

**UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2017**
**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.**

	Group						
	Third Quarter Ended			Nine Months Ended			
	30.9.2017	30.9.2016	+/(-) %	30.9.2017	30.9.2016	+/(-) %	
Note	\$'000	\$'000	%	\$'000	\$'000	%	
<b>Revenue</b>		3,101	3,082	0.6	9,060	8,337	8.7
Cost of sales		(1,104)	(1,172)	(5.8)	(3,197)	(3,356)	(4.7)
<b>Gross profit</b>		1,997	1,910	4.6	5,863	4,981	17.7
Other income	1	3,001	1,819	65.0	8,444	10,404	(18.8)
General and administrative costs	2	(1,772)	(1,353)	31.0	(4,739)	(4,328)	9.5
Other operating costs	3	(1,132)	(386)	n.m.	(1,844)	(2,118)	(12.9)
Finance costs		(324)	(393)	(17.6)	(1,011)	(1,010)	0.1
Share of after tax results of associates and joint ventures	4	36	102	(64.7)	37	659	(94.4)
Profit before taxation		1,806	1,699	6.3	6,750	8,588	(21.4)
Taxation	5	(537)	(144)	n.m.	(885)	(922)	(4.0)
<b>Net profit after taxation</b>		1,269	1,555	(18.4)	5,865	7,666	(23.5)
<b>Attributable to:</b>							
<b>Owners of the Company</b>		1,269	1,555	(18.4)	5,865	7,666	(23.5)
<b>Profit for the year attributable to owners of the Company</b>		1,269	1,555		5,865	7,666	

n.m. denotes not meaningful.

**Notes to Group Profit and Loss Statement**
**1. Other income comprised the following:**

	3Q2017	3Q2016	+/(-) %	FY2017	FY2016	+/(-) %
	\$'000	\$'000	%	\$'000	\$'000	%
Interest income	-	(72)	n.m.	1	20	(95.0)
Gain on disposal of non-current investments	-	-	-	220	-	n.m.
Gain on disposal of investment properties	3,902	(67)	n.m.	7,858	2,180	n.m.
Other investment income	19	(25)	n.m.	136	816	(83.3)
Foreign exchange (loss)/gain	(984)	1,917	n.m.	-	6,201	n.m.
Refund of property tax	-	-	-	-	957	n.m.
Sundry	64	66	(3.0)	229	230	(0.4)
	<u>3,001</u>	<u>1,819</u>		<u>8,444</u>	<u>10,404</u>	

The strengthening of the Sterling Pound against Singapore Dollars resulted in unrealised translation loss of \$0.4 million yoy (reflected under "General and administrative costs") and \$1 million qoq (reflected under "Other income") mainly attributable to our Sterling Pound loans. Sterling Pound has increased from \$1.80876 as at 31 December 2016 to \$1.819281 as at 30 September 2017 and from \$1.76779 as at 30 June 2017 to \$1.819281 as at 30 September 2017.

Notwithstanding the translation loss of \$0.4 million yoy and \$1 million qoq, the overall net foreign exchange impact to the Group was exchange gain of \$0.1 million yoy and \$1.2 million qoq (refer to Note 2 on Notes to Statement of Comprehensive Income for more information).

2. General and administrative costs increased by \$0.4 million yoy and qoq mainly due to foreign exchange loss of \$0.3 million classified within general and administrative costs. This unrealised foreign exchange loss arose mainly from the translation of bank loans denominated in Sterling Pounds.

3. Other operating costs comprised the following:

	3Q2017	3Q2016	+ / (-)	FY2017	FY2016	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
Allowance made for impairment on						
- current investments	31	411	(92.5)	73	1,745	(95.8)
- non-current investments	302	-	n.m.	972	-	n.m.
- investment property	799	-	n.m.	799	-	n.m.
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>1,132</u>	<u>386</u>		<u>1,844</u>	<u>2,118</u>	

- Overall, allowance for impairment loss decreased yoy and qoq on current and non-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;
- Allowance for impairment on investment property was made on the Sheffield property relating to the academic facility development site in Fitzalan Square. From Q3 onwards, Sheffield property was assessed on a site-by-site basis instead of a portfolio basis arising from a change of investment strategies relating to the sites in Sheffield property. Notwithstanding impairment to this site, the other 2 sites in Sheffield property have unrecognised revaluation gains and contingent gains relating to the redevelopment of the former post office building (refer to 2016 Annual Report Note 31 for more information on Contingent Asset) which are greater than the impairment provision on an overall assessment basis.

