480
Proceeds from issue of shares to non-controlling interest		**–**	1
Share buy back		**(555)**	–
Dividends paid		**(21,483)**	(22,832)
Interest paid		**(26,380)**	(20,400)
Net cash (used in) financing activities		**(35,393)**	(222,238)
Net changes in cash and cash equivalents		**(76,579)**	(102,571)
Cash and cash equivalents at beginning of year	15	**312,983**	415,316
Effect of exchange fluctuations on cash held		**876**	238
Cash and cash equivalents at end of year	15	**237,280**	312,983

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

1 General information

The financial statements of the Group and of the Company for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and domiciled in Singapore.

The registered office and place of business is located at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769.

The Company was listed on the Singapore Exchange Securities Trading Limited on 12 March 2008.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 7 of the financial statements.

The holding Company is Kian Lam Investment Pte Ltd which is incorporated and domiciled in Singapore.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars, unless otherwise stated.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised and any in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

2(a) Basis of preparation (Continued)

Significant judgements in applying accounting policies

a) Carrying amount of development properties for sale

Significant judgement is required in assessing the recoverability of the carrying value of development properties for sale. The Group pre-sells properties under development. Net realisable value in respect of development properties for sale is assessed with reference to pre-sale proceeds received less estimated costs to complete construction. Significant judgement is required in assessing the expected date of project completion. Significant judgement is required in determining total costs of properties, including construction costs and variation orders. The Group estimates total construction costs based on contracts awarded, past experience and specialists. Significant judgement is also required to assess allowance made for foreseeable losses, if any, where the total estimated construction costs exceeds estimated selling price.

The Group's carrying amount of development properties for sale at the reporting date amounted to **$486,369,000** (2015: $516,545,000).

b) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

If the present value of estimated future cash flows decreased by 2% from management's estimates, the Group's and the Company's allowance for impairment would increase by **$2,489,000** (2015: $2,441,000) and **$5,025,000** (2015: $4,877,000) respectively. The Group's and the Company's carrying amount of loans and receivables at the reporting date amounted to **$124,458,000** (2015: $122,017,000) and **$251,233,000** (2015: $243,845,000) respectively.

c) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities process of determining sales prices.

d) Income taxes

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2(a) Basis of preparation (Continued)

Significant judgements in applying accounting policies (Continued)

e) Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of investment properties held in the Republic of Singapore as the Group, is not subject to any income taxes on the fair value changes of the investment properties on disposal.

f) Consolidation

Entities are included within the financial statements of the Group where the Group has control over the entities. Control arises from exposure, or rights, to variable returns from involvement with an entity, where the Group has the ability to affect those returns through its power over the entity. Judgement is applied by management in assessing whether control exists. Judgement is applied in determining the relevant activities of each entity and determining whether the Group has power over these activities. This involves assessment of the purpose and design of the entity, identification of the activities which significantly affect that entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers voting and veto rights, contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Consideration is also given to the practical ability of other parties to exercise their rights.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.97% voting rights (Note 7).

Critical accounting estimates and assumptions used in applying accounting policies

a) Revenue recognition

The Group recognised revenues of **$326,601,000** (2015: $404,248,000) on its residential properties and mixed development properties (combination of residential units and commercial units) as construction progresses using the percentage-of-completion method. The percentage of completion is estimated by reference to the stage of completion as certified by the architects or quantity surveyors and based on the proportion of contract cost incurred to date and the estimated total development cost to complete. Significant judgement is required in determining the estimated total development costs which is based on contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

If contract costs to be incurred increased 10% from management's estimates, the Group's profit would have decreased by **$2,408,000** (2015: $3,470,000).

2(a) Basis of preparation (Continued)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

b) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Group's management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

A 5% (2015: 5%) difference in the expected useful lives of these assets from management's estimates would result in approximately **0.51%** (2015: 0.24%) variance in the Group's profit for the financial year. The Group's and the Company's carrying amount of property, plant and equipment at the reporting date amounted to **$175,527,000** (2015: $129,680,000) and **$847,000** (2015: $949,000) respectively.

c) Valuation of investment properties

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers using various valuation methods including the direct comparison method and a combination of discounted cash flows method and capitalisation method. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

A **5%** (2015: 5%) difference in the fair value of these assets from management's estimates would result in approximately **15.1%** (2015: 8.6%) variance in the Group's profit for the financial year. The Group's carrying amount of investment properties at the reporting date amounted to **$198,835,000** (2015: $179,768,000).

d) Impairment of non-financial assets

Property, plant and equipment and investments in subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash generating units, have been determined based on adjusted fair value and value-in-use calculations. These calculations require the use of estimates. Estimating the recoverable amount requires the Group to make estimate of the expected future cash flows from the cash-generating unit and also use estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

A reasonably possible change in key assumptions does not indicate impairment, where the recoverable amount would fall below the carrying amounts of the assets. The carrying amounts of the Group's plant and equipment and investments in associates at the reporting date amounted to **$175,527,000** (2015: $129,680,000) and **$146,458,000** (2015: $60,460,000) respectively. The Company's investments in subsidiaries at the reporting date amounted to **$189,404,000** (2015: $110,571,000).

2(b) Interpretations and amendments to published standards effective in 2016

The directors do not anticipate that the adoption of the FRSs will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following new or amended FRS and INT FRS issued and effective in year 2016:

Reference	Description
Amendments to FRS 1	Disclosure Initiatives

The amendments to FRS 1 – Presentation of Financial Statements clarify, rather than significantly change, existing FRS 1 requirements. The amendments clarify:

– The materiality requirements in FRS 1.

– That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.

– That entities should adopt a systemic order in which they present the notes to financial statements.

– That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. The amendments to FRS 1 are effective for annual periods beginning on or after 1 January 2016.

Following application of these standards, they have had no material impact to the financial position or performance of the Group.

2(c) FRS not yet effective

The Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the SGX-ST will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on the SGX-ST will have to assess the impact of IFRS 1 First time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

2(c) FRS not yet effective (Continued)

The following are the new or amended FRS and INT FRS issued in 2016 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019
INT FRS 122	Foreign Currency Transaction and Advance Consideration	1 January 2018
Amendments to:		
FRS 7	Disclosure Initiative	1 January 2017
FRS 115	Clarification to FRS 115: Revenue from Contracts with Customers	1 January 2018
FRS 40	Transfers of Investment Property	1 January 2018

The directors do not anticipate that the adoption of the above FRSs in future periods will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption, except for the following:

FRS 115 – Revenue Contracts with Customers

FRS 115 – Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 – Construction Contracts, FRS 18 – Revenue, INT FRS 113 – Customer Loyalty Programmes, INT FRS 115 – Agreements for Construction of Real Estate, INT FRS 118 – Transfer of Assets from Customers and INT FRS 31 – Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers.

FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

The amendments to FRS 115 Revenue Contracts with Customers clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e. on 1 January 2018.

2(c) FRS not yet effective (Continued)

FRS 109 – Financial Instruments

FRS 109 – Financial Instruments replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

– Classification and measurement;

– A single, forward – looking "expected loss" impairment model; and

– A substantially reformed approach to hedge accounting.

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

FRS 116 – Leases

FRS 116 – Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 – Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 – Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the Company has adopted FRS 115. The Group is currently assessing the impact to the consolidated financial statements.

INT FRS 122 – Foreign Currency Transactions and Advance Consideration

This Interpretation provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.

The Interpretations are effective from 1 January 2018.

On initial application, entities would have the option of applying the Interpretations either retrospectively or prospectively in accordance with FRS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The Group is currently assessing the impact.

Amendments to FRS 7 – Statement of Cash Flows

The Amendments to FRS 7 – Statement of Cash Flows required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way (e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances). These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position and performance of the Group when applied in 2017.

Amendments to FRS 40 – Transfers of Investment Property

Under the amendments in FRS 40 – Transfers of Investment Property has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

The amendments are effective on 1 January 2018. However, if finalised, earlier adoption is permitted. The amendments would be applied retrospectively in accordance with FRS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The Group is currently assessing the impact.

2(d) Significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if and only if the Group has all of the following:

– power over the investee;

– exposure, or rights or variable returns from its involvement with the investee; and

– the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRSs). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

Goodwill

Goodwill on acquisition of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of the acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Buildings	20 to 50 years
Land use rights	40 years
Other assets	3 to 10 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

2(d) Significant accounting policies (Continued)

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis, which is their estimated useful life for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Estimated useful lives of intangible assets are as follows:

Websites	5 years

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Investment properties

Investment properties, principally comprising shop and office units, are held for long-term rental yields and are not occupied by the Group.

Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value determined on annual basis by independent professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers

Transfers to, or from, investment properties are made when there is a change in use, evidenced by:

– commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;

– commencement of development with a view to sell, for a transfer of investment properties to development properties; or

– end of owner occupation, for a transfer from property, plant and equipment to investment properties.

For transfer to investment property from development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is measured at revalued amount and accounted for in accordance with the accounting policy for Property, Plant and Equipment up to the date of change in use.

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. In the Company's separate financial statements, investments in subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

2(d) Significant accounting policies (Continued)

Investment in associates

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but has no control or joint control of those policies.

The Group account for its investments in associates using the equity method from the date on which it becomes an associate.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates are carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The profit or loss reflects the share of results of operations of the associates. Distributions received from associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associate are eliminated to the extent of the interest in the associates.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss, on the Group's investment in associate. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence or joint control over the associate, the Group measures the retained interest at fair value. Any difference between the fair value of the aggregate of the retained interest and proceeds from disposal and the carrying amount of the investment at the date the equity method was discontinued is recognised in profit or loss.

The Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would have been required if that associate or joint venture had directly disposed of the related assets or liabilities.

When an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

If the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

2(d) Significant accounting policies (Continued)

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date-the date on which the Group commit to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment of impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

At the reporting date, the Group does not hold any financial assets at fair value through profit or loss or held-to-maturity.

Available for sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated as available for sale or are not classified in any of the categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of the reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

2(d) Significant accounting policies (Continued)

Financial assets (Continued)

Available for sale financial assets (Continued)

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in the profit or loss.

Derivative financial instruments, including hedge accounting

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair values or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

2(d) Significant accounting policies (Continued)

Derivative financial instruments, including hedge accounting (Continued)

The Group holds derivative financial instruments to hedge its foreign exchange and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in the hedging reserve, while the ineffective portion is recognised in the profit or loss.

Changes in the carrying amount of cash flow hedges are charged to the hedging reserve in equity. Amounts accumulated in equity are recycled to the profit or loss in the periods when the hedged item affects profit or loss. When the hedged transaction results in the recognition of a non-financial asset or liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

When a cash flow hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transactions is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

Development properties

Properties for sale under development and developed properties for sale are recorded as current assets and are stated at specially identified cost, including capitalised borrowing costs directly attributable to the development of the properties and other related expenditure.

Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted. Capitalisation of borrowing costs ceased on issue of Temporary Occupation Permit. The capitalisation rate is determined by reference to the actual rate payable on borrowings for properties for sale under development, weighted as applicable.

Unsold properties for sale under development

Properties for sale under development that are unsold are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less costs to complete development and selling expenses.

2(d) Significant accounting policies (Continued)

Development properties (Continued)

Sold properties for sale under development

Sold properties for sale under development are stated at the lower of cost plus, where appropriate, a portion of attributable profit, and their estimated net realisable value, net of progress billings. Net realisable value is the price sold in the ordinary course of business less costs to complete development and selling expenses.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. The aggregated costs incurred and the profit/loss recognised in each development property that has been sold is compared against progress billings up to the end of financial period.

