TUAN SING HOLDINGS LIMITED
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AUDITED FINANCIAL RESULTS FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2016

Singapore, 26 January 2017 - The Directors of Tuan Sing Holdings Limited ("the Company") announce the following audited results of the Group for the fourth quarter and full year ended 31 December 2016.

This announcement, the accompanying PowerPoint presentation slides and webcast are also available at the Company's website: *http://www.tuansing.com.*

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Important Notes on Forward-Looking Statements:

This announcement may contain forward-looking statements. Words such as 'expects', 'anticipates', 'intends' or the negative use of these terms and other similar expressions of future performance or results and their negatives are intended to identify such forward-looking statements. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Group. They are not historical facts, nor are they guarantees of future performance or events.

These forward-looking statements involve assumptions, risks and uncertainties. The actual future performance or results may differ materially from those expressed or implied by these forward looking statements as a result of various important factors. These factors include but are not limited to, economic, political and social conditions in the geographic markets where the Group operates, interest rate and foreign currency exchange rate movements, cost of capital and availability of capital, competition from other companies and venues for sales / manufacturing / distribution of goods and services, shift in demands, customers and partners, and changes in operating costs. Further details of potential risks and uncertainties affecting the Group are discussed in the "BUSINESS DYNAMIC AND RISK FACTORS STATEMENT" section of this announcement. Unpredictable or unknown factors not discussed in this announcement could also have material adverse effects on forward-looking statements.

Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date of this announcement. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revision to any forward-looking statements contained herein to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group Fourth Quarter 31.12.16 $'000	Group Fourth Quarter 31.12.15 $'000	+/(-) %	Group Full Year 31.12.16 $'000	Group Full Year 31.12.15 $'000	+/(-) %
Revenue	(a)	**101,708**	143,421	(29)	**404,018**	677,122	(40)
Cost of sales		**(82,234)**	(112,553)	(27)	**(319,634)**	(535,259)	(40)
Gross profit		**19,474**	30,868	(37)	**84,384**	141,863	(41)
Other operating income	(b)	**1,574**	118	1234	**4,490**	3,420	31
Distribution costs	(c)	**(1,394)**	(579)	141	**(5,867)**	(4,355)	35
Administrative expenses	(d)	**(6,562)**	(6,096)	8	**(29,741)**	(25,672)	16
Other operating expenses	(b)	**(1,398)**	(1,358)	3	**(7,739)**	(10,085)	(23)
Share of results of an equity accounted investee	(e)	**4,868**	3,247	50	**13,466**	6,803	98
Interest income	(f)	**1,085**	988	10	**4,465**	4,258	5
Finance costs	(g)	**(6,163)**	(6,916)	(11)	**(25,716)**	(27,529)	(7)
Profit before tax and fair value adjustments		**11,484**	20,272	(43)	**37,742**	88,703	(57)
Fair value adjustments	(h)	**2,199**	(8,148)	nm	**2,336**	(8,049)	nm
Profit before tax		**13,683**	12,124	13	**40,078**	80,654	(50)
Income tax expenses	(j)	**(1,190)**	2,438	nm	**(6,272)**	(11,535)	(46)
Profit for the period		**12,493**	14,562	(14)	**33,806**	69,119	(51)
OTHER COMPREHENSIVE INCOME							
Items that will not be reclassified subsequently to profit or loss							
Revaluation of properties	(k)	**16,980**	22,447	(24)	**16,980**	22,447	(24)
Income tax relating to components of other comprehensive income that will not be reclassified subsequently		**(5,094)**	(6,719)	(24)	**(5,094)**	(6,719)	(24)
		11,886	15,728	(24)	**11,886**	15,728	(24)
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translation of foreign operations	(k)	**7,175**	810	786	**4,903**	(9,450)	nm
Share of other comprehensive income of an equity accounted investee	(k)	**5,614**	(850)	nm	**2,829**	4,557	(38)
Cash flow hedges	(k)	**716**	559	28	**(90)**	(904)	(90)
Income tax relating to components of other comprehensive income that may be reclassified subsequently		**(211)**	(167)	26	**27**	271	(90)
		13,294	352	3677	**7,669**	(5,526)	nm
Other comprehensive income, net of tax		**25,180**	16,080	57	**19,555**	10,202	92
Total comprehensive income for the period		**37,673**	30,642	23	**53,361**	79,321	(33)
Profit attributable to:							
Owners of the Company		**12,461**	14,402	(13)	**33,585**	68,833	(51)
Non-controlling interests		**32**	160	(80)	**221**	286	(23)
		12,493	14,562	(14)	**33,806**	69,119	(51)
Total comprehensive income attributable to:							
Owners of the Company		**37,298**	30,536	22	**52,979**	78,798	(33)
Non-controlling interests		**375**	106	254	**382**	523	(27)
		37,673	30,642	23	**53,361**	79,321	(33)
Basic and diluted earnings per share (in cents)							
Excluding fair value adjustments	(m)	**0.9**	1.7		**2.7**	6.3	
Including fair value adjustments	(m)	**1.0**	1.2		**2.8**	5.8	
Return on shareholders' funds ^					**3.7%**	8.2%	

nm: not meaningful

^ Return on shareholders' funds = net profit attributable to shareholders / average shareholders' funds over the year

Profit has been arrived at after crediting / (charging) the following:

		Group		Group	
		Fourth Quarter		Full Year	
	Note	31.12.16 $'000	31.12.15 $'000	31.12.16 $'000	31.12.15 $'000
Depreciation of property, plant and equipment [included in cost of sales, distribution costs, administrative expenses]		**(1,564)**	(1,459)	**(7,772)**	(7,701)
(Loss) / gain on disposal of property, plant and equipment, net [included in other operating (expenses) / income]		**(1)**	60	**(5)**	62
Net loss on liquidation of subsidairies [included in other operating (expenses) / income]	(b)	**-**	-	**(1,794)**	-
Allowance for doubtful trade and other receivables, net [included in other operating income / (expenses)]		**(74)**	(182)	**(52)**	(197)
Allowance for inventory obsolescence, net [included in other operating income / (expenses)]		**(7)**	(20)	**(1)**	(89)
Foreign exchange (loss) / gain, net [included in other operating (expenses) /income]	(b)	**622**	(89)	**352**	168
Write-back of recognised corporate guarantee no longer required [included in other operating income]		**445**	-	**445**	-
Allowance for diminution in value for development properties [included in other operating expenses]	(b)	**(1,109)**	(1,225)	**(3,649)**	(8,935)

Explanatory notes

(a) Group revenue was $101.7 million in 4Q2016 and $404.0 million in FY2016, down by 29% and 40% respectively as compared to the corresponding periods last year. This was mainly due to lower revenue from development properties. In 4Q2016, $11.5 million was recognised as revenue based on percentage of completion method from development properties as compared to $61.5 million in 4Q2015. On a full year basis, revenue recognised from development properties in FY2016 was $110.1 million as compared to $384.7 million in FY2015.

Revenues of Gul Technologies Singapore Pte. Ltd. ("GulTech") and Pan-West (Private) Limited ("Pan-West") are not included as their results are equity accounted for. Had their revenues been included, the Group's total revenue would have been $201.3 million for 4Q2016 and $750.4 million for FY2016. In the previous year, it was $231.7 million in 4Q2015 and $1,023.4 million in FY2015.

Detailed analysis of Group revenue is set out in Items 14 and 15.

(b) Other operating income for both current periods comprised mainly foreign currency exchange gain arising from the appreciation of Australian Dollar ("AUD"). In FY2015 it was mainly from forfeited deposits on abortive sales of development properties and compensation for early termination of lease by tenants of investment properties.

Other operating expenses in the current quarter were comparable to the corresponding period last year and comprised mainly allowance for diminution in value for development properties. On a full year basis, there was lower allowance for diminution in this current year than in last year. Other operating expenses for the current year comprised mainly $3.6 million allowance for diminution in value for the unsold units in the three development properties in Singapore and $1.8 million on realised translation loss on the completion of liquidation of two dormant Malaysia subsidiaries.

