

**UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2016**
**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**1(a) 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.**

	Note	Group					
		Third Quarter Ended			Nine Months Ended		
		30.9.2016 \$'000	30.9.2015 \$'000	+ /(-) %	30.9.2016 \$'000	30.9.2015 \$'000	+ /(-) %
<b>Revenue</b>		3,082	3,032	1.6	8,337	9,827	(15.2)
Cost of sales	1	(1,172)	(1,017)	15.2	(3,356)	(2,905)	15.5
<b>Gross profit</b>		1,910	2,015	(5.2)	4,981	6,922	(28.0)
Other income	2	1,819	1,245	46.1	10,404	3,319	n.m.
General and administrative costs	3	(1,353)	(2,484)	(45.5)	(4,328)	(5,925)	(27.0)
Other operating costs	4	(386)	(586)	(34.1)	(2,118)	(1,674)	26.5
Finance costs	5	(393)	(219)	79.5	(1,010)	(594)	70.0
Share of after tax results of associates and joint ventures	6	102	463	(78.0)	659	1,163	(43.3)
Profit before taxation		1,699	434	n.m.	8,588	3,211	n.m.
Taxation	7	(144)	86	n.m.	(922)	(384)	n.m.
<b>Net profit after taxation</b>		1,555	520	n.m.	7,666	2,827	n.m.
<b>Attributable to:</b>							
<b>Owners of the Company</b>		1,555	520	n.m.	7,666	2,827	n.m.
<b>Profit for the year attributable to owners of the Company</b>		1,555	520		7,666	2,827	

n.m. denotes not meaningful.

**Notes to Group Profit and Loss Statement**

- Cost of sales increased by \$0.5 million year-on-year (“yoy”) and \$0.2 million quarter-on-quarter (“qoq”) mainly due to UK business rates payable on the Eagle House property as the property is undergoing asset enhancement work and not tenanted. In the past, the tenant was liable for the UK business rates payable.
- Other income comprised the following:

	3Q2016 \$'000	3Q2015 \$'000	+ /(-) %	FY2016 \$'000	FY2015 \$'000	+ /(-) %
Interest income	(72)	14	n.m.	20	54	(63.0)
Dividend income	-	63	n.m.	-	298	n.m.
Gain on disposal of investment properties	(67)	1,113	n.m.	2,180	2,652	(17.8)
Other investment income	(25)	(38)	(34.2)	816	111	n.m.
Foreign exchange gain	1,917	-	n.m.	6,201	-	n.m.
Refund of property tax	-	-	-	957	-	n.m.
Sundry	66	93	(29.0)	230	204	12.7
	<u>1,819</u>	<u>1,245</u>		<u>10,404</u>	<u>3,319</u>	

The weakening of the Sterling Pound against Singapore Dollars resulted in unrealised translation gain mainly attributable to our Sterling Pound loans. Sterling Pound has declined from \$2.1159 as at 31 December 2015 to \$1.80645 as at 30 September 2016.

3. General and administrative costs decreased by \$1.6 million yoy and \$1.1 million qoq mainly due to prior year foreign exchange loss of \$1.6 million and \$1.1 million classified within general and administrative costs in FY2015 and 3Q2015. This unrealised foreign exchange loss in FY2015 and 3Q2015 arose mainly from the translation of bank loans denominated in Sterling Pounds.

4. Other operating costs comprised the following:

	3Q2016	3Q2015	+ / (-)	FY2016	FY2015	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Allowance made for impairment on						
- current investments	411	586	(29.9)	1,745	1,674	4.2
Allowance (written back)/made for doubtful debts						
- due from other receivables	(1)	-	n.m.	17	-	n.m.
- due from an associate	(24)	-	n.m.	356	-	n.m.
	<u>386</u>	<u>586</u>		<u>2,118</u>	<u>1,674</u>	

Allowance for impairment loss on current investment securities relate to investment securities that had suffered a significant or prolonged decline in the market value below the acquisition cost of those investments.

