Centurion Corporation Limited
(Company Registration No. 198401088W)

Unaudited Fourth Quarter Financial Statement and Dividend Announcement for the year ended 31 December 2016

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Consolidated Income Statement

	Group Fourth Quarter ended 31 December			Group Twelve months ended 31 December		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
Revenue	34,787	28,288	23	120,288	104,538	15
Cost of sales	(11,531)	(10,260)	12	(41,885)	(35,718)	17
Gross profit	23,256	18,028	29	78,403	68,820	14
Other miscellaneous gains - net	896	521	72	2,041	1,543	32
Expenses						
- Distribution	(282)	(616)	(54)	(1,313)	(1,470)	(11)
- Administrative	(5,876)	(8,165)	(28)	(18,166)	(20,241)	(10)
- Finance	(4,640)	(5,279)	(12)	(21,383)	(15,940)	34
Share of profit of associated companies	1,028	1,316	(22)	5,398	5,986	(10)
	14,382	5,805	148	44,980	38,698	16
Fair value (loss)/gain on investment properties	(3,121)	3,550	N/M	(3,121)	3,550	N/M
Profit before income tax	11,261	9,355	20	41,859	42,248	(1)
Income tax expense	(1,364)	(1,766)	(23)	(7,048)	(8,269)	(15)
Total profit (Note 1)	9,897	7,589	30	34,811	33,979	2
Attributable to:						
Equity holders of the Company	2,931	7,511	(61)	28,707	34,129	(16)
Non-controlling interest	6,966	78	8,831	6,104	(150)	N/M
Total profit	9,897	7,589	30	34,811	33,979	2

Note 1

Total profit	9,897	7,589	30	34,811	33,979	2
Adjusted for:						
- Fair value loss/(gain) on investment properties, including those of associated companies	3,551	(3,193)	N/M	3,551	(3,193)	N/M
- Write down of investment in associated company	-	4,800	N/M	-	4,800	N/M
Profit from core business operations	**13,448**	**9,196**	**46**	**38,362**	**35,586**	**8**

1(a)(ii) Consolidated Statement of Comprehensive Income

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
Total profit	9,897	7,589	30	34,811	33,979	2
Items that may be reclassified subsequently to profit or loss:						
Currency translation (losses)/gains arising from consolidation	(2,644)	546	N/M	(18,936)	(8,981)	111
Available-for-sale financial assets - Fair value (loss)/gain	(6)	26	N/M	(22)	(118)	(81)
Other comprehensive (loss)/income, net of tax	(2,650)	572	N/M	(18,958)	(9,099)	108
Total comprehensive income	7,247	8,161	(11)	15,853	24,880	(36)
Attributable to:						
Equity holders of the Company	281	8,083	(97)	9,749	25,030	(61)
Non-Controlling Interest	6,966	78	8,831	6,104	(150)	N/M
Total comprehensive income	7,247	8,161	(11)	15,853	24,880	(36)

1(a)(iii) Notes to Consolidated Income Statement

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
After (charging) / crediting:						
Interest expense	(4,640)	(5,279)	(12)	(21,383)	(15,940)	34
Depreciation and amortisation	(2,135)	(1,911)	12	(7,981)	(7,230)	10
Write back/(allowance for) impairment of trade and other receivables	2	68	(97)	(126)	39	N/M
Currency exchange gain/(loss) (net)	598	(152)	N/M	(189)	(149)	27
Adjustments for overprovision of prior year tax	340	202	68	500	39	1,182
Net (loss)/gain on sale of property, plant and equipment	(24)	32	N/M	106	(18)	N/M

The other miscellaneous gains - net comprise the following:

	Fourth Quarter ended 31 December			Twelve months ended 31 December		
	2016 $ '000	2015 $ '000	Change %	2016 $ '000	2015 $ '000	Change %
Other rental income	56	70	(20)	351	316	11
Interest income	232	405	(43)	1,371	857	60
Dividend income	28	28	-	115	111	4
Currency exchange gain/(loss) (net)	598	(152)	N/M	(189)	(149)	27
Others	(18)	170	N/M	393	408	(4)
Other miscellaneous gains - net	896	521	72	2,041	1,543	32