Developed properties for sale

Developed properties for sale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

Inventories

Inventories, comprising food and beverage and other hotel related consumable stocks, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes freight and handling charges.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits and monies held in project accounts.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sales or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2(d) Significant accounting policies (Continued)

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible bonds and warrants.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of constitution of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Financial liabilities

The Group's financial liabilities include borrowings and trade and other payables.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, an only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

2(d) Significant accounting policies (Continued)

Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

Financial guarantees

The Group has issued corporate guarantees to banks for bank loans of its subsidiaries and associates. These guarantees are financial guarantee contracts as they require the Group to reimburse the banks if the subsidiaries or associates fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at fair value plus transaction costs in the statement of financial position.

Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank.

Operating leases

Where the Group is the lessee,

Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Where the Group is the lessor,

Assets leased out under operating leases are included in investment properties and are stated at revalued amounts and not depreciated. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Income taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting or taxable profit or loss at the time of the transaction.

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

2(d) Significant accounting policies (Continued)

Income taxes (Continued)

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

– Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

– In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– In respect of deductible temporary differences and carry-forward of unutilsed tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2(d) Significant accounting policies (Continued)

Employee benefits

Short-term employee benefits

Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pension obligations

The Group and the Company participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the Singapore incorporated companies in the Group contribute to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

2(d) Significant accounting policies (Continued)

Related parties (Continued)

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Impairment of non-financial assets

The carrying amounts of the Group's and Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

2(d) Significant accounting policies (Continued)

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised as follows:

Revenue from properties for sale under development

The Group enters into sale and purchase agreement with buyers of its properties prior to completion of construction.

Sales of properties for sale under development of the Group that are within the scope as described in paragraph 2 of the Accompanying Note to INT FRS 115 – Agreements for the Construction of Real Estate, the Group accounts for revenue on its Singapore residential and mixed-use properties for sale under development using the percentage of completion method.

The percentage of completion is estimated by reference to the stage of completion as certified by the architects or quantity surveyors and based on the proportion of contract cost incurred to date and the estimated total development cost to complete.

For sales of properties where the control and risk and rewards of the properties are transferred to the buyers in its entirety at a single time (e.g. at completion, upon or after delivery), revenue is recognised when the properties are delivered to the buyers.

The Group accounts for revenue on its Singapore commercial and all overseas properties for sale under development on completed contract method.

Rendering of services

Revenue from the rendering of services for hotel operations is recognised over the period in which the services are rendered.

Rental income

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2(d) Significant accounting policies (Continued)

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation are repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance cost". Foreign currency gains and losses are reported on a net basis as either other income or other operating expense depending on whether foreign currency movements are in a net gain or net loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of that statement of financial position;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange translation reserve.

2(d) Significant accounting policies (Continued)

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been identified as the Chief Executive Officer who makes strategic resources allocation decisions and assesses segment performance.

3 Revenue

The Group	2016 $'000	2015 $'000
Property development	**326,601**	404,248
Hotel ownership	**46,254**	44,535
Rental income from investment properties	**12,518**	12,159
	385,373	460,942

4 Property, plant and equipment

The Group	Land $'000	Buildings $'000	Other assets $'000	Total $'000
Cost				
At 1 January 2015	35,147	99,335	15,293	149,775
Additions	–	8,622	5,079	13,701
Transfer to investment properties (Note 6)	–	(542)	–	(542)
Disposal	–	(81)	(350)	(431)
Exchange differences	774	428	83	1,285
At 31 December 2015	35,921	107,762	20,105	163,788
Additions	**9,979**	**31,881**	**6,001**	**47,861**
Transfers	**–**	**(3,006)**	**3,006**	**–**
Exchange differences	**1,349**	**2,964**	**185**	**4,498**
At 31 December 2016	**47,249**	**139,601**	**29,297**	**216,147**
Accumulated depreciation				
At 1 January 2015	–	21,987	7,479	29,466
Depreciation for the year	–	3,407	1,491	4,898
Transfer to investment properties (Note 6)	–	(35)	–	(35)
Disposal	–	(5)	(227)	(232)
Exchange differences	–	9	2	11
At 31 December 2015	–	25,363	8,745	34,108
Depreciation for the year	**160**	**3,687**	**2,612**	**6,459**
Exchange differences	**2**	**(244)**	**295**	**53**
At 31 December 2016	**162**	**28,806**	**11,652**	**40,620**
Net book value				
At 31 December 2016	**47,087**	**110,795**	**17,645**	**175,527**
At 31 December 2015	35,921	82,399	11,360	129,680

4 Property, plant and equipment (Continued)

As at 31 December 2016, land and buildings with a net total carrying amount of **$157,882,000** (2015: $118,320,000) are mortgaged to secure bank loans (Note 19).

The properties held by the Group as at 31 December 2016 are as follows:

Location	Use of property	Tenure
50 East Coast Road, Singapore	Hotel, Office	Freehold
205-1 Okuracho, Kyoto, Japan	Hotel	Freehold
48/13 Moo 6, Chaofa Road, Phuket, Thailand	Resort	Freehold
Island of Kudafunafaru, Noonu Atoll, Maldives	Resort	Leasehold

The Company	**Other assets $'000**
Cost	
At 1 January 2015	203
Additions	980
Disposal	(3)
At 31 December 2015	1,180
Additions	**40**
At 31 December 2016	**1,220**
Accumulated depreciation	
At 1 January 2015	141
Depreciation for the year	92
Disposal	(2)
At 31 December 2015	231
Depreciation for the year	**142**
At 31 December 2016	**373**
Net book value	
At 31 December 2016	**847**
At 31 December 2015	949

5 Intangible assets

The Group	**Websites $'000**
Cost	
At 1 January 2015	–
Additions	87
At 31 December 2015	87
Additions	–
At 31 December 2016	**87**
Accumulated amortisation	
At 1 January 2015	**–**
Amortisation for the year	**1**
At 31 December 2015	**1**
Amortisation for the year	**18**
At 31 December 2016	**19**
Net book value	
At 31 December 2016	**68**
At 31 December 2015	86

6 Investment properties

The Group	2016 $'000	2015 $'000
At 1 January	**179,768**	175,663
Transfer from property, plant and equipment (Note 4)	**–**	507
Fair value gain recognised in profit or loss (Note 24)	**17,165**	8,388
Effect of movement in exchange rate	**1,902**	(4,790)
At 31 December	**198,835**	179,768

The fair value of the investment properties located in Singapore is based on valuations determined by an independent firm of professional valuers who has appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on direct comparison method which is checked against the fair value derived from the capitalisation method.

The fair value of the investment property located overseas is based on valuations determined by an independent certified appraiser with recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued. The valuation is based on the capitalisation approach and income approach (Note 33).

Investment properties are valued on a highest and best used basis. For all of the Group's investment properties, the current use is considered to be the highest and best use.

The investment properties are leased to third parties under operating leases. As at 31 December 2016, the investment properties with a total carrying amount of **$198,835,000** (2015: $179,768,000) were mortgaged to secure bank loans (Note 19).

The following amounts are recognised in profit or loss:

The Group	2016 $'000	2015 $'000
Rental income (Note 3)	**12,518**	12,159
Direct operating expenses	**(3,521)**	(3,579)
	8,997	8,580

Investment properties as at 31 December 2016 are as follows:

Property name	Location	Description	Total net lettable area (sq m)	Tenure
Roxy Square Shopping Centre	50 East Coast Road, Singapore	47 shop units	2,352	Freehold
59 Goulburn	59 Goulburn Street, Sydney, Australia	28-storey commercial building	19,410	Freehold

7 Investments in subsidiaries

The Company	2016 $'000	2015 $'000
Unquoted equity investments, at cost	**49,343**	48,343
Amounts owing by subsidiaries on long term loan account	**140,061**	62,228
	189,404	110,571

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest 2016	Ownership interest 2015	Principal activities
Held by the Company				
Roxy-Pacific Developments Pte. Ltd.(1)	Singapore	**100%**	100%	Property investment and investment holdings
Roxy Homes Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
Roxy Land Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RP Properties Pte. Ltd.(1)	Singapore	**100%**	100%	Property investment and property development
RP North Pte. Ltd.(1)	Singapore	**100%**	100%	Property investment and property development
RH Changi Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RH Central Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
RL Properties Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
RP Ventures Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
RP Changi Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
Roxy Hotels Pte. Ltd.(1)	Singapore	**100%**	100%	Hotel ownership and development
RP East Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RL Central Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RH East Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
Roxy Residential Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RL West Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RH Mount Sophia Pte. Ltd.(1)	Singapore	**90%**	90%	Property development
Roxy Capital Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
Roxy Australia Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Hotels and Resorts Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
RH Eunos Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
Roxy Jakarta Investments Pte. Ltd.(1)(2)	Singapore	**100%**	100%	Investment holding
RH Orchard Pte. Ltd.(1)(3)(4)	Singapore	**100%**	100%	Property development
RH Developments Pte. Ltd.(1)(5)(6)	Singapore	**100%**	–	Property development
RH Capital Pte. Ltd.(5)(6)(7)	Singapore	**100%**	–	Property development

All subsidiaries are considered significant to the Group or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Formerly known as Roxy Jakarta Hotels Pte. Ltd., previously held by a subsidiary, the shares were transferred to the Company and the entity changed its name to Roxy Jakarta Investments Pte. Ltd in FY2016.

(3) Formerly known as RPV Assets Pte. Ltd., previously held by a subsidiary, the shares were transferred to the Company and the entity changed its name to RH Orchard Pte. Ltd in FY2016.

7 Investments in subsidiaries (Continued)

(4) Subsequent to year end the Company increased its investment in RH Orchard Pte. Ltd. from $2.00 to $1,000,000 to meet share capital requirements for development of the freehold property.

(5) The subsidiary is newly incorporated.

(6) The subsidiary is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

(7) Subsequent to year end the Company entered into a joint venture agreement and increased its investment in RH Capital Pte. Ltd. from $2.00 to $800,000 for the purpose of the purchase and development of the freehold properties and to meet share capital requirements.

Name of subsidiary	Country of incorporation	Ownership interest		Principal activities
		2016	2015	
Held by Subsidiaries				
RL Developments Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RH Rochor Pte. Ltd.(1)	Singapore	**90%**	90%	Property development
RH East Coast Pte. Ltd.(1)	Singapore	**100%**	100%	Property development
RH Tampines Pte. Ltd.(1)	Singapore	**85%**	85%	Property development
RPV Properties Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Australia Hotels Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel Holdings Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel Pte. Ltd.(1)	Singapore	**100%**	100%	Hotel ownership
Roxy Phuket Hotels Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Hotel Management Pte. Ltd.(1)	Singapore	**100%**	100%	Hotel management
Roxy International Hotel Holdings Pte. Ltd.(1)	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel GK(2)(4)	Japan	**100%**	100%	Hotel ownership
Roxy-Pacific Goulburn Pty. Ltd.(3)	Australia	**100%**	100%	Property investment
Roxy-Pacific Glebe Pty. Ltd.(3)	Australia	**100%**	100%	Property development
Roxy-Pacific Killara Pty. Ltd.(3)	Australia	**100%**	100%	Property development
Roxy-Pacific Potts Point Pty Limited(3)	Australia	**100%**	100%	Property development
Roxy-Pacific Developments Pty. Ltd.(4)(5)	Australia	**100%**	100%	Investment holding
Roxy-Pacific Investments Pty. Ltd.(4)(5)	Australia	**100%**	100%	Investment holding
Roxy-Pacific Hotels Pty. Ltd.(4)(5)	Australia	**100%**	100%	Hotel ownership and investment holding
Roxy NF Pty. Ltd.(5)	Australia	**50.5%**	50.5%	Property investment
Roxy-Pacific Assets Pty. Ltd.(4)(6)	Australia	**100%**	–	Property investment
Roxy Chalong Resort Co. Ltd.(5)(7)	Thailand	**49%**	49%	Hotel ownership and development
Roxy Maldives Resort & Spa Private Limited(8)	Maldives	**100%**	–	Hotel ownership and development

All subsidiaries are considered significant to the Group or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Audited by Kutsunai Certified Public Accountant Office, Japan.