(c) The increase in distribution for both periods was largely due to higher promotion and commission expenses.

(d) The increase in administrative expenses for both periods was mainly caused by higher legal and professional fees relating to the termination of the previous main contractor at Seletar Park Residence.

(e) The Group's share of results of an equity accounted investee reflected solely share of results of the 44.5%-owned GulTech. The Group has ceased recognising Pan-West's losses after the Group's share of Pan-West's accumulated losses exceeded the Group's cost of investment.

(f) Increase in interest income for both the current periods was attributable mainly from overdue trade receivables under SP Corporation.

(g) Borrowing costs capitalised as cost of "properties under development" relate to borrowings taken up to finance the various projects. Overall, total finance costs have reduced for both current periods as compared to the corresponding periods last year. Correspondingly, amounts capitalised were also reduced as some development property loans have been repaid in 4Q2016 and 12M2016.

	Group Fourth Quarter		Group Full Year	
	31.12.16 $'000	**31.12.15 $'000**	**31.12.16 $'000**	**31.12.15 $'000**
Finance costs				
Interest expense on loans and borrowings	**6,895**	8,586	**30,283**	35,211
Amortisation of capitalised finance costs	**296**	252	**1,303**	960
	7,191	8,838	**31,586**	36,171
Less: Amounts capitalised as cost of properties	**(1,028)**	(1,922)	**(5,870)**	(8,642)
	6,163	6,916	**25,716**	27,529

(h) The revaluation of investment properties and mark-to-market adjustments of currency forward contracts gave rise to fair value adjustments. These fair value gains or losses from subsidiaries and an equity-accounted investee [refer to note (e)] are unrealised and may not necessarily recur in the future. Hence they are separately disclosed so as to provide a better understanding of the underlying profit attributable to shareholders.

	Note	Group Fourth Quarter		Group Full Year	
		31.12.16 $'000	**31.12.15 $'000**	**31.12.16 $'000**	**31.12.15 $'000**
Fair value adjustments					
Fair value gain / (loss) on investment properties					
Subsidiaries		**2,198**	(7,929)	**2,198**	(7,929)
Fair value gain / (loss) on financial instruments					
Share of an equity accounted investee	(e)	**1**	(219)	**138**	(120)
		2,199	(8,148)	**2,336**	(8,049)

(j) Taxation charges were arrived at based on the statutory tax rates of the respective countries in which entities in the Group operate and took into account non-deductible expenses and temporary differences. Included therein was deferred tax provision arising from a change in the fair value of net assets of Grand Hotel Group ("GHG") as compared to the tax-cost base of the securities in GHG. Overall, income tax decreased for both current periods due to lower profit generated from Property and Hotels Investment segments.

	Group Fourth Quarter		Group Full Year	
	31.12.16	**31.12.15**	**31.12.16**	**31.12.15**
	$'000	**$'000**	**$'000**	**$'000**
Income tax expenses				
Current income tax				
- Singapore	**285**	2,291	**1,970**	2,606
- Foreign	**1,912**	2,207	**3,146**	3,540
- Under/(over) provision in prior years	**388**	(336)	**(10)**	(819)
	2,585	4,162	**5,106**	5,327
Withholding tax expense	**18**	4	**139**	562
Deferred tax	**(1,413)**	(6,604)	**1,027**	5,646
	1,190	(2,438)	**6,272**	11,535

(k) Net fair value gain of $17.0 million was recorded on properties used for production of goods and services (i.e. the hotels) as compared to last year was a higher net gain of $22.4 million. Both valuation exercises were carried out at the respective year-end.

The foreign currency translation gain of $7.2 million in 4Q2016 was attributable to the appreciation of Australian Dollar ("AUD"). For the full year, the foreign currency translation gain was $4.9 million, also reflected the appreciation of AUD but offset by a depreciation of Chinese Renminbi ("RMB").

The share of other comprehensive income of an equity accounted investee relates to share of foreign currency translation reserve. 4Q2016 and FY2016's share of exchange difference arose from the appreciation of USD against SGD by 3%.

Cash flow hedges represented the effective portion of changes in the fair value of AUD interest rate swap contracts. These contracts had an effective date from 30 April 2015. The balance was a non-current liability of $1.0 million at 31 December 2016 [refer to Item 2, line "Derivative financial instruments"].

(m) Analysis of the Group's profit before and after fair value adjustments is shown below:

	Group Full Year 2016			**Group Full Year 2015**		
	Before Fair Value Adjustments	**Fair Value Adjustments**	**After Fair Value Adjustments**	**Before Fair Value Adjustments**	**Fair Value Adjustments**	**After Fair Value Adjustments**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Profit before tax	**37,742**	**2,336**	**40,078**	88,703	(8,049)	80,654
Income tax expenses	**(6,185)**	**(87)**	**(6,272)**	(14,258)	2,723	(11,535)
Profit after tax	**31,557**	**2,249**	**33,806**	74,445	(5,326)	69,119
Less:						
Non-controlling interests	**(221)**	**-**	**(221)**	(286)	-	(286)
Profit attributable to owners of the Company	**31,336**	**2,249**	**33,585**	74,159	(5,326)	68,833
Basic and diluted earnings per share (in cents)	**2.7**	**0.1**	**2.8**	6.3	(0.5)	5.8

2. STATEMENTS OF FINANCIAL POSITION

		Group		Company	
		31.12.16	31.12.15	31.12.16	31.12.15
	Note	$'000	$'000	$'000	$'000
ASSETS					
Current assets					
Cash and bank balances	(n)	**163,688**	141,717	**301**	431
Trade and other receivables	(p)	**158,793**	134,390	**7,994**	142
Amounts due from subsidiaries	(aa)	**-**	-	**255,467**	285,748
Inventories	(q)	**3,564**	3,641	**-**	-
Development properties	(r)	**183,232**	336,132	**-**	-
Total current assets		**509,277**	615,880	**263,762**	286,321
Non-current assets					
Property, plant and equipment	(s)	**419,278**	395,149	**-**	-
Investment properties	(t)	**1,108,652**	1,076,909	**498**	498
Investments in subsidiaries	(aa)	**-**	-	**684,755**	661,900
Investments in equity accounted investees	(u)	**83,579**	71,511	**-**	-
Deferred tax assets	(z)	**2,286**	3,045	**-**	-
Other non-current assets		**11**	11	**-**	-
Total non-current assets		**1,613,806**	1,546,625	**685,253**	662,398
Total assets		**2,123,083**	2,162,505	**949,015**	948,719
LIABILITIES AND EQUITY					
Current liabilities					
Loans and borrowings	(w)	**3,406**	428,924	**-**	-
Trade and other payables	(y)	**112,333**	117,214	**20,096**	10,661
Amounts due to subsidiaries		**-**	-	**265,956**	292,716
Income tax payable		**22,290**	7,914	**52**	17
Total current liabilities		**138,029**	554,052	**286,104**	303,394
Non-current liabilities					
Loans and borrowings	(w)	**1,017,387**	677,410	**79,562**	79,404
Derivative financial instruments	(k)	**1,019**	904	**-**	-
Deferred tax liabilities	(z)	**35,730**	42,320	**-**	-
Other non-current liabilities		**462**	362	**-**	-
Total non-current liabilities		**1,054,598**	720,996	**79,562**	79,404
Capital, reserves and non-controlling interests					
Share capital		**171,306**	170,230	**171,306**	170,230
Reserves	(ab)	**748,116**	706,575	**412,043**	395,691
Equity attributable to owners of the Company		**919,422**	876,805	**583,349**	565,921
Non-controlling interests		**11,034**	10,652	**-**	-
Total equity		**930,456**	887,457	**583,349**	565,921
Total liabilities and equity		**2,123,083**	2,162,505	**949,015**	948,719
Working capital #		**371,248**	61,828		
Total borrowings	(w)	**1,020,793**	1,106,334		
Gross gearing (times) ^		**1.10**	1.25		
Net borrowings ^^		**857,105**	964,617		
Net gearing (times) ^		**0.92**	1.09		
Net asset value per share (in cents)		**77.7**	74.4		

 # Working capital = total current assets - total current liabilities

^ Gross gearing = total borrowings / total equity; Net gearing = net borrowings / total equity

^^ Net borrowings = total borrowings - cash and bank balances

<u>Explanatory notes</u>

(n) Cash and bank balances held by the Group were $163.7 million (31 December 2015: $141.7 million). Included therein were amounts held under the Project Accounts of development properties for which withdrawals are restricted to payments for expenditure incurred on development properties as regulated under the provisions in the Housing Developers (Project Account) Rules in Singapore. Certain bank balances and fixed deposits were held by banks as security for credit facilities [refer to Item 4 note (ac)].