N/M : Not meaningful

1(b)(i) Balance Sheets

	Group		Company	
	31 Dec 16 $ '000	31 Dec 15 $ '000	31 Dec 16 $ '000	31 Dec 15 $ '000
Current assets				
Cash and bank balances	82,545	138,435	34,584	87,075
Trade and other receivables	6,499	5,413	6,419	12,396
Inventories	103	381	-	-
Other assets	5,140	3,863	258	164
Available-for-sale financial assets	2,174	-	2,174	-
Assets held for sale	7,375	-	-	-
	103,836	148,092	43,435	99,635
Non-current assets				
Trade and other receivables	-	-	294,623	262,227
Other assets	130	265	130	265
Available-for-sale financial assets	-	2,196	-	2,196
Investments in associated companies	77,236	83,097	1,298	1,298
Investments in subsidiaries	-	-	16,966	17,400
Investment properties	927,406	891,471	-	-
Property, plant & equipment	9,268	9,709	203	233
Deferred income tax assets	4	19	-	-
Intangible assets	1,854	6,795	-	-
	1,015,898	993,552	313,220	283,619
Total assets	**1,119,734**	**1,141,644**	**356,655**	**383,254**
Current liabilities				
Trade and other payables	(47,247)	(54,473)	(9,478)	(4,290)
Current income tax liabilities	(10,478)	(9,454)	(817)	(478)
Borrowings	(39,604)	(136,749)	(1,571)	(102,493)
Other liabilities	(286)	(113)	-	-
	(97,615)	(200,789)	(11,866)	(107,261)
Non-current liabilities				
Borrowings	(620,794)	(534,844)	(134,467)	(64,539)
Other liabilities	(500)	(733)	-	-
Deferred income tax liabilities	(1,343)	(2,382)	(23)	(27)
	(622,637)	(537,959)	(134,490)	(64,566)
Total liabilities	**(720,252)**	**(738,748)**	**(146,356)**	**(171,827)**
Net assets	**399,482**	**402,896**	**210,299**	**211,427**
Equity				
Share capital	89,837	89,837	201,148	201,148
Treasury shares	(6,498)	(2,107)	(6,498)	(2,107)
Other reserves	(21,294)	(2,336)	162	184
Retained profits	330,553	316,722	15,487	12,202
	392,598	402,116	210,299	211,427
Non-controlling interest	6,884	780	-	-
Total equity	**399,482**	**402,896**	**210,299**	**211,427**
Gearing ratio*	62%	63%		
Net gearing ratio**	55%	50%		

* The gearing ratio is computed as borrowings divided by total capital. Total capital is calculated as borrowings plus net assets of the Group.

** The net gearing ratio is computed as borrowings less cash and bank balances divided by total capital.

1(b)(ii) Group's borrowings

(a) Amount repayable in one year or less, or on demand

	As at 31 Dec 16 $'000	As at 31 Dec 15 $'000
Secured	38,033	30,811
Unsecured	1,571	105,938
Sub Total	**39,604**	**136,749**

(b) Amount repayable after one year

	As at 31 Dec 16 $'000	As at 31 Dec 15 $'000
Secured	501,347	413,450
Unsecured	119,447	121,394
Sub Total	**620,794**	**534,844**
Total Debt	**660,398**	**671,593**

(c) Details of any collateral

The Group's secured borrowings includes bank borrowings and lease liabilities. The borrowings are secured by fixed charges over the certain bank deposits and investment properties of the subsidiaries.

