

HONG FOK CORPORATION LIMITED

(Co. Reg. No. 196700468N)

Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2018

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

Full year financial statement on consolidated results for the year ended 31 December 2018.
These figures have not been audited.

	The Group		
	\$'000		%
	2018	2017	Increase/ (Decrease)
Revenue (Note 1)	131,127	69,975	87
Other income	287	422	(32)
	131,414	70,397	87
Cost of sales of development properties	(33,535)	(9,030)	271
Depreciation of property, plant and equipment	(757)	(516)	47
Exchange gain, net	643	181	255
Gain on disposal of subsidiaries	-	8,982	NM
Gain on disposal of investment properties	76	-	NM
Gain on revaluation of investment properties	253,120	233,509	8
Changes in fair value of other investments at fair value through profit or loss	(3,472)	93	NM
(Impairment loss)/Impairment loss written back on trade and other receivables and bad debts written off, net	(214)	32	NM
Impairment loss written back/(Impairment loss) on other assets	40	(25)	NM
Other expenses	(46,896)	(51,671)	(9)
	300,419	251,952	19
Finance income	1,508	565	167
Finance expense	(28,321)	(24,750)	14
Net finance expense	(26,813)	(24,185)	11
Profit before tax (Note 2)	273,606	227,767	20
Tax expense	(4,651)	(4,449)	5
Profit for the year	268,955	223,318	20
Profit attributable to:			
Owners of the Company	188,921	178,070	6
Non-controlling interests	80,034	45,248	77
Profit for the year	268,955	223,318	20
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign subsidiaries	8,719	(36,547)	NM
Exchange differences on monetary items forming part of net investments in foreign subsidiaries	501	(2,461)	NM
Other comprehensive income for the year, net of tax	9,220	(39,008)	NM
Total comprehensive income for the year	278,175	184,310	51
Total comprehensive income attributable to:			
Owners of the Company	192,439	163,622	18
Non-controlling interests	85,736	20,688	314
Total comprehensive income for the year	278,175	184,310	51

Notes:

- (1) Included in Revenue is investment income of approximately \$39,000 (2017 : \$2,000).
- (2) Included in Profit before tax is net profit on sale of development properties of approximately \$23,240,000 (2017 : \$2,098,000) and loss on disposal of property, plant and equipment of approximately \$56,000 (2017 : gain of \$10,000).
- (3) NM – Not Meaningful.
- (4) NA – Not Applicable.

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.

	The Group		The Company	
	\$'000		\$'000	
	2018	2017	2018	2017
Non-current Assets				
Property, plant and equipment	2,879	2,188	-	-
Subsidiaries	-	-	855,260	853,107
Associate and joint venture	#	#	-	-
Investment properties	3,091,745	2,823,134	-	-
Other assets	917	175	-	-
Pledged bank deposits	9,303	7,550	-	-
Deferred tax assets	1,079	645	-	-
	3,105,923	2,833,692	855,260	853,107
Current Assets				
Other investments	17,973	1,781	-	-
Current tax assets	215	133	-	-
Non-current assets held for sale	1,720	-	-	-
Development properties	198,941	236,482	-	-
Trade and other receivables	4,945	9,220	29	29
Amounts due from subsidiaries	-	-	385,220	491,605
Cash and cash equivalents	50,229	50,636	888	747
	274,023	298,252	386,137	492,381
Total Assets	3,379,946	3,131,944	1,241,397	1,345,488
Equity Attributable to Owners of the Company				
Share capital	186,688	186,688	186,688	186,688
Treasury shares	(101,050)	(101,050)	-	-
Reserves	1,810,076	1,624,755	669,191	678,654
	1,895,714	1,710,393	855,879	865,342
Non-controlling interests	632,751	539,373	-	-
Total Equity	2,528,465	2,249,766	855,879	865,342
Non-current Liabilities				
Loans and borrowings	653,991	620,586	-	119,805
Trade and other payables	11,755	11,685	-	-
Deferred tax liabilities	408	389	-	-
	666,154	632,660	-	119,805
Current Liabilities				
Loans and borrowings	122,628	178,177	119,964	99,979
Trade and other payables	53,343	65,393	2,741	4,747
Amounts due to subsidiaries	-	-	262,813	255,615
Current tax liabilities	9,356	5,948	-	-
	185,327	249,518	385,518	360,341
Total Liabilities	851,481	882,178	385,518	480,146
Total Equity and Liabilities	3,379,946	3,131,944	1,241,397	1,345,488