5. Finance costs increased by \$0.4 million yoy and \$0.2 million qoq mainly due to draw down of interest bearing loan facilities during the period.

6. Share of after tax results of associates and joint ventures decreased by \$0.5 million yoy and \$0.4 million qoq mainly due to share of loss of \$0.7 million yoy and \$0.3 million qoq from a newly acquired associated company, Clan Kilmuir (Jersey) Limited in 2Q2016. \$0.3 million yoy and \$0.2 million qoq share of loss in Clan Kilmuir resulted from the need to depreciate the investment property arising from realignment to Group accounting policy. The share of loss yoy was offset by higher contributions from associated company, Scotts Spazio Pte Ltd and from two joint ventures, Neo Pav E Investments LLP and Neo Bankside Retail LLP of \$0.2 million.

7. Effective tax rate for FY2016 was 10.7% (FY2015: 11.9%) and 8.5% for 3Q2016. The taxation charge for the Group for FY2016 and 3Q2016 were lower than that arrived at by applying the statutory tax rate of 17% to the profit before taxation mainly due to certain gains being capital in nature, absence of tax effect on share of results of associates and joint ventures, offset by certain non-deductible expenses and losses incurred by foreign subsidiaries which are not available for set off against profits of local subsidiaries.

Profit before taxation included the following:

	Group					
	Third Quarter Ended			Nine Months Ended		
	30.9.2016	30.9.2015	+/(-) %	30.9.2016	30.9.2015	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Investment income	207	379	(45.4)	893	1,030	(13.3)
Interest income (included in revenue)	422	231	82.7	1,054	514	n.m.
Interest on borrowings	(393)	(219)	79.5	(1,010)	(594)	70.0
Depreciation on property, plant and equipment and investment properties	(665)	(647)	2.8	(1,738)	(1,915)	(9.2)
Allowance written back/(made) for doubtful debts						
- due from an associate	24	-	n.m.	(356)	-	n.m.
- due from other receivables	1	-	n.m.	(17)	-	n.m.
Allowance made for impairment loss on						
- quoted current investments	(411)	(586)	(29.9)	(1,745)	(1,674)	4.2
(Under)/overprovision of taxation in prior years	-	-	-	-	-	-
Foreign exchange gain/(loss)	1,917	(1,133)	n.m.	6,201	(1,617)	n.m.
Gain on disposal of investments (included in revenue)	536	213	n.m.	860	1,680	(48.8)
Loss on disposal of property, plant and equipment						
- included in general and administrative expenses	-	-	-	-	(4)	n.m.
(Loss)/gain on disposal of investment properties						
- included in other income	(67)	1,113	n.m.	2,180	2,652	(17.8)

### **Statement of Comprehensive Income**

	Note	Third Quarter Ended			Nine Months Ended		
		30.9.2016	30.9.2015	+/(-) %	30.9.2016	30.9.2015	+/(-) %
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Net profit after taxation</b>		1,555	520	n.m.	7,666	2,827	n.m.
<b><u>Other comprehensive gain/(loss):</u></b>							
Items that may be reclassified subsequently to profit or loss:							
Net gain/(loss) on available-for-sale investments (net of tax)	1	655	(3,508)	n.m.	482	(6,163)	n.m.
Exchange difference arising from							
- consolidation	2	(1,387)	868	n.m.	(4,672)	1,171	n.m.
- revaluation of net investment in foreign operation	2	(2,205)	1,839	n.m.	(8,439)	2,545	n.m.
Other comprehensive loss, net of tax		(2,937)	(801)		(12,629)	(2,447)	
<b>Total comprehensive (loss)/gain for the period</b>		<b>(1,382)</b>	<b>(281)</b>		<b>(4,963)</b>	<b>380</b>	
Total comprehensive (loss)/gain for the period attributable to:							
Owners of the Company		(1,382)	(281)	n.m.	(4,963)	380	n.m.
Non-controlling interests		-	-		-	-	
		<u>(1,382)</u>	<u>(281)</u>		<u>(4,963)</u>	<u>380</u>	