1 (c) Consolidated Cash Flow Statement

	Fourth Quarter ended 31 December		Twelve months ended 31 December	
	2016 $ '000	2015 $ '000	2016 $ '000	2015 $ '000
Cash flows from operating activities				
Total profit	9,897	7,589	34,811	33,979
Adjustment for:				
Income tax expense	1,364	1,766	7,048	8,269
Depreciation and amortisation	2,135	1,911	7,981	7,230
(Write back of)/allowance for impairment of trade and other receivables	(2)	(68)	126	(39)
Net loss/(gain) on disposal of property, plant and equipment	24	(32)	(106)	18
Interest income	(232)	(405)	(1,371)	(857)
Dividend income	(28)	(28)	(115)	(111)
Interest expense	4,640	5,279	21,383	15,940
Share of profits of associated companies and joint ventures	(1,028)	(1,316)	(5,398)	(5,986)
Write off of investment in associated company	-	4,800	-	4,800
Reversal of impairment of property, plant and equipment	-	(35)	-	(35)
Fair value loss/(gain) on investment properties	3,121	(3,550)	3,121	(3,550)
Unrealised currency translation differences	(34)	1,533	971	460
Operating cash flow before working capital changes	19,857	17,444	68,451	60,118
Changes in working capital, net of effects from acquisition of subsidiary				
Inventories	17	176	278	261
Trade and other receivables	(558)	(1,909)	(715)	(1,644)
Other assets	284	1,804	(1,022)	1,144
Trade and other payables	(941)	(5,056)	9,689	651
Cash generated from operations	18,659	12,459	76,681	60,530
Income tax paid - net	(466)	(999)	(7,018)	(6,459)
Net cash provided by operating activities	18,193	11,460	69,663	54,071
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	100	120	513	129
Additions to investment properties	(8,362)	(26,979)	(94,926)	(187,998)
Purchase of property, plant and equipment	(1,434)	(2,702)	(4,484)	(5,815)
Loan to associated company	(142)	(195)	(142)	-
Interest received	232	405	1,371	857
Dividend received	28	28	115	111
Dividend received from an associated company	7,636	-	11,120	4,050
Short-term bank deposits released/(charged) as security to bank	2,976	(19)	1,722	(19)
Deposits forfeited/(paid) for acquisition of investment property	34	(65)	-	(2,175)
Net cash provided by/(used in) investing activities	1,068	(29,407)	(84,711)	(190,860)
Cash flows from financing activities				
Proceeds from borrowings	77,612	27,394	140,336	206,425
Repayment of borrowings	(120,494)	(6,607)	(142,426)	(22,925)
Interest paid	(6,978)	(4,794)	(21,197)	(13,019)
Acquisition of additional interest in a subsidiary	-	-	-	(85)
Proceeds from exercise of warrants	-	-	-	1
Purchase of treasury shares	-	(650)	(4,391)	(2,107)
Medium Term Notes brought back	(255)	-	(255)	-
Dividends paid to shareholders	-	-	(14,876)	(11,353)
Cash provided by non-controlling interest	-	-	4,900	-
Cash provided by associated company	-	-	-	56,180
Net cash (used in)/provided by financing activities	(50,115)	15,343	(37,909)	213,117
Net (decrease)/increase in cash and cash equivalents held	(30,854)	(2,604)	(52,957)	76,328
Cash and cash equivalents at beginning of the period	110,962	137,326	134,388	59,116
Effects of exchange rate changes on cash and cash equivalents	111	(334)	(1,212)	(1,056)
Cash and cash equivalents at end of the period	80,219	134,388	80,219	134,388
* The consolidated cash and cash equivalents comprise the following:				
Cash and bank balances	82,545	138,435	82,545	138,435
Short-term bank deposits charged as security to bank	(2,326)	(4,047)	(2,326)	(4,047)
	80,219	134,388	80,219	134,388

1(d)(i) Statement of Changes in Equity

As at 31 December 2016 vs 31 December 2015

	← Attributable to equity holders of the Company →						
GROUP 2016	**Share Capital $'000**	**Treasury Shares $'000**	**Other Reserves $'000**	**Retained Profits $'000**	**Total Equity $'000**	**Non-controlling Interest $'000**	**Total Equity $'000**
Balance as at 1 Jan 2016	89,837	(2,107)	(2,336)	316,722	402,116	780	402,896
Dividends relating to FY2015 paid	-	-	-	(7,476)	(7,476)	-	(7,476)
Dividends relating to FY2016 paid	-	-	-	(7,400)	(7,400)	-	(7,400)
Purchase of treasury shares	-	(4,391)	-	-	(4,391)	-	(4,391)
Profit for the year	-	-	-	28,707	28,707	6,104	34,811
Other comprehensive loss for the year	-	-	(18,958)	-	(18,958)	-	(18,958)
Balance as at 31 Dec 2016	**89,837**	**(6,498)**	**(21,294)**	**330,553**	**392,598**	**6,884**	**399,482**

GROUP 2015	**Share Capital $'000**	**Treasury Shares $'000**	**Other Reserves $'000**	**Retained Profits $'000**	**Total Equity $'000**	**Non-controlling Interest $'000**	**Total Equity $'000**
Balance as at 1 Jan 2015	89,836	-	6,763	294,031	390,630	930	391,560
Dividends relating to FY2014 paid	-	-	-	(7,569)	(7,569)	-	(7,569)
Dividends relating to FY2015 paid	-	-	-	(3,784)	(3,784)	-	(3,784)
Adjustment on acquisition of additional shares in a subsidiary from non-controlling interest	-	-	-	(85)	(85)	-	(85)
Issuance of shares pursuant to warrants exercised	1	-	-	-	1	-	1
Purchase of treasury shares	-	(2,107)	-	-	(2,107)	-	(2,107)
Profit/(loss) for the year	-	-	-	34,129	34,129	(150)	33,979
Other comprehensive loss for the year	-	-	(9,099)	-	(9,099)	-	(9,099)
Balance as at 31 Dec 2015	**89,837**	**(2,107)**	**(2,336)**	**316,722**	**402,116**	**780**	**402,896**