	Group		Company	
	31.12.16	**31.12.15**	**31.12.16**	**31.12.15**
	$'000	**$'000**	**$'000**	**$'000**
Cash and bank balances				
Cash at banks and on hand	**39,271**	80,102	**301**	431
Fixed deposits	**117,323**	37,365	**-**	-
Amounts held under the Housing Developers (Project Account) Rules	**7,094**	24,250	**-**	-
	163,688	141,717	**301**	431

(p) Included in the carrying amounts as at 31 December 2016 were mainly receivables of $64.5 million (31 December 2015: $44.9 million) relating to the remaining sales consideration on the completed development properties sold, land acquisition deposit of $7.8 million for land in Batam, Indonesia and of $5.0 million (31 December 2015: $5.2 million) for land in Jiaozhou, China.

(q) The balance of inventories, from the Industrial segment, was comparable with that of last year.

(r) Development properties comprise properties in the course of development, land held for future development and completed properties held for sale, as detailed in the table below. During the current year, the carrying amount of the unsold units in Sennett Residence and Cluny Park Residence were reclassified to “completed properties held for sale”.

	Group	
	31.12.16	**31.12.15**
	$'000	**$'000**
Development properties		
Land cost	**79,728**	341,639
Development costs incurred	**979**	143,847
Interest and others	**1,484**	21,088
	82,191	506,574
Add: Attributable profit	**-**	106,993
Less: Progress billings received and receivable	**-**	(281,773)
Less: Allowance for diminution in value	**(7,378)**	(8,879)
Properties in the course of development	**74,813**	322,915
Completed properties held for sale	**113,105**	13,217
Less: Allowance for diminution in value	**(4,686)**	-
Completed properties held for sale	**108,419**	13,217
Total Development Properties	**183,232**	336,132
Represented by:		
Properties in the course of development in Singapore	**56,166**	303,680
Land held for future development in China	**18,647**	19,235
Completed properties held for sale in Singapore	**104,310**	8,945
Completed properties held for sale in China	**4,109**	4,272
	183,232	336,132

(s) Property, plant and equipment comprise mainly hotel properties in Australia. The increase during the year was mainly attributable to fair value gain and foreign currency translation gain in relation to the AUD.

(t) Investment properties increased from $1,076.9 million to $1,108.7 million reflecting mainly the $23.0 million development costs and interest expenses capitalised under the Robinson Tower redevelopment.

	Group	
	31.12.16	**31.12.15**
	$'000	**$'000**
Investment properties		
Completed investment properties	**711,698**	705,244
Investment property under redevelopment	**396,954**	371,665
	1,108,652	1,076,909
Represented by:		
Singapore, completed investment properties	**478,030**	478,450
Australia, completed investment properties	**227,309**	220,176
China, completed investment properties	**6,359**	6,618
Singapore, investment property under redevelopment	**396,954**	371,665
	1,108,652	1,076,909

(u) The increase in value was mainly attributable to the Group's share of GulTech's profit and fair value gain during the year totalling $13.6 million.

(w) The Group's loans and borrowings net of capitalised finance costs, stood at $1,020.8 million (31 December 2015: $1,106.3 million). The decrease mainly reflected a net loan repayment offset by a higher carrying value of AUD-denominated borrowings as a result of the appreciation of AUD.

	Group		Company	
	31.12.16	**31.12.15**	**31.12.16**	**31.12.15**
	$'000	**$'000**	**$'000**	**$'000**
Current				
Bank loans	**3,406**	428,924	**-**	-
Non-current				
Bank loans	**937,825**	598,006	**-**	-
Notes issued under MTN Programme	**79,562**	79,404	**79,562**	79,404
	1,017,387	677,410	**79,562**	79,404
	1,020,793	1,106,334	**79,562**	79,404
Represented by:				
Interest-bearing liabilities	**1,024,085**	1,108,370	**80,000**	80,000
Capitalised finance costs	**(3,292)**	(2,036)	**(438)**	(596)
	1,020,793	1,106,334	**79,562**	79,404

(y) Trade and other payables stood at $112.3 million at 31 December 2016, comparable to $117.2 million at the previous year-end.

(z) Deferred tax assets and liabilities are netted off when there is a legally enforceable right to offset and when the deferred income taxes relate to the same tax authority. Deferred tax liabilities arose largely from the recognition the Group's deferred tax liabilities arising from its interest in GHG.

(aa) Investments in subsidiaries and amounts due from subsidiaries shown under the Company's statement of financial position are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired or any indication that the previously impaired amounts had decreased or no longer exist. A dormant subsidiary had been put to members' voluntary liquidation as a result of which, the Company recognised an impairment loss of $6.1 million for the investment but a gain of $7.8 million under the inter-company balance waived by the subsidiary. The Company made a write-back on impairment loss made in prior years of $7.3 million (2015: $1.2 million loss) for investments in subsidiaries, and an impairment of $1.5 million (2015: $1.5 million) for amount due from subsidiaries in 2016. There is no impact to the Group's consolidated results for the said adjustments.

(ab) Composition of reserves

	Group		Company	
	31.12.16	**31.12.15**	**31.12.16**	**31.12.15**
	$'000	**$'000**	**$'000**	**$'000**
Reserves				
Foreign currency translation account	**(16,151)**	(23,722)	**-**	-
Asset revaluation reserve	**106,420**	94,534	**-**	-
Other capital reserves:				
- Non-distributable capital reserves	**128,200**	117,692	**101,264**	101,264
- Cash flow hedging account	**(1,413)**	(1,350)	**-**	-
	126,787	116,342	**101,264**	101,264
Revenue reserve	**531,060**	519,421	**310,779**	294,427
	748,116	706,575	**412,043**	395,691

Foreign currency translation account comprises foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the presentation currency of the Group, i.e. SGD; as well as from the translation of monetary items which form part of the Group's net investment in foreign operations at the end of the reporting period.

Asset revaluation reserve comprises net cumulative surpluses arising from the revaluation of property, plant and equipment which are held for the purpose of production or supply of goods and services.

Non-distributable capital reserves comprise mainly capital reduction reserve of the Company, share of reserve of an associate, GulTech and distribution reserve of GHG which is used to record the balance of amounts available for distribution as defined by the Trust Deed.

Cash flow hedging account represents the cumulative net change in fair value of the effective portion of the cash flow hedges.

Revenue reserve is used to record the balance of amounts available for distributions as defined by regulatory requirements. This is distributable to shareholders as dividend.

Movement in the Group's and the Company's reserves are set out in Item 5.

3. GROUP'S BORROWINGS AND DEBT SECURITIES

	Group		Company	
	31.12.16 $'000	31.12.15 $'000	31.12.16 $'000	31.12.15 $'000
Secured borrowings				
Amount repayable in one year or less, or on demand	**3,406**	428,924	**-**	-
Amount repayable after one year	**937,825**	598,006	**-**	-
	941,231	1,026,930	**-**	-
Unsecured borrowings				
Amount repayable after one year	**79,562**	79,404	**79,562**	79,404
	1,020,793	1,106,334	**79,562**	79,404

The Group's borrowings are secured except for the notes issued under the MTN Programme [refer to below]. These secured borrowings are mainly for financing development and investment properties in Singapore, and hotel and investment properties in Australia.

