



**Full Year Financial Statement Announcement**

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

**1(a)(i) Income statement for the year ended**

	<b>Group</b>		
	<b>31/12/2017 \$000</b>	<b>31/12/2016 \$000</b>	<b>Change %</b>
<b><u>Continuing operations</u></b>			
<b>Revenue</b>	<b>539,359</b>	479,701	12
Cost of sales	<b>(341,603)</b>	(285,953)	19
<b>Gross profit</b>	<b>197,756</b>	193,748	2
<b>Other items of income</b>			
Interest income	<b>3,103</b>	2,587	20
Other income	<b>70,190</b>	25,864	171
<b>Other items of expense</b>			
Distribution costs	<b>(30,697)</b>	(29,650)	4
Administrative expenses	<b>(99,038)</b>	(100,664)	(2)
Finance costs	<b>(21,162)</b>	(35,744)	(41)
Other expenses	<b>(16,700)</b>	(29,518)	(43)
<b>Operating profit</b>	<b>103,452</b>	26,623	289
Share of profit from equity-accounted associates and joint ventures	<b>1,896</b>	2,890	(34)
<b>Profit before tax from continuing operations</b>	<b>105,348</b>	29,513	257
Income tax expense	<b>(19,508)</b>	(8,773)	122
<b>Profit from continuing operations, net of tax</b>	<b>85,840</b>	20,740	314
<b><u>Discontinued operations</u><sup>(1)</sup></b>			
<b>Profit from discontinued operations, net of tax</b>	–	156,843	NM
<b>Profit net of tax</b>	<b>85,840</b>	177,583	(52)
<b>Profit/(loss) attributable to:</b>			
Owners of the Company			
- Continuing operations, net of tax	<b>89,573</b>	27,381	227
- Discontinued operations, net of tax	–	113,200	NM
	<b>89,573</b>	140,581	(36)
Non-controlling interests			
- Continuing operations, net of tax	<b>(3,733)</b>	(6,641)	(44)
- Discontinued operations, net of tax	–	43,643	NM
	<b>(3,733)</b>	37,002	NM

NM: Not meaningful

<sup>(1)</sup> Discontinued operations relate to Multi-Fineline Electronix, Inc. and its subsidiaries and the Group's Environmental Engineering businesses.

1(a)(i) Note to income statement

	<b>Group</b>		
	<b>31/12/2017</b>	31/12/2016	Change
	<b>\$000</b>	\$000	%
<u>Revenue comprises:</u>			
Sales of goods	<b>216,402</b>	235,465	(8)
Sales of properties held for sale	<b>143,242</b>	69,593	106
Rendering of services	<b>1,650</b>	1,284	29
Contract revenue	<b>46,374</b>	38,982	19
Rental income	<b>130,034</b>	132,441	(2)
Dividend income	<b>1,657</b>	1,936	(14)
<b>Total revenue</b>	<b>539,359</b>	479,701	12

1(a)(ii) Continuing operations - Other information

	<b>Group</b>	
	<b>31/12/2017</b>	31/12/2016
	<b>\$000</b>	\$000
Reversal of allowance/(allowance) for doubtful trade receivables	<b>470</b>	(4,089)
Depreciation and amortisation	<b>(18,425)</b>	(18,899)
Foreign exchange (loss)/gain	<b>(373)</b>	281
Gain on disposal of available-for-sale financial assets	-	4,001
Gain on disposal of property, plant and equipment	<b>18</b>	34
Gain /(loss) on disposal of a business unit and subsidiaries	<b>1,677</b>	(333)
Impairment loss on available-for-sale financial assets	-	(21)
Inventories written-back/(written-down)	<b>242</b>	(602)
Properties held for sale written-down	<b>(9,671)</b>	(15,957)
Provision for rental top-up written-back	<b>16,849</b>	1,338
Realisation of translation reserve upon liquidation of subsidiaries	<b>(96)</b>	-
<b>Surplus/(deficit) on revaluation of investment properties</b>	<b>44,365</b>	(6,194)

1(a)(iii) Statement of comprehensive income

	<b>Group</b>	
	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>\$000</b>	<b>\$000</b>
<b>Profit for the year</b>	<b>85,840</b>	177,583
<b>Other comprehensive income</b>		
Items that will not be reclassified to income statement:		
Remeasurements of defined benefit pension plans	<b>5,592</b>	(3,658)
Income tax relating to components of other comprehensive income	<b>(951)</b>	658
	<b>4,641</b>	(3,000)
Items that may be reclassified subsequently to income statement:		
Losses on exchange differences on translation	<b>(9,739)</b>	(52,376)
Gains on remeasuring available-for-sale financial assets	<b>5,399</b>	1,389
Realisation of reserves to income statement on disposal of subsidiaries and available-for-sale financial assets, net of tax	–	(8,929)
Share of other comprehensive income from equity-accounted associates	<b>421</b>	(1,178)
	<b>(3,919)</b>	(61,094)
<b>Other comprehensive income for the year</b>	<b>722</b>	(64,094)
<b>Total comprehensive income for the year</b>	<b>86,562</b>	113,489
<b>Attributable to:</b>		
Owners of the Company	<b>92,211</b>	103,572
Non-controlling interests	<b>(5,649)</b>	9,917
	<b>86,562</b>	113,489

