



# HOTEL PROPERTIES LIMITED

(REG. NO. 198000348Z)

## Full Year Financial Statements and Dividend Announcement

### 1(a)(i) Income Statement

|  | GROUP<br>\$'000            |                            |
|--|----------------------------|----------------------------|
|  | Year ended<br>Dec 31, 2016 | Year ended<br>Dec 31, 2015 |
| Revenue  | 577,616                    | 579,541                    |
| Cost of sales  | (436,135)                  | (417,809)                  |
| Gross profit   | 141,481                    | 161,732                    |
| Other operating income   | 62,044                     | 22,257                     |
| Administrative expenses  | (68,768)                   | (67,524)                   |
| Other operating expenses   | (1,237)                    | (1,842)                    |
| Finance costs  | (30,317)                   | (34,907)                   |
| Share of results of associates and jointly controlled entities           | 34,650                     | 36,225                     |
| Profit before income tax and fair value changes in investment properties | 137,853                    | 115,941                    |
| Fair value loss in investment properties                                 | (2,350)                    | -                          |
| Profit before income tax   | 135,503                    | 115,941                    |
| Income tax expense   | (26,944)                   | (25,210)                   |
| Profit after income tax  | 108,559                    | 90,731                     |
|  |                            |                            |
| Attributable to:   |                            |                            |
| Shareholders of the Company  | 103,452                    | 81,666                     |
| Non-controlling interests  | 5,107                      | 9,065                      |
|  | 108,559                    | 90,731                     |

1(a)(ii) Notes to the income statement:

|   | GROUP<br>\$'000            |                            |
|---|----------------------------|----------------------------|
|   | Year ended<br>Dec 31, 2016 | Year ended<br>Dec 31, 2015 |
| Investment income*  | 1,947                      | 1,493                      |
| Other income including interest income*                         | 4,947                      | 5,683                      |
| Depreciation and amortisation                                   | (54,465)                   | (51,764)                   |
| (Allowance for) Write-back of doubtful trade receivables*       | (217)                      | 32                         |
| Fair value gain in held-for-trading investments*                | 1,162                      | 1,017                      |
| Foreign exchange gain*  | 1,652                      | 2,669                      |
| Adjustment for under provision of tax in respect of prior years | (2,676)                    | (2,964)                    |
| Write-back of impairment of available-for-sale investments*     | 147                        | 29                         |
| Gain on disposal of associates*                                 | -                          | 10,956                     |
| Gain on disposal of property, plant and equipment*              | 41,272                     | 341                        |
| Insurance proceeds*   | 10,876                     | -                          |

Note:

\* Included in other operating income (expenses)

1(a)(iii) Statement of Comprehensive Income

|   | GROUP<br>\$'000            |                            |
|---|----------------------------|----------------------------|
|   | Year ended<br>Dec 31, 2016 | Year ended<br>Dec 31, 2015 |
| Profit after income tax   | 108,559                    | 90,731                     |
| Other comprehensive income (loss) (net of tax):                                 |                            |                            |
| <i>Items that will not be reclassified subsequently to profit or loss</i>       |                            |                            |
| Remeasurement of defined benefit obligation                                     | (224)                      | (146)                      |
| <i>Items that may be reclassified subsequently to profit or loss</i>            |                            |                            |
| Exchange differences on translating foreign operations                          | 57,574                     | 5,381                      |
| Decrease in other reserves  | (7,967)                    | (2,250)                    |
| Share of other comprehensive loss of associates and jointly controlled entities | (36,123)                   | (9,574)                    |
|   | 13,484                     | (6,443)                    |
| Other comprehensive income (loss) for the year, net of tax                      | 13,260                     | (6,589)                    |
| Total comprehensive income  | 121,819                    | 84,142                     |
| Attributable to:  |                            |                            |
| Shareholders of the Company   | 114,753                    | 75,134                     |
| Non-controlling interests   | 7,066                      | 9,008                      |
|   | 121,819                    | 84,142                     |

