

**PART I INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Consolidated Statement of Comprehensive Income**

	12 months ended 31 December		
	2017	2016	Increase / (Decrease) %
	<b>S\$'000</b>	S\$'000	
Sales	<b>151,174</b>	184,888	(18.2)
Cost of sales	<b>(99,399)</b>	(125,536)	(20.8)
Gross profit	<b>51,775</b>	59,352	(12.8)
Other income	<b>3,707</b>	7,054	(47.4)
Other gains/(losses) – net	<b>44</b>	(5,438)	nm
Expenses			
- Distribution and marketing	<b>(10,055)</b>	(11,336)	(11.3)
- Administrative	<b>(29,912)</b>	(36,193)	(17.4)
- Finance	<b>(4,300)</b>	(4,500)	(4.4)
- Other	<b>(42)</b>	(2,390)	(98.2)
Share of profit of			
- joint ventures	<b>11,662</b>	69,079	(83.1)
- associated companies	<b>2,678</b>	2,297	16.6
Profit before income tax	<b>25,557</b>	77,925	(67.2)
Income tax expense	<b>(3,698)</b>	(9,482)	(61.0)
<b>Total profit</b>	<b>21,859</b>	68,443	(68.1)
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income of joint ventures	<b>105</b>	343	(69.4)
Currency translation differences arising from consolidation	<b>2,884</b>	2,436	18.4
	<b>2,989</b>	2,779	7.6
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income/(loss) of:			
- joint ventures	<b>14,522</b>	8,805	64.9
- associated companies	<b>1,998</b>	(586)	nm
Revaluation (losses)/gains on property, plant and equipment – net	<b>(518)</b>	(5,841)	(91.1)
<b>Other comprehensive income, net of tax</b>	<b>18,991</b>	5,157	>100
<b>Total comprehensive income</b>	<b>40,850</b>	73,600	(44.5)
<b>Profit attributable to:</b>			
Equity holders of the Company	<b>21,606</b>	65,041	(66.8)
Non-controlling interest	<b>253</b>	3,402	(92.6)
	<b>21,859</b>	68,443	(68.1)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	<b>36,549</b>	60,841	(39.9)
Non-controlling interest	<b>4,301</b>	12,759	(66.3)
	<b>40,850</b>	73,600	(44.5)

nm : not meaningful

**1(a)(ii) Other profit and loss items disclosure**

	12 months ended 31 December		Increase / (Decrease) %
	2017	2016	
	S\$'000	S\$'000	
The following items were credited/(charged) to the income statement:			
<u>Other income</u>			
Interest income from:			
- Bank deposits	2,424	2,146	13.0
- Advances to joint ventures	473	3,413	(86.1)
<u>Cost of sales and administrative expenses</u>			
Depreciation of property, plant and equipment	(10,997)	(9,594)	14.6
Amortisation of intangible assets	(3,301)	(4,153)	(20.5)
Write-off of property, plant and equipment	(4)	(58)	(93.1)
Allowance made for impairment loss on trade receivables	(218)	(740)	(70.5)
<u>Other gains – net</u>			
Impairment losses of hospitality lease and management agreements	(110)	(1,192)	(90.8)
Fair value gains on investment properties	5,876	2,651	>100
Revaluation losses on property, plant and equipment	(5,378)	(7,913)	(32.0)
Loss on disposal of property, plant and equipment	(79)	(203)	(61.1)
Currency exchange (losses)/gains - net	(265)	1,219	nm
<u>Finance expenses</u>			
Interest expense for:			
- Bank borrowings	(2,973)	(3,169)	(6.2)
- Advances from a non-controlling interest	(1,327)	(1,331)	(0.3)
<u>Income tax expense</u>			
Over provision of income tax in prior financial years - net	586	4,538	(87.1)

nm : not meaningful

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**
**Statements of financial position**