1(b)(i) Statement of financial position

	<b>Group</b>		<b>Company</b>	
	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	148,277	162,909	22,094	22,735
Investment properties	1,908,627	1,859,418	722,400	679,500
Intangible assets	–	4,704	–	–
Interests in subsidiaries	–	–	968,731	1,005,749
Interests in associates	114,944	112,619	325	337
Interests in joint ventures	47,938	45,478	–	–
Deferred tax assets	29,263	46,162	–	–
Other investments	30,375	25,069	1,197	1,130
<b>Total non-current assets</b>	<b>2,279,424</b>	<b>2,256,359</b>	<b>1,714,747</b>	<b>1,709,451</b>
<b>Current assets</b>				
Inventories	27,163	31,146	–	–
Income tax receivables	346	352	–	–
Trade and other receivables	77,373	217,492	2,640	4,259
Gross amount due from customers for contract work	13,565	13,466	–	–
Prepayments	8,929	8,131	867	1,538
Properties held for sale	557,247	654,315	–	–
Bank balances and deposits	384,711	623,976	117,919	420,959
<b>Total current assets</b>	<b>1,069,334</b>	<b>1,548,878</b>	<b>121,426</b>	<b>426,756</b>
<b>Total assets</b>	<b>3,348,758</b>	<b>3,805,237</b>	<b>1,836,173</b>	<b>2,136,207</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	745,717 <sup>(1)</sup>	745,625 <sup>(1)</sup>	808,030	807,938
Retained earnings	1,190,312	1,167,482	785,789	802,687
Other reserves	(34,595)	(30,100)	(33)	3,981
<b>Equity attributable to owners of the Company</b>	<b>1,901,434</b>	<b>1,883,007</b>	<b>1,593,786</b>	<b>1,614,606</b>
Non-controlling interests	306,136	311,885	–	–
<b>Total equity</b>	<b>2,207,570</b>	<b>2,194,892</b>	<b>1,593,786</b>	<b>1,614,606</b>
<b>Non-current liabilities</b>				
Provisions	46,779	70,204	–	–
Deferred tax liabilities	56,986	75,188	–	–
Trade and other payables	3,616	4,300	–	–
Borrowings	746,109	896,720	150,000	150,000
<b>Total non-current liabilities</b>	<b>853,490</b>	<b>1,046,412</b>	<b>150,000</b>	<b>150,000</b>
<b>Current liabilities</b>				
Provisions	12,967	17,005	–	–
Income tax payable	43,079	31,679	4,635	4,303
Trade and other payables	142,935	218,839	84,052	117,275
Borrowings	84,912	294,728	3,700	250,023
Gross amount due to customers for contract work	3,805	1,682	–	–
<b>Total current liabilities</b>	<b>287,698</b>	<b>563,933</b>	<b>92,387</b>	<b>371,601</b>
<b>Total liabilities</b>	<b>1,141,188</b>	<b>1,610,345</b>	<b>242,387</b>	<b>521,601</b>
<b>Total equity and liabilities</b>	<b>3,348,758</b>	<b>3,805,237</b>	<b>1,836,173</b>	<b>2,136,207</b>

<sup>(1)</sup> This excludes 21,712,000 stock units held by a subsidiary.

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

(a) Amount repayable in one year or less, or on demand

As at 31/12/2017		As at 31/12/2016	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
72,619	12,293	32,057	262,671

(b) Amount repayable after one year

As at 31/12/2017		As at 31/12/2016	
\$000	\$000	\$000	\$000
Secured	Unsecured	Secured	Unsecured
596,109	150,000	746,720	150,000

(c) Details of any collaterals

The borrowings are generally secured on certain investment properties and properties held for sale and/or by fixed and floating charges over certain assets of certain subsidiaries.

1(c) Statement of cash flows

	<b>Group</b>	
	<b>31/12/2017</b>	31/12/2016
	<b>\$000</b>	\$000
<b>Cash flows from operating activities</b>		
Profit before tax from continuing operations	<b>105,348</b>	29,513
Profit before tax from discontinued operations	–	175,744
Profit before tax	<b>105,348</b>	205,257
Amortisation of intangible assets	<b>2,015</b>	2,074
Depreciation of property, plant and equipment	<b>16,410</b>	44,697
Dividend income from other investments	<b>(1,657)</b>	(1,936)
Finance costs	<b>21,162</b>	36,430
Gain on disposal of available-for-sale financial assets	–	(4,001)
Gain on disposal of property, plant and equipment	<b>(18)</b>	(481)
Impairment loss on available-for-sale financial assets	–	21
Impairment loss on intangible assets	<b>73</b>	–
Interest income	<b>(3,103)</b>	(4,044)
Inventories written-back	<b>(242)</b>	(356)
Net gain on disposal/liquidation of business unit, subsidiaries and associates	<b>(1,581)</b>	(199,064)
Properties held for sale written-down	<b>9,671</b>	15,957
Property, plant and equipment written-off	<b>139</b>	221
Provision for development charge written-back	–	(5,000)
Provision for rental top-up written-back	<b>(16,849)</b>	(1,338)
Share-based compensation expenses	–	2,703
Share of profit from equity-accounted associates and joint ventures	<b>(1,896)</b>	(3,673)
(Surplus)/deficit on revaluation of investment properties	<b>(44,365)</b>	6,194
Unrealised translation loss/(gain)	<b>1,570</b>	(4,215)
<b>Operating cash flows before changes in working capital</b>	<b>86,677</b>	89,446
Decrease/(increase) in properties held for sale	<b>80,130</b>	(55,566)
Proceeds from progress billings from properties held for sale	<b>31,397</b>	438,283
Decrease in inventories	<b>2,870</b>	21,505
Decrease in trade and other payables and provisions	<b>(106,872)</b>	(84,714)
Decrease/(increase) in trade and other receivables	<b>140,160</b>	(94,214)
Increase/(decrease) in gross amount due to customers for contract work	<b>2,123</b>	(682)
(Increase)/decrease in gross amount due from customers for contract work	<b>(99)</b>	17,349
<b>Cash flows from operations</b>	<b>236,386</b>	331,407
Income taxes paid	<b>(10,738)</b>	(21,321)
Interest paid	<b>(25,320)</b>	(38,438)
Interest received	<b>3,631</b>	4,115
<b>Net cash flows from operating activities</b>	<b>203,959</b>	275,763