**1(b)(i) Statements of Financial Position**

|  | <b>GROUP</b>        |                     | <b>COMPANY</b>      |                     |
|--|---------------------|---------------------|---------------------|---------------------|
|  | <b>\$'000</b>       |                     | <b>\$'000</b>       |                     |
|  | <b>Dec 31, 2016</b> | <b>Dec 31, 2015</b> | <b>Dec 31, 2016</b> | <b>Dec 31, 2015</b> |
| <b>ASSETS</b>  |                     |                     |                     |                     |
| <b>Current assets:</b>                                     |                     |                     |                     |                     |
| Cash and bank balances                                     | 117,179             | 158,827             | 18,187              | 84,453              |
| Held-for-trading investments <sup>(1)</sup>                | 806                 | -                   | -                   | -                   |
| Trade and other receivables <sup>(2)</sup>                 | 111,387             | 57,152              | 2,353               | 2,542               |
| Amount due from associates and jointly controlled entities | 194,382             | 199,625             | 5,511               | 5,751               |
| Amount due from subsidiaries                               | -                   | -                   | 902,429             | 889,486             |
| Inventories  | 9,422               | 9,131               | 184                 | 239                 |
| Completed properties held for sale <sup>(3)</sup>          | 144,984             | 207,936             | -                   | -                   |
| <b>Total current assets</b>                                | <b>578,160</b>      | <b>632,671</b>      | <b>928,664</b>      | <b>982,471</b>      |
| <b>Non-current assets:</b>                                 |                     |                     |                     |                     |
| Associates and jointly controlled entities                 | 590,339             | 585,589             | -                   | -                   |
| Subsidiaries   | -                   | -                   | 450,860             | 454,781             |
| Available-for-sale investments                             | 57,025              | 66,540              | -                   | -                   |
| Property, plant and equipment                              | 1,245,447           | 1,195,059           | 228,565             | 229,620             |
| Investment properties                                      | 686,348             | 688,698             | -                   | -                   |
| Derivative financial instruments <sup>(4)</sup>            | 12,489              | -                   | 12,489              | -                   |
| Deferred tax assets  | 4,236               | 3,723               | -                   | -                   |
| Intangible assets  | 6,160               | 6,185               | -                   | -                   |
| <b>Total non-current assets</b>                            | <b>2,602,044</b>    | <b>2,545,794</b>    | <b>691,914</b>      | <b>684,401</b>      |
| <b>Total assets</b>  | <b>3,180,204</b>    | <b>3,178,465</b>    | <b>1,620,578</b>    | <b>1,666,872</b>    |
| <b>LIABILITIES AND EQUITY</b>                              |                     |                     |                     |                     |
| <b>Current liabilities:</b>                                |                     |                     |                     |                     |
| Short-term borrowings                                      | 282,220             | 231,585             | 24,992              | 99,983              |
| Trade and other payables                                   | 126,829             | 120,575             | 24,604              | 19,178              |
| Amount due to subsidiaries                                 | -                   | -                   | 44,456              | 44,467              |
| Income tax payable   | 17,511              | 11,337              | -                   | 68                  |
| <b>Total current liabilities</b>                           | <b>426,560</b>      | <b>363,497</b>      | <b>94,052</b>       | <b>163,696</b>      |
| <b>Non-current liabilities:</b>                            |                     |                     |                     |                     |
| Advances from subsidiaries                                 | -                   | -                   | 22,980              | 22,094              |
| Derivative financial instruments <sup>(4)</sup>            | -                   | 4,530               | -                   | 4,530               |
| Long-term borrowings                                       | 710,087             | 847,003             | 455,503             | 430,265             |
| Deferred tax liabilities                                   | 15,221              | 14,151              | 1,004               | 1,016               |
| <b>Total non-current liabilities</b>                       | <b>725,308</b>      | <b>865,684</b>      | <b>479,487</b>      | <b>457,905</b>      |
| <b>Share capital and reserves:</b>                         |                     |                     |                     |                     |
| Share capital  | 719,693             | 717,895             | 719,693             | 717,895             |
| Reserves   | 1,073,536           | 1,006,144           | 178,999             | 179,029             |
| Equity attributable to shareholders of the Company         | 1,793,229           | 1,724,039           | 898,692             | 896,924             |
| Perpetual capital securities                               | 148,347             | 148,347             | 148,347             | 148,347             |
|  | 1,941,576           | 1,872,386           | 1,047,039           | 1,045,271           |
| Non-controlling interests                                  | 86,760              | 76,898              | -                   | -                   |
| <b>Total equity</b>  | <b>2,028,336</b>    | <b>1,949,284</b>    | <b>1,047,039</b>    | <b>1,045,271</b>    |
| <b>Total liabilities and equity</b>                        | <b>3,180,204</b>    | <b>3,178,465</b>    | <b>1,620,578</b>    | <b>1,666,872</b>    |