Amount less than \$1,000

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

Amount repayable in one year or less, or on demand

As at 31.12.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
\$2,664,000	\$119,964,000	\$78,160,000	\$100,017,000

Amount repayable after one year

As at 31.12.2018		As at 31.12.2017	
Secured	Unsecured	Secured	Unsecured
\$617,193,000	\$36,798,000	\$459,435,000	\$161,151,000

Details of any collaterals

The borrowings by the subsidiaries are generally secured by the Group's certain investment properties and certain development properties and are guaranteed by the Company and/or its subsidiaries.

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.

	The Group	
	\$'000	
	2018	2017
Cash Flows from Operating Activities		
Profit before tax	273,606	227,767
Adjustments for:		
Depreciation of property, plant and equipment	757	516
Gain on disposal of subsidiaries	-	(8,982)
Gain on disposal of investment properties	(76)	-
Gain on disposal of other investments	(6)	-
Gain on revaluation of investment properties	(253,120)	(233,509)
Loss/(Gain) on disposal of property, plant and equipment	56	(10)
Impairment loss/(Impairment loss written back) on trade and other receivables and bad debts written off, net	214	(32)
(Impairment loss written back)/Impairment loss on other assets	(40)	25
Changes in fair value of other investments at fair value through profit or loss	3,472	(93)
Finance income	(1,508)	(565)
Finance expense	28,321	24,750
	51,676	9,867
Changes in working capital:		
Development properties	37,541	8,697
Trade and other receivables	(962)	91
Trade and other payables	(5,036)	(5,986)
Cash generated from operations	83,219	12,669
Tax paid	(1,731)	(2,758)
Tax refund	-	334
Net Cash from Operating Activities	81,488	10,245
Cash Flows from Investing Activities		
Capital expenditure on investment properties	(14,212)	(60,588)
Increase in restricted cash	(160)	(11)
Proceeds from disposal of investment properties	1,626	-
Proceeds from disposal of property, plant and equipment	241	47
Proceeds from disposal of other investments	21,490	-
Purchase of property, plant and equipment	(1,739)	(631)
Purchase of other assets	-	(20)
Purchase of other investments	(41,337)	(1,357)
Interest received	1,530	584
Disposal of subsidiaries, net of cash	-	(18)
Net Cash used in Investing Activities	(32,561)	(61,994)
Cash Flows from Financing Activities		
Increase in pledged bank deposits	(1,672)	(1,338)
Interest paid	(25,844)	(22,098)
Dividend paid	(6,930)	(6,930)
Payment of finance lease liabilities	(20)	(17)
Payment of transaction costs on loans and borrowings	(180)	(11,595)
Repayments of loans and borrowings	(203,906)	(304,356)
Proceeds from loans and borrowings	188,200	377,482
Net Cash (used in)/from Financing Activities	(50,352)	31,148
Net Decrease in Cash and Cash Equivalents	(1,425)	(20,601)
Cash and cash equivalents at beginning of the year	50,625	77,370
Effect of exchange rate fluctuations on cash held	858	(6,144)
Cash and Cash Equivalents at end of the year	50,058	50,625
Cash and Cash Equivalents at 31 December is represented by:		
Cash at banks and in hand	9,183	3,930
Deposits	50,349	54,256
Cash and cash equivalents	59,532	58,186
Less: Pledged bank deposits (non-current)	(9,303)	(7,550)
	50,229	50,636
Less: Restricted cash	(171)	(11)
	50,058	50,625

Summary of Effect of Disposal of Subsidiaries

	The Group
	\$'000
	2017
Amount due from a fellow subsidiary	221
Cash and cash equivalents	18
Trade and other payables	(9,000)
Net liabilities disposed of	(8,761)
Gain on disposal of subsidiaries	8,982
Assignment of amount due from a fellow subsidiary	(221)
Sale consideration	#
Cash and cash equivalents disposed of	(18)
Disposal of subsidiaries, net of cash	(18)

Amount less than \$1,000

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.