1(c) Statement of cash flows (continued)

	<b>Group</b>	
	<b>31/12/2017</b>	31/12/2016
	<b>\$000</b>	\$000
<b>Cash flows from investing activities</b>		
Acquisition of intangible assets	(2,648)	(1,979)
Acquisition of interests in an associate	(331)	–
Acquisition of non-controlling interests	–	(2,903)
Change in restricted deposits	–	62,548
Disposal and liquidation of a business unit and subsidiaries, net of cash disposed of	11,730	234,741
Dividends received from associates	1,928	237
Dividends received from joint ventures	–	150
Dividends received from other investments	1,657	1,936
(Increase)/decrease in amounts due from associates and joint ventures	(4,494)	4,567
Proceeds from disposal of available-for-sale financial assets	–	4,129
Proceeds from disposal of property, plant and equipment	439	1,356
Purchase of property, plant and equipment	(11,411)	(41,189)
Properties development expenditure	(4,899)	(8,185)
<b>Net cash flows (used in)/from investing activities</b>	<b>(8,029)</b>	<b>255,408</b>
<b>Cash flows from financing activities</b>		
Cash distribution paid to non-controlling interests of subsidiaries	(206)	(12,586)
Distribution to shareholders from joint ventures	–	2,415
Dividends paid	(73,961)	(49,311)
Dividends paid to non-controlling interests of subsidiaries	(138)	(91,637)
Decrease in short-term loans	(16,716)	(69,484)
(Decrease)/increase in trust receipts and bills payable	(3,021)	1,013
Proceeds from issuance of shares upon exercise of share options	92	419
Proceeds from issuance of medium term notes	–	150,000
Proceeds from long-term loans	471,886	51,833
Repayment of medium term notes	(246,773)	–
Repayment of long-term loans	(565,803)	(355,857)
<b>Net cash flows used in financing activities</b>	<b>(434,640)</b>	<b>(373,195)</b>
Net (decrease)/increase in cash and cash equivalents	(238,710)	157,976
Cash and cash equivalents, beginning balance	623,976	481,579
Effect of exchange rate changes on cash and cash equivalents	(555)	(15,579)
Cash and cash equivalents, ending balance	<b>384,711</b>	<b>623,976</b>

1(c) Statement of cash flows (continued)

The net assets and liabilities arising from the disposal and/or liquidation of a business unit, subsidiaries and associates and the cash flow effects of the disposal/liquidation were as follows:-

	<b>Group</b>	
	<b>31/12/2017</b>	31/12/2016
	<b>\$000</b>	\$000
Property, plant and equipment	<b>7,270</b>	178,779
Intangible assets	<b>5,265</b>	23,558
Interests in associates	–	16,345
Deferred tax assets	–	12,962
Inventories	<b>1,328</b>	57,853
Trade and other receivables	<b>8,884</b>	111,423
Gross amount due from customers for contract work	–	11,610
Bank balances and deposits	<b>2,825</b>	288,210
Deferred tax liabilities	–	(227)
Income tax payables	–	(10,635)
Trade and other payables	<b>(3,351)</b>	(174,652)
Borrowings	–	(29,818)
Net assets disposed/liquidated	<b>22,221</b>	485,408
Foreign currency translation reserve realised	<b>(268)</b>	(8,929)
Less: Non-controlling interests	<b>244</b>	(152,592)
Net gain on disposals/liquidation	<b>1,581</b>	199,064
Total consideration	<b>23,778</b>	522,951
Less: Amount not yet settled	<b>(4,584)</b>	–
Less: Amount contra with inter-company balances	<b>(4,639)</b>	–
Cash and cash equivalents disposed of/liquidated	<b>(2,825)</b>	(288,210)
Net cash inflow arising from disposal/liquidation	<b>11,730</b>	234,741