	Group		Company	
	31.12.2017 S\$'000	31.12.2016 S\$'000	31.12.2017 S\$'000	31.12.2016 S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	219,585	209,262	156,376	150,219
Trade and other receivables	27,496	33,265	194,214	170,559
Inventories	333	361	12	9
Development properties	31,012	21,753	-	-
Properties held for sale	124,030	124,030	-	-
	<b>402,456</b>	<b>388,671</b>	<b>350,602</b>	<b>320,787</b>
<b>Non-current assets</b>				
Investments in associated companies	14,640	9,964	696	696
Investments in joint ventures	480,127	465,689	300	300
Investments in subsidiaries	-	-	883,601	511,691
Other receivables	18,590	57,147	119,118	493,192
Investment properties	492,975	446,515	130,968	124,922
Property, plant and equipment	544,962	566,726	313,770	308,502
Intangible assets	132,870	136,388	-	-
Deferred income tax assets	99	100	-	-
	<b>1,684,263</b>	<b>1,682,529</b>	<b>1,448,453</b>	<b>1,439,303</b>
<b>Total assets</b>	<b>2,086,719</b>	<b>2,071,200</b>	<b>1,799,055</b>	<b>1,760,090</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	123,171	132,013	14,560	14,011
Current income tax liabilities	7,381	6,299	485	485
Borrowings	180,145	157,008	74,979	80,901
Provisions	-	642	-	-
	<b>310,697</b>	<b>295,962</b>	<b>90,024</b>	<b>95,397</b>
<b>Non-current liabilities</b>				
Other payables	419,721	427,481	644,784	631,805
Deferred income tax liabilities	33,145	39,060	305	476
Borrowings	41,712	46,353	41,712	-
Provisions	2,122	2,267	-	-
	<b>496,700</b>	<b>515,161</b>	<b>686,801</b>	<b>632,281</b>
<b>Total liabilities</b>	<b>807,397</b>	<b>811,123</b>	<b>776,825</b>	<b>727,678</b>
<b>NET ASSETS</b>	<b>1,279,322</b>	<b>1,260,077</b>	<b>1,022,230</b>	<b>1,032,412</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	479,244	475,489	479,244	475,489
Revaluation and other reserves	331,750	316,807	281,999	278,022
Retained profits	432,561	436,315	260,987	278,901
	<b>1,243,555</b>	<b>1,228,611</b>	<b>1,022,230</b>	<b>1,032,412</b>
<b>Non-controlling interest</b>	<b>35,767</b>	<b>31,466</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>1,279,322</b>	<b>1,260,077</b>	<b>1,022,230</b>	<b>1,032,412</b>

**1(b)(ii) Aggregate amount of the group's borrowings and debt securities**

	As at 31.12.2017		As at 31.12.2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand (net of transaction costs)	105,166	74,979	76,107	80,901
Amount repayable after one year (net of transaction costs)	-	41,712	46,353	-

**Details of any collaterals**

The secured bank borrowings of the Group are secured over certain investment properties and certain property, plant and equipment.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**
**Consolidated Statements of Cash Flows**

	12 months ended 31 December	
	2017	2016
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Total profit	21,859	68,443
Adjustments for:		
Income tax expense	3,698	9,482
Depreciation of property, plant and equipment	10,997	9,594
Amortisation of intangible assets	3,301	4,153
Loss on disposal of property, plant and equipment	79	203
Fair value gains on investment properties	(5,876)	(2,651)
Revaluation losses on property, plant and equipment	5,378	7,913
Write-off of property, plant and equipment	4	58
Impairment loss on hospitality lease and management agreements	110	1,192
Interest income	(2,897)	(5,559)
Interest expense	4,300	4,500
Share of profit of joint ventures	(11,662)	(69,079)
Share of profit of associated companies	(2,678)	(2,297)
Unrealised currency translation losses/(gains)	601	(1,195)
	<b>27,214</b>	<b>24,757</b>
Change in working capital:		
Trade and other receivables	5,814	42,167
Inventories	24	244
Development properties	(8,709)	(21,592)
Trade and other payables	(11,263)	3,228
Provisions	(626)	(4,669)
Cash generated from operations	<b>12,454</b>	<b>44,135</b>
Interest paid	(135)	(180)
Income tax paid - net	(3,416)	(5,990)
<b>Net cash provided by operating activities</b>	<b>8,903</b>	<b>37,965</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(3,720)	(11,919)
Disposal of property, plant and equipment	224	10
Additions to investment properties	(37,285)	(49,140)
Dividends received from joint ventures	14,100	27,581
Investment in joint ventures	-	(19,061)
Repayment of advances from joint ventures	39,752	19,430
Advances (to)/from joint ventures	(1,356)	25,329
Liquidation of an associated company	-	36
Interest received	2,937	5,935
Income tax paid - net	-	(7,130)
<b>Net cash provided by/(used in) investing activities</b>	<b>14,652</b>	<b>(8,929)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	52,608	98,764
Repayment of borrowings	(36,592)	(35,334)
Interest paid	(5,294)	(5,672)
Dividend paid to shareholders	(21,605)	(6,206)
(Repayment of advances from)/advances to non-controlling interest	(1,731)	2,053
<b>Net cash (used in)/provided by financing activities</b>	<b>(12,614)</b>	<b>53,605</b>
<b>Net increase in cash and cash equivalents</b>	<b>10,941</b>	<b>82,641</b>
<b>Cash and cash equivalents</b>		
Beginning of financial year	209,262	127,072
Effects of currency translation on cash and cash equivalents	(618)	(451)
<b>End of financial year</b>	<b>219,585</b>	<b>209,262</b>