Approximately 92% (31 December 2015: 93%) of the Group's borrowings were on floating rates with various tenures, while the remaining 8% (31 December 2015: 7%) were on fixed rates. Singapore Dollar denominated borrowings represented approximately 64% (31 December 2015: 67%) of total borrowings; while the remaining were in AUD.

Multicurrency Medium Term Note Programme ("MTN Programme")

The Company has in place a S$900 million MTN Programme under which it can issue notes in series or tranches and may be denominated in Singapore Dollar or other currency deemed appropriate at the time.

Fixed rate notes of S$80 million (the "Notes") were issued under the MTN Programme on 14 October 2014. The Notes are unsecured, bear a fixed interest rate of 4.50% per annum payable semi-annually in arrears and will mature on 14 October 2019.

Details of any collateral

As at 31 December 2016, the net book value of assets pledged or mortgaged to banks and a financial institution was $1,736.9 million (31 December 2015: $1,840.5 million).

4. CONSOLIDATED STATEMENT OF CASH FLOWS

		Group Fourth Quarter		Group Full Year	
	Note	31.12.16 $'000	31.12.15 $'000	31.12.16 $'000	31.12.15 $'000
OPERATING ACTIVITIES					
Profit before tax		**13,683**	12,124	**40,078**	80,654
Adjustments for:					
Fair value (gain) / loss		**(2,199)**	8,148	**(2,336)**	8,049
Share of results of an equity accounted investee		**(4,868)**	(3,247)	**(13,466)**	(6,803)
Allowance for diminution in value for development properties		**1,109**	1,225	**3,649**	8,935
Depreciation of property, plant and equipment		**1,564**	1,459	**7,772**	7,701
Allowance for inventory obsolescence, net		**7**	20	**1**	89
Allowance for doubtful trade and other receivables, net		**30**	182	**52**	197
Write-back of recognised corporate guarantee no longer required		**(445)**	-	**(445)**	-
Net loss on liquidation of subsidiaries		**-**	-	**1,794**	-
Net loss /(gain) on disposal of property, plant and equipment		**1**	(60)	**5**	(62)
Interest income		**(1,085)**	(988)	**(4,465)**	(4,258)
Finance costs		**6,163**	6,916	**25,716**	27,529
Operating cash flows before movements in working capital		**13,960**	25,779	**58,355**	122,031
Development properties less progressive billings receivable		**5,991**	4,810	**149,759**	74,432
Inventories		**(253)**	(438)	**83**	362
Trade and other receivables		**14,157**	6,716	**(12,424)**	(51,004)
Trade and other payables		**3,708**	2,222	**(4,276)**	2,685
Cash generated from operations		**37,563**	39,089	**191,497**	148,506
Interest received		**254**	8,818	**2,129**	10,100
Income tax paid / (refund)		**(887)**	2,089	**(3,523)**	(6,303)
Net cash from operating activities		**36,930**	49,996	**190,103**	152,303
INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(950)**	(944)	**(4,098)**	(3,319)
Proceeds on disposal of property, plant and equipment		**-**	76	**64**	241
Additions to investment properties		**(5,277)**	(4,529)	**(19,364)**	(10,341)
Deposit paid for acquisition of land in Batam		**-**	-	**(7,830)**	-
Dividend and distribution received from an equity accounted investee		**-**	-	**-**	8,563
Net cash used in investing activities		**(6,227)**	(5,397)	**(31,228)**	(4,856)
FINANCING ACTIVITIES					
Proceeds from loans and borrowings		**1,637**	55,043	**98,166**	80,533
Repayment of loans and borrowings		**(20,260)**	(86,825)	**(192,611)**	(300,484)
Interest paid		**(7,651)**	(9,720)	**(34,161)**	(34,172)
Bank deposits pledged as securities for bank facilities		**(993)**	33,130	**(32,922)**	30,196
Dividend paid to shareholders		**-**	-	**(5,877)**	(4,911)
Shares bought back and cancelled		**(47)**	-	**(120)**	-
Net cash used in financing activities		**(27,314)**	(8,372)	**(167,525)**	(228,838)
Net increase / (decrease) in cash and cash equivalents		**3,389**	36,227	**(8,650)**	(81,391)
Cash and cash equivalents:					
At the beginning of the period		**90,712**	69,732	**105,675**	187,414
Foreign currency translation adjustments		**1,752**	(284)	**(1,129)**	(348)
At the end of the period	(ac)	**95,853**	105,675	**95,896**	105,675

Explanatory notes

(ac) Cash and cash equivalents

Encumbered fixed deposits and bank balances held by banks as security for credit facilities were excluded from the cash and cash equivalents:

	Group	
	31.12.16	**31.12.15**
	$'000	**$'000**
Cash and bank balances	**163,688**	141,717
Less:		
Encumbered fixed deposits and bank balances	**(67,792)**	(36,042)
Cash and cash equivalents per consolidated statement of cash flows	**95,896**	105,675

As at 31 December 2016, the Group had cash placed with banks in China amounting to $80.3 million (31 December 2015: $82.8 million). The repatriation of these cash into Singapore is subject to the Foreign Exchange Control Regulations in China. $65.1 million (31 December 2015: $32.6 million) was pledged to a bank as security for banking facilities.

(ad) Free cash flow

	Group Fourth Quarter		Group Full Year	
	31.12.16	**31.12.15**	**31.12.16**	**31.12.15**
	$'000	**$'000**	**$'000**	**$'000**
Net cash from operating activities	**36,930**	49,996	**190,103**	152,303
Net cash used in investing activities	**(6,227)**	(5,397)	**(31,228)**	(4,856)
Free cash inflow for the period ^	**30,703**	44,599	**158,875**	147,447

^ Free cashflow = operating cash flow + investing cash flow

Detailed analysis of Group's cash flow is set out in Item 14.

5. STATEMENTS OF CHANGES IN EQUITY

The Group

	Share capital	Foreign currency translation account	Asset revaluation reserve	Other capital reserves	Revenue reserve	Attributable to owners of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
2016								
At 1 January 2016	**170,230**	**(23,722)**	**94,534**	**116,342**	**519,421**	**876,805**	**10,652**	**887,457**
Total comprehensive income								
Profit for the year	**-**	**-**	**-**	**-**	**33,585**	**33,585**	**221**	**33,806**
Other comprehensive income / (loss), net of tax	**-**	**7,571**	**11,886**	**(63)**	**-**	**19,394**	**161**	**19,555**
Total	**-**	**7,571**	**11,886**	**(63)**	**33,585**	**52,979**	**382**	**53,361**
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	**-**	**-**	**-**	**14,873**	**(14,873)**	**-**	**-**	**-**
Issue of shares under the Scrip Dividend Scheme	**1,196**	**-**	**-**	**-**	**-**	**1,196**	**-**	**1,196**
Shares bought back and cancelled	**(120)**	**-**	**-**	**-**	**-**	**(120)**	**-**	**(120)**
Dividend paid to shareholders								
- Cash	**-**	**-**	**-**	**-**	**(5,877)**	**(5,877)**	**-**	**(5,877)**
- Share	**-**	**-**	**-**	**-**	**(1,196)**	**(1,196)**	**-**	**(1,196)**
Goodwill paid over acquiring additional shares in a member of associate		**-**	**-**	**(4,365)**	**-**	**(4,365)**		**(4,365)**
Total	**1,076**	**-**	**-**	**10,508**	**(21,946)**	**(10,362)**	**-**	**(10,362)**
At 31 December 2016	**171,306**	**(16,151)**	**106,420**	**126,787**	**531,060**	**919,422**	**11,034**	**930,456**
2015								
At 1 January 2015	169,260	(18,592)	78,806	110,335	463,109	802,918	10,129	813,047
Total comprehensive (loss) / income								
Profit for the year	-	-	-	-	68,833	68,833	286	69,119
Other comprehensive (loss) / income, net of tax	-	(5,130)	15,728	(633)	-	9,965	237	10,202
Total	-	(5,130)	15,728	(633)	68,833	78,798	523	79,321
Transaction with owners, recognised directly in equity								
Transfer from revenue reserve to other capital reserves	-	-	-	6,640	(6,640)	-	-	-
Issue of shares under the Scrip Dividend Scheme	970	-	-	-	-	970	-	970
Dividend paid to shareholders								
- Cash	-	-	-	-	(4,911)	(4,911)	-	(4,911)
- Share	-	-	-	-	(970)	(970)	-	(970)
Total	970	-	-	6,640	(12,521)	(4,911)	-	(4,911)
At 31 December 2015	170,230	(23,722)	94,534	116,342	519,421	876,805	10,652	887,457