COMPANY 2016	**Share Capital $'000**	**Treasury Shares $'000**	**Other Reserves $'000**	**Retained Profits $'000**	**Total $'000**
Balance as at 1 Jan 2016	201,148	(2,107)	184	12,202	211,427
Dividends relating to FY2015 paid	-	-	-	(7,476)	(7,476)
Dividends relating to FY2016 paid	-	-	-	(7,400)	(7,400)
Purchase of treasury shares	-	(4,391)	-	-	(4,391)
Profit for the year	-	-	-	18,161	18,161
Other comprehensive loss for the year	-	-	(22)	-	(22)
Balance as at 31 Dec 2016	**201,148**	**(6,498)**	**162**	**15,487**	**210,299**

COMPANY 2015	**Share Capital $'000**	**Treasury Shares $'000**	**Other Reserves $'000**	**Retained Profits $'000**	**Total $'000**
Balance as at 1 Jan 2015	201,147	-	302	16,916	218,365
Dividends relating to FY2014 paid	-	-	-	(7,569)	(7,569)
Dividends relating to FY2015 paid	-	-	-	(3,784)	(3,784)
Issuance of shares pursuant to warrants exercised	1	-	-	-	1
Purchase of treasury shares	-	(2,107)	-	-	(2,107)
Profit for the year	-	-	-	6,639	6,639
Other comprehensive loss for the year	-	-	(118)	-	(118)
Balance as at 31 Dec 2015	**201,148**	**(2,107)**	**184**	**12,202**	**211,427**

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Company	
	No. of shares issued	Share capital $ '000
As at 1 Jan 2016 and 31 Dec 2016	756,873,338	201,148

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

	Company	
	31 Dec 16	31 Dec 15
Total number of issued shares excluding treasury shares	739,964,438	751,801,938

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

	Company	
	No. of shares	
	Twelve months ended 31 December	
	2016	2015
Beginning of financial period	5,071,400	-
Purchase of treasury shares	11,837,500	5,071,400
	16,908,900	5,071,400

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

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

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

Not applicable.

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

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the previous financial year, except where new or amended Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") became effective from this financial year.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts reported for the current or prior financial periods.

5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

There are no significant changes in the Group's accounting policies and methods of computation nor any significant impact on the financial statements.

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

		Group			
		Fourth Quarter ended 31 December		Twelve months ended 31 December	
		2016	2015	2016	2015
(a)	Based on weighted average number of ordinary shares on issue	0.40 cents	0.99 cents	3.86 cents	4.52 cents
(b)	On a fully diluted basis	0.40 cents	0.99 cents	3.86 cents	4.52 cents

Note:
The earnings per share is calculated based on weighted average number of ordinary shares in issue of 739,964,438 for Q4 2016 and 744,475,891 for FY2016 (Q4 2015:755,635,482 and FY2015: 755,636,502 ordinary shares).

The weighted average number of shares used for the calculation of EPS based on fully diluted basis is 739,964,438 for Q4 2016 and 744,475,891 for FY2016 (Q4 2015:755,635,482 and FY2015: 755,636,502 ordinary shares).

7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	31 Dec 16	31 Dec 15	31 Dec 16	31 Dec 15
Net asset value per ordinary share based on existing issued share capital (excluding treasury shares) as at the end of the period reported on	53.06 cents	53.49 cents	28.42 cents	28.12 cents

Note
The Group and Company net asset value per ordinary share is calculated based on the existing issued share capital excluding treasury shares of 739,964,438 (2015: 751,801,938) ordinary shares.

8 Group Performance Review

A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

(a)(i) Fourth quarter review – Q4 FY2016 vs Q4 FY2015

The Group's revenue in 4Q 2016 rose year-on-year by 23%, or S$6.5 million, to S$34.8 million. The growth was mainly contributed by the Group's accommodation business, which registered a healthy year-on-year revenue growth of 26%, or S$7.1 million. The Group's optical disc business, on the other hand, experienced a decline of S$0.6 million in revenue due to weaker market demand and the cessation of business operations in Indonesia.

The positive growth in revenue from the accommodation business was largely contributed by the better performance of the Group's workers accommodation assets in Singapore, particularly from the newer workers accommodation assets such as Westlite Woodlands and ASPRI-Westlite Papan. Despite the weaker market conditions especially in the Marine and Process industry, both assets have continued to ramp up their occupancy through the Group's active marketing efforts. In 4Q 2016, Westlite Woodlands achieved an average occupancy rate of approximately 90%, while ASPRI Westlite Papan achieved an average occupancy rate of approximately 75%. The Group's three other workers accommodation assets in Singapore continued to perform well in 4Q 2016, maintaining a stable and high average occupancy rates of over 95%.