Included in cash and cash equivalents of the Group as at 31 December 2016 was the Group's share of its joint operation's bank balances and deposits amounting to \$3,032,000 held under the development project rules in Singapore and the use of which is governed by these rules.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Consolidated Statement of Changes in Equity**

	Attributable to equity holders of the Company						Retained profits	Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2017</b>	475,489	10,557	329,261	(20,085)	(2,393)	(533)	436,315	1,228,611	31,466	1,260,077
Profit for the year	-	-	-	-	-	-	21,606	21,606	253	21,859
Other comprehensive income for the year	-	-	10,607	2,155	1,998	183	-	14,943	4,048	18,991
<b>Total comprehensive income for the year</b>	-	-	10,607	2,155	1,998	183	21,606	36,549	4,301	40,850
Shares issued in-lieu of cash for dividend relating to 2016	3,755	-	-	-	-	-	(3,755)	-	-	-
Dividend relating to 2016 paid in cash	-	-	-	-	-	-	(21,605)	(21,605)	-	(21,605)
<b>Total transactions with owners, recognised directly in equity</b>	3,755	-	-	-	-	-	(25,360)	(21,605)	-	(21,605)
<b>Balance at 31 December 2017</b>	<b>479,244</b>	<b>10,557</b>	<b>339,868</b>	<b>(17,930)</b>	<b>(395)</b>	<b>(350)</b>	<b>432,561</b>	<b>1,243,555</b>	<b>35,767</b>	<b>1,279,322</b>

	Attributable to equity holders of the Company						Retained profits	Total	Non-controlling interest	Total equity
	Share capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Fair value reserve	Hedging reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2016	457,046	10,557	335,727	(21,569)	(1,807)	(879)	394,901	1,173,976	18,707	1,192,683
Profit for the year	-	-	-	-	-	-	65,041	65,041	3,402	68,443
Other comprehensive (loss)/income for the year	-	-	(5,444)	1,484	(586)	346	-	(4,200)	9,357	5,157
Share of joint venture's transfer of revaluation gains to retained profits, net of tax	-	-	(1,022)	-	-	-	1,022	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(6,466)	1,484	(586)	346	66,063	60,841	12,759	73,600
Shares issued in lieu of cash for dividend relating to 2015	18,443	-	-	-	-	-	(18,443)	-	-	-
Dividend relating to 2015 paid in cash	-	-	-	-	-	-	(6,206)	(6,206)	-	(6,206)
<b>Total transactions with owners, recognised directly in equity</b>	18,443	-	-	-	-	-	(24,649)	(6,206)	-	(6,206)
<b>Balance at 31 December 2016</b>	<b>475,489</b>	<b>10,557</b>	<b>329,261</b>	<b>(20,085)</b>	<b>(2,393)</b>	<b>(533)</b>	<b>436,315</b>	<b>1,228,611</b>	<b>31,466</b>	<b>1,260,077</b>