**Note:**

- (1) Acquisition of held-for-trading investments during the year.
- (2) Increase mainly from purchasers of completed properties held for sale.
- (3) Sale during the year.
- (4) The Group entered into cross currency swaps during the previous financial year to manage its exposure to exchange rate movements on its investments. This represents the estimated fair value of the swaps as at reporting date.

**1(b)(ii) Aggregate Amount of Group's Borrowings and Debt Securities****Amount repayable in one year or less, or on demand**

| As at Dec 31, 2016 |              | As at Dec 31, 2015 |              |
|--------------------|--------------|--------------------|--------------|
| Secured            | Unsecured    | Secured            | Unsecured    |
| \$257,228,000      | \$24,992,000 | \$131,602,000      | \$99,983,000 |

**Amount repayable after one year**

| As at Dec 31, 2016 |               | As at Dec 31, 2015 |               |
|--------------------|---------------|--------------------|---------------|
| Secured            | Unsecured     | Secured            | Unsecured     |
| \$283,505,000      | \$426,582,000 | \$432,799,000      | \$414,204,000 |

**Details of any collateral**

The above are secured by legal mortgages on properties of the Company and some subsidiaries, fixed and floating charges on assets of the Company and some subsidiaries and pledge of shares of certain subsidiaries.

## 1(c) Consolidated Statement of Cash Flows

|   | Year ended<br>Dec 31, 2016<br>\$'000 | Year ended<br>Dec 31, 2015<br>\$'000 |
|---|--------------------------------------|--------------------------------------|
| <b>Cash flows from operating activities:</b>  |                                      |                                      |
| Profit before income tax and share of results of associates and jointly controlled entities | 100,853                              | 79,716                               |
| Adjustments for:  |                                      |                                      |
| Amortisation of intangible assets   | 332                                  | 330                                  |
| Depreciation expense  | 54,133                               | 51,434                               |
| Share-based payment expense   | 5,248                                | 7,167                                |
| Write-back of impairment of available-for-sale investments                                  | (147)                                | (29)                                 |
| Fair value loss in investment properties  | 2,350                                | -                                    |
| Gain on disposal of property, plant and equipment   | (41,272)                             | (341)                                |
| Gain on disposal of associates  | -                                    | (10,956)                             |
| Finance costs   | 30,317                               | 34,907                               |
| Interest income   | (2,985)                              | (1,566)                              |
| Dividend income   | (1,947)                              | (1,493)                              |
| Profit before working capital changes   | 146,882                              | 159,169                              |
| Trade and other payables  | 3,024                                | (13,000)                             |
| Completed properties held for sale  | 63,260                               | 53,382                               |
| Receivables and prepayments   | (52,853)                             | 5,359                                |
| Held-for-trading investments  | (806)                                | 9,495                                |
| Inventories   | 124                                  | 1,374                                |
| Cash generated from operations  | 159,631                              | 215,779                              |
| Dividend received   | 1,947                                | 1,493                                |
| Income tax paid   | (20,490)                             | (41,571)                             |
| Net cash from operating activities  | 141,088                              | 175,701                              |
| <b>Cash flows (used in) from investing activities:</b>                                      |                                      |                                      |
| Acquisition of interest in a subsidiary (see Note A below)                                  | (24,071)                             | -                                    |
| Additional property, plant and equipment  | (79,987)                             | (60,894)                             |
| Additional available-for-sale investment  | (6,305)                              | (59,165)                             |
| Additional intangible asset   | -                                    | (207)                                |
| Net (investment in) repayment from associates and jointly controlled entities               | (14,287)                             | 111,888                              |
| Proceeds from disposal of available-for-sale investment                                     | 7,999                                | -                                    |
| Proceeds from disposal of associates  | -                                    | 29,676                               |
| Proceeds from disposal of property, plant and equipment                                     | 58,755                               | 1,366                                |
| Cash (used in) from investing activities  | (57,896)                             | 22,664                               |