Revenue from the Group's workers accommodation in Malaysia improved marginally year-on-year due to the improvement in average occupancy rate to 70% in 4Q 2016 (including Westlite Senai II, which commenced operations in the earlier part of this year). The gradual relaxation of the hiring freeze of foreign workers in the manufacturing sector has begun to benefit the Group favourably, in terms of an increase in demand for its workers accommodation.

Revenue from the Group's student accommodation business grew year-on-year and contributed S$9.5 million of revenue in 4Q 2016. The growth was largely attributed to the four newly acquired student accommodation assets in UK ("UK Braemar"), CSL Selegie which commenced operations in October 2015 as well as additional revenue from the positive rental reversions from the Group's student accommodation business in Australia and the United Kingdom ("UK").

Gross profit increased by S$5.2 million in line with the increase in revenue.

Administrative expenses were lower by S$2.3 million as there was a one-off write off of investment in an associated company in 4Q 2015 of S$4.8 million, which was offset by an increase in administrative expenses in 4Q 2016 associated with the Group's expanded business operations.

Finance costs reduced by S$0.6 million, mainly due to the full redemption of the Multicurrency Medium Term Notes ("MTN") Series 1 of S$100 million in October 2016.

The Group's investment properties comprising workers and student accommodation assets were fair valued by independent valuers as at 31 December 2016, and a net fair valuation loss of S$3.1 million was recognised in 4Q 2016, as compared to a S$3.6 million net fair valuation gain in 4Q 2015.

Accordingly, the Group's net profit after tax for 4Q 2016 was S$9.9 million, which is an improvement of 30% from S$7.6 million achieved in 4Q 2015.

The Group's net profit after tax from its core business operations in 4Q 2016, excluding the net fair valuation adjustments and the write off of investment in an associated company in 4Q 2015, was S$13.4 million, an increase of 46% as compared to S$9.2 million which was recorded in the same quarter last year.

The majority of the profits were contributed by the Group's accommodation business, as the Group's optical disc business reported breakeven results for 4Q 2016.

(a)(ii) Twelve months 2016 review – 12M FY2016 vs 12M FY2015

The Group registered an increase of 15% in revenue, from S$104.5 million in FY2015 to S$120.3 million in FY2016. The Group's accommodation business achieved a 19% growth, or S$18.6 million increase, in revenue compared to last year, largely due to the occupancy growth from its newer workers accommodation assets, such as Westlite Woodlands and additional revenue contributions from its newly opened Aspri-Westlite Papan. There was also higher revenue contributions from the Group's student accommodation assets including dwell Selegie in Singapore and the four newly acquired student accommodation assets in UK ("UK Braemar") in FY2016. The Group's optical disc business, however, experienced a decrease in revenue of 57%, or S$2.9 million, due to the continued weakening demand for physical optical disc media and cessation of its Indonesian unit.

The gross profit margin declined marginally from 66% in FY2015 to 65% in FY2016, mainly due to the newly-opened ASPRI-Westlite Papan which is currently still ramping up its occupancy.

Administrative expenses were lower by S$2.1 million due to the one-off write off of investment in an associated company in FY2015 and offset by higher administrative expenses in line with the Group's expanded business operations.

Finance costs increased by S$5.4 million in FY2016, mainly as a result of the additional interest costs for financing the expanded accommodation businesses such as ASPRI-Westlite Papan and Westlite Woodlands. These increase in costs were, however, offset by the interest cost saved from the redemption of the S$100 million MTN.

The Group's investment properties comprising workers and student accommodation assets were fair valued as at 31 December 2016, resulting in a fair valuation loss of S$3.1 million recorded in FY2016, as compared to a S$3.6 million fair valuation gain in FY2015.

Excluding fair value loss/gain and the one off write-off of investment in an associated company in FY2015, the net profit after tax derived from the Group's core business operations recorded a growth of 8% or S$2.8 million, from S$35.6 million to S$38.4 million in FY2016. The Group's accommodation business contributed substantially to net profit, while the optical disc business broke even in FY2016.

(b)(i) Review of Group Balance Sheet

Assets

Cash and bank balances reduced by S$55.9 million, mainly due to the redemption of the MTN Series 1 of S$100 million and the Group's investment activities. Please refer to b(iii) Review of the Group's cash flow statements.

Assets held for sale was S$7.4 million as at 31 December 2016 due to the Group's intention to dispose of certain non-core assets, which is part of its overall capital management strategy to recycle capital.

Investments in associated companies reduced by S$5.9 million due to S$11.1 million dividends received during the year and offset by the share of profit of associated companies.

Investment properties increased by S$35.9 million, largely due to the acquisition of UK Braemar assets and the development of workers accommodation assets in Singapore and Malaysia.