**1(d)(i)** (continued)

**Company's Statement of Changes in Equity**

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 January 2017</b>	475,489	278,022	278,901	1,032,412
Profit for the year	-	-	7,446	7,446
Other comprehensive income for the year	-	3,977	-	3,977
<b>Total comprehensive income for the year</b>	-	3,977	7,446	11,423
Shares issued in-lieu of cash for dividend relating to 2016	3,755	-	(3,755)	-
Dividend relating to 2016 paid in cash	-	-	(21,605)	(21,605)
<b>Total transactions with owners, recognised directly in equity</b>	3,755	-	(25,360)	(21,605)
<b>Balance at 31 December 2017</b>	<b>479,244</b>	<b>281,999</b>	<b>260,987</b>	<b>1,022,230</b>

	Share capital	Asset revaluation reserve	Retained profits	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	457,046	303,752	294,906	1,055,704
Profit for the year	-	-	8,644	8,644
Other comprehensive loss for the year	-	(25,730)	-	(25,730)
Total comprehensive loss for the year	-	(25,730)	8,644	(17,086)
Shares issued in-lieu of cash for dividend relating to 2015	18,443	-	(18,443)	-
Dividend relating to 2015 paid in cash	-	-	(6,206)	(6,206)
Total transactions with owners, recognised directly in equity	18,443	-	(24,649)	(6,206)
Balance at 31 December 2016	475,489	278,022	278,901	1,032,412

**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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

	3 months ended	
	31.12.2017	30.09.2017
	'000	'000
<u>Ordinary shares fully paid</u>		
Number of shares at beginning of financial period	425,132	422,677
Number of shares issued in-lieu of dividend	-	2,455
Number of shares at end of financial period	<b>425,132</b>	<b>425,132</b>

The Company does not have any convertibles.

The Company does not have any treasury shares.

The Company does not have any subsidiary that holds shares issued by the Company.

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

	As at	As at
	31.12.2017	31.12.2016
	'000	'000
Number of issued shares excluding treasury shares	<b>425,132</b>	422,677

The Company does not have any treasury shares.

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

Not applicable as the Company does not have any treasury shares.

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

Not applicable as the Company does not have any subsidiary that holds shares issued by the Company.

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

The figures have not been audited nor reviewed by the Company's auditor.

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

Not applicable. Refer to item 2 above.

**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 most recent audited annual financial statements, except as stated in Note 5.

Certain comparative figures have been reclassified to conform to current period's presentation.

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

The Group has early adopted FRS 109 Financial Instruments ("FRS 109"). The Company is of the view that FRS 109 provides more relevant and useful information to users of the financial statements as it better reflects the underlying business strategy and direction relating to the Group's indirect investment in equity investments (not held for trading) held through an associated company.

The accounting policies were changed to comply with FRS 109 as issued by the Accounting Standards Council (ASC) in December 2014. FRS 109 replaces the provision of FRS 39 *Financial Instruments* ("FRS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; impairment of financial assets and hedge accounting. FRS 109 also significantly amends other standards dealing with financial instruments such as FRS 107 *Financial Instruments: Disclosures*.

The initial application of FRS 109 has had an impact on the classification of the following financial assets of the Group:

- Indirect investments in equity instruments (not held for trading) held through an associated company that were previously classified as available-for-sale financial assets and measured at fair value at each reporting date under FRS 39 have been designated as at fair value through other comprehensive income ("FVTOCI"); and
- Trade and other receivables (excluding prepayments) and cash and bank balances that were previously classified as loans and receivables under FRS 39 have been classified as financial assets at amortised cost.

In accordance with the transitional provisions in FRS 109, comparative figures have not been restated. The adoption did not have any impact to the Group and the Company's opening retained profits and net assets.