- 1) Net gains on available-for-sale investments (net of tax) in FY2016 and 3Q2016 were mainly due to increases in fair value of the available-for-sale investments arising from favourable market conditions on certain shares held by the Group.
- 2) Exchange differences arising from the consolidation of \$4.7 million in FY2016 and \$1.4 million in 3Q2016 and revaluation of net investment in foreign operation of \$8.4 million in FY2016 and \$2.2 million in 3Q2016 were mainly due to unfavourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollars for those UK net investments and assets. The weakening of the Sterling Pound against Singapore Dollar resulted in overall net foreign exchange loss of approximately \$6.9 million for FY2016 made up of \$4.7 million and \$8.4 million in the Other Comprehensive Income net of a translation gain in the profit and loss of \$6.2 million mainly attributable to our Sterling Pound loans. For 3Q2016, the overall net foreign exchange loss was approximately \$1.7 million made up of \$1.4 million and \$2.2 million in the Other Comprehensive Income net of a translation gain in the profit and loss of \$1.9 million.

**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.**

	Note	Group		Company	
		30.9.2016 \$'000	31.12.2015 \$'000	30.9.2016 \$'000	31.12.2015 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		4,747	4,883	-	-
Investment properties	1	118,985	100,300	-	-
Investment in subsidiaries		-	-	170,164	170,164
Investment in joint ventures	2	7,161	8,375	-	-
Investment in associates	3	26,510	16,527	746	746
Investment securities		22,506	22,187	-	-
Other receivables	4	6,751	7,143	-	-
Amounts due from associates		2,000	2,000	-	-
		<u>188,660</u>	<u>161,415</u>	<u>170,910</u>	<u>170,910</u>
<b>Current assets</b>					
Tax recoverables		-	18	-	-
Properties classified as held for sale	5	-	1,524	-	-
Trade receivables	6	786	154	-	-
Prepayments and deposits		374	231	57	49
Other receivables	7	13,483	14,329	-	3
Amounts due from subsidiaries	8	-	-	4,624	8,200
Amounts due from associates	9	7,423	8,814	-	-
Investment securities	10	28,758	29,748	-	-
Cash and bank balances	11	37,024	40,538	615	4,340
		<u>87,848</u>	<u>95,356</u>	<u>5,296</u>	<u>12,592</u>
<b>Current liabilities</b>					
Bank overdrafts (secured)		-	(229)	-	-
Trade payables	12	(773)	(351)	-	-
Other payables		(2,179)	(2,011)	(333)	(318)
Accrued operating expenses		(2,668)	(2,345)	(188)	(203)
Amounts due to associates		(548)	(571)	(365)	(376)
Bank loans (secured)	13	(58,106)	(39,253)	-	-
Tax payable	14	(1,882)	(1,457)	-	-
		<u>(66,156)</u>	<u>(46,217)</u>	<u>(886)</u>	<u>(897)</u>
<b>Net current assets</b>		21,692	49,139	4,410	11,695
<b>Non-current liabilities</b>					
Deferred tax liabilities		(3,942)	(3,803)	-	-
Bank loans (secured)	13	(11,197)	-	-	-
Other payables		(486)	(428)	-	-
		<u>(15,625)</u>	<u>(4,231)</u>	<u>-</u>	<u>-</u>
<b>Net assets</b>		<u>194,727</u>	<u>206,323</u>	<u>175,320</u>	<u>182,605</u>

	Group		Company	
	30.9.2016	31.12.2015	30.9.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
<b>Equity attributable to Owners of the Company</b>				
Share capital	172,154	172,154	172,154	172,154
Treasury shares	(98)	-	(98)	-
Capital reserve	1,202	1,202	-	-
Revenue reserve	38,709	37,578	3,264	10,451
Fair value reserve	5,657	5,175	-	-
Currency translation reserve	(22,897)	(9,786)	-	-
	<u>194,727</u>	<u>206,323</u>	<u>175,320</u>	<u>182,605</u>
Non-controlling interests	-	-	-	-
<b>Share capital and reserves</b>	<u>194,727</u>	<u>206,323</u>	<u>175,320</u>	<u>182,605</u>