4. Share of after tax results of associates and joint ventures decreased by \$0.6 million yoy mainly due to share of loss of \$0.6 million from an associated company, Clan Kilmuir (Jersey) Limited which the Group acquired in March 2016. Out of \$0.6 million, \$0.2 million was attributable to depreciation of the investment property held by Clan Kilmuir and the remaining \$0.4 million was mainly due to project costs associated with the investment property.

5. Effective tax rate for FY2017 was 13.1% (FY2016: 10.7%) and 29.7% (FY2016: 8.5%) for 3Q2017. The taxation charge for the Group for FY2017 was 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, offset by certain non-deductible expenses and losses incurred by foreign subsidiaries which are not available for set off against profits of local subsidiaries. The taxation charge for 3Q2017 was higher than the statutory tax rate of 17% mainly due to certain non-deductible expenses offset by certain gains that were capital in nature.

Profit before taxation included the following:

	Note	Group					
		Third Quarter Ended			Nine Months Ended		
		30.9.2017	30.9.2016	+ /(-)	30.9.2017	30.9.2016	+ /(-)
	\$'000	\$'000	%	\$'000	\$'000	%	
Investment income		242	207	16.9	855	893	(4.3)
Interest income (included in revenue)		146	422	(65.4)	752	1,054	(28.7)
Interest on borrowings		(324)	(393)	(17.6)	(1,011)	(1,010)	0.1
Depreciation on property, plant and equipment and investment properties		(518)	(665)	(22.1)	(1,586)	(1,738)	(8.7)
Allowance written back/(made) for doubtful debts							
- due from an associate	3	-	24	n.m.	-	(356)	n.m.
- due from other receivables	3	-	1	n.m.	-	(17)	n.m.
Allowance made for impairment loss on							
- quoted current investments	3	(31)	(411)	(92.5)	(73)	(1,745)	(95.8)
- unquoted non-current investments	3	(302)	-	n.m.	(972)	-	n.m.
- investment properties	3	(799)	-	n.m.	(799)	-	n.m.
(Under)/overprovision of taxation in prior years		-	-	-	-	-	-
Foreign exchange (loss)/gain		(1,320)	1,917	n.m.	(336)	6,201	n.m.
Gain on disposal of investments (included in revenue)		680	536	26.9	1,543	860	79.4
Gain on disposal of non-current investments							
- included in other income	1	-	-	-	220	-	n.m.
Gain/(loss) on disposal of investment properties							
- included in other income	1	3,902	(67)	n.m.	7,858	2,180	n.m.

### **Statement of Comprehensive Income**

	Note	Third Quarter Ended			Nine Months Ended		
		30.9.2017	30.9.2016	+ /(-)	30.9.2017	30.9.2016	+ /(-)
		\$'000	\$'000	%	\$'000	\$'000	%
<b>Net profit after taxation</b>		1,269	1,555	(18.4)	5,865	7,666	(23.5)
<u>Other comprehensive gain/(loss):</u>							
Items that may be reclassified subsequently to profit or loss:							
Net (loss)/gain on available-for-sale investments (net of tax)	1	(185)	655	n.m.	1,798	482	n.m.
Exchange difference arising from							
- consolidation	2	1,052	(1,387)	n.m.	283	(4,672)	n.m.
- revaluation of net investment in foreign operation	2	1,350	(2,205)	n.m.	126	(8,439)	n.m.
Revaluation gain realised by an associate to income statement		(201)	-	n.m.	(201)	-	n.m.
Other comprehensive gain/(loss), net of tax		<u>2,016</u>	<u>(2,937)</u>		<u>2,006</u>	<u>(12,629)</u>	
<b>Total comprehensive gain/(loss) for the period</b>		<b><u>3,285</u></b>	<b><u>(1,382)</u></b>		<b><u>7,871</u></b>	<b><u>(4,963)</u></b>	
Total comprehensive gain/(loss) for the period attributable to:							
Owners of the Company		3,285	(1,382)	n.m.	7,871	(4,963)	n.m.
Non-controlling interests		-	-		-	-	
		<u>3,285</u>	<u>(1,382)</u>		<u>7,871</u>	<u>(4,963)</u>	