	\$'000							
	Attributable to Owners of the Company					Non-Controlling Interests	Total Equity	
	Share Capital	Capital and Other Reserves	Treasury Shares	Translation Reserves	Retained Profit			Total
The Group								
At 1 January 2017, as previously reported	186,688	2,472	(101,050)	(26,774)	1,492,358	1,553,694	518,676	2,072,370
Effect of adopting SFRS(I) 1	-	-	-	26,774	(26,774)	-	-	-
At 1 January 2017, as restated	186,688	2,472	(101,050)	-	1,465,584	1,553,694	518,676	2,072,370
Total comprehensive income for the year								
Profit for the year	-	-	-	-	178,070	178,070	45,248	223,318
Other comprehensive income								
Exchange differences on translation of financial statements of foreign subsidiaries	-	(9)	-	(11,978)	-	(11,987)	(24,560)	(36,547)
Exchange differences on monetary items forming part of net investments in foreign subsidiaries	-	-	-	(2,461)	-	(2,461)	-	(2,461)
Total other comprehensive income, net of tax	-	(9)	-	(14,439)	-	(14,448)	(24,560)	(39,008)
Total comprehensive income for the year	-	(9)	-	(14,439)	178,070	163,622	20,688	184,310
Transactions with Owners, recorded directly in Equity								
Contributions by and Distributions to Owners								
Imputed interest on the bonds issued by a subsidiary	-	7	-	-	-	7	9	16
Dividend paid	-	-	-	-	(6,930)	(6,930)	-	(6,930)
Total contributions by and distributions to Owners	-	7	-	-	(6,930)	(6,923)	9	(6,914)
Total transactions with Owners	-	7	-	-	(6,930)	(6,923)	9	(6,914)
At 31 December 2017, as restated	186,688	2,470	(101,050)	(14,439)	1,636,724	1,710,393	539,373	2,249,766
At 1 January 2018, as previously reported	186,688	2,470	(101,050)	(41,213)	1,663,498	1,710,393	539,373	2,249,766
Effect of adopting SFRS(I) 1	-	-	-	26,774	(26,774)	-	-	-
At 1 January 2018, as restated	186,688	2,470	(101,050)	(14,439)	1,636,724	1,710,393	539,373	2,249,766
Total comprehensive income for the year								
Profit for the year	-	-	-	-	188,921	188,921	80,034	268,955
Other comprehensive income								
Exchange differences on translation of financial statements of foreign subsidiaries	-	2	-	3,015	-	3,017	5,702	8,719
Exchange differences on monetary items forming part of net investments in foreign subsidiaries	-	-	-	501	-	501	-	501
Total other comprehensive income, net of tax	-	2	-	3,516	-	3,518	5,702	9,220
Total comprehensive income for the year	-	2	-	3,516	188,921	192,439	85,736	278,175
Transactions with Owners, recorded directly in Equity								
Contributions by and Distributions to Owners								
Modification of bonds issued by a subsidiary	-	(188)	-	-	-	(188)	7,642	7,454
Dividend paid	-	-	-	-	(6,930)	(6,930)	-	(6,930)
Total contributions by and distributions to Owners	-	(188)	-	-	(6,930)	(7,118)	7,642	524
Total transactions with Owners	-	(188)	-	-	(6,930)	(7,118)	7,642	524
At 31 December 2018	186,688	2,284	(101,050)	(10,923)	1,818,715	1,895,714	632,751	2,528,465

	\$'000							
	Attributable to Owners of the Company						Non-Controlling Interests	Total Equity
Share Capital	Capital and Other Reserves	Treasury Shares	Translation Reserves	Retained Profit	Total			
The Company								
At 1 January 2017	186,688	-	-	-	72,182	258,870	-	258,870
Profit and total comprehensive income for the year	-	-	-	-	615,178	615,178	-	615,178
Transactions with Owners, recorded directly in Equity								
Distributions to Owners								
Dividend paid	-	-	-	-	(8,706)	(8,706)	-	(8,706)
Total transactions with Owners	-	-	-	-	(8,706)	(8,706)	-	(8,706)
At 31 December 2017	186,688	-	-	-	678,654	865,342	-	865,342
At 1 January 2018	186,688	-	-	-	678,654	865,342	-	865,342
Loss and total comprehensive income for the year	-	-	-	-	(757)	(757)	-	(757)
Transactions with Owners, recorded directly in Equity								
Distributions to Owners								
Dividend paid	-	-	-	-	(8,706)	(8,706)	-	(8,706)
Total transactions with Owners	-	-	-	-	(8,706)	(8,706)	-	(8,706)
At 31 December 2018	186,688	-	-	-	669,191	855,879	-	855,879

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 immediate preceding financial year.