Note:

1. Investment properties increased by \$18.7 million mainly due to acquisition of a property at Herbal Hill, Clerkenwell of \$24.9 million. The increase was offset by :
  - a. disposal of a UK residential property in London and a UK commercial property in Liverpool;
  - b. translation loss arising from the UK properties as Sterling Pound had weakened against the Singapore Dollar;
  - c. and depreciation of the investment properties in this period.
2. Investment in joint ventures decreased by \$1.2 million mainly due to translation loss as Sterling Pound had weakened against the Singapore Dollar.
3. Investment in associates increased by \$10 million mainly due to a \$12.7 million investment in an UK associated company, Clan Kilmuir (Jersey) Limited and share of results of associates of \$0.7 million during the period. The increase was offset by \$2.5 million payment of dividends received from 2 associated companies.
4. Non-current other receivables decreased by \$0.4 million mainly due to partial repayment of a loan of \$0.8 million from a UK joint venture offset by an increase of \$0.3 million from deferred rental income from its Paya Lebar Property.
5. Properties classified as held for sale in FY2015 relates to the commercial property in Liverpool which was disposed in 2Q2016.
6. Increase in trade receivables by \$0.6 million was mainly due to higher VAT recoverable as at end Sept 2016 and increase in receivables from trade settlement arising from trading in securities transactions.
7. Current other receivables decreased by \$0.8 million mainly due to net repayment from loans provided to UK joint ventures.
8. Amount due from subsidiaries reduced by \$3.6 million mainly due to receipts from subsidiaries and the amounts were used for dividend payment.
9. Amounts due from associates reduced by \$1.4 million mainly due to payment received from one of the associated companies.
10. Decrease in current investment securities by \$1 million was mainly due to disposals and fair value change of available-for-sale investments during the period.

11. Decrease in the Company's cash and bank balances by \$3.7 million was mainly due to payment of dividends during the period. Decrease in the Group's cash and bank balances by \$3.5 million was mainly due to payment of dividends offset by receipts from the disposal of investment properties and property tax refund from Comptroller of Income Tax.
12. Trade payables increased by \$0.4 million mainly due to trade settlement arising from trading in securities transactions.
13. Bank loans increased by \$30 million mainly due to funds obtained to finance the acquisitions of Herbal Hill, Clan Kilmuir (Jersey) Limited and loan to one of the UK joint partners. The increase was offset by translation gain due to the weakening of Sterling Pound against Singapore Dollars.
14. Tax payable increased by \$0.4 million mainly due to provision for tax on certain chargeable income.

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

**Amount repayable in one year or less, or on demand**

	30.9.2016		31.12.2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Bank overdrafts	-	-	229	-
Short term bank loans	58,106	-	39,253	-
	58,106	-	39,482	-

**Amount repayable after one year**

	30.9.2016		31.12.2015	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	11,197	-	-	-

The Group has sufficient resources to repay the short-term and long-term bank loans.

**Details of any collateral**

Short term bank loans comprised:

- a) An amount of \$24.1 million (2015: \$17.4 million) secured by a pledge of \$15 million (2015: \$15 million) on a subsidiary's fixed deposits and a corporate guarantee from the Company.
- b) An amount of \$24 million (2015: \$10.6 million) secured by a legal charge over a subsidiary's investment property and assignment of tenancy agreement in respect of the property.
- c) An amount of \$2.9 million (2015: \$2.9 million) secured by a deed of guarantee and indemnity of \$4 million (2015: \$4 million) from a subsidiary.
- d) An amount of \$7.1 million (2015: \$8.4 million) secured by a pledge of \$4 million (2015: \$4 million) on a subsidiary's fixed deposits.

Bank overdraft was secured by a corporate guarantee from the Company for \$15 million.