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

	12 months ended	
	31 December	
	2017	2016
	cents	cents
Earnings per ordinary share (EPS) for the period based on net profits attributable to shareholders after deducting any provision for preference dividends: -		
(i) Based on weighted average number of ordinary shares in issue	5.10	15.60
(ii) On a fully diluted basis	5.10	15.60

**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 financial period reported on and (b) immediately preceding financial year.**

	Group		Company	
	As at 31.12.2017	As at 31.12.2016	As at 31.12.2017	As at 31.12.2016
Net asset value (NAV) per ordinary share based on total number of issued shares excluding treasury shares as at the end of the year	\$ 2.93	\$ 2.91	\$ 2.40	\$ 2.44

The Company does not have any treasury shares.

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**(a) Group performance review for the year ended 31 December 2017 ("FY17")**

**Sales**

The Group's sales for FY17 were \$151.2 million, or 18.2% lower than FY16. The decline was mainly due to the end of certain onerous hospitality lease agreements in Australia and New Zealand in late 2016. The Group's hospitality business in Perth, Australia also recorded lower sales in the year due to challenging operating environment.

The decline in sales was partially offset by higher revenue contribution from Oasia Suites Kuala Lumpur in Malaysia which ramped up operations following its opening in April 2016.

**Gross profit**

The Group's gross profit for FY17 was \$51.8 million, or 12.8% lower than FY16, in line with lower sales.

In FY17, depreciation of property, plant and equipment was higher due to revaluation gain of Rendezvous Hotel Melbourne in Q4 FY16. This was partially offset by a decrease in amortisation expenses of intangible assets of lower carrying value after the recognition of an impairment charge in 2016.

However, gross profit margin for FY17 was better at 34.2% compared to 32.1% in FY16.

**Other income**

Other income for FY17 was \$3.7 million, or 47.4% lower than FY16. This was mainly due to lower interest income from lower outstanding balances due from joint venture companies.

**Other gains/losses – net**

The Group's other net gains for FY17 comprised mainly fair value gains of \$5.9 million (2016: \$2.7 million) on investment properties in Singapore, revaluation losses of \$5.4 million (FY16: \$7.9 million) on Rendezvous Hotel Perth Central and Oasia Suites Kuala Lumpur, impairment losses of \$0.1 million (2016: \$1.2 million) of intangible assets and currency translation losses of \$0.3 million (FY16: \$1.2 million currency translation gains).

**Expenses**

The Group's total expenses (excluding cost of sales) for FY17 were \$44.3 million, or 18.6% lower than FY16. Distribution, marketing and administrative expenses decreased during the period in line with lower sales.

**Share of profit of joint ventures**

The Group's share of profit of joint ventures decreased due to an absence of a one-time recognition of (1) share of profit from its joint venture property development project, SBF Center, after the Temporary Occupation Permit was obtained in late June 2016; and (2) share of gain on the sale of Vibe Hotel Sydney in Australia in FY16. In addition, share of profit from its joint venture property development project, RiverTrees Residences, was lower in FY17 as most of the profit from the sale of units was recognised in FY16. RiverTrees Residences obtained its Temporary Occupation Permit in May 2017. All units in the development had been fully sold and the Group had fully recognised its share of profit in FY17.



8 (continued)

**(a) Group performance review for the year ended 31 December 2017 ("FY17")** (continued)**Share of profit of joint ventures** (continued)

The decrease was partially offset by the recognition of share of profit from the Group's joint venture property development project in Australia, Harbourfront Balmain, on units sold and settled in FY17. Harbourfront Balmain was completed and received practical completion in December 2017.

**Income tax expense**

Income tax expense of the Group for FY17 was lower than FY16 due to a one-time tax on the gain on sale of Vibe Hotel Sydney in Australia and a reversal of deferred tax expense.

**Total profit**

Total profit of the Group for FY17 was \$21.9 million, or 68.1% lower than FY16 mainly due to lower share of profit of joint ventures and lower profits from its hospitality business in Perth, Australia.

**(b) Cash flow, working capital, assets or liabilities of the Group****Cash flow and working capital**

The Group recorded a net increase in cash and cash equivalents for FY17 of \$10.9 million compared to a net increase of \$82.6 million in FY16.