Nil.

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.

The Company	
2018	2017
870,612,140	870,612,140

Total number of issued shares excluding 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.

NA.

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.

NA.

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 auditors.

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

NA.

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

Except as disclosed in paragraph 5, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting year compared with the Group's and the Company's audited financial statements for the year ended 31 December 2017.

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.

In December 2017, the Accounting Standards Council ("ASC") issued the Singapore Financial Reporting Standards (International) ("SFRS(I)s"), which comprises standards and interpretations that are equivalent to International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Group's financial statements for the financial year ended 31 December 2018 has been prepared in accordance with SFRS(I).

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting year as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of the SFRS(I) framework as described above and the new/revised SFRS(I) applicable for the financial year beginning 1 January 2018 as follows:

- SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*;
- SFRS(I) 15 *Revenue from Contracts with Customers*; and
- SFRS(I) 9 *Financial Instruments*.

The application of the above standards did not have any significant impact on the Company's and the Group's financial statements except as below.

SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

In adopting the new framework, the Group is required to apply the specific transition requirements in SFRS(I). The Group has applied SFRS(I) with 1 January 2017 as the date of transition for the Group and the Company, on a retrospective basis, as if such accounting policies had always been applied. SFRS(I) 1 provides mandatory exemptions and optional exemptions from retrospective application. The Group has elected various optional exemptions in SFRS(I) 1, including resetting the foreign currency translation reserve ("FCTR") to zero.

As a result, the cumulative FCTR has increased by approximately \$26,774,000 and retained profit has decreased by the same amount as at 1 January 2017. FCTR and retained profit are included in "reserves" in the consolidated statement of financial position.

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.

Earnings per ordinary share of the Group after deducting any provision for preference dividends:

- (a) Based on the weighted average number of ordinary shares on issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings)

The Group	
2018	2017
27.26 cts	25.69 cts
27.26 cts	25.69 cts

The basic and diluted earnings per ordinary share of the Group were calculated based on the consolidated profit attributable to ordinary shareholders for the year of approximately \$188,921,000 (2017 : \$178,070,000) and the weighted average number of ordinary shares outstanding of 693,022,508 (2017 : 693,022,508) which excludes ordinary shares held by an investee.

There are no potential dilutive ordinary shares in existence as at 31 December 2018 and 31 December 2017.

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.

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares and excluding ordinary shares held by an investee

The Group		The Company	
2018	2017	2018	2017
274 cts	247 cts	98 cts	99 cts

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.**

The Group posted a revenue of approximately \$131 million for 2018 as compared to approximately \$70 million for 2017. The increase was mainly due to more residential units sold and contributions from YOTEL Singapore Orchard Road ("YOTEL"). YOTEL had commenced its leases only in the last quarter of 2017.

The Group's other income decreased mainly due to lower government grants/schemes and absence of gain on disposal of property, plant and equipment and licence fees from its investment properties. However, these were partially offset by an increase in compensation income from its properties.

With the recognition of sales revenue from its residential units, the Group recorded the corresponding amount of cost of sales for these units. In addition, the Group also derecognised in 2018, any accrued development costs no longer required for units sold in prior years.

The increase in depreciation expense arose from additions to property, plant and equipment.

The increase in net exchange gain was mainly due to the weakening of the Singapore dollar for investments in securities and cash balances denominated in United States dollars and Hong Kong dollars.

The Group recorded a one-off gain from disposal of subsidiaries of approximately \$9.0 million in 2017 but there was no gain in 2018. That gain was mainly from the recognition of the deferred consideration received in advance in relation to the estimated tax exposure on the gain from the disposal of a subsidiary in 2014.

The Group recorded a marginal higher gain as compared to 2017 on revaluation of its investment properties based on independent external valuations as at 31 December 2018.

The change in fair value of other investments was mainly due to valuation of its investments at fair value as at 31 December 2018.

The Group recorded an impairment loss in 2018 due to the provision of doubtful debts from its trade and other receivables.

The decrease in other expenses was mainly due to once-off pre-opening and other costs incurred for YOTEL in 2017.

The increase in finance income was mainly contributed from the income generated from its investments in equity-linked securities and deposits.

The increase in finance expense was mainly due to the non-capitalisation of interest expense, higher amortisation of imputed interest on unsecured bonds and higher interest rates.