(3) Audited by HLB Australia, a member firm of HLB International.

(4) The subsidiary is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

(5) Not required to be audited under the laws of the country of incorporation. The subsidiary is audited by Foo Kon Tan LLP for consolidation purposes.

(6) The subsidiary is newly incorporated and not yet subject to audit.

(7) Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.97% voting rights. The shares by the Group carry one vote for each share whilst the shares held by other shareholders carry one vote for every hundred shares.

(8) The subsidiary is newly incorporated and not yet subject to audit. The subsidiary is audited by Foo Kon Tan LLP for consolidation purposes.

7 Investments in subsidiaries (Continued)

Summarised financial information in respect of Group's non 100% owned subsidiaries, all of which have a material non-controlling interest (NCI) where ownership interest is not adjusted for is set out below:

2016

	Roxy NF Pty Ltd $'000	RH Tampines Pte. Ltd. $'000	RH Mount Sophia Pte. Ltd. $'000	RH Rochor Pte. Ltd. $'000	Roxy Chalong Resort Co. Ltd. $'000	Total $'000
Current assets	5	179,205	44,181	69,472	227	293,090
Non-current assets	20,264	–	–	–	17,445	37,709
Current liabilities	(20,331)	(167,999)	(26,169)	(59,586)	(10,521)	(284,606)
Non-current liabilities	–	(1,735)	(2,893)	(1,511)	(9,089)	(15,228)
Net assets/(liabilities)	(62)	9,471	15,119	8,375	(1,938)	30,965
Net assets attributable to NCI	(31)	1,421	1,513	837	5	3,745
Revenue	–	108,688	49,110	63,295	42	221,135
Profit/(loss) for the year	42	8,546	8,124	4,830	(882)	20,660
Other comprehensive income ("OCI")	–	–	–	–	–	–
Total comprehensive income/(loss)	42	8,546	8,124	4,830	(882)	20,660
Attributable to NCI:						
– Profit	21	1,283	812	483	517	3,116
– OCI	–	–	–	–	–	–
Total comprehensive income/(loss)	21	1,283	812	483	517	3,116
Cash flows (used in)/generated from operating activities	(163)	33,213	16,494	15,768	(172)	65,140
Cash flows generated from/(used in) investing activities	–	55	43	49	(1,047)	(900)
Cash flows generated from/(used in) financing activities (dividends to NCI: nil)	127	(2,654)	(19,274)	(8,731)	1,231	(29,301)
Net (decrease)/increase in cash and cash equivalents	(36)	30,614	(2,737)	7,086	12	34,939

7 Investments in subsidiaries (Continued)

2015

	Roxy NF Pty Ltd $'000	RH Tampines Pte. Ltd. $'000	RH Mount Sophia Pte. Ltd. $'000	RH Rochor Pte. Ltd. $'000	Roxy Chalong Resort Co. Ltd. $'000	Total $'000
Current assets	5	163,005	53,020	71,668	197	287,895
Non-current assets	19,862	–	–	–	16,014	35,876
Current liabilities	(19,973)	(162,081)	(44,797)	(67,602)	(7,972)	(302,425)
Non-current liabilities	–	–	(1,229)	(522)	(9,241)	(10,992)
Net assets/(liabilities)	(106)	924	6,994	3,544	(1,002)	10,354
Net assets attributable to NCI	(52)	139	699	354	(511)	629
Revenue	–	6,019	27,124	25,788	107	59,038
(Loss)/profit for the year	(111)	245	4,301	2,145	(1,012)	5,568
Other comprehensive income ("OCI")	–	–	–	–	–	–
Total comprehensive income/(loss)	(111)	245	4,301	2,145	(1,012)	5,568
Attributable to NCI:						
– Profit	(55)	37	430	215	(516)	111
– OCI	1	–	–	–	1	2
Total comprehensive (loss)/income	(54)	37	430	215	(515)	113
Cash flows (used in)/ generated from operating activities	(109)	3,345	4,182	(4,726)	654	3,346
Cash flows generated from/(used in) investing activities	–	–	47	42	(1,009)	(920)
Cash flows generated from/(used in) financing activities (dividends to NCI: nil)	111	4,500	(6,200)	(2,067)	(96)	(3,752)
Net increase/(decrease) in cash and cash equivalents	2	7,845	(1,971)	(6,751)	(451)	(1,326)

8 Investment in associates

The Group	2016 $'000	2015 $'000
Unquoted equity investments, at cost*	**88,496**	7,841
Share of post-acquisition profits	**98,893**	80,252
Exchange differences	**(2)**	1
Dividend income	**(40,929)**	(27,634)
	146,458	60,460

* Inclusive of $79,013,000 (2015: $1,444,000) transferred from amounts owing by associates (Note 9).

8 Investment in associates (Continued)

Details of the associates are as follows:

Name of associate	Country of incorporation	Ownership interest 2016	Ownership interest 2015	Principal activities
Held by a Subsidiary				
70 Shenton Pte. Ltd.(1)	Singapore	**20%**	20%	Property development
Mequity (Hillview) Pte. Ltd.(1)	Singapore	**49%**	49%	Property development
Mequity Two Pte. Ltd.(1)	Singapore	**45%**	45%	Property development
Mequity Pte. Ltd.(2)	Singapore	**45%**	45%	Property development
Mequity Assets Pte. Ltd.(2)	Singapore	**48%**	48%	Property development
Feature-Roxy Pty. Ltd.(3)	Australia	**50%**	50%	Investment holding and property investment
ACH Head Trust(3)	Australia	**49%**	49%	Trust
ACH Head Operator Pty. Ltd.(4)	Australia	**49%**	49%	Hotel management
ACH Projects Pty. Ltd.(4)	Australia	**49%**	49%	Hotel development
Peel Street JV Pty. Ltd.(4)	Australia	**40%**	40%	Property development
North Fremantle JV Pty. Ltd.(4)	Australia	**40%**	40%	Property development
Macly Equity Sdn. Bhd.(5)	Malaysia	**47%**	47%	Property development
Mequity Assets Sdn. Bhd(4)	Malaysia	**47%**	47%	Property development
Rolex Investments Ltd.(4)	Cayman Islands	**30%**	30%	Investment holding and property investment
PT Kramat Roxy Pacific(6)	Indonesia	**49%**	49%	Investment holding and property investment

All associates are considered significant to the Group, or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Audited by PG Wee Partnership LLP, Singapore. The associate is not significant as defined under Listing Rule 718 of the Singapore Exchange Listing Manual.

(3) Audited by HLB Australia, a member firm of HLB International.

(4) Not required to be audited under the laws of the country of incorporation. The associate is audited by Foo Kon Tan LLP for consolidation purposes.

(5) Audited by Guan & Associates, Malaysia.

(6) Dormant, not required to be audited under the laws of the country of incorporation.

8 Investment in associates (Continued)

The properties held by our associates as at 31 December 2016 are as follows:

Project name	Location	Description	Stage of completion	Expected completion	Gross floor area (sq m)	Group effective interest	Tenure
Properties under development							
Eon Shenton	70 Shenton Way, Singapore	132 residential units, 98 office units & 23 shop units	82%	Dec 19	20,360	20%	Leasehold
New World Towers	64 Peel & 9 Cordelia Street, South Brisbane, Australia	195 residential units, 2 commercial units 1 management office in Tower 1 & 240 residential units in Tower 2	*	Jun 19	56,830	40%	Freehold
Wisma Infinitum, The Colony & The Luxe	18 Jalan Dewan Sultan Sulaiman, Kuala Lumpur, Malaysia	423 residential units in Tower 1, 300 residential units in Tower 2 & 31 commercial units	19%	Oct 20	64,912	47%	Freehold

* Construction has yet to commence as of 31 December 2016.

Project name	Location	Description	Net lettable floor area (sq m)	Group effective interest	Tenure
Investment properties					
117 Clarence	117 Clarence Street, Sydney, Australia	14 storey commercial building	12,517	50%	Freehold

Project name	Location	Description	Gross floor area (sq m)	Group effective interest	Tenure
Hotel under development					
ACH Perth	609 Wellington Street, Perth, Australia	24 storey, 332 room hotel development	19,020	49%	Freehold

Location	Description	Approximate land area (sq m)	Group effective interest	Tenure
Land held for development				
54 & 85 Bracks Street, North Fremantle, Perth, Australia	Industrial land; to be rezoned for commercial and residential use	45,463	20.2%	Freehold
Jalan Kramat, Raya No. 110, Jakarta, Indonesia	Commercial development	1,703	49%	Freehold

8 Investment in associates (Continued)

The Group has six (2015: three) associates that are material and a number of associates that are individually immaterial to the Group.

Summarised financial information in respect of the associates is set out below:

2016

	70 Shenton Pte. Ltd. $'000	Rolex Investments Ltd. $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	Feature – Roxy Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Immaterial associates $'000	Total $'000
Revenue	245,409	–	–	206	6,482	937	–	253,034
Profit/(loss) for the year	65,844	–	(1,205)	(1,099)	12,028	511	609	76,688
Other comprehensive income	–	–	–	–	–	–	–	–
Total comprehensive income/(loss)	65,844	–	(1,205)	(1,099)	12,028	511	609	76,688
Attributable to investee's shareholders	65,844	–	(1,205)	(1,099)	12,028	511	609	76,688
Current assets	284,195	132,200	68,911	4,446	4,471	2,182	67,987	564,392
Non-current assets	–	–	120	42,602	107,308	69,778	–	219,808
Current liabilities	(153,881)	(53,288)	(26,789)	(26)	(1,519)	(21,301)	(9,260)	(266,064)
Non-current liabilities	(22,028)	–	–	–	(57,783)	–	(25,503)	(105,314)
Net assets attributable to investee's shareholders	108,286	78,912	42,242	47,022	52,477	50,659	33,224	412,822
Group's interest in net assets of investee at beginning of the year	8,489	24,012	103	(373)	–	(7)	28,236	60,460
Investment	–	–	20,838	19,520	19,818	19,829	650	80,655
Group's share of:								
– Profit/(loss) for the year	13,169	–	(566)	(440)	6,014	205	259	18,641
– OCI	–	–	–	–	–	–	–	–
Total comprehensive income	13,169	–	(566)	(440)	6,014	205	259	18,641
Dividend income	–	–	–	–	–	–	(13,295)	(13,295)
Translation differences	–	(338)	(521)	102	407	237	110	(3)
Carrying amount of interest in investee at end of the year	21,658	23,674	19,854	18,809	26,239	20,264	15,960	146,458

8 Investment in associates (Continued)

2015

	Mequity Assets Pte. Ltd. $'000	70 Shenton Pte. Ltd. $'000	Rolex Investments Ltd. $'000	Immaterial associates $'000	Total $'000
Revenue	55,343	96,189	–	34,991	186,523
Profit for the year	11,755	23,714	–	1,209	36,678
Other comprehensive income	–	–	–	–	–
Total comprehensive income	11,755	23,714	–	1,209	36,678
Attributable to investee's shareholders	11,755	23,714	–	1,209	36,678
Current assets	66,703	250,894	129,279	126,676	573,552
Non-current assets	–	–	–	130,973	130,973
Current liabilities	(39,916)	(199,910)	(49,239)	(44,852)	(333,917)
Non-current liabilities	(4,568)	(8,542)	–	(177,243)	(190,353)
Net assets attributable to investee's shareholders	22,219	42,442	80,040	35,554	180,255
Group's interest in net assets of investee at beginning of the year	5,023	3,746	43,321	16,915	69,005
Investment	–	–	–	5,254	5,254
Group's share of:					
– Profit for the year	5,643	4,743	–	748	11,134
– OCI	–	–	–	–	–
Total comprehensive income	5,643	4,743	–	748	11,134
Dividend income	–	–	(19,309)	(5,625)	(24,934)
Translation differences	–	–	–	1	1
Carrying amount of interest in investee at end of the year	10,666	8,489	24,012	17,293	60,460

9 Amounts owing by associates

The Group	2016 $'000	2015 $'000
Amounts owing by associates	**11,264**	66,694

Amounts owing by associates are denominated in the following currencies:

The Group	2016 $'000	2015 $'000
Malaysian ringgit	**–**	17,556
Australian dollar	**11,264**	49,138
	11,264	66,694

The amounts owing by associates are unsecured advances which have no fixed terms of repayment, are interest free and are not expected to be repaid in the next 12 months. The amounts are to be settled in cash.