1(c) Consolidated Statement of Cash Flows (cont'd)

|  | Year ended<br>Dec 31, 2016<br>\$'000 | Year ended<br>Dec 31, 2015<br>\$'000 |
|--|--------------------------------------|--------------------------------------|
| <b>Cash flows used in financing activities:</b>  |                                      |                                      |
| Interest received  | 2,985                                | 1,566                                |
| Finance costs paid   | (29,491)                             | (33,836)                             |
| Dividend paid  | (41,599)                             | (51,963)                             |
| Distribution to perpetual capital securities holders   | (9,212)                              | (9,188)                              |
| Non-controlling shareholders   | 1,961                                | (5,030)                              |
| Additional borrowings  | 215,463                              | 255,080                              |
| Repayment of borrowings  | (266,697)                            | (336,688)                            |
| Decrease in deposits under pledge to bank  | -                                    | 5                                    |
| Proceeds from issue of shares  | -                                    | 800                                  |
| Cash used in financing activities  | (126,590)                            | (179,254)                            |
| Net (decrease) increase in cash and cash equivalents   | (43,398)                             | 19,111                               |
| Cash and cash equivalents at beginning of year   | 155,107                              | 133,103                              |
| Effect of exchange rate changes on cash balances held in foreign currencies                  | 1,662                                | 2,893                                |
| Cash and cash equivalents at end of year   | 113,371                              | 155,107                              |
| <b>Note A : Summary of cash outflow arising from acquisition of interest in a subsidiary</b> |                                      |                                      |
| Current assets   | 853                                  | -                                    |
| Current liabilities  | (1,089)                              | -                                    |
| Net current liabilities  | (236)                                | -                                    |
| Other non-current assets   | 24,507                               | -                                    |
| Net assets acquired  | 24,271                               | -                                    |
| Goodwill   | 274                                  | -                                    |
| Purchase consideration   | 24,545                               | -                                    |
| Cash of subsidiary acquired  | (474)                                | -                                    |
| Cash outflow arising from acquisition of interest in a subsidiary                            | 24,071                               | -                                    |

**Cash and cash equivalents at end of year**

The cash and cash equivalents as at Dec 31, 2016, for the purposes of Consolidated Statement of Cash Flows, comprise of cash and bank balances less deposits under pledge to banks of \$3,808,000.