Borrowings & Gearing

Borrowings reduced by S$11.2 million, largely due to the redemption of the S$100 million MTN Series 1, which were offset by bank loans obtained to partly finance the redemption, as well as for the acquisition of the UK Braemar assets and the development of ASPRI-Westlite Papan and Senai II which were completed during the year. The Group's net gearing ratio as at 31 December 2016 was 55%.

The Group continued to generate a stable and strong operating cash flow, before working capital changes of S$68.5 million, a 14% increase from S$60.1 million in FY2015. Despite the higher gearing ratio, the 3.5 times interest cover (or 5.7 times interest cover, excluding MTN interest and bank facility fees) continues to be adequate and is within the Group's interest cover threshold.

The Group's developmental and acquired operating assets are primarily funded through bank debt with a loan maturity profile averaging 11 years. With active debt and capital management policies in place, the Group generated a net operating cash flow surplus of S$13.9 million (Earnings before interest, tax, depreciation, and amortisation ("EBITDA") less income tax paid, interest and loan principal repayments) in FY2016.

The Group's balance sheet remains healthy with S$82.5 million of cash and bank balances. To ensure sustainable growth in the long run, the Group will carefully balance between acquiring operating assets that will contribute to current income, and investing in development projects for sustained future growth.

(b)(ii) Review of Company Balance Sheet

Cash and bank balances decreased by S$52.5 million, mainly due to the redemption of MTN Series 1, loans advanced to subsidiaries, dividends paid to shareholders and the purchase of treasury shares during the year.

Trade and other receivables under current and non-current assets mainly relate to loan or advances given to subsidiaries.

(b)(iii) Review of Cash Flow Statement

In FY2016, the Group generated a positive cash flow of S$68.5 million from operating activities before working capital changes.

Net cash of S$84.7 million used in investing activities was mainly for the development of the Group's accommodation assets, in particular for ASPRI-Westlite Papan and the acquisition of UK Braemar assets.

Net cash of S$37.9 million was used in financing activities, such as financing obtained for project developments and assets acquisition, which was offset by the repayment of borrowings and interest paid during the period. In addition, S$4.4 million was used for the purchase of treasury shares and S$14.9 million in dividends were paid to shareholders during the period.

As a result of the above activities, the Group recorded a reduction in cash and cash equivalents of S$53.0 million, but continued to maintain a healthy cash and bank balance of S$82.5 million as at 31 December 2016.

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

Not applicable

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

Accommodation Business

As at 31 December 2016, the Group operated a diversified portfolio of 22 workers and student accommodation assets comprising approximately 63,208 beds across four countries. Moving forward, the Group remains focused on maximising the occupancy of its existing assets, while selectively exploring opportunities for strategic investments and asset enhancement.

(a) Workers Accommodation

In Singapore, the Group had a total of 34,700 beds across five operating workers accommodation assets, with an overall occupancy rate of about 94% as at 31 December 2016. Amongst the Group's newer assets, Westlite Woodlands, which began operations in July 2015, achieved close to full occupancy as at 31 December 2016. With active marketing efforts, the occupancy rate of ASPRI-Westlite Papan, which only commenced operations in May 2016, was also lifted to 75% as at year end despite the headwinds in the Marine and Process sectors. In addition, Westlite Toh Guan, Westlite Mandai and Westlite Tuas all continued to operate at close to full occupancy, which demonstrates the resilience of the Group's workers accommodation assets under its active management.

The market demand for purpose-built workers accommodation ("PBWA") was stable in 2016, as the growth of foreign workers remained moderate. With the recently-announced Singapore Budget initiative to bring forward infrastructure projects to stimulate the economy, the total number of foreign workers is expected to remain relatively stable, particularly for those supporting the construction sector.

As for the supply of PBWA beds, the Group believes that there was a net increase of about 29,000 beds in 2016 based on its internal estimates. Approximately 57,000 new PBWA beds were introduced into the market while approximately 28,000 PBWA beds had expired and were taken off the market during the year. The Group also understands that the land leases of roughly another 35,000 beds are due to expire in 2017, although some of these beds may be renewed by the authorities. The tenure for Westlite Tuas will also be expiring in April 2017 and the Group is in discussion with the relevant authorities for an extension. However, there is no certainty that the lease will be extended. Given the lack of new supply of beds and the expected expiry of land leases for approximately 35,000 beds in 2017, the Group believes that the PBWA industry will remain healthy with gradual reduction in overall bed vacancies in the market.