The fair value represents the discounted, estimated present value of principal payments on amounts owing by associates as at the balance sheet date and is stated as follows:

The Group	2016 $'000	2015 $'000
Present value of amounts owing by associates	**10,267**	55,109

The fair value is within Level 2 of the fair values hierarchy.

10 Available-for-sale financial assets

The Group	2016 $'000	2015 $'000
Quoted equity securities, at cost, at 1 January	**1,363**	1,363
Unrealised fair value gain	**62**	84
Quoted equity securities, at 31 December	**1,425**	1,447

The fair values are within Level 1 of the fair values hierarchy.

11 Development properties for sale

The Group	2016 $'000	2015 $'000
Properties for sale under development	**479,027**	516,545
Developed properties for sale	**7,342**	–
	486,369	516,545

As at 31 December 2016, development properties for sale with a total carrying amount of **$486,369,000** (2015: $516,545,000) were mortgaged as security in respect of bank loans (Note 19).

11 Development properties for sale (Continued)

Details of properties for sale at 31 December 2016 are as follows:

Properties for sale under development

The Group	2016 $'000	2015 $'000
Land cost	**1,016,921**	640,746
Development expenditure	**489,869**	229,684
	1,506,790	870,430
Attributable profit	**325,802**	153,810
	1,832,592	1,024,240
Progress billings	**(1,353,565)**	(507,695)
	479,027	516,545
Loan interest capitalised as cost of development properties during the year	**12,109**	8,242

The value of properties for sale under development expected to be completed within the Group's normal operating cycle is as follows:

The Group	2016 $'000	2015 $'000
Expected completion date:		
– within the next 12 months	**165,263**	194,275
– beyond 12 months	**313,764**	322,270
	479,027	516,545

Information on properties for sale under development as at 31 December 2016 are as follows:

Location	Project name	Description	Stage of completion	Expected completion	Approximate land area (sq m)	Gross floor area (sq m)	Group effective interest	Tenure
Properties under development								
Singapore								
1, 3, 5, 7 & 9 Lew Lian Vale	Jade Residences	171 residential units & 2 shop units	98%	TOP obtained in Jan 17	8,585	12,236	100%	Freehold
132 Lorong K Telok Kurau	Sunnyvale Residences	30 residential units	92%	Jun 18	2,152	3,012	100%	Freehold
111, 113 & 115 Tampines Road	Trilive	222 residential units & 2 shop units	56%	Dec 18	7,419	15,580	85%	Freehold
9 Wilkie Terrace	Liv on Wilkie	81 residential units	94%	Jun 19	2,093	4,396	90%	Freehold
26 Sea Avenue	Straits Mansions	25 residential units	*	Sept 20	1,809	2,533	100%	Freehold
Australia								
37-41 Bayswater Road, Potts Point, Sydney	The Hensley	44 residential units & 1 commercial unit	5%	Jun 18	930	3,581	100%	Freehold
6A & 8 Buckingham Road, Killara, Sydney	Octavia Killara	43 residential units	*	Aug 18	3,792	4,402	100%	Freehold

* Construction of these properties has yet to commence as of 31 December 2016.

11 Development properties for sale (Continued)

Location	Description	Approximate land area (sq m)	Gross floor area (sq m)	Group effective interest	Tenure
Land held for development					
178, 180, 180A, 182 & 184 Jalan Eunos, Singapore	48 residential units	2,315	3,242	100%	Freehold
10-11 Cowper Street, Glebe, Sydney, Australia	231 residential units	7,125	18,960	100%	Freehold

Developed properties for sale

The Group	2016 $'000	2015 $'000
Developed properties for sale	**7,342**	–

Information on developed properties for sale as at 31 December 2016 is as follows:

Location	Property name	Description	Gross floor area (sq m)	Group effective interest	Tenure
332A, 334 & 334A Pasir Panjang Road, Singapore	Whitehaven	5 residential units	772	100%	Freehold

12 Inventories

The Group	2016 $'000	2015 $'000
Hotel supplies, at cost	**784**	126

13 Trade receivables

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables	**14,255**	4,531	**–**	–
GST receivables	**627**	124	**8**	6
Accrued receivables	**78,273**	24,225	**–**	–
	93,155	28,880	**8**	6
Impairment of trade receivables	**(10)**	(30)	**–**	–
	93,145	28,850	**8**	6

13 Trade receivables (Continued)

Trade receivables have credit terms of **30** (2015: 30) days. The Group and the Company does not require collateral in respect of trade receivables.

Accrued receivables represent the remaining balances of sales consideration for development properties to be billed.

Trade receivables are denominated in the following currencies:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**92,017**	28,030	**8**	6
United States dollar	**45**	–	**–**	–
Japanese yen	**316**	153	**–**	–
Australian dollar	**767**	667	**–**	–
	93,145	28,850	**8**	6

Financial assets that are impaired

Trade financial assets that are impaired are as follows:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Movements in impairment of trade receivables:				
At 1 January	**30**	30	**–**	–
Allowance for impairment written-off during the year	**(20)**	–	**–**	–
At 31 December	**10**	30	**–**	–

Financial assets that are past due but not impaired

The ageing analysis of trade financial assets (trade receivables, excluding GST receivables), which are not impaired are as follows:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Not past due	**89,404**	26,918	**–**	–
Past due not more than 3 months	**2,418**	1,505	**–**	–
Past due more than 3 months but less than 6 months	**417**	269	**–**	–
Past due more than 6 months	**279**	34	**–**	–
	92,518	28,726	**–**	–

14 Other receivables

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Amounts due from subsidiaries (non-trade)	**–**	–	**242,324**	235,928
Accrued receivable from subsidiaries	**–**	–	**7,238**	6,888
Advances to associates	**16**	12,040	**–**	–
Deposits	**9,409**	12,054	**9**	–
Prepayments	**1,041**	1,232	**349**	528
Receivable from contractors	**737**	778	**–**	–
Customer deposit held in trust	**9,017**	–	**–**	–
Interest receivable	**2,000**	1,376	**1,658**	1,028
Tax recoverable	**701**	2,285	**–**	–
Others	**277**	429	**4**	1
	23,198	30,194	**251,582**	244,373
Impairment of other receivables	**(780)**	(80)	**–**	–
	22,418	30,114	**251,582**	244,373

The non-trade amounts due from subsidiaries comprise mainly advances from the Company.

Amounts due from subsidiaries are unsecured and repayable on demand. At the reporting date, amounts due from subsidiaries of **$19,873,000** bear interest at **3.29%** (2015: $57,676,000 at 3.98%) per annum. The remaining amounts due from subsidiaries were interest free. Interest is re-priced every 12 months.

Advances to associates are unsecured, interest-free and repayable on demand.

Other receivables are denominated in the following currencies:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Singapore dollar	**10,676**	13,699	**241,843**	227,377
United States dollar	**384**	–	**–**	–
Indonesia rupiah	**1,087**	1,021	**4,225**	–
Thailand baht	**91**	43	**–**	–
Japanese yen	**307**	1,008	**2,903**	2,758
Australian dollar	**9,873**	14,343	**2,611**	14,238
	22,418	30,114	**251,582**	244,373

Financial assets that are impaired

Other financial assets that are impaired are as follows:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Movements in impairment of other receivables:				
At 1 January	**80**	60	**–**	–
Additional impairment charged to profit and loss (Note 26)	**708**	20	**–**	–
Allowance for impairment written-off during the year	**(8)**	–	**–**	–
At 31 December	**780**	80	**–**	–

14 Other receivables (Continued)

Financial assets that are past due but not impaired

The ageing analysis of other financial assets (other receivables, excluding prepayments and tax recoverable), which are not impaired is as follows:

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Not past due	**20,588**	26,541	**251,233**	243,845
Past due not more than 3 months	**–**	–	**–**	–
Past due more than 3 months but less than 6 months	**–**	–	**–**	–
Past due more than 6 months	**88**	56	**–**	–
	20,676	26,597	**251,233**	243,845

15 Cash and bank balances

Cash and cash equivalents

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents comprised the following:

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Project accounts				
Cash at bank in project accounts	**61,091**	36,654	**–**	–
Fixed deposits in project accounts	**51,000**	45,500	**–**	–
	112,091	82,154	**–**	–
Cash at bank	**38,349**	92,372	**9,303**	47,247
Fixed deposits	**86,840**	138,457	**59,412**	99,095
Total cash and cash equivalents	**237,280**	312,983	**68,715**	146,342
Fixed deposits pledged #	**88,045**	82,028	**88,000**	82,000
Total cash and bank balances	**325,325**	395,011	**156,715**	228,342

Fixed deposits pledged (exclude fixed deposits in project accounts) are pledged to secure bankers' guarantees and for multi-currency loan facilities obtained for working capital purposes of the Group.

Project accounts

The project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997 from which withdrawals are restricted to payments for costs incurred on developing properties for sale.

At the reporting date, the weighted average effective interest rate of fixed deposits in project accounts for the year was **0.494%** (2015: 0.897%) per annum.

15 Cash and bank balances (Continued)

Cash and bank balances

At the reporting date, the weighted average effective interest rate of fixed deposits (excluding fixed deposits in project accounts) of the Group and the Company was **1.35%** (2015: 1.059%) and **1.604%** (2015: 1.094%) per annum, respectively.

Total cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Singapore dollar	**315,087**	392,772	**156,627**	227,921
United States dollar	**702**	–	**–**	–
Thailand baht	**136**	153	**–**	–
Maldivian rufiyaa	**24**	–	**–**	–
Japanese yen	**1,284**	300	**–**	–
Australian dollar	**8,092**	1,786	**88**	421
	325,325	395,011	**156,715**	228,342

16 Share capital

The Group and the Company	2016 Number of shares	2016 $'000	2015 Number of shares	2015 $'000
Ordinary shares issued and fully paid, with no par value				
Balance at beginning and end of year	**1,193,549,994**	**47,399**	1,193,549,994	47,399

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

17 Treasury shares

The Group and the Company	2016 Number of shares	2016 $'000	2015 Number of shares	2015 $'000
Balance at beginning of year	**–**	**–**	–	–
Purchase of treasury shares	**1,306,500**	**(555)**	–	–
Balance at end of year	**1,306,500**	**(555)**	–	–

18 Reserves

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Fair value reserve	**50**	68	**–**	–
Translation reserve	**(2,149)**	(8,083)	**4,187**	(229)
	(2,099)	(8,015)	**4,187**	(229)

Fair value reserve

Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognised or impaired.