Long term bank loan of \$11.2 million is secured by a legal charge over a subsidiary's investment property.

**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.**

	Group			
	Third Quarter Ended		Nine Months Ended	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities:</b>				
Profit before taxation	1,699	434	8,588	3,211
Adjustments for:				
Interest income	(350)	(245)	(1,074)	(568)
Interest expense	393	219	1,010	594
Dividend income from investment securities	(207)	(442)	(893)	(1,328)
Depreciation of property, plant and equipment and investment properties	665	647	1,738	1,915
Share of results of associates and joint ventures	(102)	(463)	(659)	(1,163)
Allowance (written-back)/made for doubtful receivables from an associate	(24)	-	356	-
Allowance made/(written back) for impairment loss on				
- current investment securities	411	586	1,745	1,674
- other receivables	(1)	-	17	-
Loss on disposal of property, plant and equipment	-	-	-	4
Loss/(gain) on disposal of investment properties	67	(1,113)	(2,180)	(2,652)
Unrealised exchange differences	107	46	(925)	34
	959	(765)	(865)	(1,490)
<b>Operating cash flows before changes in working capital</b>	2,658	(331)	7,723	1,721
Decrease/(increase) in receivables and current investments	616	(1,059)	(1,484)	(1,345)
Increase/(decrease) in payables	963	72	971	(1,363)
	1,579	(987)	(513)	(2,708)
<b>Cash flows generated from/(used in) operations</b>	4,237	(1,318)	7,210	(987)
Interest received	(77)	109	323	382
Interest paid	(393)	(219)	(1,010)	(594)
Dividend income from investment securities	207	442	893	1,328
Income taxes paid	(43)	(42)	(215)	(125)
	(306)	290	(9)	991
<b>Net cash flows generated from/(used in) operating activities</b>	3,931	(1,028)	7,201	4
<b>Cash flows from investing activities:</b>				
Increase in other investments	-	(1,236)	(519)	(4,743)
Decrease/(increase) in other receivables	432	(3,379)	2,053	(8,906)
Increase in investment in associates	-	-	(12,718)	-
(Increase)/decrease in amounts due from associates	(11)	143	1,012	177
Dividend income from associates	-	-	2,535	750
Proceeds from disposal of investment properties	(122)	1,383	3,994	3,291
Additions to investment properties	(3,061)	(851)	(29,795)	(1,591)
Purchase of property, plant and equipment	37	-	(119)	(2)
<b>Net cash flows used in investing activities</b>	(2,725)	(3,940)	(33,557)	(11,024)
<b>Net cash flows generated from/(used in) operating and investing activities carried forward</b>	1,206	(4,968)	(26,356)	(11,020)

	Group			
	Third Quarter Ended		Nine Months Ended	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	\$'000	\$'000	\$'000	\$'000
<b>Net cash flows generated from/(used in) operating and investing activities brought forward</b>	1,206	(4,968)	(26,356)	(11,020)
<b>Cash flows from financing activities:</b>				
Increase in bank loans	(2,821)	1,395	30,050	9,001
Share buy-back	(98)	-	(98)	-
Dividends paid	-	-	(6,535)	(7,515)
<b>Net cash flows (used in)/generated from financing activities</b>	(2,919)	1,395	23,417	1,486
Net decrease in cash and cash equivalents	(1,713)	(3,573)	(2,939)	(9,534)
Cash and cash equivalents at beginning of the period	19,820	27,297	21,309	33,156
Effects of exchange rate changes on cash and cash equivalents	(83)	265	(346)	367
<b>Cash and cash equivalents at end of the period</b>	<b>18,024</b>	<b>23,989</b>	<b>18,024</b>	<b>23,989</b>

For the purpose of presenting consolidating cash flow statements, the consolidated cash and cash equivalents comprise the following:-