## **Notes to Statement of Comprehensive Income**

- 1) Net gains on available-for-sale investments (net of tax) in FY2017 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 \$0.3 million in FY2017 and \$1.1 million in 3Q2017 and revaluation of net investment in foreign operation of \$0.1 million in FY2017 and \$1.4 million in 3Q2017 were mainly due to favourable foreign exchange impact arising from the translation of Sterling Pound against Singapore Dollars for those UK net investments and assets. The strengthening of the Sterling Pound against Singapore Dollar resulted in overall net foreign exchange gain of approximately \$0.1 million for FY2017 made up of \$0.3 million and \$0.1 million in the Other Comprehensive Income which is partially offset by a translation loss in the profit and loss of \$0.3 million mainly attributable to our Sterling Pound loans. For 3Q2017, the overall net foreign exchange gain was approximately \$1.2 million made up of \$1.1 million and \$1.4 million in the Other Comprehensive Income which is partially offset by a translation loss in the profit and loss of \$1.3 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	
		30.9.2017 \$'000	31.12.2016 \$'000	30.9.2017 \$'000	31.12.2016 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		4,519	4,672	-	-
Investment properties	1	112,595	120,254	-	-
Investment in subsidiaries		-	-	169,687	169,687
Investment in joint ventures		7,177	7,311	-	-
Investment in associates		26,538	26,550	746	746
Investment securities	2	23,180	20,780	-	-
Other receivables		5,530	5,362	-	-
Amounts due from associates		2,000	2,000	-	-
		<b>181,539</b>	<b>186,929</b>	<b>170,433</b>	<b>170,433</b>
<b>Current assets</b>					
Trade receivables		532	595	-	-
Prepayments and deposits		277	223	58	53
Other receivables	3	3,940	13,519	-	-
Amounts due from subsidiaries	4	-	-	1,694	8,674
Amounts due from associates		7,210	7,355	-	-
Investment securities	5	32,829	28,872	-	-
Cash and bank balances	6	37,134	36,866	4,108	1,381
		<b>81,922</b>	<b>87,430</b>	<b>5,860</b>	<b>10,108</b>
<b>Current liabilities</b>					
Trade payables		(707)	(683)	-	-
Other payables		(2,029)	(1,924)	(336)	(350)
Accrued operating expenses		(2,174)	(1,944)	(211)	(199)
Amounts due to associates		(543)	(563)	(361)	(381)
Bank loans (secured)	7	(41,096)	(57,705)	-	-
Tax payable	8	(1,925)	(1,419)	-	-
		<b>(48,474)</b>	<b>(64,238)</b>	<b>(908)</b>	<b>(930)</b>
<b>Net current assets</b>		<b>33,448</b>	<b>23,192</b>	<b>4,952</b>	<b>9,178</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		(4,410)	(4,034)	-	-
Bank loans (secured)	7	(14,508)	(11,212)	-	-
Other payables		(378)	(456)	-	-
		<b>(19,296)</b>	<b>(15,702)</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>		<b>195,691</b>	<b>194,419</b>	<b>175,385</b>	<b>179,611</b>

	Group		Company	
	30.9.2017	31.12.2016	30.9.2017	31.12.2016
	\$'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	(165)	(98)	(165)	(98)
Capital reserve	1,001	1,202	-	-
Revenue reserve	36,925	37,592	3,396	7,555
Fair value reserve	8,124	6,326	-	-
Currency translation reserve	(22,348)	(22,757)	-	-
	<u>195,691</u>	<u>194,419</u>	<u>175,385</u>	<u>179,611</u>
Non-controlling interests	-	-	-	-
<b>Share capital and reserves</b>	<u>195,691</u>	<u>194,419</u>	<u>175,385</u>	<u>179,611</u>