Translation reserve

Translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

19 Borrowings

		The Group		The Company	
	Year of Maturity	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-current liabilities					
Bank loans (secured):					
Repayable after one year	2018 to 2038	**210,549**	262,786	**–**	–
Multi-currency term notes:					
Repayable after one year	2018	**60,000**	60,000	**60,000**	60,000
		270,549	322,786	**60,000**	60,000
Current liabilities					
Bank loans (secured):					
Repayable within one year or less, or on demand	2017	**346,391**	286,671	**62,242**	43,848
Repayable after one year, but within the normal operating cycle	2018 to 2020	**214,757**	197,277	**–**	–
Bank loans (unsecured):					
Repayable within one year or less, or on demand	2017	**1,000**	1,000	**1,000**	1,000
		562,148	484,948	**63,242**	44,848
Total borrowings		**832,697**	807,734	**123,242**	104,848

19 Borrowings (Continued)

The fair value of non-current borrowings at the balance sheet date is as follows:

	Carrying amount		Fair value	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
The Group				
Borrowings with an average effective fixed interest rate of **3.11%** (2015: 3.89%) per annum	**270,549**	322,786	**271,027**	337,525

The fair values are within Level 2 of the fair values hierarchy.

The borrowings are denominated in the following currencies:

	The Group		The Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Singapore dollar	**603,637**	668,563	**76,000**	61,000
United States dollar	**29,497**	–	**2,893**	–
Thailand baht	**9,719**	9,790	**–**	–
Japanese yen	**23,969**	17,234	**–**	–
Australian dollar	**165,875**	112,147	**44,349**	43,848
	832,697	807,734	**123,242**	104,848

Bank Loans

At the reporting date, the bank loans bear interest at varying effective rates ranging from **1.87% to 4.91%** (2015: 1.93% to 4.80%) per annum. Interest is re-priced between 1 to 12 months (2015: 3 to 12 months).

The bank loans are secured by: freehold land and buildings (Note 4), investment properties (Note 6), and development properties for sale (Note 11).

The Company has provided guarantees to banks in respect of loan facilities granted to subsidiaries amounting to **$1,231,919,000** (2015: $972,795,000). At the reporting date, the amount of the loan drawdown under the facilities was **$832,697,000** (2015: $807,734,000). The current interest rates charged by the lenders on the loans to subsidiaries are at market rates and are consistent with the borrowing costs of the subsidiaries without corporate guarantees. The Group has assessed the fair value of corporate guarantees is immaterial.

Multi-currency debt issuance programme

Non-current, multi-currency debt issuance comprise unsecured notes issued by the Company.

The multi-currency debt of $60 million fixed rate notes due 2018 (Series: "001 Notes") bear fixed interest at 4.5% per annum and are repayable on 20 July 2018.

20 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Properties for sale under development	**17,199**	13,108	**–**	–
Investment property from overseas	**9,558**	3,507	**–**	–
Property, plant and equipment	**5,029**	4,713	**–**	–
Available for sale financial assets	**10**	–	**–**	–
Share of associate results	**825**	–	**–**	–
Unremitted income	**473**	–	**168**	–
	33,094	21,328	**168**	–

Settlement of deferred tax liabilities is as follows:

	The Group		The Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
To be settled:				
Later than one year and no later than five years	**23,103**	13,106	**168**	–
Later than five years	**9,991**	8,222	**–**	–
	33,094	21,328	**168**	–

Movement in temporary differences during the year:

The Group	2016 $'000	2015 $'000
Deferred tax liabilities:		
Balance at 1 January	**21,328**	25,916
Recognised in profit or loss (Note 27):		
Properties for sale under development	**4,091**	(8,639)
Investment property from overseas	**6,051**	3,507
Property, plant and equipment	**316**	544
Available for sale financial assets	**10**	–
Share of associate results	**825**	–
Unremitted income	**473**	–
	11,766	(4,588)
Balance at 31 December	**33,094**	21,328

At 31 December 2016, no provision for deferred tax liability has been recognised in respect of undistributed profits of one foreign subsidiary amounting to approximately **$28,497,000** (2015: $11,634,000) because management is able to control both the timing of disposal of the subsidiary and the distribution of profits.

21 Trade payables

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade payables	**5,141**	2,285	**54**	82
GST payables	**1,053**	608	**4**	–
Retention sums payable	**9,356**	8,867	**–**	–
	15,550	11,760	**58**	82

Trade payables have credit terms between **30** and **60** (2015: 30 and 60) days.

Trade payables are denominated in the following currencies:

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Singapore dollar	**14,933**	11,605	**58**	82
United States dollar	**16**	–	**–**	–
Thai Baht	**19**	–	**–**	–
Japanese yen	**154**	–	**–**	–
Australian dollar	**428**	155	**–**	–
	15,550	11,760	**58**	82

22 Other payables

	The Group		The Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Amounts due to subsidiaries (non-trade)	**–**	–	**352,666**	357,880
Amounts due to associates (non-trade)	**20,959**	24,491	**–**	–
Amount due to non-controlling interests (non-trade)	**19,869**	19,657	**–**	–
Accrued directors' performance bonus	**5,697**	6,840	**–**	–
Accrued unbilled progress claims from contractors	**1,819**	6,068	**–**	–
Accrued construction costs for completed projects	**5,889**	6,983	**–**	–
Accrued operating expenses	**4,675**	3,355	**273**	1,575
Accrued payroll and related expenses	**3,374**	3,126	**1,181**	1,298
Accrued interest expense	**2,310**	2,075	**1,328**	–
Hotel management fees payable	**1,120**	1,337	**–**	–
Rental deposits received	**438**	480	**–**	–
Other deposits	**10,254**	2,165	**–**	–
Other creditors	**795**	1,912	**–**	–
Derivative financial liability	**5,966**	6,302	**–**	–
	83,165	84,791	**355,448**	360,753

The non-trade amounts due to subsidiaries, associates and non-controlling interests comprise mainly advances which are unsecured, interest-free and repayable on demand.

22 Other payables (Continued)

Derivatives financial liability relates to a cross currency interest rate swap whose details are as follows:

The Group	Contractual notional amount	Fair value of derivative liability 2016	2015
	$'000	$'000	$'000
Cross currency interest rate swap	68,591	**5,966**	6,302

The fair value is within Level 2 of the fair values hierarchy.

Other payables are denominated in the following currencies:

	The Group 2016	2015	The Company 2016	2015
	$'000	$'000	$'000	$'000
Singapore dollar	**41,559**	78,312	**355,337**	360,668
United States dollar	**200**	–	**3**	–
Indonesia rupiah	**–**	3,998	**–**	–
Hong Kong dollar	**20,959**	–	**–**	–
Thailand baht	**81**	95	**–**	–
Japanese yen	**179**	654	**–**	–
Australian dollar	**20,187**	1,732	**108**	85
	83,165	84,791	**355,448**	360,753

23 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units as follows:

(1) Hotel ownership segment relates to ownership of hotel.

(2) Property development segment relates to the development of properties for sale.

(3) Property investment segment relates to the business of investing in properties to earn rentals and for capital appreciation.

(4) Others relate to corporate office functions.

The Group Chief Executive Officer ("Group CEO"), who is designated as the Chief Operating Decision Maker, monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

23 Operating segments (Continued)

	Hotel Ownership		Property Development		Property Investment		Others		The Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue – External	**46,254**	44,535	**326,601**	404,248	**12,518**	12,159	**–**	–	**385,373**	460,942
Total revenue	**46,254**	44,535	**326,601**	404,248	**12,518**	12,159	**–**	–	**385,373**	460,942
Segment results	**5,377**	7,530	**33,860**	84,174	**8,159**	8,041	**(5,283)**	(5,938)	**42,113**	93,807
Interest income	**5**	15	**260**	275	**442**	515	**2,537**	1,686	**3,244**	2,491
Finance cost	**(8,020)**	(7,371)	**–**	(685)	**(2,849)**	(2,838)	**(4,318)**	(2,230)	**(15,187)**	(13,124)
Fair value gain on investment properties	**–**	–	**–**	–	**17,165**	8,388	**–**	–	**17,165**	8,388
Net exchange (loss)/gain	**(95)**	(84)	**113**	(141)	**115**	–	**(861)**	992	**(728)**	767
Fair value loss on currency interest rate swap	**–**	–	**–**	–	**–**	–	**336**	(2,403)	**336**	(2,403)
Share of results of associates (net of Income tax)	**–**	–	**12,627**	11,134	**6,014**	–	**–**	–	**18,641**	11,134
Profit/(loss) before tax	**(2,733)**	90	**46,860**	94,757	**29,046**	14,106	**(7,589)**	(7,893)	**65,584**	101,060
Other information										
Segment assets	**194,478**	149,361	**854,213**	796,588	**249,064**	222,263	**163,863**	240,569	**1,461,618**	1,408,781
Total assets									**1,461,618**	1,408,781
Segment liabilities*	**265,790**	236,379	**429,633**	445,024	**109,881**	104,609	**126,108**	118,273	**931,412**	904,285
Total liabilities									**966,610**	950,571
Investment in associates	**–**	–	**60,838**	5,254	**19,817**	–	**–**	–	**80,655**	5,254
Capital expenditure	**47,464**	11,723	**–**	–	**356**	987	**41**	991	**47,861**	13,701
Depreciation of property, plant and equipment	**6,094**	4,615	**5**	6	**218**	183	**142**	94	**6,459**	4,898

Major customers

There were no revenues transactions from a single customer that amounted to 10% or more of the Groups' revenue for the financial year ended 31 December 2016 and 2015.

23 Operating segments (Continued)

* Reconciliations of reportable segment liabilities:

The Group	2016 $'000	2015 $'000
Total liabilities for reportable segment	**931,412**	904,285
Current tax liabilities	**2,104**	24,958
Deferred tax liabilities	**33,094**	21,328
Total liabilities	**966,610**	950,571

Geographical segments are as follows:

The Group	Singapore $'000	Australia $'000	Japan $'000	Thailand $'000	Malaysia $'000	Hong Kong $'000	Indonesia $'000	Maldives $'000	Total $'000
2016									
External revenue	**368,961**	**10,806**	**5,448**	**42**	**–**	**–**	**–**	**116**	**385,373**
Non-current assets	**175,063**	**209,507**	**36,147**	**17,445**	**20,972**	**23,674**	**4,227**	**45,117**	**532,152**
2015									
External revenue	449,858	10,377	600	107	–	–	–	–	460,942
Non-current assets	180,600	159,436	34,969	16,014	17,659	24,012	3,998	–	436,688

24 Other income

The Group	2016 $'000	2015 $'000
Change in fair value of investment properties (Note 6)	**17,165**	8,388
Interest income	**3,244**	2,491
Management fees charged to associates	**884**	120
Foreign exchange gain	**985**	1,125
Fair value gain on cross currency interest rate swap	**336**	–
Income from hotel money exchange operations	**–**	16
Dividend income	**83**	–
Sundry incomes	**297**	207
	22,994	12,347

25 Finance costs

The Group	2016 $'000	2015 $'000
Interest expense on bank loans	**14,949**	12,958
Loan commitment fees	**238**	166
	15,187	13,124

26 Profit before taxation

The Group	Note	2016 $'000	2015 $'000
Profit before taxation is arrived at *after charging:*			
Directors' fees		**153**	153
Depreciation of property, plant and equipment	4	**6,459**	4,898
Amortisation of intangible assets	5	**18**	1
Fair value loss on cross currency interest rate swap		**–**	2,403
Foreign exchange loss		**1,713**	358
Impairment of other receivables	14	**708**	20
Audit fees			
– Of the external auditor of the Group		**246**	275
– Of other external auditors of the Group		**75**	11
Non-audit fees			
– Of the external auditor of the Group		**8**	10
Staff costs			
Directors			
– Salaries and other related costs		**7,529**	8,697
– Central Provident Fund ("CPF") contributions		**303**	301
Key Management Personnel (other than Directors)			
– Salaries, wages and other related costs		**1,791**	2,090
– CPF contributions		**88**	102
Other than directors and key management personnel			
– Salaries, wages and other related costs		**12,975**	11,893
– CPF contributions		**1,480**	954
– Other personnel expenses		**1,526**	1,549
		25,692	25,586