The Company

	Share capital	Other capital reserve	Revenue reserve	Total equity
	$'000	$'000	$'000	$'000
2016				
At 1 January 2016	**170,230**	**101,264**	**294,427**	**565,921**
Profit, representing total comprehensive income for the year	**-**	**-**	**23,425**	**23,425**
Transactions with owners, recognised directly in equity				
Issue of shares under the Scrip Dividend Scheme	**1,196**	**-**	**-**	**1,196**
Dividend paid to shareholders				
- Cash	**-**	**-**	**(5,877)**	**(5,877)**
- Share	**-**	**-**	**(1,196)**	**(1,196)**
Shares bought back and cancelled	**(120)**	**-**	**-**	**(120)**
Total	**1,076**	**-**	**(7,073)**	**(5,997)**
At 31 December 2016	**171,306**	**101,264**	**310,779**	**583,349**
2015				
At 1 January 2015	169,260	101,264	253,759	524,283
Profit, representing total comprehensive income for the year	-	-	46,549	46,549
Transactions with owners, recognised directly in equity				
Issue of shares under the Scrip Dividend Scheme	970	-	-	970
Dividend paid to shareholders				
- Cash	-	-	(4,911)	(4,911)
- Share	-	-	(970)	(970)
Total	970	-	(5,881)	(4,911)
At 31 December 2015	170,230	101,264	294,427	565,921

6. SHARE CAPITAL

Share Capital

Total number of issued ordinary shares as at 31 December 2016 was 1,182,842,055 as compared to 1,178,824,988 as at 31 December 2015, a net increase of 4,017,067 shares.

On 24 June 2016, 4,431,667 new ordinary shares were allotted and issued at $0.27 per share to eligible shareholders who have elected to participate in the Company's Scrip Dividend Scheme in respect of the first and final tax exempted one-tier dividend of 0.6 cent per ordinary share in the capital of the Company for the financial year ended 31 December 2015. In addition, 414,600 ordinary shares were purchased under the "Share Purchase Mandate" and subsequently cancelled during the year.

Save for the above, there has been no change in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since 30 September 2016, being the end of the preceding period reported on. There were also no outstanding convertible securities for which shares might be issued.

Treasury Shares

The Company did not hold any treasury shares as at 31 December 2016 and as at 31 December 2015. There were also no sales, transfers, disposals, cancellation and / or use of treasury shares during FY2016 and FY2015.

As afore-stated, during the year the Company purchased 264,600 and 150,000 shares at an average price of $0.29 and $0.2863 per share respectively in the market which were subsequently cancelled.

7. AUDIT

Please refer to Appendix A for the full audited financial statements.

8. AUDITORS' REPORT

See Appendix A.

9. BASIS OF PREPARATION

The financial statements in Appendix A are prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

10. ACCOUNTING POLICIES

Except as disclosed in Item 11 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial periods as compared with those of the audited financial statements for the financial year ended 31 December 2015.

11. CHANGES IN ACCOUNTING POLICIES

On 1 January 2016, the Group adopted all the new and revised Financial Reporting Standards ("FRSs") and interpretations of FRS ("INT FRS") that are effective as from that date and are relevant to its operations. The adoption of these new or revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the accounts reported for the current or prior financial periods or financial years.

12. EARNINGS PER ORDINARY SHARE

	Group Fourth Quarter		Group Full Year	
	31.12.16	**31.12.15**	**31.12.16**	**31.12.15**
(a) Earnings per ordinary share based on the weighted average number of ordinary shares in issue (in cents):				
Excluding fair value adjustments	**0.9**	1.7	**2.7**	6.3
Including fair value adjustments	**1.0**	1.2	**2.8**	5.8
Weighted average number of ordinary shares in issue (in millions)	**1,183.0**	1,178.8	**1,181.0**	1,177.5
(b) Earnings per ordinary share based on fully diluted basis (in cents)				
Excluding fair value adjustments	**0.9**	1.7	**2.7**	6.3
Including fair value adjustments	**1.0**	1.2	**2.8**	5.8
Adjusted weighted average number of ordinary shares (in millions)	**1,183.0**	1,178.8	**1,181.0**	1,177.5

Earnings per ordinary share = Profit attributable to owners of the Company / Weighted average number of shares

There was no outstanding dilutive potential ordinary share. Hence diluted earnings per ordinary share were the same as the earnings per ordinary share for the respective periods.

13. NET ASSET VALUE PER ORDINARY SHARE

	Group		Company	
	31.12.16	**31.12.15**	**31.12.16**	**31.12.15**
Net asset value per ordinary share (in cents)	**77.7**	74.4	**49.3**	48.0
Total number of issued shares (in millions)	**1,182.8**	1,178.8	**1,182.8**	1,178.8

Net asset value per ordinary share = Equity attributable to owners of the Company / Total number of issued shares

14. REVIEW OF GROUP PERFORMANCE

Overview

Revenue from development properties in Singapore have been recognised based on the percentage of completion method. The Group reported lower revenue and profits due to the completion of the various development projects during the year.

For the 4Q2016, the Group reported revenue of $101.7 million, a drop of 29% as compared to last year same quarter of $143.4 million. Net profit attributable to shareholders fell 13% to $12.5 million as compared to the same quarter last year. For the full year 2016, Group revenue was $404.0 million, a drop of 40% as compared to $677.1 million last year. Net profit attributable to shareholders dropped 51% to $33.6 million from $68.8 million a year earlier.

Earnings per share stood at 1.0 cent for the fourth quarter and 2.8 cents for the year, as compared to 1.2 cents and 5.8 cents respectively a year earlier. Net asset value per share was 77.7 cents at 31 December 2016, up from 74.4 cents at 31 December 2015 [refer to “Financial Position” below].

Financial Performance

Seletar Park Residence obtained its Certificate of Statutory Completion (“CSC”) in January 2016. Sennett Residence obtained its Temporary Occupation Permits (“TOP”) in June 2016. Cluny Park Residence obtained its TOP in July 2016 and CSC in October 2016.

For the full year, higher distribution costs reflected increased promotional activities and commission expenses mainly for the remaining units in Cluny Park Residence and Sennett Residence sold during the year. Higher administrative expenses were due to legal and professional fees incurred relating to the termination of the previous main contractor at Seletar Park Residence.

During the year, favourable Australian Dollar (“AUD”) movement contributed to the gain which is included under “Other operating income”. Other operating expenses comprised mainly $3.6 million allowance for diminution in value for the unsold units in the three development properties in Singapore and $1.8 million on realised translation loss on the completion of liquidation of two dormant Malaysia subsidiaries. Fair value gain for investment properties was $2.2 million as compared to a fair value loss of $7.9 million last year.

GulTech, an equity-accounted investee, contributed a profit of $4.9 million in 4Q2016 as compared to $3.2 million in the same period a year earlier. For the full year, the Group’s share of results of GulTech increased 98% from $6.8 million to $13.5 million.

Overall, the Group’s profit after tax (inclusive of fair value adjustments) for the current quarter was $12.5 million, down 14% from $14.6 million in the same quarter last year. For the full year, the profit after tax was $33.8 million as compared to $69.1 million a year ago.

Financial Position

As at 31 December 2016, the Group’s total assets was $2,123.1 million, a 1.8% decrease as compared to $2,162.5 million at the previous year-end. The decrease was due largely to lower carrying amount of the three development properties as they were completed and handed over to the buyers.