## 1(d)(i) Statements of Changes in Equity

### GROUP

	Attributable to owners of the Company						
	Total equity	Equity	Share capital	Treasury shares	Retained earnings	Other reserves	Non-controlling interests
		attributable to owners of the Company					
\$000	\$000	\$000	\$000	\$000	\$000	\$000	
<b>Opening balance at 1/1/2017</b>	2,194,892	1,883,007	807,938	(62,313)	1,167,482	(30,100)	311,885
<b>Profit for the year</b>	85,840	89,573	–	–	89,573	–	(3,733)
Remeasurements of defined benefit pension plans	5,592	3,780	–	–	3,780	–	1,812
Income tax relating to components of other comprehensive income	(951)	(643)	–	–	(643)	–	(308)
Gains on remeasuring available-for-sale financial assets, net of tax	5,399	5,399	–	–	–	5,399	–
Losses on exchange differences on translation, net of tax	(9,739)	(6,319)	–	–	–	(6,319)	(3,420)
Share of other comprehensive income from equity-accounted associate, net of tax	421	421	–	–	–	421	–
<b>Other comprehensive income for the year</b>	722	2,638	–	–	3,137	(499)	(1,916)
<b>Total comprehensive income for the year</b>	86,562	92,211	–	–	92,710	(499)	(5,649)
<b>Contributions by and distributions to owners</b>							
Ordinary shares issued on exercise of share options converted into ordinary stocks	92	92	92	–	–	–	–
Cash distribution paid to non-controlling interests of subsidiaries	(206)	–	–	–	–	–	(206)
Dividend paid	(73,961)	(73,961)	–	–	(73,961)	–	–
Dividend paid to non-controlling interests	(138)	–	–	–	–	–	(138)
<b>Total contributions by and distributions to owners</b>	(74,213)	(73,869)	92	–	(73,961)	–	(344)
<b>Changes in ownership interests in subsidiaries and associate</b>							
Liquidation of subsidiaries	244	–	–	–	–	–	244
Employee share option scheme/ share appreciation rights: - value of employee services	85	85	–	–	–	85	–
Transfer of reserve to retained earnings upon expiry of employee share option scheme	–	–	–	–	4,081	(4,081)	–
<b>Total changes in ownership interests in subsidiaries</b>	329	85	–	–	4,081	(3,996)	244
<b>Total transactions with owners in their capacity as owners</b>	(73,884)	(73,784)	92	–	(69,880)	(3,996)	(100)
<b>Closing balance at 31/12/2017</b>	2,207,570	1,901,434	808,030	(62,313)	1,190,312	(34,595)	306,136

1(d)(i) Statements of changes in equity (continued)

GROUP

	Attributable to owners of the Company							
	Total equity	Equity attributable to owners of the Company				Retained earnings	Other reserves	Non-controlling interests
		\$000	\$000	Share capital \$000	Treasury shares \$000			
<b>Opening balance at 1/1/2016</b>	2,387,467	1,830,603	807,519	(62,313)	1,078,829	6,568	556,864	
<b>Profit for the year</b>	177,583	140,581	–	–	140,581	–	37,002	
Remeasurements of defined benefit pension plans	(3,658)	(2,473)	–	–	(2,473)	–	(1,185)	
Income tax relating to components of other comprehensive income	658	445	–	–	445	–	213	
Gains on remeasuring available-for-sale financial assets, net of tax	1,389	1,389	–	–	–	1,389	–	
Losses on exchange differences on translation, net of tax	(52,376)	(26,263)	–	–	–	(26,263)	(26,113)	
Realisation of reserves to income statement on disposal of subsidiaries, net of tax	(8,929)	(8,929)	–	–	–	(8,929)	–	
Share of other comprehensive income from equity-accounted associate, net of tax	(1,178)	(1,178)	–	–	–	(1,178)	–	
<b>Other comprehensive income for the year</b>	(64,094)	(37,009)	–	–	(2,028)	(34,981)	(27,085)	
<b>Total comprehensive income for the year</b>	113,489	103,572	–	–	138,553	(34,981)	9,917	
<b>Contributions by and distributions to owners</b>								
Cash distribution paid to non-controlling interests	(12,586)	–	–	–	–	–	(12,586)	
Ordinary shares issued on exercise of share options converted into ordinary stocks	419	419	419	–	–	–	–	
Dividend paid	(49,311)	(49,311)	–	–	(49,311)	–	–	
Dividend paid to non-controlling interests	(91,637)	–	–	–	–	–	(91,637)	
<b>Total contributions by and distributions to owners</b>	(153,115)	(48,892)	419	–	(49,311)	–	(104,223)	
<b>Changes in ownership interests in subsidiaries and associate</b>								
Additional interests in subsidiaries	(2,903)	1,260	–	–	–	1,260	(4,163)	
Dilution of interests in subsidiaries	(66)	(4,942)	–	–	–	(4,942)	4,876	
Disposal of interests in subsidiaries and associates	(152,592)	–	–	–	–	–	(152,592)	
Employee share option scheme/ share appreciation rights: - value of employee services	2,612	1,406	–	–	–	1,406	1,206	
Reclassification of reserves to retained earnings upon disposal of interests in subsidiaries	–	–	–	–	(589)	589	–	
<b>Total changes in ownership interests in subsidiaries</b>	(152,949)	(2,276)	–	–	(589)	(1,687)	(150,673)	
<b>Total transactions with owners in their capacity as owners</b>	(306,064)	(51,168)	419	–	(49,900)	(1,687)	(254,896)	
<b>Closing balance at 31/12/2016</b>	2,194,892	1,883,007	807,938	(62,313)	1,167,482	(30,100)	311,885	

1(d)(i) Statements of changes in equity (continued)