Given the quality and location of its workers accommodation assets, the Group is confident of its market position and remains optimistic of the outlook for the PBWA sector with the continuing of government policies that stipulates proper housing being catered to foreign workers. These policies includes:
(a) licensing requirements for workers accommodation under the Foreign Employee Dormitory Act ("FEDA")
(b) non-Malaysian workers from the manufacturing sector will not be allowed to rent the entire HDB flat with effect from 1 January 2017
(c) factory-converted dormitories ("FCDs") facing more stringent housing guidelines
The Group has complied and obtained FEDA licenses for all its workers accommodation assets in Singapore.

In Malaysia, the Group operated 25,300 beds across seven workers accommodation assets with a portfolio occupancy rate of approximately 70% as at 31 December 2016. In the fourth quarter of 2016, the Group completed asset enhancement works in Westlite Tebrau, and refurbished it into an improved apartment-style concept which is sought after by the market. Following the completion of refurbishment works, the total number of beds at Westlite Tebrau currently stands at 2,100 beds.

The Group remains confident of its first-mover advantage in Malaysia and the long-term demand for quality PBWA beds, as the Malaysian government has reportedly increased the entry of foreign workers gradually to ease workers shortage in many sectors. Going forward, the government will also be issuing temporary work permits to foreigners working without legal status, as well as allowing companies employing undocumented workers to legally retain them. Such moves are expected to increase the supply of foreign workers in Malaysia and will likely benefit the Group due to the resulting increase in demand for suitable workers accommodation.

Looking ahead, the Group is confident that its workers accommodation portfolio will remain resilient in spite of the global economic headwinds, and remains cautiously optimistic of its growth prospects in Singapore and Malaysia. The Group will also continue to leverage on its competitive strengths to reinforce its position in the industry.

(b) Student Accommodation

As at 31 December 2016, the Group had a portfolio of 3,208 student accommodation beds across 10 purpose-built student accommodation ("PBSA") assets in the United Kingdom ("UK"), Australia and Singapore.

In the UK, the Group's eight PBSAs were operating at close to full occupancy for the 2016/2017 academic year. According to the Universities and Colleges Admissions Services, the 2016/2017 academic year saw an increase of approximately 7,000 acceptances into UK universities, compared to the year before. With the undersupply of PBSA beds in the UK and increase in acceptances for UK universities, the Group is confident that demand for PBSA beds in the UK will remain robust.

As part of the Group's continuous efforts to strengthen its operational capabilities for the student accommodation business, all of the Group's nine student accommodation assets across Singapore and UK are now operating under a new energetic and dynamic brand name dwell Student Living which was launched on 22 February 2017.

Following a successful booking campaign for the 2017 academic year, coupled with sustained strong demand for PBSAs in Melbourne, RMIT Village is currently operating at full capacity. To date, Australia remains the third most popular international student destination in the world, after the UK and USA, and given the large student community and undersupply of PBSA in Melbourne, the Group is optimistic of sustaining the performance and high occupancy rate of RMIT Village for 2017.

As part of its asset enhancement initiative, the Group has finalised its plans to develop a new accommodation block in RMIT Village. Given the healthy demand for purpose-built student accommodation in Melbourne, when completed, the asset is expected to perform well and contribute positively to the Group's earnings.

CSL Selegie, which now operates as dwell Selegie, achieved a healthy occupancy rate of close to 90% as at 31 December 2016, as the asset's attractive city location and accessibility to the various education institutions within the vicinity continues to be a draw for student residents. The Group will continue to build on its close relationships with the various educational institutions and is optimistic of maintaining high occupancy for the asset in 2017.

Overall, the outlook for the Group's student accommodation business in 2017 remains positive, underpinned by the high occupancy rates secured for the new academic year. Nonetheless, the Group will continue in its efforts to enhance its PBSA assets and identify opportunities to strengthen its presence in the countries that it operates in.

11 Dividend

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

Any dividend declared for the current financial period reported on ?

Name of Dividend:	Interim 1-tier tax exempt dividend	Final dividend
Dividend Type:	Cash	Cash
Dividend Amount per Share (in cents)	1.0 cent per ordinary share	1.0 cent per ordinary share
Tax Rate:	1-tier tax exempt	1-tier tax exempt

(b) ***Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year ?

Name of Dividend:	Interim 1-tier tax exempt dividend	Final dividend
Dividend Type:	Cash	Cash
Dividend Amount per Share (in cents)	0.5 cent per ordinary share	1.0 cent per ordinary share
Tax Rate:	1-tier tax exempt	1-tier tax exempt

(c) Date Payable

The proposed final dividend, if approved at the Annual General Meeting to be held in April 2017, will be paid on 19 May 2017.

(d) Book Closure Date

Notice is hereby given that the Share Transfer Books and the Register of Members of the Company will be closed on 9 May 2017 for the preparation of dividend warrants.