27 Tax expense

The Group	2016 $'000	2015 $'000
Current tax expense		
– Current year	**2,171**	26,907
– Adjustments for prior years	**(1,273)**	(6,466)
	898	20,441
Deferred tax expense		
– Origination and reversal of temporary differences	**10,783**	(7,724)
– Adjustments for prior years	**983**	3,136
(Note 20)	**11,766**	(4,588)
	12,664	15,853

Domestic income tax is calculated at **17%** (2015: 17%) of the estimated assessable profit or loss for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

27 Tax expense (Continued)

The applicable tax rate used in the reconciliation between the Group's tax expense and accounting profit is the Singapore statutory tax rate based on the jurisdiction where the Company and most group entities are established. The tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax on the accounting profit as a result of the following:

The Group	2016 $'000	2015 $'000
Profit before taxation	**65,584**	101,060
Tax at statutory rate of **17%** (2015: 17%)	**11,149**	17,180
Expenses not deductible for tax purposes	**167**	3,232
Income not subject to tax	**(1,872)**	(2,456)
Deferred tax assets not recognised	**416**	–
Effect of tax rates in foreign jurisdictions	**3,735**	1,794
Tax credit, exemption and rebate	**(641)**	(567)
Adjustment for prior years	**(290)**	(3,330)
At the effective income tax rate of **19%** (2015: 16%)	**12,664**	15,853

At 31 December 2016, the Group had unutilised tax losses, which were not recognised as deferred tax assets of approximately **$2,228,000** (2015: $1,812,000) of which, **$1,598,000** (2015: 210,000) related to foreign entities. There were no unutilised capital allowances which were not recognised at 31 December 2016 (2015: nil). The tax losses are subject to agreement by the relevant tax authorities and compliance with tax regulations.

28 Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year. The Company did not have any stock options or dilutive potential ordinary shares during the years ended 31 December 2015 and 2016.

The Group	2016	2015
Net profit after taxation ($'000)	**49,804**	85,096
Number of ordinary shares in issue at 1 January ('000)	**1,193,550**	1,193,550
Purchase of treasury shares through share buyback ('000) (Note 17)	**(1,307)**	–
Number of ordinary shares in issue* at 31 December ('000)	**1,192,243**	1,193,550
Weighted average number of ordinary shares in issue during the year ('000)	**1,193,331**	1,193,550
Earnings per share-Basic (cents)	**4.17**	7.13
Earnings per share-Diluted (cents)	**4.17**	7.13

* Excluding treasury shares.

29 Capital commitments

At the reporting date, the Group had the following capital commitments:

The Group	2016 $'000	2015 $'000
Commitments		
For completion of property acquisitions		
211-223A Pasir Panjang Road, Singapore	**29,925**	–
120 Grange Road, Singapore	**43,650**	–
178 & 180A Jalan Eunos, Singapore	**–**	13,493
10-11 Cowper Street, Glebe, Australia	**–**	67,819
37-41 Bayswater Road, Potts Point, Sydney, Australia	**–**	25,562
117 Clarence Street, Sydney, Australia	**–**	37,922
	73,575	144,796
For hotel upgrading	**–**	1,026
	73,575	145,822

30 Operating lease commitments (non-cancellable)

Where Group is the lessee

At the reporting date, the Group was committed to making the following rental payments in respect of operating leases of office equipment, motor vehicle, car park and warehouse storage with an original term of more than one year:

The Group	2016 $'000	2015 $'000
Not later than one year	**129**	101
Later than one year but not later than five years	**256**	232
Later than five years	**–**	29
	385	362

The operating leases expire between December 2017 and February 2022 and contain renewal options.

Where Group is the lessor

At the reporting date, the Group had the following rentals receivable under non-cancellable operating leases related to investment properties:

The Group	2016 $'000	2015 $'000
Not later than one year	**8,759**	8,387
Later than one year but not later than five years	**13,504**	10,349
Later than five years	**148**	982
	22,411	19,718

The operating leases expire between February 2017 and February 2022 and contain option to renew by the lessee for an additional 2 – 5 years and a rate mutually agreed between the lessor and the lessee.

31 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are transactions with related parties made at terms agreed between the parties:

The Group	2016 $'000	2015 $'000
Short-term employee benefits	**247**	598
CPF contributions	**31**	43
	278	641

These employees are Teo Hong Hee[1], Teo Kok Thye, Loh Kwang Chew, Cheong Kwai Fun, Phua Lay Leng. Teo Hong Hee is sibling of three of our Executive Directors, namely Teo Hong Lim, Chris Teo Hong Yeow and Michael Teo Hong Wee (the "Executive Directors"). Teo Kok Thye and Loh Kwang Chew are the uncles of the Executive Directors. Cheong Kwai Fun and Phua Lay Leng are cousins of the Executive Directors.

1 Mr Teo Hong Hee is a key management personnel and his remuneration is disclosed under the key management personnel (Note 26).

32 Financial risk management

The Group and the Company has documented financial risk management policies. These policies set out the Group's and Company's overall business strategies and its risk management philosophy. The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include: credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance. The Group uses financial instruments such as cross currency interest rate swaps to hedge certain risk exposures.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Available-for-sale $'000	Loans and receivables $'000	Derivative financial liabilities $'000	Other liabilities (carried at amortised cost) $'000	Total $'000
2016					
Financial assets					
Available-for-sale financial assets	**1,425**	**–**	**–**	**–**	**1,425**
Other assets*	**–**	**124,458**	**–**	**–**	**124,458**
Cash and bank balances	**–**	**325,325**	**–**	**–**	**325,325**
	1,425	**449,783**	**–**	**–**	**451,208**
Financial liabilities					
Borrowings	**–**	**–**	**–**	**832,697**	**832,697**
Trade and other payables#	**–**	**–**	**5,966**	**91,696**	**97,662**
	–	**–**	**5,966**	**924,393**	**930,359**

32 Financial risk management (Continued)

The Group	Available-for-sale $'000	Loans and receivables $'000	Derivative financial liabilities $'000	Other liabilities (carried at amortised cost) $'000	Total $'000
2015					
Financial assets					
Available-for-sale financial assets	1,447	–	–	–	1,447
Other assets*	–	122,017	–	–	122,017
Cash and bank balances	–	395,011	–	–	395,011
	1,447	517,028	–	–	518,475
Financial liabilities					
Borrowings	–	–	–	807,734	807,734
Trade and other payables#	–	–	6,302	89,641	95,943
	–	–	6,302	897,375	903,677

The Company	Loans and receivables $'000	Other liabilities (carried at amortised cost) $'000	Total $'000
2016			
Financial assets			
Other assets*	**251,233**	**–**	**251,233**
Cash and bank balances	**156,715**	**–**	**156,715**
	407,948	**–**	**407,948**
Financial liabilities			
Borrowings	**–**	**123,242**	**123,242**
Trade and other payables#	**–**	**355,502**	**355,502**
	–	**478,744**	**478,744**
2015			
Financial assets			
Other assets*	243,845	–	243,845
Cash and bank balances	228,342	–	228,342
	472,187	–	472,187
Financial liabilities			
Borrowings	–	104,848	104,848
Trade and other payables#	–	360,835	360,835
	–	465,683	465,683

* Other assets exclude prepayments, GST receivables and taxes recoverable

\# Trade and other payables exclude GST payables

32 Financial risk management (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

The Group's and Company's objective is to seek continual growth while minimising losses arising from credit risk exposure. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. Contractual deposits are collected and scheduled progress payments are received from the buyers when due. Title to properties is only transferred upon full settlement. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, other than as disclosed in Notes 13 and 14, no allowances for impairment is necessary in respect of trade and other receivables past due and not past due.

At the reporting date there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. As at 31 December 2016 and 2015, the Group and the Company does not have any significant concentrations of credit risk.

(i) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

(ii) Financial assets that are past due but not impaired

There are no other class of financial assets that is past due but not impaired except for trade and other receivables.

32 Financial risk management (Continued)

Credit risk (Continued)

Exposure to credit risk

The Company has provided financial guarantees to banks in respect of banking facilities amounting to **$1,316,516,000** (2015: $1,094,478,000) granted to subsidiaries and associates. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

The cash and cash equivalents are held with banks of good credit ratings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank loans and fixed deposits.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates on variable rate bank loans and a change of 10 basis points (bp) in interest rates on fixed deposits at the reporting date would have increased/(decreased) profit or loss before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax – increase/(decrease)		Equity – increase/(decrease)	
The Group	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**
At 31 December 2016				
Fixed deposits	**226**	**(226)**	**226**	**(226)**
Variable rate bank loans	**(4,753)**	**4,753**	**(4,753)**	**4,753**
	(4,527)	**4,527**	**(4,527)**	**4,527**
At 31 December 2015				
Fixed deposits	266	(266)	266	(266)
Variable rate bank loans	(4,232)	4,232	(4,232)	4,232
	(3,966)	3,966	(3,966)	3,966

* Fixed deposits
\# Variable rate bank loans

32 Financial risk management (Continued)

Interest rate risk (Continued)

Cash flow sensitivity analysis for variable rate instruments (Continued)

The Company	Profit before tax – increase/(decrease) 10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	Equity – increase/(decrease) 10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000
At 31 December 2016				
Fixed deposits	**147**	**(147)**	**147**	**(147)**
Variable rate bank loans	**(632)**	**632**	**(632)**	**632**
	(485)	**485**	**(485)**	**485**
At 31 December 2015				
Fixed deposits	181	(181)	181	(181)
Variable rate bank loans	(434)	434	(434)	434
	(253)	253	(253)	253

* Fixed deposits
# Variable rate bank loans

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the respective functional currencies of Group entities. The currencies that give rise to foreign currency risk are: United States dollar ("USD"), Indonesian Rupiah ("IDR"), Malaysian Ringgit ("MYR"), Hong Kong Dollar ("HKD"), Thai Baht ("THB"), Maldivian Rufiyaa ("MVR"), Japanese Yen ("YEN") and the Australian dollar ("AUD").

A 5% strengthening of the above currencies against the functional currencies of the respective Group entities at the reporting date would have decreased equity and profit or loss before tax as follows:

The Group	2016 $'000	2015 $'000
United states dollar	**(2,067)**	–
Indonesian Rupiah	**–**	(149)
Malaysian ringgit	**–**	878
Hong Kong dollar	**(196)**	–
Thai Baht	**(19)**	–
Japanese Yen	**(14)**	–
Australian dollar	**(8,174)**	(2,176)
	(10,470)	(1,447)

32 Financial risk management (Continued)

Currency risk (Continued)

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effect. A 5% weakening of the above currencies against the functional currencies of the respective Group entities would have had the equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

To economically manage the exposure to foreign currency and interest rate risks, the Group has obtained a cross currency interest rate swap to exchange variable interest payment and principal amount in Australian dollars for fixed rate and principal amount in Singapore dollars with the same payment term, payment date, maturity date and notional amount. At the reporting date, the estimated sensitivity of the net fair value of derivatives to a 25 basis point increase in interest rate coupled with a 5% appreciation of the Australian dollar or a 25 basis point decrease in interest rate coupled with a 5% depreciation of the Australian dollar would result in a fair value gain of approximately **$3,116,565** (2015: $2,878,000) or a fair value loss of approximately **$3,116,565** (2015: $2,854,000), respectively.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

Market price risk arises from available-for-sale equity securities.