This decrease was offset partially by the increase in trade and other receivables, cash and bank balances, investment properties and property, plant and equipment. The increase in investment properties reflected the capitalised cost for the Robinson Tower while its redevelopment is in progress. The increase in property, plant and equipment was mainly attributable to a net fair value gain of $17.0

million for the two hotels in Australia and foreign currency translation gain as a result of the appreciation of AUD.

Corresponding to the drop in the Group's total assets, total liabilities of $1,192.6 million represented a 6.5% decrease from the previous year-end. This was attributable primarily to the repayment of certain loans after the completion of the development projects. Accordingly, gross gearing improved to 1.10 times and net gearing to 0.92 times, as compared to 1.25 times and 1.09 times respectively.

During the year, shareholders' fund grew 4.9% or $42.6 million to $919.4 million as at 31 December 2016. Total equity (i.e. including non-controlling interests) increased to $930.5 million as at 31 December 2016, from $887.5 million at the previous year-end. These increases reflect mainly profit made during the year, gain from revaluation of properties and gain from foreign currency translation but reduced by payment of dividend to shareholders.

During the year, 4.4 million new shares were issued to shareholders under the Tuan Sing Scrip Dividend Scheme. In addition, 414,600 shares were cancelled after they were purchased from the open market.. Accordingly in monetary term, the Company's share capital increased by approximately $1.1 million to $171.3 million as at 31 December 2016.

Cash Flow (refer to Item 4 for details)

During the year, net cash generated from operating activities was $190.1 million as compared to $152.3 million last year. The increase was attributable mainly to more cash received from the development properties following their completion. Whereas, net cash used in investing activities was $31.2 million as compared to $4.9 million last year due mainly to the redevelopment of Robinson Tower ($18.7 million).

As net cash generated from operating activities was higher than the net cash used in investing activities, the Group generated free cash inflow of $158.9 million, an increase of $11.4 million as compared to last year [refer to Item 4, note (ad)].

Net cash used in financing activities was $167.5 million, reflecting mainly a net loan repayment of $94.4 million, interest payment of $34.2 million, cash dividends paid to shareholders of $5.9 million, and an additional bank deposit pledged of $32.9 million for bank facilities. In comparison, net cash of $228.8 million was used last year mainly on a net loan repayment of $220.0 million and interest payment of $34.2 million.

Overall, cash and cash equivalents stood at $95.9 million at 31 December 2016, down from $105.7 million as at 31 December 2015.

15. REVIEW OF SEGMENT PERFORMANCE

Property

All the three residential developments in Singapore were completed during the year: Seletar Park Residence obtained the Certificate of Statutory Completion ("CSC") in January 2016; Sennett Residence obtained its Temporary Occupation Licence ("TOP") in June, and Cluny Park Residence obtained the TOP in July and CSC in October. As a consequence, full year property revenue decreased 68% to $130.0 million; from $404.0 million last year. Rental income from investment properties in Singapore of $17.0 million remained comparable to last year.

An allowance for diminution in value of $3.6 million for unsold units of the development properties had been made during the year (2015: $8.9 million), whereas there was a net fair value gain of $1.9 million for investment properties in Singapore (2015: $1.2 million).

Consequently, profit after tax for the full year 2016 was $3.0 million, down from $50.4 million a year ago. Property remains an important driver, contributing 32% of the Group's total revenue in 2016.

Hotels Investment

For the full year, Hotels Investment segment recorded A$136.9 million of revenue as compared to last year's A$140.6 million. There was a 2% drop in RevPAR ("Revenue Per Available Room") from the two hotels and lower intake from the food and beverage business as compared to last year. However, higher revenue from non-hotel operations (office, retail and carpark) was recorded.

Non-hotel investment properties recorded a net fair value gain of $0.3 million in the current year, as compared to a net fair value loss of $9.1 million a year ago. Finance costs decreased 6% to $18.5 million from $19.7 million. Consequently and after deducting finance costs and deferred tax provision at the investment holding company level, Hotels Investment contributed a higher profit after tax of $9.5 million as compared to $5.2 million last year.

Hotel properties recorded a net fair value gain of A$16.2 million, as against last year's A$22.0 million. Such gain is reflected in the Group's balance sheet.

Industrial Services

For the full year, Industrial Services recorded higher revenue of $134.1 million as compared to $128.3 million last year. Accordingly, profit after tax was 30% higher at $1.7 million as compared to $1.3 million last year.

Other Investment

For the full year, GulTech reported revenue of US$244.3 million, a marginal increase from the previous year's US$242.9 million. Profit after tax increased 28% to US$28.8 million as compared to last year. The increase was mainly attributable to improved performance from its new Jiangsu Plant.

Since GulTech increased its equity stake in the Gultech (Suzhou) Electronics Co., Ltd from 61.4% to 100% in February 2016, GulTech's net profit attributable to shareholders this year was higher at US$22.2 million, a 103% increase from US$10.9 million last year. Correspondingly, the Group's share of GulTech's profit (including fair value gain) for the full year was $13.6 million, as compared to $6.7 million in 2015.

16. VARIANCE FROM PROSPECT STATEMENT

Not applicable.

17. OUTLOOK

In Singapore, the private residential market is expected to remain subdued as the prevailing property cooling measures would continue to weigh on market sentiment. The Group had completed its three residential developments in the current year and had planned to dispose off the remaining units in the coming months. More than 95% of the units in Seletar Park Residence and Sennett Residence units and 55% of the units in Cluny Park Residence had been sold.

The Group plans to launch "Kandis Residence" in the middle of 2017. This project has about 130 one- to three-bed-rooms units spread over three and seven-storey buildings with full condominium facilities.

Robinson Point has been fully leased under various durations until years 2017/18. The redevelopment of the Robinson Towers has been progressing well and is expected to complete by end 2018.

The Group will continue to closely monitor the market conditions in Singapore and in China and remains cautious amid the prevailing economic uncertainties. Hotels Investment in Australia is expected to perform satisfactorily and continue to contribute recurring income and cash flow to the Group.

The Group will also continue to invest in other recurring income properties over the next several years. After investing in Robinson Point, the Group has continued to reinvest in Robinson Towers in order to improve its recurring income base. Over the next few years, the Group plans to further invest in other recurring income assets including the Perth site which will become a significant and iconic mixed project in Perth. The Group will also invest in other development and recurring income assets overseas.

The Group will continue actively seeking for well-located sites for residential and commercial development properties in both Singapore and overseas. Under the current economic conditions, the Group's operation is expected to continue to be challenging in next twelve months.

Barring unforeseen circumstances, the Group is optimistic of achieving a profit for the year 2017.

18. BUSINESS DYNAMIC AND RISK FACTORS STATEMENT

We list below key risks that have been identified. There may be other risks which are unknown to the Group. We have also taken mitigating actions that we believe could help us to manage these risks. However, we may not always be successful in deploying all of these mitigating actions. In that event, our cash flow, operating results, financial position, business and reputation could be adversely affected.

The Group acknowledges that it is necessary to take certain risks in order to remain in the business. However, such risks taking should be within its risks appetite and strategy after considering the economic and regulatory environments that the Group is operating in.

After making due inquiry, the Group is satisfied that there were no risks that could affect its ability to continue as a going concern within the next 12 months.