Duly completed registrable transfers 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 8 May 2017 will be registered to determine shareholders' entitlements to the proposed final dividend.

Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with the Company's ordinary shares at 5.00 p.m. on 8 May 2017 will be entitled to the proposed final dividend.

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

Not applicable

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Primary reporting format - geographical segments by location of assets

Year ended 31 December 2016	Optical $'000	Workers Accomodation $'000	Students Accomodation $'000	Total $'000
Total segment sales	2,958	85,824	32,276	121,058
Inter-segment sales	(770)	-	-	(770)
Sales to external parties	2,188	85,824	32,276	120,288
Segment results	(164)	47,927	11,716	59,479
Finance expense	43	(13,614)	(7,812)	(21,383)
Interest income				1,371
Dividend income				115
Fair value (loss)/gain on investment properties	-	(32,436)	29,315	(3,121)
Share of (loss)/profit of associated companies	(13)	5,411	-	5,398
Profit before tax				41,859
Income tax expense				(7,048)
Net profit				34,811
Segment assets	7,850	668,696	302,620	979,166
Short-term bank deposits				60,544
Available-for-sale, financial assets				2,174
Tax recoverable				610
Deferred income tax assets				4
Investments in associated companies				77,236
Consolidated total assets				1,119,734
Segment liabilities	1,366	36,704	9,963	48,033
Borrowings	43	460,822	199,533	660,398
Current income tax liabilities				10,478
Deferred income tax liabilities				1,343
Consolidated total liabilities				720,252
Capital expenditure	197	37,700	46,244	84,141
Depreciation	218	1,761	1,063	3,042
Amortisation	-	4,939	-	4,939

Year ended 31 December 2015	Optical $'000	Workers Accomodation $'000	Students Accomodation $'000	Total $'000
Total segment sales	5,828	72,098	27,374	105,300
Inter-segment sales	(762)	-	-	(762)
Sales to external parties	5,066	72,098	27,374	104,538
Segment results	561	36,393	10,730	47,684
Finance expense	(16)	(8,634)	(7,290)	(15,940)
Interest income				857
Dividend income				111
Fair value (loss)/gain on investment properties	-	(2,657)	6,207	3,550
Share of profit of associated companies	37	5,949	-	5,986
Profit before tax				42,248
Income tax expense				(8,269)
Net profit				33,979
Segment assets	8,989	669,834	259,916	938,739
Short-term bank deposits				117,149
Available-for-sale, financial assets				2,196
Tax recoverable				444
Deferred income tax assets				19
Investments in associated companies				83,097
Consolidated total assets				1,141,644
Segment liabilities	2,303	45,183	7,833	55,319
Borrowings	164	461,484	209,945	671,593
Current income tax liabilities				9,454
Deferred income tax liabilities				2,382
Consolidated total liabilities				738,748
Capital expenditure	1	209,322	10,604	219,927
Depreciation	363	1,607	321	2,291
Amortisation	-	4,939	-	4,939

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

As explained in note 8.

15 **Sales and Profit Breakdown**

		2016 $ '000 **Group**	2015 $ '000 **Group**	+ /(-) % **Group**
	Continuing operation:			
15 (a)	Sales reported for first half year	57,371	51,672	11
15 (b)	Profit after tax reported for first half year	17,774	19,030	(7)
15 (c)	Sales reported for second half year	62,917	52,866	19
15 (d)	Profit after tax reported for second half year	17,037	14,949	14

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

	2016 $'000	2015 $'000
Ordinary shares	14,799	11,260
Preference	-	-
Total	14,799	11,260

17 **Interested Person Transactions ("IPTs")**

The Company does not have a shareholders' mandate for interested person transactions.

18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any during the year
Tony Bin Hee Din	58	Brother-in-law of Loh Kim Kang, David, a Non-Executive Director and substantial shareholder of the Company.	Executive Director of the Accomodation Business since 1 August 2011.	Nil

19 **Use of Proceeds - Warrants conversion**

The Company had on 28 October 2013 issued 75,605,231 warrants pursuant to the issue of Bonus Warrants on the basis of 1 Warrants for every 10 existing ordinary shares in the capital of the Company held by entitled shareholders. Each Warrant shall carry the right to subscribe for 1 new Share (the "New Share") at an exercise price of S$0.50 per New Share. The warrants are for a period of four years and expire on 27 October 2017.

The net proceeds of S$406,249 in relation to the New Shares issued pursuant to warrants exercised, have not been utilised to date.

20 **Confirmation of Directors' and Executive Officers' Undertakings**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD
Kong Chee Min
Chief Executive Officer
1 March 2017