Net cash inflows from operating activities of the Group for FY17 were \$8.9 million compared to net cash inflows of \$38.0 million for FY16. Net cash inflows from investing activities of the Group for FY17 were \$14.7 million compared to net cash outflows of \$8.9 million for FY16. These were mainly due to a repayment of advances from RiverTrees Residences joint venture which had attained TOP during the year. Net cash outflows from financing activities of the Group for FY17 were \$12.6 million compared to net cash inflows of \$53.6 million for FY16. These were due to repayment of the RM85.0 million bank borrowing and payout of cash dividends, offset by drawdown of bank borrowings to finance the development of student accommodation properties and a residential property in the United Kingdom ("UK").

**Assets**

Total assets as at 31 December 2017 were \$2,086.7 million. Compared to 31 December 2016, total assets increased by \$15.5 million mainly due to the capitalisation of the on-going construction costs of the properties in the UK during the year and increase in investments in joint ventures after recognition of share of the joint ventures' profit and revaluation gains on property, plant and equipment during FY17. This was offset by a decrease in valuation of its hospitality assets in Australia and Malaysia and decrease in non-current receivables after a repayment of advances by RiverTrees Residences joint venture.

During the year, the Company reclassified its non-current and interest-free advances to subsidiaries, amounting to \$371.9 million, to 'Investments in subsidiaries' as this better reflects the Company's long-term capital commitment to these subsidiaries.

**Liabilities**

Total liabilities as at 31 December 2017 were \$807.4 million. Compared to 31 December 2016, total liabilities decreased by \$3.7 million due to decrease in trade and other payables and reversal of deferred tax liabilities, partially offset by additional bank borrowings.

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

The results are in line with comments previously disclosed to shareholders.

**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.****Hospitality**

Near-term outlook for the Singapore hospitality sector is expected to remain subdued as the market absorbs additional rooms that came on stream in the second half of 2017. However, the medium-term outlook is positive, as room supply tapers and demand is supported by a recovery in corporate travel and a strong Meetings, Incentives, Conventions, and Events calendar. The Singapore Tourism Board projects that international visitor arrivals will grow 1 - 4% to reach 17.6 million to 18.1 million this year.

10 (continued)

**Hospitality (continued)**

In Australia, outlook for the hospitality industry remains positive. International and domestic visitor nights are expected to grow 6.4% and 3.3% per annum respectively until 2020<sup>1</sup>. However, the pace of growth is expected to vary amongst the different cities that the Group operates in. The Sydney hotel accommodation market is expected to continue to be the top performer. In Melbourne, room rate growth is forecasted to be subdued until 2020 due to expected influx of new supply. Performance of hotels in Perth and Brisbane are anticipated to remain weak given the expected increase in room supply.

Europe remained the top travel destination in 2017. For 2018, European tourism demand is expected to remain buoyant. The growing demand for service apartments in Germany also bodes well for our existing and pipeline properties under the Adina Apartment Hotel brand.

The Group plans to continue to grow its hospitality businesses by increasing the number of management contracts, acquiring strategic assets and divesting properties to recycle capital for re-deployment towards higher yielding growth opportunities.

**Property**

The Group expects residential property sentiments to be positive supported by the recent increase in transaction volumes and higher home prices, and the office market recovery appears to be underway. Most of the Group's residential and commercial projects were substantially sold. The Company will remain disciplined as we continue to look for development opportunities.

Harbourfront Balmain, a mixed-use residential and retail/commercial development in Sydney, Australia, received practical completion in December 2017. The Group's 50-50 joint venture with Toga Group has been well-received with 98% of the residential units and all commercial units sold as at 31 December 2017.

The Group has commenced development of its first residential project in the UK. There are plans to refurbish the heritage property located in the prime central borough of the City of Westminster, London, into a mixed-use development comprising 17 residential units and a restaurant. A new residential building will also be developed on the site. In the near-term, weakness in the UK property market is expected as Brexit continues to weigh on the UK economy. Nonetheless, the Group remains confident about the long-term fundamentals of the UK property market.

Development of Newton Court, our student accommodation building in Newcastle upon Tyne is on track and expected to be completed this year. In Brighton, our student accommodation development is progressing as planned and slated for completion in 2019. While the national student to bed ratio remains healthy, cities with a large volume of existing supply and development pipelines, such as Newcastle upon Tyne, will experience muted growth. The Group continues to monitor market developments and review its strategy accordingly.