### **Notes to Statement of Financial Position:**

1. Investment properties decreased by \$7.7 million mainly due to:
  - a. disposal of 3 UK residential properties in London, 1 UK commercial property in Manchester and 1 residential property in Singapore;
  - b. impairment of investment property in the academic facility site in Sheffield site of \$0.8 million; and
  - c. depreciation of the investment properties in this period.
2. Non-current investment securities increased by \$2.4 million mainly due to additions of \$2.6 million made during the period.
3. Other receivables decreased by \$9.6 million mainly due to receipt of \$9.8 million due from a joint venture partner, DR Trust.
4. Amount due from subsidiaries reduced by \$7 million mainly due to receipts from subsidiaries.
5. Current investment securities increased by \$4 million mainly due to additions and fair value change of available-for-sale investments during the period.
6. Increase in Company's cash and bank balances by \$2.7 million was mainly due to dividends of \$3.1 million received from its subsidiaries.
7. Current bank loans decreased by \$16.6 million mainly due to repayment of bank loans of approximately \$16.6 million during the period. Non-current bank loans increased by \$3.3 million mainly due to additional loans drawn-down during the period.
8. Tax payable increased by \$0.5 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**

	30.9.2017		31.12.2016	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Short term bank loans	41,096	-	57,705	-

**Amount repayable after one year**

	30.9.2017		31.12.2016	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Long term bank loans	14,508	-	11,212	-

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

**Details of any collateral**

Short term bank loans comprised:

- An amount of \$19.6 million (2016: \$24.1 million) secured by a pledge of \$15 million (2016: \$15 million) on a subsidiary's fixed deposits and a corporate guarantee from the Company.
- An amount of \$14.2 million (2016: \$25.3 million) secured by a legal charge over a subsidiary's investment property and assignment of tenancy agreement in respect of the property.
- An amount of \$1.8 million (2016: \$2.9 million) secured by a deed of guarantee and indemnity of \$4 million (2016: \$4 million) from a subsidiary.
- An amount of \$5.5 million (2016: \$5.4 million) secured by a pledge of \$4 million (2016: \$4 million) on a subsidiary's fixed deposits.

Long term bank loan of \$14.5 million (2016: \$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 30.9.2017	30.9.2016	Nine Months Ended 30.9.2017	30.9.2016
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities:</b>				
Profit before taxation	1,806	1,699	6,750	8,588
Adjustments for:				
Interest income	(146)	(350)	(753)	(1,074)
Interest expense	324	393	1,011	1,010
Dividend income from investment securities	(242)	(207)	(855)	(893)
Depreciation of property, plant and equipment and investment properties	518	665	1,586	1,738
Share of results of associates and joint ventures	(36)	(102)	(37)	(659)
Allowance (written-back)/made for doubtful receivables from an associate	-	(24)	-	356
Allowance made/(written back) for impairment loss on				
- current investment securities	31	411	73	1,745
- non-current investment securities	302	-	972	-
- investment properties	799	-	799	-
- other receivables	-	(1)	-	17
(Gain)/loss on disposal of investment properties	(3,902)	67	(7,858)	(2,180)
Gain on disposal of non-current investment securities	-	-	(220)	-
Unrealised exchange differences	1,689	107	408	(925)
	(663)	959	(4,874)	(865)
<b>Operating cash flows before changes in working capital</b>	1,143	2,658	1,876	7,723
(Increase)/decrease in receivables and current investments	(3,334)	616	(3,032)	(1,484)
(Decrease)/increase in payables	(716)	963	262	971
	(4,050)	1,579	(2,770)	(513)
<b>Cash flows (used in)/from operations</b>	(2,907)	4,237	(894)	7,210
Interest received	132	(77)	569	323
Interest paid	(289)	(393)	(976)	(1,010)
Dividend income from investment securities	242	207	855	893
Income taxes paid	(86)	(43)	(165)	(215)
	(1)	(306)	283	(9)
<b>Net cash flows (used in)/from operating activities</b>	(2,908)	3,931	(611)	7,201
<b>Cash flows from investing activities:</b>				
Increase in other investments	-	-	(2,650)	(519)
Decrease in other receivables	4,200	432	9,528	2,053
Decrease in investment in joint venture	-	-	287	-
Increase in investment in associates	-	-	-	(12,718)
Decrease/(increase) in amounts due from associates	141	(11)	234	1,012
Dividend income from associates	-	-	-	2,535
Proceeds from disposal of other investments	-	-	470	-
Proceeds from disposal of property, plant and equipment	-	-	137	-
Proceeds from disposal of investment properties	5,953	(122)	14,295	3,994
Additions to investment properties	(113)	(3,061)	(853)	(29,795)
Purchase of property, plant and equipment	1	37	(206)	(119)
<b>Net cash flows from/(used in) investing activities</b>	10,182	(2,725)	21,242	(33,557)
<b>Net cash flows from/(used in) operating and investing activities carried forward</b>	7,274	1,206	20,631	(26,356)