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

|   | Share capital<br>\$'000 | Retained profits<br>\$'000 | Other reserves*<br>\$'000 | Share-holders' equity<br>\$'000 | Perpetual capital securities<br>\$'000 | Subtotal<br>\$'000 | Non-controlling interests<br>\$'000 | Total equity<br>\$'000 |
|---|-------------------------|----------------------------|---------------------------|---------------------------------|--|--------------------|-------------------------------------|------------------------|
| <b>GROUP</b>  |                         |                            |                           |                                 |  |                    |                                     |                        |
| Balance as at Jan 1, 2015                               | 715,415                 | 887,165                    | 99,509                    | 1,702,089                       | 148,347                                | 1,850,436          | 71,064                              | 1,921,500              |
| Total comprehensive income (loss) for the year          |                         |                            |                           |                                 |  |                    |                                     |                        |
| Profit for the year                                     | -                       | 81,666                     | -                         | 81,666                          | -                                      | 81,666             | 9,065                               | 90,731                 |
| Other comprehensive (loss) for the year                 | -                       | (138)                      | (6,394)                   | (6,532)                         | -                                      | (6,532)            | (57)                                | (6,589)                |
| Total   | -                       | 81,528                     | (6,394)                   | 75,134                          | -                                      | 75,134             | 9,008                               | 84,142                 |
| Transactions with owners, recognised directly in equity |                         |                            |                           |                                 |  |                    |                                     |                        |
| Recognition of share-based payments                     | -                       | -                          | 7,167                     | 7,167                           | -                                      | 7,167              | -                                   | 7,167                  |
| Dividends   | -                       | (51,963)                   | -                         | (51,963)                        | -                                      | (51,963)           | -                                   | (51,963)               |
| Net movement during the year                            | -                       | -                          | -                         | -                               | -                                      | -                  | (3,174)                             | (3,174)                |
| Issue of shares   | 2,480                   | -                          | (1,680)                   | 800                             | -                                      | 800                | -                                   | 800                    |
| Total   | 2,480                   | (51,963)                   | 5,487                     | (43,996)                        | -                                      | (43,996)           | (3,174)                             | (47,170)               |
| Distribution to perpetual capital securities holders    | -                       | (9,188)                    | -                         | (9,188)                         | -                                      | (9,188)            | -                                   | (9,188)                |
| <b>Balance as at Dec 31, 2015</b>                       | <b>717,895</b>          | <b>907,542</b>             | <b>98,602</b>             | <b>1,724,039</b>                | <b>148,347</b>                         | <b>1,872,386</b>   | <b>76,898</b>                       | <b>1,949,284</b>       |
| Total comprehensive income for the year                 |                         |                            |                           |                                 |  |                    |                                     |                        |
| Profit for the year                                     | -                       | 103,452                    | -                         | 103,452                         | -                                      | 103,452            | 5,107                               | 108,559                |
| Other comprehensive income (loss) for the year          | -                       | (216)                      | 11,517                    | 11,301                          | -                                      | 11,301             | 1,959                               | 13,260                 |
| Total   | -                       | 103,236                    | 11,517                    | 114,753                         | -                                      | 114,753            | 7,066                               | 121,819                |
| Transactions with owners, recognised directly in equity |                         |                            |                           |                                 |  |                    |                                     |                        |
| Recognition of share-based payments                     | -                       | -                          | 5,248                     | 5,248                           | -                                      | 5,248              | -                                   | 5,248                  |
| Dividends   | -                       | (41,599)                   | -                         | (41,599)                        | -                                      | (41,599)           | -                                   | (41,599)               |
| Net movement during the year                            | -                       | -                          | -                         | -                               | -                                      | -                  | 2,796                               | 2,796                  |
| Issue of shares   | 1,798                   | -                          | (1,798)                   | -                               | -                                      | -                  | -                                   | -                      |
| Total   | 1,798                   | (41,599)                   | 3,450                     | (36,351)                        | -                                      | (36,351)           | 2,796                               | (33,555)               |
| Distribution to perpetual capital securities holders    | -                       | (9,212)                    | -                         | (9,212)                         | -                                      | (9,212)            | -                                   | (9,212)                |
| <b>Balance as at Dec 31, 2016</b>                       | <b>719,693</b>          | <b>959,967</b>             | <b>113,569</b>            | <b>1,793,229</b>                | <b>148,347</b>                         | <b>1,941,576</b>   | <b>86,760</b>                       | <b>2,028,336</b>       |

\* Includes asset revaluation reserve, exchange fluctuation reserve, hedge reserve, option reserve and other capital reserve.