The Group will continue to seek suitable real estate opportunities that fit its strategy as a diversified real estate group.

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

The Board of Directors is pleased to recommend the following dividend in respect of the financial year ended 31 December 2017 for approval by shareholders at the next Annual General Meeting to be convened:

Name of Dividend	- First and Final (One-tier tax exempt)
Dividend Type	- Cash or share in-lieu
Dividend Amount Per Share	- 6.00 cents - First and final dividend

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

The following dividend was declared and paid in respect of financial year ended 31 December 2016 as approved by shareholders at the Annual General Meeting held at 20 April 2017:

Name of Dividend	- First and Final (One-tier tax exempt)
Dividend Type	- Cash or share in-lieu
Dividend Amount Per Share	- 6.00 cents - First and final dividend

The dividend was paid on 29 June 2017.

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<sup>1</sup> Tourism and hotel market outlook, Deloitte Access Economics, 26 August 2017

11 (continued)

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

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

Not applicable.

13 **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company had obtained approval for a shareholders' mandate for interested person transactions under Rule 920(1)(a)(ii) as set out in the circular to shareholders dated 24 June 2013.

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000) 12 months ended 31 December 2017 S\$'000
Boo Han Holdings Pte Ltd Hospitality management income	495
China Classic Pte Ltd Hospitality management income	109
Dollar Land Singapore Private Limited Hospitality management income	328
Far East Hospitality Real Estate Investment Trust Rental expense on operating leases	
- offices	(1,334)
- hotels and serviced residences	(21,876)
Far East Management (Private) Limited Management service fees	(2,316)
Hospitality services	(2,014)
Project management service fees	(111)
Far East Organization Centre Pte Ltd Hospitality management income	2,226
Far East Property Sales Pte Ltd Sales and marketing service fees	(174)
Far East Rocks Pty Ltd Rental expense on operating leases - hotel	(1,472)
Far East Soho Pte Ltd Hospitality management income	1,375
Golden Development Private Limited Hospitality management income	2,731
Golden Landmark Pte Ltd Hospitality management income	1,401
Orchard Mall Pte Ltd Hospitality management income	896
Orchard Parksuites Pte Ltd Hospitality management income	1,479

**13** (continued)

Name of interested person	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000) 12 months ended 31 December 2017 S\$'000
Oxley Hill Properties Pte Ltd Hospitality management income	564
Riverland Pte Ltd Hospitality management income	425
Serene Land Pte Ltd Hospitality management income	1,725
Transurban Properties Pte Ltd Hospitality management income	1,801

**14 Confirmation Pursuant to Rule 720(1) of the Listing Manual**

Far East Orchard Limited confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in Appendix 7.7.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

	Hospitality				Property		Total
	Management services- Singapore S\$'000	Operations- Singapore S\$'000	Operations- Australia and New Zealand S\$'000	Property ownership S\$'000	Development S\$'000	Investment S\$'000	
<b>2017</b>							<b>S\$'000</b>
Total segment sales	18,960	42,830	15,577	62,272	-	14,821	<b>154,460</b>
Inter-segment sales	(3,286)	-	-	-	-	-	<b>(3,286)</b>
<b>Sales to external parties</b>	<b>15,674</b>	<b>42,830</b>	<b>15,577</b>	<b>62,272</b>	<b>-</b>	<b>14,821</b>	<b>151,174</b>
Operating profit	2,441	2,393	2,464	4,800	173	6,517	<b>18,788</b>
Share of profit of:							
- joint ventures	-	-	3,718	872	6,941	131	<b>11,662</b>
- associated companies	-	2,678	-	-	-	-	<b>2,678</b>
<b>Total operating profit</b>	<b>2,441</b>	<b>5,071</b>	<b>6,182</b>	<b>5,672</b>	<b>7,114</b>	<b>6,648</b>	<b>33,128</b>
Other gains – net*							<b>44</b>
Corporate expenses							<b>(10,470)</b>
Interest income							<b>2,897</b>
Other expenses							<b>(42)</b>
Profit before income tax							<b>25,557</b>
Income tax expense							<b>(3,698)</b>
Total profit							<b>21,859</b>
Segment assets	125,129	329,313	15,922	308,966	180,257	465,209	<b>1,424,796</b>
Investments in associated companies	-	14,640	-	-	-	-	<b>14,640</b>
Investments in joint ventures	-	-	199,547	58,715	221,865	-	<b>480,127</b>
	<b>125,129</b>	<b>343,953</b>	<b>215,469</b>	<b>367,681</b>	<b>402,122</b>	<b>465,209</b>	<b>1,919,563</b>
Corporate assets							<b>167,156</b>
<b>Total assets</b>							<b>2,086,719</b>