	<b>Group</b>			
	<b>Third Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b>30.9.2017</b>	<b>30.9.2016</b>	<b>30.9.2017</b>	<b>30.9.2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Net cash flows from/(used in) operating and investing activities brought forward</b>	7,274	1,206	20,631	(26,356)
<b>Cash flows from financing activities:</b>				
Increase in bank loans	3,149	(2,821)	3,149	30,050
Repayment of bank loans	(15,474)	-	(16,928)	-
Share buy-back	-	(98)	(67)	(98)
Dividends paid	-	-	(6,532)	(6,535)
<b>Net cash flows (used in)/from financing activities</b>	<b>(12,325)</b>	<b>(2,919)</b>	<b>(20,378)</b>	<b>23,417</b>
Net (decrease)/increase in cash and cash equivalents	(5,051)	(1,713)	253	(2,939)
Cash and cash equivalents at beginning of the period	23,112	19,820	17,866	21,309
Effects of exchange rate changes on cash and cash equivalents	73	(83)	15	(346)
<b>Cash and cash equivalents at end of the period</b>	<b>18,134</b>	<b>18,024</b>	<b>18,134</b>	<b>18,024</b>

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

	<b>Group</b>		<b>Group</b>	
	<b>30.9.2017</b>	<b>30.9.2016</b>	<b>30.9.2017</b>	<b>30.9.2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and bank balances	37,134	37,024	37,134	37,024
Less: cash and bank balances pledged	(19,000)	(19,000)	(19,000)	(19,000)
Less: bank overdrafts secured	-	-	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>18,134</b>	<b>18,024</b>	<b>18,134</b>	<b>18,024</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 1.1.2017	172,154	(98)	1,202	37,592	6,326	(22,757)	-	194,419
Total comprehensive gain/(loss) for the period	-	-	-	3,221	2,420	(4,194)	-	1,447
Balance at 31.3.2017	172,154	(98)	1,202	40,813	8,746	(26,951)	-	195,866
Purchase of treasury shares	-	(67)	-	-	-	-	-	(67)
Total comprehensive gain/(loss) for the period	-	-	-	1,375	(437)	2,201	-	3,139
Dividends paid	-	-	-	(6,532)	-	-	-	(6,532)
Balance at 30.6.2017	172,154	(165)	1,202	35,656	8,309	(24,750)	-	192,406
Total comprehensive (loss)/gain for the period	-	-	(201)	1,269	(185)	2,402	-	3,285
Balance at 30.9.2017	172,154	(165)	1,001	36,925	8,124	(22,348)	-	195,691
	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

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

Company	Share capital \$'000	Treasury shares \$'000	Revenue reserve \$'000	Total equity \$'000
Balance at 1.1.2017	172,154	(98)	7,555	179,611
Total comprehensive gain for the period	-	-	(206)	(206)
Balance at 31.3.2017	172,154	(98)	7,349	179,405
Purchase of treasury shares	-	(67)	-	(67)
Total comprehensive gain for the period	-	-	(301)	(301)
Dividends paid	-	-	(6,532)	(6,532)
Balance at 30.6.2017	172,154	(165)	516	172,505
Total comprehensive gain for the period	-	-	2,880	2,880
Balance at 30.9.2017	172,154	(165)	3,396	175,385
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
Purchase of treasury shares	-	(98)	-	(98)
Total comprehensive gain for the period	-	-	(205)	(205)
Balance at 30.9.2016	172,154	(98)	3,264	175,320

**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.**

(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)

	30/9/2017	30/9/2016
	\$'000	\$'000
Share capital	172,154	172,154
	30/9/2017	30/9/2016
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(546)	(330)
Total number of subsidiary holdings	-	-
Total number of issued shares excluding treasury shares and subsidiary holdings	652,958	653,174

**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.**

	30/9/2017	31/12/2016
	'000	'000
Total number of issued shares	653,504	653,504
Total number of treasury shares	(546)	(330)
Total number of issued shares excluding treasury shares	<u>652,958</u>	<u>653,174</u>

As at 30 September 2017 and 31 December 2016, 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 no shares buy-backs during the current quarter.