<u>Business & Strategic Risk</u>

- The Group may not be able to successfully implement its business strategy due to limited opportunities, foreign ownership restrictions, government policies, political consideration or specific preference of sellers
- The Group's operations are subject to country-specific risks be they political, regulatory, economic or currency particularly when it ventures into neighbouring country
- Industries that the Group operates in are highly competitive. The increasing competition could adversely affect the business and financial position of the Group
- The Group's development property business inherently has long gestation period and is subject to execution risks during which government policy changes could have substantial effect on the success of a project
- The Group's property and hotels investment businesses are capital intensive and rely on the availability of sizable external funding below the breakeven rate of the businesses
- The Group may face reputation risk arising from negative publicity over adverse happenings or events
- The Group is facing increasing expectations on good corporate governance and social responsibility obligations

<u>Financial Risk</u>

- The Group is exposed to the increasing volatility in interest rates, foreign exchange and equity rate of returns
- The Group is exposed to the inherent risks of using financial derivatives to counter volatility in interest rates and foreign exchange
- The Group is exposed to liquidity risks arising from external borrowings
- The Group is exposed to risk of regulatory bodies' monetary policy changes which may render its capital structure ineffective or inefficient
- The Group faces credit risks when counterparties default on their contractual obligations thereby resulting in financial loss to the Group
- The Group is subject to tax exposure in foreign jurisdictions in which the tax regulations are complex, less explicit or subject to changes at short notice
- The Group's investment value may fluctuate due to changes in the economic conditions

<u>Operational Risk</u>

- The Group is exposed to alliance risk due to possible conflict of interests between the Group and its business associates or joint venture partners
- The property business relies heavily on third-party contractors whose services may fall short of the quality and timeliness the Group requires, given the prevailing tight labour market in Singapore
- The Group's hotels investment is also subject to technology disruption including attendant cyber security risks
- The Group is exposed to inefficient operations that it does not discover in time
- With increasing concern from the community on climatic and environmental issues, the Group's exposure to such risk is increasing
- Unexpected loss of key personnel or a failure in the execution of succession plans may jeopardise the successful implementation of business plans
- The Group is exposed to vendors whose services in terms of quality and timeliness are not satisfactory
- The Group is exposed to work health and safety risks arising from occurrence of incidents in carrying out a process or pandemic beyond the control of the Group
- The Group is exposed to personal data protection risk in relating to the Personal Data Protection Act 2012 in Singapore and the Privacy Act in Australia
- Not all facets of the Group's operations are insurable or at an acceptable premium

<u>Compliance Risk</u>

- The Group may be held responsible for non-compliance in countries where laws, regulations, rules, practices or ethical standards are less explicit or different from those in Singapore
- Rapid changes in laws, regulations, rules and practices where the Group operates have created an increasingly more complex environment for compliance
- The Group is exposed to the risk of inappropriate or inadequate documentation of contractual relationships with third parties
- The Group's internal control systems and related framework may not be kept up-to-date in this dynamic business environment and any non-observance by business units may not be discovered in time

19. DIVIDEND

(a) Current financial period reported on

The Directors propose that a first and final one-tier tax exempt dividend of 0.6 cent per share be paid for the financial year ended 31 December 2016. The Tuan Sing Scrip Dividend Scheme implemented since 2009 will be applicable to this proposed dividend.

Name of dividend	First & Final
Dividend type	Cash / Scrip
Dividend rate	0.6 cent per ordinary share under one-tier system
Tax rate	Tax exempt

(b) Corresponding period of the immediately preceding financial year

Name of dividend	First & Final
Dividend type	Cash / Scrip
Dividend rate	0.6 cent per ordinary share under one-tier system
Tax rate	Tax exempt

Except for the above, no other dividend was declared in the previous corresponding period or last financial year ended 31 December 2015.

(c) Date payable

23 June 2017 (Friday)

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from Monday, 8 May 2017 to Tuesday, 9 May 2017 (both dates inclusive) for the purpose of determining the shareholders' entitlements to the proposed first and final dividend.

Duly completed and stamped transfers of the ordinary shares of the Company ("Shares") received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03-00 ASO Building, Singapore 048544 up to 5.00 p.m. on Friday, 5 May 2017 will be registered before the shareholders' entitlements to the proposed first and final dividend are determined.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 5 May 2017 will be entitled to the proposed first and final dividend.

Subject to shareholders' approval at the 47th Annual General Meeting to be held on 26 April 2017, the proposed first and final dividend of 0.6 cent per Share will be paid on 23 June 2017.

20. SEGMENTAL ANALYSIS

Products and services from which reportable segments derive their revenue

For management purpose, the Group is organised into strategic business units based on their products and services. The Group's principal business operating units, during and at the end of the reporting period, are Property, Hotels Investment, Industrial Services and Other Investments. Accordingly, the Group's reportable operating segments under *FRS 108* are as follows:

Segment	Principal activities
Property	Development of properties for sale, property investment and provision of property management services.
Hotels Investment	Investment in hotels in Australia.
Industrial Services	Trading and marketing of industrial commodities, distribution of tyres and re-treading of tyres, as well as manufacturing of polypropylene woven bags.
Other Investment	Investment in GulTech, a printed circuit boards manufacturer with operations in Singapore and China.
Corporate and Others	Provision of corporate-level services.

Segment revenue represents revenue generated from external and internal customers. Segment profit represents the profit earned by each segment after allocation of central administrative costs and finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Management monitors the operating results of each of its business unit for the purpose of making decisions on resource allocation and performance assessment. Corporate and Others are managed on a group basis and are not allocated to operating segments. Segment assets and liabilities are presented net of inter-segment balances. Inter-segment pricing is determined on arm's length basis.

Information regarding each of the Group's reportable segments is presented below.

Segment revenues and results

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments $'000	Corporate and Others $'000	Inter-Segment Eliminations $'000	Total Consolidated $'000
FY2016							
Revenue							
External revenue	**129,084**	**140,606**	**134,148**	-	**180**	**-**	**404,018**
Inter-segment revenue	**923**	**-**	**-**	**-**	**18,070**	**(18,993)**	**-**
	130,007	**140,606**	**134,148**	**-**	**18,250**	**(18,993)**	**404,018**
Results							
Gross profit	**33,193**	**41,818**	**5,643**	**-**	**10,782**	**(7,052)**	**84,384**
Other operating income	**1,637**	**1,411**	**963**	**445**	**22,816**	**(22,782)**	**4,490**
Distribution costs	**(3,362)**	**-**	**(2,505)**	**-**	**-**	**-**	**(5,867)**
Administrative expenses	**(10,620)**	**(11,197)**	**(3,678)**	**1**	**(2,300)**	**(1,947)**	**(29,741)**
Other operating expenses	**(12,031)**	**(1,641)**	**(49)**	**(1,794)**	**(7,918)**	**15,694**	**(7,739)**
Share of results of an equity accounted investee	**-**	**-**	**-**	**13,466**	**-**	**-**	**13,466**
Interest income	**4,113**	**27**	**1,840**	**-**	**5,214**	**(6,729)**	**4,465**
Finance costs	**(8,808)**	**(18,503)**	**(9)**	**-**	**(5,125)**	**6,729**	**(25,716)**
Profit before tax and fair value adjustments	**4,122**	**11,915**	**2,205**	**12,118**	**23,469**	**(16,087)**	**37,742**
Fair value adjustments	**1,910**	**288**	**-**	**138**	**-**	**-**	**2,336**
Profit before tax	**6,032**	**12,203**	**2,205**	**12,256**	**23,469**	**(16,087)**	**40,078**
Income tax expenses	**(2,989)**	**(2,702)**	**(537)**	**-**	**(44)**	**-**	**(6,272)**
Profit for the year	**3,043**	**9,501**	**1,668**	**12,256**	**23,425**	**(16,087)**	**33,806**
Profit attributable to:							
Owners of the Company	**3,159**	**9,501**	**1,331**	**12,256**	**23,425**	**(16,087)**	**33,585**
Non-controlling interests	**(116)**	**-**	**337**	**-**	**-**	**-**	**221**
Profit for the year	**3,043**	**9,501**	**1,668**	**12,256**	**23,425**	**(16,087)**	**33,806**
FY2015							
Revenue							
External revenue	403,121	145,479	128,342	-	180	-	677,122
Inter-segment revenue	904	-	-	-	51,066	(51,970)	-
	404,025	145,479	128,342	-	51,246	(51,970)	677,122
Results							
Gross profit	80,534	44,349	6,108	-	43,896	(33,024)	141,863
Other operating income	2,375	309	722	-	7,557	(7,543)	3,420
Distribution costs	(1,758)	-	(2,597)	-	-	-	(4,355)
Administrative expenses	(6,744)	(9,772)	(3,690)	(3)	(2,277)	(3,186)	(25,672)
Other operating expenses	(9,343)	(574)	(157)	-	(2,709)	2,698	(10,085)
Share of results of an equity accounted investee	-	-	-	6,803	-	-	6,803
Interest income	4,851	85	983	-	3,974	(5,635)	4,258
Finance costs	(9,556)	(19,679)	(24)	-	(3,877)	5,607	(27,529)
Profit before tax and fair value adjustments	60,359	14,718	1,345	6,800	46,564	(41,083)	88,703
Fair value adjustments	1,167	(9,096)	-	(120)	-	-	(8,049)
Profit before tax	61,526	5,622	1,345	6,680	46,564	(41,083)	80,654
Income tax expenses	(11,087)	(373)	(59)	-	(16)	-	(11,535)
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119
Profit attributable to:							
Owners of the Company	50,440	5,249	999	6,680	46,548	(41,083)	68,833
Non-controlling interests	(1)	-	287	-	-	-	286
Profit for the year	50,439	5,249	1,286	6,680	46,548	(41,083)	69,119