	Group		Group	
	30.9.2016	30.9.2015	30.9.2016	30.9.2015
	\$'000	\$'000	\$'000	\$'000
Cash and bank balances	37,024	43,110	37,024	43,110
Less: cash and bank balances pledged	(19,000)	(19,000)	(19,000)	(19,000)
Less: bank overdraft secured	-	(121)	-	(121)
<b>Cash and cash equivalents at end of the period</b>	<b>18,024</b>	<b>23,989</b>	<b>18,024</b>	<b>23,989</b>



**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.**

----- Attributable to Owners of the Company -----

	Share capital \$'000	Treasury shares \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>								
Balance at 1.1.2016	172,154	-	1,202	37,578	5,175	(9,786)	-	206,323
Total comprehensive gain/(loss) for the period	-	-	-	2,785	(142)	(5,060)	-	(2,417)
Balance at 31.3.2016	172,154	-	1,202	40,363	5,033	(14,846)	-	203,906
Total comprehensive gain/(loss) for the period	-	-	-	3,326	(31)	(4,459)	-	(1,164)
Dividends paid	-	-	-	(6,535)	-	-	-	(6,535)
Balance at 30.6.2016	172,154	-	1,202	37,154	5,002	(19,305)	-	196,207
Purchase of treasury shares		(98)						(98)
Total comprehensive (loss)/gain for the period	-	-	-	1,555	655	(3,592)	-	(1,382)
Balance at 30.9.2016	172,154	(98)	1,202	38,709	5,657	(22,897)	-	194,727

	Share capital \$'000	Treasury shares \$'000	Capital reserve ** \$'000	Revenue reserve \$'000	Fair value reserve \$'000	Currency translation reserve \$'000	Non-controlling interests \$'000	Total equity \$'000
<b>Group</b>								
Balance at 1.1.2015	172,154	-	1,202	38,312	10,361	(11,542)	-	210,487
Total comprehensive gain/(loss) for the period	-	-	-	1,211	(1,409)	(921)	-	(1,119)
Balance at 31.3.2015	172,154	-	1,202	39,523	8,952	(12,463)	-	209,368
Total comprehensive gain/(loss) for the period	-	-	-	1,096	(1,246)	1,930	-	1,780
Dividends paid	-	-	-	(7,515)	-	-	-	(7,515)
Balance at 30.6.2015	172,154	-	1,202	33,104	7,706	(10,533)	-	203,633
Total comprehensive gain for the period	-	-	-	520	(3,508)	2,707	-	(281)
Balance at 30.9.2015	172,154	-	1,202	33,624	4,198	(7,826)	-	203,352

\*\* Capital reserve relates to unrealised revaluation gain on certain properties purchased from an associate.

	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
<b>Company</b>				
Balance at 1.1.2016	172,154	-	10,451	182,605
Total comprehensive gain for the period	-	-	(162)	(162)
Balance at 31.3.2016	172,154	-	10,289	182,443
Total comprehensive gain for the period	-	-	(285)	(285)
Dividends paid	-	-	(6,535)	(6,535)
Balance at 30.6.2016	172,154	-	3,469	175,623
Total comprehensive gain for the period	-	(98)	(205)	(303)
Balance at 30.9.2016	172,154	(98)	3,264	175,320
Balance at 1.1.2015	172,154	-	8,350	180,504
Total comprehensive gain for the period	-	-	(225)	(225)
Balance at 31.3.2015	172,154	-	8,125	180,279
Total comprehensive gain for the period	-	-	(296)	(296)
Dividends paid	-	-	(7,515)	(7,515)
Balance at 30.6.2015	172,154	-	314	172,468
Total comprehensive gain for the period	-	-	1,623	1,623
Balance at 30.9.2015	172,154	-	1,937	174,091

**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.**

(a) No option has been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001. At the 58<sup>th</sup> Annual General Meeting held on 27 April 2011, the shareholders of the Company approved the extension of the scheme for another ten years from 29 May 2011 to 28 May 2021.