**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.

**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 2016.

**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 2017:-

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 7: Disclosure Initiative <i>Statements</i>	1 January 2017
Amendments to to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

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 2017.

**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>30.9.2017</b>	<b>30.9.2016</b>	<b>30.9.2017</b>	<b>30.9.2016</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)	0.19	0.24	0.90	1.17
(ii) On a fully diluted basis (cents)	0.19	0.24	0.90	1.17

**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.**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30.9.2017</b>	<b>31.12.2016</b>	<b>30.9.2017</b>	<b>31.12.2016</b>
Net asset value per ordinary share (cents)	29.97	29.77	26.86	27.50

Note: dividend of 1 cent was paid in Q2 2017.

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)

	3Q2017 \$'000	3Q2016 \$'000	+/(-) %	FY2017 \$'000	FY2016 \$'000	+/(-) %
Rental	2,034	1,918	6.0	5,911	5,531	6.9
Investments	1,067	1,164	(8.3)	3,149	2,806	12.2
Corporate and Others	-	-	n.m.	-	-	n.m.
	<u>3,101</u>	<u>3,082</u>		<u>9,060</u>	<u>8,337</u>	

Increase in revenue for rental segment by \$0.4 million yoy was mainly due to increase in rental income from Herbal Hill by \$0.4 million arising from the acquisition of the property in May 2016.

Increase in revenue for investments segment by \$0.3 million yoy takes into account:-

- increase in net gains from sale of investment securities by \$0.7 million yoy mainly due to increase in share trading activities;
- decrease in interest income by \$0.3 million yoy mainly due to absence of interest income from DR Trust subsequent to the receipt of loan in 2Q2017.

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

	3Q2017 \$'000	3Q2016 \$'000	+/(-) %	FY2017 \$'000	FY2016 \$'000	+/(-) %
Rental	3,574	91	n.m.	8,321	4,081	n.m.
Investments	425	475	(10.5)	1,358	780	n.m.
Corporate and Others	(500)	(480)	4.2	(1,548)	(1,510)	2.5
	<u>3,499</u>	<u>86</u>		<u>8,131</u>	<u>3,351</u>	
Unallocated items	(1,693)	1,613	n.m.	(1,381)	5,237	n.m.
	<u>1,806</u>	<u>1,699</u>		<u>6,750</u>	<u>8,588</u>	

Rental segment refers to rental of residential, commercial properties and warehouse. Increase in profit before taxation for Rental segment by \$4.2 million yoy and \$3.5 million qoq takes into account:-

- increase in gain from disposal of investment properties by \$5.7 million yoy and \$4.0 million qoq;
- decrease 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;
- decrease in recognition of other investment income of \$0.7 million yoy. The other investment income came from the development of Sheffield post office site;
- increase in profits of \$0.4 million yoy and \$0.1 million qoq from Herbal Hill property subsequent to its acquisition in May 2016;
- increase in impairment of investment properties of \$0.8 million yoy and qoq.

Investment segment refers to investment holding. Increase in profit before taxation for Investment segment by \$0.6 million yoy takes into account:-

- increase in gain on disposal of investment securities of \$0.7 million yoy;
- gain on disposal of non-current investment securities of \$0.2 million yoy;
- decrease in share of results of associates and joint ventures by \$0.6 million yoy;
- decrease in impairment loss on available-for-sale investments of \$0.7 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 interest income by \$0.3 million yoy.

Corporate segment refers to the provision of management, administrative and support services to related companies and investment holding.

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 losses yoy and qoq were mainly due to unfavourable 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.**

Brexit negotiations on trade, immigration and customs union between UK and the European Union have not been resolved. Given these uncertainties, the Group remains cautious when evaluating further investments in UK.

Midtown 20 in Holborn, which completed refurbishment early this year is now fully let. Refurbishment of the remaining flats in Hornton Street, Knightsbridge are ongoing as planned. The flats will be rented out upon completion of refurbishment works.

In Singapore, the residential market is improving and there are enquires for the sale of our RiverGate flats. Depending on the price, the Group may consider disposing some units when appropriate.

The commercial and industrial properties remained fully let.

**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 2017	\$109,268	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  
26 October 2017