**1(d)(i) Statement of Changes in Equity (cont'd)**

|   | Share capital<br>\$'000 | Retained profits<br>\$'000 | Other reserves**<br>\$'000 | Shareholders' equity<br>\$'000 | Perpetual capital securities<br>\$'000 | Total equity<br>\$'000 |
|---|-------------------------|----------------------------|----------------------------|--------------------------------|--|------------------------|
| <b>COMPANY</b>  |                         |                            |                            |                                |  |                        |
| Balance as at Jan 1, 2015                               | 715,415                 | 71,015                     | 113,082                    | 899,512                        | 148,347                                | 1,047,859              |
| Total comprehensive income (loss) for the year          |                         |                            |                            |                                |  |                        |
| Profit for the year                                     | -                       | 52,096                     | -                          | 52,096                         | -                                      | 52,096                 |
| Other comprehensive loss for the year                   | -                       | -                          | (1,500)                    | (1,500)                        | -                                      | (1,500)                |
| Total   | -                       | 52,096                     | (1,500)                    | 50,596                         | -                                      | 50,596                 |
| Transactions with owners, recognised directly in equity |                         |                            |                            |                                |  |                        |
| Recognition of share-based payments                     | -                       | -                          | 7,167                      | 7,167                          | -                                      | 7,167                  |
| Dividends   | -                       | (51,963)                   | -                          | (51,963)                       | -                                      | (51,963)               |
| Issue of shares   | 2,480                   | -                          | (1,680)                    | 800                            | -                                      | 800                    |
| Total   | 2,480                   | (51,963)                   | 5,487                      | (43,996)                       | -                                      | (43,996)               |
| Distribution to perpetual capital securities holders    | -                       | (9,188)                    | -                          | (9,188)                        | -                                      | (9,188)                |
| <b>Balance as at Dec 31, 2015</b>                       | <b>717,895</b>          | <b>61,960</b>              | <b>117,069</b>             | <b>896,924</b>                 | <b>148,347</b>                         | <b>1,045,271</b>       |
| Total comprehensive income for the year                 |                         |                            |                            |                                |  |                        |
| Profit for the year                                     | -                       | 47,274                     | -                          | 47,274                         | -                                      | 47,274                 |
| Other comprehensive income for the year                 | -                       | -                          | 57                         | 57                             | -                                      | 57                     |
| Total   | -                       | 47,274                     | 57                         | 47,331                         | -                                      | 47,331                 |
| Transactions with owners, recognised directly in equity |                         |                            |                            |                                |  |                        |
| Recognition of share-based payments                     | -                       | -                          | 5,248                      | 5,248                          | -                                      | 5,248                  |
| Dividends   | -                       | (41,599)                   | -                          | (41,599)                       | -                                      | (41,599)               |
| Issue of shares   | 1,798                   | -                          | (1,798)                    | -                              | -                                      | -                      |
| Total   | 1,798                   | (41,599)                   | 3,450                      | (36,351)                       | -                                      | (36,351)               |
| Distribution to perpetual capital securities holders    | -                       | (9,212)                    | -                          | (9,212)                        | -                                      | (9,212)                |
| <b>Balance as at Dec 31, 2016</b>                       | <b>719,693</b>          | <b>58,423</b>              | <b>120,576</b>             | <b>898,692</b>                 | <b>148,347</b>                         | <b>1,047,039</b>       |

\*\* Includes asset revaluation reserve, hedge reserve and option reserve.



**1(d)(ii) Details of Any Changes in Company's Issued Share Capital**

The Company did not issue any new share since the end of the previous period reported on.

As at Dec 31, 2016, the number of outstanding share options under the Company's Share Option Schemes was 13,045,000 (as at Dec 31, 2015: 10,645,000), and the number of outstanding performance shares under the Company's Performance Share Plan was 1,407,600 (as at Dec 31, 2015: 1,759,500).

**1(d)(iii) Total Number of Issued Shares**

|   | Dec 31, 2016 | Dec 31, 2015 |
|---|--------------|--------------|
| Total number of issued shares excluding treasury shares | 520,082,651  | 519,630,751  |

**1(d)(iv) Statement Showing All Sales, Transfers, Disposal, Cancellation and/or Use of Treasury Shares**

Not applicable. There is no treasury share as at the end of the current financial year reported on.

**2. Audit Statement**

The figures have not been audited or reviewed.

**3. Auditors' Report**

Not applicable.

**4. Changes in Accounting Policies**

The Group and Company have followed the same accounting policies and methods of computation as in the most recently audited annual financial statements except as explained in paragraph 5 below.

**5. Reasons for and Effect of Changes in Accounting Policies**

The Group has adopted all relevant revised Singapore Financial Reporting Standards ("FRS") and amendments that are mandatory for financial years beginning on or after January 1, 2016. The adoption of these revised FRSs and amendments has no significant impact to the Group.

**6. Earnings Per Ordinary Share**

|  | Year ended Dec 31, 2016 | Year ended Dec 31, 2015 |
|--|-------------------------|-------------------------|
| Based on the weighted average number of ordinary shares in issue | 18.13 cents             | 13.95 cents             |
| On a fully diluted basis   | 18.09 cents             | 13.91 cents             |

Earnings per ordinary share is calculated based on net profit attributable to ordinary shareholders after deducting provision for distribution to perpetual capital securities holders.