(b)

	30/9/2016	31/12/2015
	\$'000	\$'000
Share capital	172,154	172,154
	30/9/2016	31/12/2015
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(330)	-
Total number of issued shares excluding treasury shares	653,174	653,504

**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.**

	30/9/2016	31/12/2015
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(330)	-
Total number of issued shares excluding treasury shares	<u>653,174</u>	<u>653,504</u>

As at 30 September 2016 and 31 December 2015, there were no outstanding convertibles.

**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.**

There were 330,000 ordinary shares buy-backs at a cost of \$98,000 and held as treasury shares during the current quarter.

**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 auditors.

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

Except as disclosed below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited consolidated financial statements for the financial year ended 31 December 2015.

**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 and the Company have adopted the following new and revised FRSs standards that are mandatory for the financial periods beginning on 1 January 2016:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 27: <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38: <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 111: <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(c) Amendments to FRS 19 <i>Employee Benefits</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28: <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016

The adoption of the revised FRS did not have any material financial impact on the financial statements of the Group and the Company for the quarter ended 30 September 2016.

**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.**

	<b>GROUP</b>			
	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30.9.2016</b>	<b>30.9.2015</b>	<b>30.9.2016</b>	<b>30.9.2015</b>
Earnings per ordinary share after deducting any provision for preference dividends:				
(i) Based on the weighted average number of ordinary shares in issue (cents)	0.24	0.08	1.17	0.43
(ii) On a fully diluted basis (cents)	0.24	0.08	1.17	0.43

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 30.9.2016	As at 31.12.2015	As at 30.9.2016	As at 31.12.2015
Net asset value per ordinary share (cents)	29.81	31.57	26.84	27.94

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.**

**Revenue** (excluding all inter-segment transactions)

	3Q2016 \$'000	3Q2015 \$'000	+/(-) %	FY2016 \$'000	FY2015 \$'000	+/(-) %
Rental	1,918	2,210	(13.2)	5,531	6,604	(16.2)
Investments	1,164	822	41.6	2,806	3,223	(12.9)
Corporate and Others	-	-	n.m.	-	-	n.m.
	<u>3,082</u>	<u>3,032</u>		<u>8,337</u>	<u>9,827</u>	

Decrease in revenue for rental segment by \$1.1 million yoy and \$0.3 million qoq was mainly due to decrease in rental income from Eagle House in London by \$1 million yoy and \$0.2 million qoq as the property is undergoing asset enhancement work.

Decrease in revenue for investments segment by \$0.4 million yoy and increase of \$0.3 million qoq takes into account:-

- Reduction in net gains from sale of investment securities by \$0.8 million yoy mainly due to decrease in share trading activities. An increase in share trading activities resulted in \$0.3 million for the quarter;
- decrease in dividend income by \$0.1 million yoy and \$0.2 million qoq;
- increase in interest income by \$0.5 million yoy and \$0.2 million qoq.

**Profit before taxation** (excluding all inter-segment transactions)

	3Q2016	3Q2015	+/(-)	FY2016	FY2015	+/(-)
	\$'000	\$'000	%	\$'000	\$'000	%
Rental	91	1,705	(94.7)	4,081	4,658	(12.4)
Investments	475	462	2.8	780	2,166	(64.0)
Corporate and Others	(480)	(486)	(1.2)	(1,510)	(1,566)	(3.6)
	86	1,681		3,351	5,258	
Unallocated items	1,613	(1,247)	n.m.	5,237	(2,047)	n.m.
	1,699	434		8,588	3,211	

Rental segment refers to rental of residential, commercial properties and warehouse. Decrease in profit before taxation for Rental segment by \$0.6 million yoy and \$1.6 million qoq takes into account:-

- decrease in gain from disposal of investment properties by \$0.5 million yoy and \$1.2 million qoq;
- increase in allowance made for impairment loss on doubtful debts due from an associate of \$0.4 million yoy. The allowance of \$0.4 million was made in 1Q2016 following the disposal of the commercial property held by the associate;
- property tax refund of \$1 million in Q2 2016 following a mutually amicable settlement with Comptroller of Income Tax;
- recognition of other investment income of \$0.8 million in Q2 2016 from the development of Sheffield post office site;
- loss of results from Eagle House by \$1.4 million yoy and \$0.5 million qoq as the property is not revenue generating due to commencement of asset enhancement work in 1Q2016.