COMPANY

	Total equity \$000	Share capital \$000	Retained earnings \$000	Other reserves \$000
<b>Opening balance at 1/1/2017</b>	1,614,606	807,938	802,687	3,981
<b>Profit for the year</b>	55,588	–	55,588	–
Gains on remeasuring available-for-sale financial assets, net of tax	67	–	–	67
<b>Other comprehensive income for the year</b>	67	–	–	67
<b>Total comprehensive income for the year</b>	55,655	–	55,588	67
<b>Contributions by and distributions to owners</b>				
Ordinary shares issued on exercise of share options converted into ordinary stocks	92	92	–	–
Dividends paid	(76,567)	–	(76,567)	–
Transfer of reserve to retained earnings upon expiry of employee share option scheme	–	–	4,081	(4,081)
<b>Total transactions with owners in their capacity as owners</b>	(76,475)	92	(72,486)	(4,081)
<b>Closing balance at 31/12/2017</b>	1,593,786	808,030	785,789	(33)
<b>Opening balance at 1/1/2016</b>	1,596,542	807,519	785,094	3,929
<b>Profit for the year</b>	68,641	–	68,641	–
Gains on remeasuring available-for-sale financial assets, net of tax	52	–	–	52
<b>Other comprehensive income for the year</b>	52	–	–	52
<b>Total comprehensive income for the year</b>	68,693	–	68,641	52
<b>Contributions by and distributions to owners</b>				
Ordinary shares issued on exercise of share options converted into ordinary stocks	419	419	–	–
Dividends paid	(51,048)	–	(51,048)	–
<b>Total transactions with owners in their capacity as owners</b>	(50,629)	419	(51,048)	–
<b>Closing balance at 31/12/2016</b>	1,614,606	807,938	802,687	3,981

**1(d)(ii)** Details of any changes in the company's issued share capital

During the year, the Company issued 67,937 ordinary stock units arising from the exercising of the options under Scheme 2000.

As at 31 December 2017, there was no (31 December 2016: 389,302) unexercised options for ordinary shares under Scheme 2000.

<b>Share capital</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
Number of issued stock units	637,520,399	637,452,462
Number of issued stock units (excluding subsidiary holdings)	615,808,399	615,740,462
Number of subsidiary holdings	21,712,000	21,712,000
Number of treasury shares	Nil	Nil
Percentage of the aggregate number of treasury shares and the subsidiary holdings held against the total number of shares outstanding	3.41%	3.41%

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

As at 31 December 2017, the Company's issued and paid-up ordinary share capital excluding treasury shares was 637,520,399 ordinary stock units (31 December 2016: 637,452,462).

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

Not applicable. There were no treasury shares during and as at the end of the current period reported on.

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current period reported on.

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

The figures have not been audited or reviewed by the Group's auditors.

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

Other than as mentioned in Paragraph 5 regarding the adoption of amendments to Financial Reporting Standards (FRS), there were no further changes in accounting policies and methods of computation adopted in the financial statements of the current reporting period as compared to the most recently audited annual financial statements as at 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 adopted the amendments to the FRS that are effective for annual financial periods beginning on or after 1 January 2017.

Amendments to FRS 7 Disclosure Initiative

The adoption of the above amendments to the FRS did not result in any substantial change to the Group's accounting policies or any significant impact on the financial statements.

6 Earnings per stock unit (cents)

	Group	
	31/12/2017	31/12/2016
(a) Basic*:	14.0	22.0
(b) Diluted**:	14.0	22.0
<b><u>Continuing operations</u></b>		
(a) Basic*:	14.0	4.3
(b) Diluted**:	14.0	4.3
(c) Weighted average number of stock units used in the computation of basic earnings per stock unit	637,509,169	637,295,682
(d) Weighted average number of stock units used in the computation of diluted earnings per stock unit	637,509,169	637,324,640

\* Earnings per ordinary stock unit on existing issued share capital, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units in issue during the year.

\*\* Earnings per ordinary stock unit on a fully diluted basis, after deducting provision for preference dividend, is computed based on the weighted average number of ordinary stock units during the year adjusted to assume conversion of all dilutive ordinary shares.

7 Net asset value per stock unit

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset per ordinary stock unit based on the total number of issued shares	<b>\$3.09<sup>(1)</sup></b>	\$3.06 <sup>(1)</sup>	<b>\$2.50</b>	\$2.53

<sup>(1)</sup>: Based on total number of issued stock units excluding the number of stock units held by a subsidiary.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## Overview

### FY2017 compared with FY2016

Revenue increased 12% to \$539.4 million in 2017 from \$479.7 million in 2016 mainly due to higher revenue from property development, which was partially offset by lower revenue from other business divisions. Gross profit increased 2% to \$197.8 million in 2017.

Interest income increased 20% to \$3.1 million in 2017 from \$2.6 million in 2016 mainly due to higher interest income from fixed deposits.

Other income increased 171% to \$70.2 million in 2017 from \$25.9 million in 2016.

In 2017, other income included mainly the following:

- revaluation gains of \$44.4 million from the Group's investment properties; and
- \$16.8 million reduction in the provision for rental support for *UE Bizhub East* which is no longer required.

In 2016, other income included mainly the following:

- \$5.0 million of fidelity insurance compensation;
- \$5.0 million reduction in the provision for development charge in relation to the divestment of the Group's Automotive business as this is no longer required;
- \$4.0 million gain from the disposal of available-for-sale financial assets; and
- \$3.6 million reversal in the provision for construction cost which is no longer required.

Finance costs decreased 41% to \$21.2 million in 2017 from \$35.7 million in 2016 mainly due to lower borrowings.

Other expenses decreased 43% to \$16.7 million in 2017 from \$29.5 million in 2016 mainly due to the absence of revaluation deficit on certain investment properties and lower impairment loss in relation to certain overseas development projects.

Share of profit from equity-accounted associates and joint ventures decreased 34% to \$1.9 million in 2017 from \$2.9 million in 2016 mainly due to lower contribution from a joint venture in Singapore arising from revaluation deficit from its investment property.