## 7. Net Asset Value

|         | Dec 31, 2016 | Dec 31, 2015 |
|---------|--------------|--------------|
| GROUP   | \$3.45       | \$3.32       |
| COMPANY | \$1.73       | \$1.73       |

Net asset value per ordinary share is calculated based on net assets excluding perpetual capital securities that is attributable to the ordinary shareholders divided by the number of issued shares of the Company.

## 8. Review of Performance

For the year ended December 31, 2016, the Group recorded a Revenue of \$577.6 million, a slight decrease from the \$579.5 million recorded last year. This was due to lower contribution from the hotels and resorts, particularly those in the Maldives, which were affected by softer demand and on-going refurbishment works.

During the year under review, the Group recorded a gain on disposal of two plots of land in Bangkok, Thailand, increasing Other operating income from \$22.3m last year to \$62.0 million. The Group's share of results of associates and jointly controlled entities decreased from \$36.2 million to \$34.7 million mainly due to lower contributions from the Interlace and d'Leedon condominium developments in Singapore. Finance costs for the year decreased by 13% from \$34.9 million to \$30.3 million as a result of lower borrowings and interest rates.

Group profit before income tax and fair value changes in investment properties for the year ended December 31, 2016 was \$137.9 million compared to \$115.9 million last year. After adjusting for fair value changes, income tax and non-controlling interests, Group net profit attributable to shareholders for the year ended December 31, 2016 was \$103.5 million, an increase of 27% from \$81.7 million reported last year.

## 9. Variance from Previous Forecast or Prospect Statement

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.

Looking ahead, challenges remain, with the continuing uncertainties in the global economic and political environment. Nevertheless, our hotels and resorts are expected to continue to provide a recurring income stream for the Group.

On the property front, the construction of the Holland Park Villas and Burlington Gate developments in London, which the Group has 50% and 65% interest in, are expected to be completed later this year.

## 11. Dividend

### (a) Current Financial Period Reported On

The Board of Directors has recommended a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share, and a one-tier tax exempt special dividend of 4 cents per ordinary share, in respect of the current financial year reported on. Payment of the said dividend is subject to the approval of shareholders at the forthcoming Annual General Meeting.

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

The Company declared a first and final one-tier tax exempt cash dividend of 4 cents per ordinary share and a one-tier tax exempt special dividend of 4 cents per ordinary share in respect of the immediately preceding financial year.

### (c) Date payable

Will be announced at a later date.

### (d) Books closure date

Notice will be given at a later date of the date of closure of the transfer books and register of members.

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

Not applicable.

## 13. Interested Person Transactions ("IPT")

The Group has not obtained a general mandate from shareholders for IPTs.

| Name of Interested Person                              | Aggregate value of all IPT during the financial year ended Dec 31, 2016 (excluding transactions below \$100,000 and transactions conducted under the shareholders' mandate pursuant to Rule 920)<br>\$'000 | Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions below \$100,000)<br>\$'000 |
|--|--|--|
| Associates* of Mr Ong Beng Seng / Mr David Fu Kuo Chen |  |  |
| - Rental income  | 10,019   | -  |
| - Management fee income                                | 1,238  | -  |
| - Management fee expense                               | 847  | -  |
| - Equity contribution                                  | 970  | -  |

### Note:

\* "Associate" in relation to a director, chief executive officer or controlling shareholder means

- his immediately family;
- the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