Market price sensitivity analysis

All of the Group's and the Company's equity investments are listed on the Singapore Exchange. For such investments classified as available-for-sale, a 5% increase in the value of the underlying equity investments at the reporting date would have increased the Group's and the Company's equity by **$59,000** after tax (2015: $62,000); an equal change in the opposite direction would have decreased the Group's and the Company's equity by **$59,000** after tax (2015: $62,000).

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

32 Financial risk management (Continued)

Liquidity risk (Continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

The Group	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		-------------Contractual undiscounted cash flows-------------			
As at 31 December 2016					
Bank loans (Note 19)	**772,697**	**826,342**	**363,697**	**393,212**	**69,433**
Multi-currency debt (Note 19)	**60,000**	**64,179**	**2,700**	**61,479**	**–**
Trade and other payables (Note 21 and 22)	**92,749**	**92,749**	**92,749**	**–**	**–**
Foreign exchange and interest rate swap (Note 22)					
– outflow	**5,966**	**68,511**	**68,511**	**–**	**–**
– inflow	**–**	**(62,308)**	**(62,308)**	**–**	**–**
	931,412	**989,473**	**465,349**	**454,691**	**69,433**

The Group	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		-------------Contractual undiscounted cash flows-------------			
As at 31 December 2015					
Bank loans (Note 19)	747,734	806,111	270,234	463,891	71,986
Multi-currency debt (Note 19)	60,000	66,879	2,700	64,179	–
Trade and other payables (Note 21 and 22)	90,249	90,249	90,249	–	–
Foreign exchange and interest rate swap (Note 22)					
– outflow	6,302	70,194	1,683	68,511	–
– inflow	–	(63,941)	(2,271)	(61,670)	–
	904,285	969,492	362,595	534,911	71,986

32 Financial risk management (Continued)

Liquidity risk (Continued)

The Company	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		----------Contractual undiscounted cash flows----------			
As at 31 December 2016					
Bank loans (Note 19)	**63,242**	**63,414**	**63,414**	**–**	**–**
Multi-currency debt (Note 19)	**60,000**	**64,179**	**2,700**	**61,479**	**–**
Trade and other payables (Note 21 and 22)	**355,506**	**355,506**	**355,506**	**–**	**–**
	478,748	**483,099**	**421,620**	**61,479**	**–**
As at 31 December 2015					
Bank loans (Note 19)	44,848	45,142	45,142	–	–
Multi-currency debt (Note 19)	60,000	66,879	2,700	64,179	–
Trade and other payables (Note 21 and 22)	360,835	360,835	360,835	–	–
	465,683	472,856	408,677	64,179	–

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

The Company has a multi-currency debt issuance programme, under which it may issue notes of up to S$500 million and as of 31 December 2016, S$440 million remains unutilised. Under this Programme, notes issued by the Company may have varying maturities as agreed with the relevant financial institutions.

At the reporting date, the Company does not consider it probable that a claim will be made against it under the intragroup financial guarantees. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called and disclosed as follows:

The Company	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		----------Contractual undiscounted cash flows----------			
As at 31 December 2016					
Financial guarantees	**1,316,516**	**1,316,516**	**1,316,516**	**–**	**–**
As at 31 December 2015					
Financial guarantees	1,094,478	1,094,478	1,094,478	–	–

33 Fair value measurement

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that a re not based on observable market date.

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis.

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2016				
Financial assets				
Available-for-sale financial assets (Note 10)	**1,425**	**–**	**–**	**1,425**
Financial Liabilities				
Cross currency interest rate swap (Note 22)	**–**	**5,966**	**–**	**5,966**
31 December 2015				
Financial assets				
Available-for-sale financial assets (Note 10)	1,447	–	–	1,447
Financial Liabilities				
Cross currency interest rate swap (Note 22)	–	6,302	–	6,302

33 Fair value measurement (Continued)

Definition of fair value (Continued)

Fair value hierarchy (Continued)

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2016				
Investment properties	**–**	**–**	**198,835**	**198,835**
31 December 2015				
Investment properties	–	–	179,768	179,768

Fair value measurement of financial assets

Available for sale financial assets

The fair value of quoted equity securities is determined by reference to their quoted closing bid price at the reporting date.

Cross currency interest rate swap

The fair value of cross currency interest rate swap is determined based on valuation derived from market quotations or from proprietary models that take into consideration estimates about relevant present and future market conditions as well as the size and liquidity of the position and any related actual or potential hedging instrument.

Bank loans

The carrying amounts of the bank loans, repayable within one year or less, or on demand and whose interest rates are re-priced within 12 months, approximate their fair value.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year, (trade and other receivables, trade and other payables, and amounts owing by/(to) related parties) approximate their fair values because of the short period to maturity.

33 Fair value measurement (Continued)

Fair value measurement of non-financial assets

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs
The Group used the direct comparison method and income capitalisation method for investment properties located in Singapore and the direct comparison method, income capitalisation method and discounted cash flow method for investment property located overseas.	*The estimated fair value would increase (decrease) if:*	
	Price per square meter was higher (lower);	Price per square meter: – **2016: $6,800 to $39,800** – 2015: $18,300 to $40,900
– The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties.	*Expected average rental growth was higher (lower);*	Expected average rental growth: – **2016: 4.0%** – 2015: 3.7%
	Renewal probability was higher (lower);	Renewal probability: – **2016: 50%** – 2015: 50%
	Vacancy period was shorter (longer);	Vacancy period: average (in months) – **2016: 11.6** – 2015: 10.5
– The income capitalisation method takes into consideration the estimated net rent at a capitalisation rate applicable to the nature and type of asset in question.	*Capital expenditure was lower (higher);*	Capital expenditure (of gross income): – **2016: 3.45%** – 2015: 1.25%
– The discounted cash flows method considers the present value of net cash flows to be generated from the property, taking into account expected rental growth, renewal, vacancy period, capital expenditure, terminal yield and discount rate.	*Terminal yield was lower (higher);*	Terminal yield: – **2016: 7.6%** – 2015: 8.0%
	Discount rate was lower (higher);	Discount rate: – **2016: 7.5%** – 2015: 7.7%
	Capitalisation rate was lower (higher).	Capitalisation rate: – **2016: 6.75%** – 2015: 7.5%

Level 3: fair value measurements

The reconciliation of the carrying amounts of non-financial assets classified within Level 3 is disclosed in Note 6.

34 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company have adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Group's and the Company's business of hotel ownership and provision of hotel accommodation services subject to certain factors.

The Board of Directors monitors capital based on the net debt to adjusted net assets value ratio. Net debt comprises total borrowings less cash and cash equivalents. Adjusted net assets value comprises total equity and the excess of the fair values of the Group's hotel and office premises over their net book values. The Group's hotel and office premises are measured at historical cost. For the purpose of capital management, the fair values of the Group's hotel and office premises are used. The fair value of the hotel and office premises is determined by an independent firm of professional valuers.

There were no changes in the Group's and the Company's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

	The Group		The Company	
	2016	2015	**2016**	2015
	$'000	$'000	**$'000**	$'000
Total borrowings (Note 19)	**832,697**	807,734	**123,242**	104,848
Less: Total cash and bank balances (Note 15)	**(325,325)**	(395,011)	**(156,715)**	(228,342)
Net debt (A)	**507,372**	412,723	**(33,473)**	(123,494)
Equity attributable to owners of the Company	**491,263**	457,581	**119,423**	118,558
Excess of fair values of hotel and office premises over net book values	**471,937**	463,421	**–**	–
Adjusted net assets value (B)	**963,200**	921,002	**119,423**	118,558
Net debt to adjusted net assets value ratio (times) (A)/(B)	**0.53**	0.45	*****	*

* Not presented as the Company has net cash.

35 Dividends

The Group	2016 $'000	2015 $'000
Final dividend paid in respect of FY2015 (2015: FY2014) of **1.297** cents (2015: 1.297 cents) per share	**15,480**	15,480
Interim dividend paid in respect of FY2016 (2015: FY2015) of **0.503** cents (2015: 0.616 cents) per share	**6,003**	7,352
	21,483	22,832

The Company proposed a special tax exempt one tier dividend of **0.622** cents per share in commemoration of the Group's eighth year of listing, in addition to a final tax exempt one tier dividend of **0.542** cents per share in respect of the financial year ended 31 December 2016. The proposed special dividend and final dividend, which has not been provided for, is subject to the approval of shareholders.

Together with the interim dividend of **0.503** cents per share tax exempt one-tier, total dividends paid and proposed in respect of the financial year ended 31 December 2016 will be **1.667** cents per share (2015: 1.913 cents per share tax-exempt one-tier).

36 Subsequent events

On 24 January 2017, the Group entered into an agreement to acquire 5 adjoining, 2-storey shophouses situated at 826/A – 834/A Upper Bukit Timah Road, Singapore at a purchase price of $17,000,000. The cost of the acquisition will be financed by internal funds, bank borrowings and joint venture contributions. A joint venture agreement for 20% interest in the development was entered into on 22 February 2017.

On 2 February 2017, the Group appointed joint marketing agents for the sale of the Group's freehold investment property located at 59 Goulburn Street, Sydney, Australia.

Issued and fully paid-up capital	–	S$47.399 million
Total number of shares including treasury shares	–	1,193,549,994
Total number of shares excluding treasury shares	–	1,192,223,494
Number of treasury shares	–	1,326,500
Class of shares	–	Ordinary
Voting rights (excluding treasury shares)	–	One Vote Per Share

Distribution of Shareholdings as at 13 March 2017

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	29	2.04	1,136	0.00
100 – 1,000	71	4.99	41,830	0.00
1,001 – 10,000	396	27.87	2,137,137	0.18
10,001 – 1,000,000	882	62.07	55,005,593	4.61
1,000,001 and above	43	3.03	1,136,364,298	95.21
Total	**1,421**	**100.00**	**1,193,549,994**	**100.00**

Percentage of shareholdings in the hands of public (Public Float)

As at 13 March 2017, approximately 22.09% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Twenty Largest Shareholders

List of 20 Largest Shareholders as at 13 March 2017

NO.	NAME	NO. OF SHARES	%
1	KIAN LAM INVESTMENT PTE LTD	449,922,750	37.70
2	SEN LEE DEVELOPMENT PTE LTD	132,993,750	11.14
3	TEO HONG LIM(1)	128,850,625	10.80
4	UNITED OVERSEAS BANK NOMINEES	57,931,375	4.85
5	HONG LEONG FINANCE NOMINEES PL	41,513,678	3.48
6	CHEONG FUNG FAI	35,923,750	3.01
7	SUTANTIO	35,546,250	2.98
8	TJANDRAWATI	33,678,750	2.82
9	OCBC SECURITIES PRIVATE LTD	28,224,750	2.36
10	TEO HONG HEE(2)	24,712,500	2.07
11	LIM SWEE HAH	18,675,000	1.56
12	MAYBANK KIM ENG SECS PTE LTD	16,716,700	1.40
13	CIMB SEC (S'PORE) PTE LTD	15,682,096	1.31
14	CITIBANK NOMS S'PORE PTE LTD	11,850,700	0.99
15	TEO HONG YEOW(3)	10,991,875	0.92
16	RAFFLES NOMINEES (PTE) LTD	10,377,375	0.87
17	CHEONG KWAI FUN (ZHANG GUIFEN)	9,393,750	0.79
18	DBS NOMINEES PTE LTD	8,823,975	0.74
19	SIN HENG CHAN INVESTMENTS PTE LTD	7,412,000	0.62
20	TEO HONG WEE(4)	7,313,750	0.61
	TOTAL	**1,086,535,399**	**91.02**

(1) Excludes Mr Teo Hong Lim's 10,352,500 shares registered in the name of a nominee.