Investment segment refers to investment holding. Decrease in profit before taxation for Investment segment by \$1.4 million yoy takes into account:-

- decrease in gain on disposal of investment securities of \$0.8 million yoy;
- decrease in share of results of associates and joint ventures by \$0.5 million yoy;
- increase in impairment loss on quoted current investments of \$0.1 million yoy. Impairment loss on available-for-sale investments are made when the investment securities suffer a significant or prolonged decline in the market value below the acquisition cost;
- decrease in dividend income by \$0.4 million yoy;
- increase in interest income by \$0.5 million yoy.

Corporate segment refers to the provision of management, administrative and support services to related companies and investment holding. The loss before tax of the Corporate segment yoy and qoq remained relatively the same and were mainly contributed by salaries, bonuses and accruals of director fees.

Unallocated items refer to items such as finance costs and certain foreign exchange differences which are managed on a Group basis and were not allocated to the segments. The profits yoy and qoq were mainly due to favourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollar.

**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.**

The Singapore economy is expected to face headwinds and uncertainties in the coming year.

Residential property prices remain subdued as government cooling measures have not been removed. With more new residential projects being completed, the pressure on rents is expected to further increase.

The Group's residential and commercial properties remain fully let, albeit at lower rents for those residential properties that were leased to new tenants in current year. The Group's Paya Lebar property remains on a long-term lease.

Sterling has taken a substantial drop following talks of a hard Brexit.

Management has continued the assessment of the implications of Brexit to the Group as follows:

- i. The Group mainly has exposure to its net investment in UK entities, Sterling Pound quasi-receivables and Sterling Pound bank loans.
- ii. The Group's major assets in UK relate to its investment properties. The Group's investment properties are accounted using the cost model. The impact on the market values of the Group's investment properties will affect the Group's balance sheet. The Group may incur currency translation loss in the balance sheet on its net investment in UK entities. Based on management's preliminary analysis, most of the properties which were acquired some time ago, have fair value gains that will moderate adverse drop in market valuation.
- iii. In order to mitigate the Group's currency risk exposure, the Group has Sterling Pound bank loans secured against Singapore Dollar cash deposits and a Singapore property. Any exchange gains arising from a decline in Sterling Pound against Singapore Dollar will be recognised in the Group's profit and loss account.
- iv. On an overall net asset position, the decrease in Sterling Pound will result in currency translation losses that would be mitigated by the exchange gain impact referred to in (iii) above.

As a result of Brexit, our intention to sell some of the refurbished flats in London will now be deferred and with the Sterling Pound exchange rate at present levels our UK rental income will be adversely affected when translated to Singapore Dollars.

The Group has commenced marketing of 20 Midtown (formerly known as Eagle House) for lease and has received a number of encouraging enquiries.

**11. Dividend**

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

Any dividend recommended for the current financial period reported on? No

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

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared.

**13. INTERESTED PERSON TRANSACTIONS**

<b>Name of interested person</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</b>
Hong Leong Investment Holdings Pte. Ltd. Group – Interest charged on shareholder loan to Hong Property Investment Pte Ltd for nine months ended 30 September 2016	\$111,318	Nil <sup>^</sup>

<sup>^</sup> There is no subsisting shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.



**14. CONFIRMATION BY THE BOARD**

The Board of Directors of Hwa Hong Corporation Limited confirms that to the best of its knowledge, nothing has come to its attention which may render the interim financial results to be false or misleading in any material respect.

**15. UNDERTAKINGS CONFIRMATION**

The Company hereby confirms that the undertakings as required in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual has been procured from all its Directors and Executive Officers.

**SUBMITTED BY**

Lee Soo Wei  
Chief Financial Officer  
21 October 2016