#### 14. Segmental Revenue and Results

Information by business segment

Year ended December 31, 2016

|  | Hotels<br>\$'000 | Properties<br>\$'000 | Others<br>\$'000 | Elimination<br>\$'000 | Consolidated<br>\$'000 |
|--|------------------|----------------------|------------------|-----------------------|------------------------|
| <b>REVENUE</b>   |                  |                      |                  |                       |                        |
| External sales   | 463,780          | 113,830              | 6                |                       | 577,616                |
| Inter-segment sales  |                  | 412                  |                  | (412)                 | -                      |
| Total revenue  | 463,780          | 114,242              | 6                | (412)                 | 577,616                |
| <b>RESULTS</b>   |                  |                      |                  |                       |                        |
| Earnings before interest and tax                               | 64,397           | 63,436               | 2,702            |                       | 130,535                |
| Finance costs  |                  |                      |                  |                       | (30,317)               |
| Interest income  |                  |                      |                  |                       | 2,985                  |
| Share of results of associates and jointly controlled entities | 23,441           | 11,910               | (701)            |                       | 34,650                 |
| Profit before fair value changes                               |                  |                      |                  |                       | 137,853                |
| Fair value changes in investment properties                    |                  | (2,350)              |                  |                       | (2,350)                |
| Profit before income tax                                       |                  |                      |                  |                       | 135,503                |
| Income tax expense   |                  |                      |                  |                       | (26,944)               |
| Non-controlling interests                                      |                  |                      |                  |                       | (5,107)                |
| Profit attributable to shareholders of the Company             |                  |                      |                  |                       | 103,452                |

Year ended December 31, 2015

|  | Hotels<br>\$'000 | Properties<br>\$'000 | Others<br>\$'000 | Elimination<br>\$'000 | Consolidated<br>\$'000 |
|--|------------------|----------------------|------------------|-----------------------|------------------------|
| <b>REVENUE</b>   |                  |                      |                  |                       |                        |
| External sales   | 479,363          | 100,172              | 6                |                       | 579,541                |
| Inter-segment sales  |                  | 413                  |                  | (413)                 | -                      |
| Total revenue  | 479,363          | 100,585              | 6                | (413)                 | 579,541                |
| <b>RESULTS</b>   |                  |                      |                  |                       |                        |
| Earnings before interest and tax                               | 78,895           | 30,761               | 3,401            |                       | 113,057                |
| Finance costs  |                  |                      |                  |                       | (34,907)               |
| Interest income  |                  |                      |                  |                       | 1,566                  |
| Share of results of associates and jointly controlled entities | 2,646            | 33,250               | 329              |                       | 36,225                 |
| Profit before fair value changes                               |                  |                      |                  |                       | 115,941                |
| Fair value changes in investment properties                    |                  | -                    |                  |                       | -                      |
| Profit before income tax                                       |                  |                      |                  |                       | 115,941                |
| Income tax expense   |                  |                      |                  |                       | (25,210)               |
| Non-controlling interests                                      |                  |                      |                  |                       | (9,065)                |
| Profit attributable to shareholders of the Company             |                  |                      |                  |                       | 81,666                 |

#### 15. Review of Performance by Business Segments

Please refer to item 8 above.

**16. Breakdown of Sales and Operating Profit**

|   | Latest Financial Year<br>\$'000<br>Group | Previous Financial Year<br>\$'000<br>Group | % increase/(decrease)<br>Group |
|---|--|--|--------------------------------|
| (a) Sales reported for first half year  | 273,350                                  | 322,655                                    | (15.28)                        |
| (b) Operating profit after tax before deducting non-controlling interests reported for first half year  | 32,256                                   | 32,421                                     | (0.51)                         |
| (c) Sales reported for second half year   | 304,266                                  | 256,886                                    | 18.44                          |
| (d) Operating profit after tax before deducting non-controlling interests reported for second half year | 78,653                                   | 58,310                                     | 34.89                          |

\*\* excludes fair value gain (loss) on investment properties.

**17. Breakdown of Total Annual Dividend**

|            | Latest Full Year (\$'000) | Previous Full Year (\$'000) |
|------------|---------------------------|-----------------------------|
| Ordinary   | 41,607                    | 41,599                      |
| Preference | -                         | -                           |
| Total:     | 41,607                    | 41,599                      |

The dividend amounts for the latest full year are estimated based on the number of issued shares as at December 31, 2016. The actual dividend payment can only be determined on books closure date.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual**

There are currently no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

**19. Confirmation pursuant to Rule 720(1) of the Listing Manual**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**BY ORDER OF THE BOARD**

Lo Swee Oi  
Company Secretary  
February 27, 2017