Income tax expense increased 122% to \$19.5 million in 2017 from \$8.8 million in 2016 mainly due to higher profit in 2017 and under provision of prior years' income tax.

The Group's attributable profit from continuing operations increased 227% to \$89.6 million in 2017 from \$27.4 million in 2016.

### Financial position review

- Current trade and other receivables decreased by approximately \$140 million mainly due to the collection of balance receivables from *Eight Riversuites* project upon obtaining the Certificate of Statutory Completion.
- Total borrowings decreased by approximately \$360 million mainly due to:
  - the repayment of the \$250 million 4.2% p.a. fixed rate notes previously issued pursuant to the \$500 million Multicurrency Medium Term Note Programme; and
  - the partial repayment of bank loans by certain subsidiaries.
- Current trade and other payables decreased by approximately \$76 million. The progress billings received in advance from home buyers of certain overseas projects which were previously classified under other payables were recognised as revenue following the completion of these projects under the completion-of-construction method.

## **Cash flow review**

As at 31 December 2017, the Group had cash and cash equivalents of approximately \$385 million. In 2017, the Group received approximately \$135 million mainly from the collection of remaining receivables upon obtaining the Certificate of Statutory Completion for *Eight Riversuites* project. Separately, the Group utilised approximately \$74 million for dividend payments and approximately \$357 million for the net repayment of external borrowings. Apart from the above, the Group's components of cash flow and changes in these components from 31 December 2016 to 31 December 2017 were mainly due to the Group's other ongoing operations.

## **Operation review**

### **Property Rental & Hospitality**

Revenue decreased 3% to \$131.6 million in 2017 from \$135.2 million in 2016. Operating profit before interest increased 62% to \$126.1 million in 2017 from \$77.8 million in 2016 mainly due to net revaluation gains of \$44.4 million from the Group's investment properties and \$16.8 million reduction in the provision for rental support for *UE Bizhub East*. The higher operating profit was partially offset by the absence of a gain of \$3.9 million in relation to the disposal of an available-for-sale financial asset, \$5.0 million fidelity insurance compensation recorded in 2016 as well as lower contribution from *UE Bizhub West* in 2017.

### **Property Development**

Revenue increased 106% to \$146.0 million in 2017 from \$70.8 million in 2016 mainly due to revenue recognition from *Chengdu Orchard Villa* (Phase 4) in China and *The Manhattan* in Malaysia following projects completion in 2017 and higher revenue from the sales of other completed phases at *Chengdu Orchard Villa* and *Shenyang Orchard Summer Palace*. The increase was partially offset by lower revenue from the property sales at *Eight Riversuites* in 2017 as compared to 2016. Operating loss before interest decreased 69% to \$7.1 million in 2017 from \$23.2 million in 2016 mainly due to higher revenue and lower impairment loss on certain overseas development projects in 2017.

### **Engineering & Distribution**

Revenue decreased 1% to \$135.1 million in 2017 from \$136.9 million in 2016 mainly due to lower revenue from distribution businesses. The decrease was partially offset by higher revenue from the system integration business. Operating profit before interest decreased 13% to \$7.9 million in 2017 from \$9.1 million in 2016 mainly due to lower revenue and margin from distribution businesses, which was offset by improved contribution from system integration business in 2017.

### **Manufacturing**

Revenue decreased 4% to \$85.6 million in 2017 from \$89.5 million in 2016. Operating profit before interest decreased 19% to \$5.4 million in 2017 from \$6.7 million in 2016 mainly due to lower revenue and profit margin as well as the absence of foreign exchange gain in 2017.

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

The Company did not make any forecast statement previously. The Group's Q4 2017 results are in line with the statement made in paragraph 10 of the Company's Q3 2017 results announcement on 13 November 2017.

**10** A commentary at the date of this 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.

Despite present volatilities in the global equities and bond markets, the global economic environment showed signs of strengthening and the Group believes that this improved outlook will continue to bode well for Singapore's property market. The Group intends to embark on asset enhancement initiatives for its investment properties in Singapore and may make selective acquisitions if and when such opportunities arise. In China, the property cooling measures have brought about a relative slowdown in activity but the property market may continue to see sustainable growth in the longer term.

Other Matters

Pre-Conditional Voluntary Unconditional Cash Offer for WBL Corporation Limited

On 14 December 2017, Deloitte & Touche Corporate Finance Pte Ltd made an announcement (the "**Pre-Conditional Offer Announcement**"), for and on behalf of UE Centennial Venture Pte. Ltd. (the "Offeror"), a wholly-owned subsidiary of the Company, that the Offeror intends to make a voluntary unconditional cash offer (the "**Offer**") for all the issued ordinary stock units in the capital of WBL Corporation Limited ("**WBL**"), other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees as at the date of the Offer (the "**Offer Shares**"). The consideration for each Offer Share will be S\$2.07 per Offer Share.

The formal Offer will only be made if approval of the interested person transaction (the "**Proposed IPT**") between the Offeror and Yanlord Perennial Investment (Singapore) Pte. Ltd. arising from the proposed Offer by the shareholders who are considered to be disinterested for the purposes of the Proposed IPT is obtained at the extraordinary general meeting to be convened by the Company on 23 February 2018 (the "**EGM**").