The increase in tax expense was mainly due to the higher provision of tax from the increase in taxable profit for 2018.

The Group posted a profit of approximately \$269 million in 2018 as compared to a profit of approximately \$223 million in 2017.

Consequently, the Group's profit attributable to Owners of the Company was approximately \$189 million as compared to approximately \$178 million in the previous year.

The increase in the Group's property, plant and equipment was mainly due to the purchase of furniture and fittings for the residential units of its investment property in Hong Kong that has completed its renovation in the first quarter of 2018.

The increase in investment properties was principally from the revaluation gain of its investment properties.

The increase in the Group's other assets was mainly due to its investment in unquoted equity securities.

The increase in pledged bank deposits was mainly due to the monies collected from the rental of its investment properties in Hong Kong.

The increase in the Group's other investments was mainly due to the purchase of equity and equity-linked securities.

The decrease in trade and other receivables was mainly due to the reclassification of transaction costs paid in December 2017, which was previously classified as prepayments, to loans and borrowings when the loan was drawn down in January 2018.

There was a decrease in unsecured borrowings due to the repayment of its \$100 million fixed rate notes in the first quarter of 2018. The Group's net decrease in total loans and borrowings was mainly due to its prepayment of loans using part of the sales proceeds from its residential units and higher unamortised transaction cost and unamortised imputed interest on unsecured bonds, both netted off from the principal sum of these loans and borrowings.

The Group's net increase in non-current loans and borrowings was mainly due to loans drawn down for the repayment of certain loans and borrowings due in the first quarter of 2018. This was partially offset by the reclassification of the \$120 million unsecured fixed rate notes due in the first quarter of 2019 from non-current to current. The Group is confident that these notes can be refinanced or repaid from available undrawn facilities by its due date.

The decrease in trade and other payables was mainly due to the payment of accrued development costs and interest expense accrued.

The increase in current tax liabilities was due mainly to the net effect in provision of tax for the current year and the payment/adjustment of prior years' tax in 2018.

The Group's net cash used in investing activities was mainly for the development/renovation costs of its investment properties and its purchase of other investments. As at 31 December 2018, the Group's cash and cash equivalents amounted to approximately \$50 million.

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

NA.

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.

The Group is expected to recognise profit from the sales of the residential units of Concourse Skyline in 2019. The existing series of cooling measures on the property market will nevertheless have an impact on the pace of our sales. However, the Group will continue to actively market the sales and leases of its properties.

The contribution from YOTEL in 2018 has been positive and the Group expects stable contribution from YOTEL in 2019.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes.

(b)(i) Amount per share cents

First and final 1-tier tax exempt dividend of 1.0 cent per share and special dividend of 0.3 cents per share.

(ii) Previous corresponding period cents

First and final 1-tier tax exempt dividend of 1.0 cent per share.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Tax exempt dividend.

(d) The date the dividend is payable.

The proposed dividend, if approved at the forthcoming Annual General Meeting, will be paid at a date to be announced.

(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

The books closure date will be announced at a later date.

12. **If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

NA.

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

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

14. **Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results).**

NA.

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

The Company has procured the undertakings from all its directors and executive officers.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. **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.**

The Group					
\$'000					
Business Segments	Property Investment	Property Development and Construction	Property Management	Other Operations	Total
2018					
External revenue	65,267	63,799	1,911	150	131,127
Inter-segment revenue	429	5,215	2,113	1,788	9,545
Reportable segment revenue	65,696	69,014	4,024	1,938	140,672
Reportable segment profit/(loss) before tax	262,190	22,445	(169)	(10,860)	273,606
					273,606
Tax expense					(4,651)
Profit for the year					268,955
2017					
External revenue	49,192	18,695	2,086	2	69,975
Inter-segment revenue	213	44,001	455	1,767	46,436
Reportable segment revenue	49,405	62,696	2,541	1,769	116,411
Reportable segment profit/(loss) before tax	225,186	1,492	(167)	(7,726)	218,785
					218,785
Other profit or loss items					
Gain on disposal of subsidiaries					8,982
					227,767
Tax expense					(4,449)
Profit for the year					223,318

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

Please refer to paragraph 8 above.