Note:

1. *No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech and Pan-West.*
2. *"Corporate and Others" refers to the aggregation of provision of corporate-level services by the Company to the various subsidiaries and charged as such. They are eliminated at group-level upon consolidation.*

Segment asset, liabilities and other segment information

	Property $'000	Hotels Investment $'000	Industrial Services $'000	Other Investments $'000	Corporate and Others $'000	Total Consolidated $'000
31.12.2016						
Assets						
Segment assets	**1,281,248**	**665,025**	**84,515**	**-**	**8,716**	**2,039,504**
Investment in equity accounted investees	**-**	**-**	**-**	**83,579**	**-**	**83,579**
Total assets	**1,281,248**	**665,025**	**84,515**	**83,579**	**8,716**	**2,123,083**
Liabilities						
Segment liabilities	**(56,713)**	**(22,649)**	**(25,247)**	**(5,432)**	**(3,773)**	**(113,814)**
Loan and borrowings	**(570,896)**	**(370,335)**	**-**	**-**	**(79,562)**	**(1,020,793)**
Current and deferred tax liabilities	**(21,925)**	**(35,337)**	**(619)**	**-**	**(139)**	**(58,020)**
Total liabilities	**(649,534)**	**(428,321)**	**(25,866)**	**(5,432)**	**(83,474)**	**(1,192,627)**
Net assets	**631,714**	**236,704**	**58,649**	**78,147**	**(74,758)**	**930,456**
Other information						
Capital expenditure	**59**	**4,012**	**27**	**-**	**-**	**4,098**
Depreciation of property, plant and equipment	**203**	**7,155**	**414**	**-**	**-**	**7,772**
Allowance for diminution in value for development properties	**3,649**	**-**	**-**	**-**	**-**	**3,649**
Revaluation gain of properties	**-**	**16,980**	**-**	**-**	**-**	**16,980**
Write-back of recognised corporate guarantee no longer required	**-**	**-**	**-**	**445**	**-**	**445**
Fair value gain on investment properties	**1,910**	**288**	**-**	**-**	**-**	**2,198**
Fair value gain on financial instruments	**-**	**-**	**-**	**138**	**-**	**138**
31.12.2015						
Assets						
Segment assets	1,430,010	638,507	83,549	14	(61,086)	2,090,994
Investment in equity accounted investees	-	-	-	71,511	-	71,511
Total assets	1,430,010	638,507	83,549	71,525	(61,086)	2,162,505
Liabilities						
Segment liabilities	(58,176)	(23,572)	(26,970)	(5,909)	(3,853)	(118,480)
Loan and borrowings	(667,137)	(359,793)	-	-	(79,404)	(1,106,334)
Current and deferred tax liabilities	(20,072)	(29,746)	(288)	(24)	(104)	(50,234)
Total liabilities	(745,385)	(413,111)	(27,258)	(5,933)	(83,361)	(1,275,048)
Net assets	684,625	225,396	56,291	65,592	(144,447)	887,457
Other information						
Capital expenditure	184	2,723	412	-	-	3,319
Depreciation of property, plant and equipment	148	7,108	445	-	-	7,701
Allowance for diminution in value for development properties	8,935	-	-	-	-	8,935
Revaluation gain of properties	-	22,447	-	-	-	22,447
Fair value (loss) /gain on investment properties	(1,167)	9,096	-	-	-	7,929
Fair value loss on financial instruments	-	-	-	120	-	120

Note:

1. *No revenue is reported under "Other Investments" as the Group equity accounts for its investments in GulTech.*

Geographical information

Geographically, management reviews the performance of the businesses in Singapore, Australia, China, Malaysia, Indonesia, Europe and other ASEAN countries.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of external customers. Non-current assets are based on the geographical location of the assets.

	Revenue from external customers		Non-current assets	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Singapore	**202,779**	469,237	**959,520**	923,595
Australia	**140,606**	145,479	**646,300**	614,430
China	**26,401**	16,586	**6,447**	6,811
Malaysia	**16,520**	16,863	**1,539**	1,789
Indonesia	**9,254**	13,453	**-**	-
Europe	**-**	7,452	**-**	-
Other ASEAN Countries	**7,350**	6,811	**-**	-
Others	**1,108**	1,241	**-**	-
	404,018	677,122	**1,613,806**	1,546,625

Note:

1. *Other ASEAN countries comprise Vietnam, Cambodia, Brunei and Laos with revenue in each country constituting not more than 1% of total Group revenue.*

Other segment information

Included in the Group revenue of $404.0 million (2015: $677.1 million) were sales of approximately $44.7 million (2015: $45.5 million) to the Group's single major customer that contributed 10% or more to the Group revenue.

21. BREAKDOWN OF REVENUE AND PROFIT AFTER TAX BY PERIOD

	Group Full Year	
	2016	**2015**
	$'000	**$'000**
(a) Revenue		
- First quarter	**105,462**	155,298
- Second quarter	**106,573**	194,066
- Third quarter	**90,275**	184,337
- Fourth quarter	**101,708**	143,421
Full year revenue	**404,018**	677,122
(b) Profit after tax before deducting non-controlling interests		
- First quarter	**9,619**	15,945
- Second quarter	**5,114**	22,331
- Third quarter	**6,580**	16,281
- Fourth quarter	**12,493**	14,562
Full year profit after tax	**33,806**	69,119

22. INTERESTED PERSON TRANSACTIONS

The Company did not seek and does not have a shareholders' general mandate pursuant to Rule 920 of the Listing Manual.

23. PERSONS OCCUPYING MANAGERIAL POSITIONS PURSUANT TO RULE 704(13)

Persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer (CEO) or substantial shareholder of the Company pursuant to Rule 704(13) are listed below.

Name	**Age**	**Family relationship with any director, CEO and / or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
William Nursalim alias William Liem	44	Brother of Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company) and brother-in-law of Tan Enk Ee (Deemed Substantial Shareholder of the Company). Brother-in-law of David Lee Kay Tuan (Non-Executive Director of the Company).	Executive Director of the Company since January 2004 and Chief Executive Officer since January 2008.	N.A.
Boediman Gozali (alias Tony Wu)	75	Uncle of William Nursalim alias William Liem (Chief Executive Officer, Executive Director of the Company and Deemed Substantial Shareholder of the Company), Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company).	Managing Director and Chief Executive Officer of SP Corporation Limited, a subsidiary of the Company, since August 2010.	N.A.
Lee Kay Chen	50	Brother of David Lee Kay Tuan (Non-Executive Director of the Company) Brother-in-law of Michelle Liem Mei Fung (Non-Executive Director and Deemed Substantial Shareholder of the Company)	General Manager of Globaltraco International Pte Ltd, a subsidiary of the Company, since 1 September 2015.	N.A.

24. CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL

The Company has, pursuant to Rule 720(1) of the Listing Manual of SGX-ST, procured undertakings from all its Directors and executive officers in the format set out in Appendix 7.7

BY ORDER OF THE BOARD

Helena Chua
Company Secretary
26 January 2017