Please refer to (i) the Pre-Conditional Offer Announcement; (ii) the Company's announcement on 14 December 2017 in relation to the Offer and the Proposed IPT; and (iii) the Company's circular (the "**Circular**") to its shareholders dated 31 January 2018 containing, *inter alia*, information relating to the Proposed IPT, the Notice of Extraordinary General Meeting dated 31 January 2018 enclosed therewith, and the letter from SAC Capital Private Limited dated 31 January 2018, as reproduced in Appendix 1 to the Circular (the "**IFA Letter**"), copies of which are available on UEL's corporate website at <https://uel.sg/> and the website of the Singapore Exchange Securities Trading Limited at <http://www.sgx.com>, for further information on the Offer and the Proposed IPT.

Financial Information of WBL Group

The Circular and the IFA Letter were prepared as of 19 January 2018, being the latest practicable date prior to the printing of the Circular. Accordingly, the analysis set out in the IFA Letter had been based on the financial information of WBL and its subsidiaries, associates and joint ventures (the "**WBL Group**") as at the 9-month financial period ended 30 September 2017. Set out below is an update of certain salient financial information based on the latest unaudited financial statements of the WBL Group as at 31 December 2017 ("**Unaudited FY2017 WBL Results**"), presented against the relevant information extracted from the audited consolidated financial statements of the WBL Group for the financial period ended 31 December 2016, for shareholders' information:

<b>Consolidated statement of comprehensive Income</b>	<b>Unaudited FY2017 \$000</b>	<b>Audited FY2016<sup>(1)</sup> \$000</b>
Revenue	359,577	297,447
Gross profit	63,061	52,902
Profit/(loss) before tax from continuing operations	12,848	(156)
Loss attributable to equity holders of WBL - continuing operations, net of tax	(497)	(4,983)
Profit attributable to equity holders of WBL – discontinued operations, net of tax	-	128,247 <sup>(2)</sup>

<b>Balance Sheet</b>	<b>Unaudited 31 December 2017 \$000</b>	<b>Audited 31 December 2016 \$000</b>
Current assets	767,804	793,594
Current liabilities	175,007	173,173
Working capital	592,797	620,421
Non-current assets	260,404	282,993
Non-current liabilities	96,809	143,600
Equity attributable to owners of WBL	741,525	745,468

The unaudited net asset value per WBL share as at 31 December 2017 is \$2.64.

<b>Consolidated Cashflow Statement</b>	<b>Unaudited FY2017 \$000</b>	<b>Audited FY2016 \$000</b>
Net cash from operating activities	45,063	21,682
Net cash (used in)/from investing activities	(4,109)	239,688
Net cash from/(used in) financing activities	20,642	(524,378)
Net change in cash and cash equivalents	61,596	(263,008)
Cash and cash equivalents at end of year	146,765	85,852

**Notes:**

- (1) The figures were re-presented to exclude the discontinued business in relation to Multi-Fineline Electronix, Inc (“**MFLEX**”) and its subsidiaries subsequent to a merger agreement with Suzhou Dongshan Precision Co., Ltd., and Dragon Electronic Sub Inc., which was completed in July 2016.
- (2) Refers to the discontinued business in relation to MFLEX and its subsidiaries.

SAC Capital Private Limited, being the independent financial adviser to the directors who are considered to be independent for the purpose of making a recommendation to the shareholders in respect of the Proposed IPT (the “**Independent Directors**”) in connection with the Proposed IPT (the “**IFA**”), has considered the Unaudited FY2017 WBL Results and, subject to the assumptions and qualifications set out in the IFA Letter and having considered the impact of the Unaudited FY2017 WBL Results in its assessment, are of the view that the IFA’s opinion (as stated in the Circular and the IFA Letter) that the Proposed IPT is (i) on normal commercial terms and (ii) not prejudicial to the interests of the Company and the shareholders who are disinterested for the purposes of the Proposed IPT remains unchanged.

**11** Dividend

- (a) Current Financial Period Reported on  
Any dividend recommended for the current financial period reported on?

Yes.

<b>Name of Dividend</b>	Ordinary Dividend	Preference Dividend
	First and Final	
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Rate</b>	4 cents per ordinary stock (one-tier tax)	7.5 cents per preference share (one-tier tax)

- (b) Corresponding Period of the Immediately Preceding Financial Year  
Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Ordinary Dividend		Preference Dividend
	First and Final	Special	
Dividend Type	Cash	Cash	Cash
Dividend Rate	5 cents per ordinary stock (one-tier tax)	7 cents per ordinary stock (one-tier tax)	7.5 cents per preference share (one-tier tax)

- (c) Date Payable

The proposed dividends, if approved by Members at the Annual General Meeting, will be paid on 25 May 2018.

- (d) Books Closure Date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed from 8 May 2018 to 9 May 2018 (both dates inclusive) for the purposes of ascertaining dividend entitlements. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, 80 Robinson Road, #11-02, Singapore 068898, up to 5.00 p.m. on 7 May 2018 will be registered to determine such dividend entitlements.

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

Not applicable.

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

The Company had obtained a general mandate from shareholders for interested person transactions (IPTs) at the Annual General Meeting held on 25 April 2017 (IPT Mandate). The IPT Mandate covers mandated transactions with Oversea-Chinese Banking Corporation Limited and its associates (which include Great Eastern Holdings Limited and its subsidiaries) (collectively, "OCBC group") which were interested persons until 12 July 2017. Between 1 July 2017 and 12 July 2017, there was no IPT with an amount exceeding \$100,000 with OCBC group and for the period from 1 July 2017 till 31 December 2017, there was no IPT with an amount exceeding \$100,000 with any other interested persons other than OCBC group.