18. A breakdown of sales as follows:

- (a) Sales reported for first half year
- (b) Profit/loss after tax before deducting non-controlling interests reported for first half year
- (c) Sales reported for second half year
- (d) Profit/loss after tax before deducting non-controlling interests reported for second half year

The Group		
\$'000		%
2018	2017	Increase/ (Decrease)
48,613	28,821	69
3,937	3,022	30
82,514	41,154	101
265,018	220,296	20

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

- (a) Ordinary
- (b) Preference
- (c) Total

The Company	
\$'000	
2018	2017
8,706	8,706
-	-
8,706	8,706

20. 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
Mr Cheong Pin Chuan	69	<p>Brother of Mr Cheong Sim Eng, who is a Director and Substantial Shareholder of the Company.</p> <p>Brother of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company.</p> <p>Brother of Mdm Cheong Hooi Kheng, who is a Director of the Company.</p>	<p>Managing Director with effect from 4 September 1981 and Joint Chairman with effect from 31 January 2014.</p> <p>Is responsible for the Group's overall operations and management with greater emphasis in Hong Kong.</p>	NA.
Mr Cheong Sim Eng	58	<p>Brother of Mr Cheong Pin Chuan, who is a Director and Substantial Shareholder of the Company.</p> <p>Brother of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company.</p> <p>Brother of Mdm Cheong Hooi Kheng, who is a Director of the Company.</p>	<p>Joint Chairman and Joint Managing Director with effect from 31 January 2014 and Executive Director with effect from 14 May 1990.</p> <p>Is responsible for the Group's overall operations and management with greater emphasis in Singapore.</p>	NA.

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
Mdm Cheong Hooi Kheng	65	<p>Sister of Mr Cheong Pin Chuan and Mr Cheong Sim Eng, who are Directors and Substantial Shareholders of the Company.</p> <p>Sister of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company.</p>	<p>Chief Operating Officer with effect from 31 January 2014 and Executive Director with effect from 1 March 1989.</p> <p>Is principally involved in the Group's development of properties. She also oversees the project management in relation to the development and construction of properties, the leasing and marketing of the Group's real estate properties and major financial affairs of the Group in Singapore.</p>	NA.
Mdm Cheong Puay Kheng	64	<p>Sister of Mr Cheong Pin Chuan and Mr Cheong Sim Eng, who are Directors and Substantial Shareholders of the Company.</p> <p>Sister of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company.</p> <p>Sister of Mdm Cheong Hooi Kheng, who is a Director of the Company.</p>	<p>Vice President (Administration & Personnel) with effect from 1 June 2014.</p> <p>Her job responsibilities essentially cover the planning, organisation and control of office administration and personnel management of the Group.</p>	NA.
Mr Cheong Tze Hong, Marc	46	<p>Son of Mr Cheong Pin Chuan, who is a Director and Substantial Shareholder of the Company.</p> <p>Nephew of Mr Cheong Sim Eng, who is a Director and Substantial Shareholder of the Company.</p> <p>Nephew of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company.</p> <p>Nephew of Mdm Cheong Hooi Kheng, who is a Director of the Company.</p>	<p>Director - Finance Division of Hong Fok Land International Limited with effect from 27 November 2018.</p> <p>Oversees all financial aspects of the business in Hong Kong.</p>	<p>Prior to 27 November 2018, he is Director - Business Development of Hong Fok Land International Limited.</p> <p>Prior to 27 November 2018, his job responsibilities cover identification and development of new business opportunities in Hong Kong.</p>

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
Mr Cheong Tze Hian, Howard	44	<p>Son of Mr Cheong Pin Chuan, who is a Director and Substantial Shareholder of the Company.</p> <p>Nephew of Mr Cheong Sim Eng, who is a Director and Substantial Shareholder of the Company.</p> <p>Nephew of Mr Cheong Kim Pong, who is a Substantial Shareholder of the Company.</p> <p>Nephew of Mdm Cheong Hooi Kheng, who is a Director of the Company.</p>	<p>Director - Project Development of Hong Fok Land International Limited with effect from 27 November 2018.</p> <p>Oversees all aspects of project development for the properties in Hong Kong.</p>	<p>Prior to 27 November 2018, he is Director - Project Management of Hong Fok Land International Limited.</p> <p>Prior to 27 November 2018, his job responsibilities cover project management in relation to the development and construction of properties in Hong Kong.</p>

BY ORDER OF THE BOARD

Lo Swee Oi
Koh Chay Tiang
Company Secretaries
28 February 2019