\*Included \$110,000 impairment loss on intangible assets allocated to 'Hospitality operations – Australia and New Zealand' segment.

## 15 (continued)

	Hospitality				Property		Total
	Management services-Singapore S\$'000	Operations-Singapore S\$'000	Operations-Australia and New Zealand S\$'000	Property ownership S\$'000	Development S\$'000	Investment S\$'000	S\$'000
<b>2016</b>							
Total segment sales	18,544	43,367	49,495	61,739	-	15,011	<b>188,156</b>
Inter-segment sales	(3,268)	-	-	-	-	-	<b>(3,268)</b>
<b>Sales to external parties</b>	<b>15,276</b>	<b>43,367</b>	<b>49,495</b>	<b>61,739</b>	<b>-</b>	<b>15,011</b>	<b>184,888</b>
Operating profit	4,306	2,965	3,600	5,932	(267)	7,312	<b>23,848</b>
Share of profit of:							
- joint ventures	-	-	17,013	1,633	50,433	-	<b>69,079</b>
- associated companies	-	2,649	-	-	(352)	-	<b>2,297</b>
<b>Total operating profit</b>	<b>4,306</b>	<b>5,614</b>	<b>20,613</b>	<b>7,565</b>	<b>49,814</b>	<b>7,312</b>	<b>95,224</b>
Other losses – net*							<b>(5,438)</b>
Corporate expenses							<b>(10,653)</b>
Interest income							<b>5,559</b>
Other expenses							<b>(6,767)</b>
Profit before income tax							<b>77,925</b>
Income tax expense							<b>(9,482)</b>
Total profit							<b>68,443</b>
Segment assets	129,560	325,003	16,963	332,185	215,670	421,122	<b>1,440,503</b>
Investments in associated companies	-	9,964	-	-	-	-	<b>9,964</b>
Investments in joint ventures	-	-	190,988	47,474	227,227	-	<b>465,689</b>
	<b>129,560</b>	<b>334,967</b>	<b>207,951</b>	<b>379,659</b>	<b>442,897</b>	<b>421,122</b>	<b>1,916,156</b>
Corporate assets							<b>155,044</b>
<b>Total assets</b>							<b>2,071,200</b>

\*Included \$1,192,000 impairment loss on intangible assets allocated to 'Hospitality operations – Australia and New Zealand' segment.

 16 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Material changes in contributions to sales and operating profit of the hospitality and property divisions are due to the same reasons as explained in item 8(a).

 17 **A breakdown of sales**

	Group		
	12 months ended 31 December		
	2017	2016	Increase / (Decrease) %
Sales reported for 1st half year	<b>75,426</b>	95,783	(21.3)
Net profit after tax before deducting minority interests reported for 1st half year	<b>7,052</b>	56,163	(87.4)
Sales reported for 2nd half year	<b>75,748</b>	89,105	(15.0)
Net profit after tax before deducting minority interests reported for 2nd half year	<b>14,807</b>	12,280	20.6

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

Total Annual Dividend	Latest Full Year <hr/> S\$'000	Previous Full Year <hr/> S\$'000
First and final dividend	25,508	25,360

**19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) for the financial year ended 31 December 2017.**

There are no 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 or substantial shareholder of the Company.

**On behalf of the Board of Directors**

Koh Boon Hwee  
Chairman

Lui Chong Chee  
Group CEO & Managing Director

22 February 2018