- 14 Confirmation that the Issuer has procured undertaking from all of its Directors and Executive Officers (in the format set out in Appendix 7.7) under Rule 720(1).

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

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

**Business segments**

	Property Rental & Hospitality \$000	Property Development \$000	Distribution \$000	Engineering \$000	Manufacturing \$000	Corporate Services & Others \$000	Elimination \$000	Total \$000
<b>Year ended 31 December 2017</b>								
<b>Operating segments</b>								
Segment Revenue								
Sales to external customers	130,867	145,974	76,991	58,115	85,566	41,846	–	539,359
Inter-segment sales	734	–	–	–	–	6,431	(7,165)	–
<b>Total revenue</b>	<b>131,601</b>	<b>145,974</b>	<b>76,991</b>	<b>58,115</b>	<b>85,566</b>	<b>48,277</b>	<b>(7,165)</b>	<b>539,359</b>
Segment result	126,147	(7,136)	4,672	3,252	5,379	(10,803)	–	121,511
Finance costs								(21,162)
Interest income								3,103
Share of profit/(loss) from equity-accounted associates	935	(41)	–	77	–	2,644	–	3,615
Share of loss from equity-accounted joint ventures	(3)	(1,716)	–	–	–	–	–	(1,719)
<b>Profit before tax</b>								<b>105,348</b>
Income tax expense								(19,508)
<b>Profit from continuing operations, net of tax</b>								<b>85,840</b>
Other operating segments information:								
Reversal of allowance/(allowance) for doubtful trade receivables	205	–	(94)	66	(49)	342	–	470
Capital expenditure	1,427	42	4,925	308	3,239	1,470	–	11,411
Depreciation and amortisation	3,034	349	7,138	413	3,607	3,884	–	18,425
Gain on disposal of a business unit	–	–	1,677	–	–	–	–	1,677
Properties held for sale written-down	–	9,671	–	–	–	–	–	9,671
Provision for rental-top up written-back	16,849	–	–	–	–	–	–	16,849
Realisation of translation reserve upon liquidation of subsidiaries	96	–	–	–	–	–	–	96
Surplus on revaluation of investment properties	44,365	–	–	–	–	–	–	44,365

15 **Business segments** (continued)

	Property Rental & Hospitality \$000	Property Development \$000	Distribution \$000	Engineering \$000	Manufacturing \$000	Corporate Services & Others \$000	Elimination \$000	Total \$000
<b>Year ended 31 December 2016</b>								
<b>Operating segments</b>								
Segment Revenue								
Sales to external customers	134,377	70,788	88,857	48,034	89,540	48,105	–	479,701
Inter-segment sales	838	–	–	–	–	7,895	(8,733)	–
<b>Total revenue</b>	<b>135,215</b>	<b>70,788</b>	<b>88,857</b>	<b>48,034</b>	<b>89,540</b>	<b>56,000</b>	<b>(8,733)</b>	<b>479,701</b>
Segment result	77,849	(23,215)	10,545	(1,437)	6,735	(10,697)	–	59,780
Finance costs								(35,744)
Interest income								2,587
Share of profit from equity-accounted associates	3,459	99	–	69	–	1,759	–	5,386
Share of profit/(loss) from equity-accounted joint ventures	130	(2,626)	–	–	–	–	–	(2,496)
<b>Profit before tax</b>								<b>29,513</b>
Income tax expense								(8,773)
<b>Profit from continuing operations, net of tax</b>								<b>20,740</b>
<b>Profit from discontinued operations, net of tax</b>								<b>156,843</b>
<b>Profit net of tax</b>								<b>177,583</b>
Other operating segments information:								
Allowance for doubtful trade receivables	2,457	–	237	59	23	1,313	–	4,089
Capital expenditure	1,637	150	9,544	309	1,552	2,155	–	15,347
Deficit on revaluation of investment properties	6,194	–	–	–	–	–	–	6,194
Depreciation and amortisation	3,308	442	6,613	386	3,652	4,498	–	18,899
Gain on disposal of available-for-sale financial assets	3,880	–	–	–	–	121	–	4,001
Impairment loss on available-for-sale financial assets	–	–	–	–	–	21	–	21
Net loss on disposal of subsidiaries	–	–	–	–	–	333	–	333
Properties held for sale written-down	–	15,957	–	–	–	–	–	15,957
Provision for rental-top up written-back	1,338	–	–	–	–	–	–	1,338

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

Refer to item 8.

- 17 A breakdown of sales as follows:

	<b>Group</b>		
	<b>31/12/2017</b> <b>\$000</b>	31/12/2016 \$000	Change %
(a) Sales reported for first half year	<b>223,281</b>	256,462	(13)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	<b>48,638</b>	20,477	138
(c) Sales reported for second half year	<b>316,078</b>	223,239	42
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	<b>37,202</b>	263	NM

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

**Dividend paid**

	<b>2017</b> <b>\$000</b>	2016 \$000
Ordinary	<b>73,895</b>	49,245
Preference	<b>66</b>	66
Total	<b>73,961</b>	49,311

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

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that to the best of its knowledge, as at the date of this announcement, none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD  
Gn Jong Yuh Gwendolyn  
Secretary  
22 February 2018

**Responsibility Statement**

The directors of the Company (the “**Directors**”) and the directors of the Offeror (the “**Offeror Directors**”) (including any director who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would render any statement herein misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, in relation to WBL and its subsidiaries), the sole responsibility of the Directors and the Offeror Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, reflected or reproduced in this announcement.