(2) Excludes Mr Teo Hong Hee's 3,000,000 shares registered in the name of a nominee.

(3) Excludes Mr Teo Hong Yeow's 17,760,000 shares registered in the name of nominees.

(4) Excludes Mr Teo Hong Wee's 28,000,000 shares registered in the name of a nominee.

SHAREHOLDINGS STATISTICS

AS AT 13 MARCH 2017

Substantial shareholders as shown in the Register of Substantial Shareholders as at 13 March 2017

	Number of Shares			
Substantial shareholders	**Direct Interest**	**%**	**Deemed Interest**	**%**
Kian Lam Investment Pte Ltd[1]	449,922,750	37.74	132,993,750	11.16
Sen Lee Development Private Limited	132,993,750	11.16	–	–
Teo Hong Lim[2][3]	128,850,625	10.81	593,269,000	49.76
Sutantio[4]	35,546,250	2.98	33,678,750	2.82
Tjandrawati[4]	33,678,750	2.82	35,546,250	2.98

Notes:

(1) Kian Lam Investment Pte Ltd ("**Kian Lam**") holds more than 50% of the issued share capital of Sen Lee Development Private Limited ("**Sen Lee**") and is deemed to be interested in the shares of the Company held by Sen Lee.

(2) Teo Hong Lim holds more than 20% of the issued share capital of Kian Lam. In this respect, pursuant to Section 7 of the Companies Act, Cap. 50, Teo Hong Lim is deemed to be interested in the shares of the Company held by Kian Lam and Sen Lee.

(3) 10,352,500 shares held by Teo Hong Lim are registered in the name of a nominee.

(4) Sutantio is the husband of Tjandrawati. Each of them is deemed to be interested in the shares held by each other.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Roxy-Pacific Holdings Limited (the "**Company**") will be held at Frankel Room, 3rd Floor, Grand Mercure Roxy Hotel, Marine Parade Road, Roxy Square, Singapore 428769 on Tuesday, 11 April 2017 at 10:00 a.m. for the following purposes:–

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements of the Company for the financial year ended 31 December 2016 and the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of S$0.00542 per ordinary share and a special one-tier tax exempt dividend of S$0.00622 per ordinary share in respect of the financial year ended 31 December 2016 (2015: final one-tier tax exempt dividend of S$0.01297 per ordinary share). **(Resolution 2)**

3. To approve Directors' fee of S$199,320 (2016: S$199,320) for the financial year ending 31 December 2017 and the payment thereof on a quarterly basis. **(Resolution 3)**

4. To re-elect Mr Koh Seng Geok, a Director retiring under Article 103 of the Constitution of the Company. **(Resolution 4)**

5. To re-elect Mr Tay Kah Poh, a Director retiring under Article 103 of the Constitution of the Company. **(Resolution 5)**

   Mr Tay Kah Poh will, upon re-election as a Director of the Company, remain as a member of the Audit Risk Management Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (SGX-ST). He will remain as the Chairman of the Nominating and Remuneration Committees.

6. To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 6)**

Note:

Detailed information on these Directors can be found under 'Board of Directors' and 'Statement of Corporate Governance Report' in the Company's Annual Report 2016.

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Ordinary Resolution with or without modifications:–

7. **Authority to allot and issue shares**

   "That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**"), and the listing rules of the SGX-ST, approval be and is hereby given to the Directors of the Company at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit, to:

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

   (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "**Instruments**") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares;

   (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and

(b) (notwithstanding the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force; provided always that:

(i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed twenty per cent (20%) of the total number of issued shares excluding treasury shares, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for;

(a) new shares arising from the conversion or exercise of convertible securities, or

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST, and

(c) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and

(ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier."

(Resolution 7)
(See Explanatory Note 1)

8. **Proposed renewal of the Share buyback mandate**

"That approval be and is hereby given:–

(a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:–

(i) an on-market share acquisition ("**On-Market Purchase**") transacted on the **SGX-ST** trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or

(ii) off-market share acquisition ("**Off-Market Purchase**") pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, and otherwise be in accordance with all other laws and other regulations and rules of the SGX-ST.

(the "**Share Buy Back Mandate**");

(b) unless varied or revoked by the Company in general meeting, the Directors of the Company be authorised to exercise the authority conferred on them pursuant to the Share Buy Back Mandate at any time and from time to time, during the period commencing from the date of passing of this resolution and expiring on the earliest of:

(i) the date on which the next annual general meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority contained in the Share Buy Back Mandate is revoked or varied by the Company in general meeting, whichever is the earlier; or

(iii) the date on which the share buy backs are carried out to the full extent of the Share Buy Back Mandate; and

(c) the Directors of the Company and/or any of them be and is hereby authorised to do such acts and things (including, without limitation, enter into all transactions, arrangements and agreements and executing such documents) as they and/or he may consider necessary or expedient to give effect to this resolution.

In this resolution:–

"**Maximum Limit**" means that number of Shares representing 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period (as defined below), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered. Any of the Shares held by the Company as treasury shares shall be disregarded for purposes of computing the 10% limit of the issued ordinary share capital of the Company.

"**Maximum Price**" in relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 105% of the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs after the relevant 5-day period.

"**Relevant Period**" means the period commencing from the date on which the annual general meeting of the Company is held and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting.

The Maximum Price shall apply to both On-Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties payable, applicable goods and services tax, clearance fees and other related expenses.

(Resolution 8)
(See Explanatory Note 2)

9. Any Other Business

To transact any other business that may be properly transacted at the Annual General Meeting.

BY ORDER OF THE BOARD

Koh Seng Geok
Executive Director and Company Secretary

Singapore, 27 March 2017

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes on Special Business to be transacted:

1. Resolution 7, if passed, will empower the Directors of the Company from the date of the above meeting until the conclusion of the next Annual General Meeting, or the day by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares and convertible securities, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares) of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

   For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

2. Resolution 8, if passed, will empowered the Directors of the Company from the date of the above meeting until the conclusion next Annual General Meeting, or the date by which the next Annual General Meeting of the Company is required by the law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to repurchase its own ordinary shares by way of market purchases and/or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price (as defined in the Ordinary Resolution). The rationale for, authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buy Back Mandate on the audited consolidated financial statements of the Group for the financial year ended 31 December 2016 are set out in greater detail in the Letter to Shareholders attached.

Notes:

1. A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

2. A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Chapter 50) is entitled to appoint more than two proxies to attend, speak and vote at the meeting.

3. A proxy need not be a member of the Company.

4. The instrument appointing a proxy must be lodged at the registered office of the Company at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769 at least 48 hours before the time appointed for the Annual General Meeting.

5. The sending of a Proxy Form by a member does not preclude him from attending and voting in person at the Annual General Meeting if he so wishes. Any appointment of a proxy or proxies shall be deemed to revoked if a member attends the Annual General Meeting in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the Annual General Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Roxy-Pacific Holdings Limited (the "Company") will be closed on 20 April 2017 after 5:00 p.m. for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, KCK CorpServe Pte. Ltd. of 333 North Bridge Road #08-00, KH KEA Building, Singapore 188721 up to 5:00 p.m. on 20 April 2017 will be registered to determine shareholders' entitlements to the proposed final dividend and special dividends. Members whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5:00 p.m. on 20 April 2017 will be entitled to the abovementioned dividends.

Payment of the proposed dividends, if approved by the shareholders at the Annual General Meeting to be held on 11 April 2017 will be paid on 3 May 2017.

BY ORDER OF THE BOARD

Koh Seng Geok
Executive Director and Company Secretary

Singapore, 27 March 2017

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ROXY-PACIFIC HOLDINGS LIMITED

Co. Registration No. 196700135Z
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the Meeting and vote.
2. For investors who have used their CPF moneys to buy shares in Roxy-Pacific Holdings Limited, this Annual Report is forwarded to them at the request of the CPF Approved Nominees.
3 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, ________________________________ (Name) ____________________ (NRIC/Passport Number)

of ____

being *a member/members of ROXY-PACIFIC HOLDINGS LIMITED (the "Company"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of shareholdings to be represented by proxy (%)
*and/or (delete as appropriate)			

as my/our proxy/proxies, to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at Frankel Room, 3rd Floor, Grand Mercure Roxy Hotel, Marine Parade Road, Roxy Square, Singapore 428769 on Tuesday, 11 April 2017 at 10:00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Annual General Meeting in the spaces provided hereunder. If no specified directions as to voting are given, the proxy/proxies will vote or abstain from voting at his/their discretion.

Please indicate your vote "For" or "Against" with a tick [√] within the box provided

No.	Ordinary Resolutions	No. of Votes or indicate with a tick[1]	
		For	Against
	Ordinary Business		
1.	To receive and adopt the Directors' Statements and Audited Financial Statements for the financial year ended 31 December 2016 and the Auditor's Report thereon.		
2.	To declare a final one-tier tax exempt dividend of S$0.00542 per ordinary share and a special one-tier tax exempt dividend of S$0.00622 per ordinary share in respect of the financial year ended 31 December 2016.		
3.	To approve Directors' fee of S$199,320 (2016: S$199,320) for the financial year ending 31 December 2017 and the payment thereof on a quarterly basis.		
4.	To re-elect Mr Koh Seng Geok, a Director retiring under Article 103 of the Constitution of the Company.		
5.	To re-elect Mr Tay Kah Poh, a Director retiring under Article 103 of the Constitution of the Company.		
6.	To re-appoint Foo Kon Tan LLP as Auditors of the Company and to authorise the Directors to fix their remuneration.		
	Special Business		
7.	To authorise Directors to issue shares pursuant to Section 161 of the Companies Act, Chapter 50.		
8.	To renew the Share Buy Back Mandate.		

[1]All resolutions would be put to vote by poll in accordance with listing rule of Singapore Exchange Securities Limited.

Please tick [√] or indicate the number of votes within the box provided. A tick would represent you are exercising all your votes "For" or "Against" the relevant resolution.

Dated this __________ day of ________________ 2017

Total Number of Shares Held

____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES BEFORE COMPLETING THIS PROXY FORM

NOTES:

1. A member of the Company (other than a relevant intermediary as defined in Section 181 of the Companies Act, Cap. 50) entitled to attend and vote at the meeting is entitled to appoint not more than two proxies to attend and vote on his stead. Such proxy need not be a member of the Company.

2. A relevant intermediary as defined in Section 181 of the Companies Act, Chapter 50 may appoint more than two proxies to attend the meeting and vote.

3. Where a member of the Company appoints more than one proxy in a proxy form, he shall specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

4. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the meeting.

5. This instrument appointing a proxy or proxies must be under the hand of the appointer or his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.

6. A corporation which is a member of the Company may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Articles of the Constitution of the Company and Section 179 of the Companies Act, Chapter 50 of Singapore.

7. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769 not later than 48 hours before the time set for the meeting.

8. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number of shares is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

10. A Depositor shall not be regarded as a member of the Company entitled to attend the Annual General Meeting and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the Annual General Meeting.

11. Personal data privacy: By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting.

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Affix
Postage
Stamp

The Company Secretary

ROXY-PACIFIC HOLDINGS LIMITED

50 East Coast Road #B1-18

Roxy Square

Singapore 428769

fold here

Roxy-Pacific
Holdings Limited

50 East Coast Road #B1-18 Roxy Square
Singapore 428769
Tel: (65) 6440 9878
Fax: (65) 6440 9123
Registration Number: 196700135Z
Website: www.roxypacific.com.sg