



TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited Fourth Quarter and Full Year Financial Statements and Dividend Announcement for the Year Ended 31.12.2018

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

1(a)(i)A Statement of Comprehensive (Loss) Income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	GROUP					
		3 months ended			12 months ended		
		31.12.2018 S\$'000	31.12.2017 S\$'000	Change %	31.12.2018 S\$'000	31.12.2017 S\$'000	Change %
			Restated			Restated	
Revenue		42,389	59,788	(29.1)	134,800	218,746	(38.4)
Cost of sales		(36,167)	(49,976)	(27.6)	(105,673)	(179,182)	(41.0)
Gross profit		6,222	9,812	(36.6)	29,127	39,564	(26.4)
Other income	1	865	2,079	(58.4)	3,319	5,025	(34.0)
Selling and distribution costs	2	(358)	(236)	51.7	(1,464)	(1,890)	(22.6)
General and administrative expenses		(5,463)	(4,317)	26.5	(20,392)	(18,120)	12.5
Other operating expenses	3	(1,689)	(9,431)	(82.1)	(11,995)	(39,630)	(69.7)
Share of profit, net of tax of associates and joint ventures	4	511	201	154.2	440	17	N/M
Finance costs		(3,648)	(3,951)	(7.7)	(12,946)	(11,603)	11.6
Loss before income tax	5	(3,560)	(5,843)	(39.1)	(13,911)	(26,637)	(47.8)
Income tax expense	6	1,023	87	N/M	833	(638)	N/M
Loss after income tax		(2,537)	(5,756)	(55.9)	(13,078)	(27,275)	(52.1)
Other comprehensive loss:							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(1,815)	8	N/M	(1,039)	(1,876)	(44.6)
Share of other comprehensive loss of associates and joint ventures		(146)	(99)	(47.5)	(174)	(526)	(66.9)
Total comprehensive loss for the year		(4,498)	(5,847)	(23.1)	(14,291)	(29,677)	(51.8)
Loss attributable to:							
Owners of the Company		(4,337)	(3,774)	(14.9)	(14,919)	(18,934)	(21.2)
Non-controlling interests		1,800	(1,982)	N/M	1,841	(8,341)	N/M
		(2,537)	(5,756)	(55.9)	(13,078)	(27,275)	(52.1)
Total comprehensive loss attributable to:							
Owners of the Company		(6,158)	(3,778)	63.0	(16,156)	(20,646)	(21.7)
Non-controlling interests		1,660	(2,069)	N/M	1,865	(9,031)	N/M
		(4,498)	(5,847)	(23.1)	(14,291)	(29,677)	(51.8)
N/M = Not meaningful							

1(a)(ii) Notes to Statement of Comprehensive Income

1. **Other income**

	Group			
	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Rental income	72	91	268	762
Management fee	220	230	635	615
Deemed interest income on retention amounts	91	1,147	91	1,147
Interest income	337	322	1,176	1,050
Grant from government	34	129	303	520
Gain on disposal of property, plant and equipment	38	3	64	27
Reversal of impairment loss on other non-current assets	-	12	-	105
Others	73	145	782	799
	865	2,079	3,319	5,025

2. **Selling and distribution costs**

Selling and distribution costs decreased by S\$0.4 million to S\$1.5 million for the year ended 31 December 2018 (“FY2018”) compared to the same corresponding period (“FY2017”) due mainly to absence of show-flat costs in FY2018.

3. **Other operating expenses**

Other operating expenses decreased by S\$27.6 million to S\$12.0 million for FY2018 compared to S\$39.6 million for FY2017. These were mainly due to lower loss in fair value of investment properties and allowance for doubtful receivables provided in FY2018 as compared to FY2017.

4. **Share of profit, net of tax of associates and joint ventures**

The share of profit, net of tax of associates and joint ventures of S\$0.4 million for FY2018 compared to S\$0.02 million for FY2017 was due mainly to higher share of profit from an associate which developed The Skywoods.

5. **Loss before income tax**

	Group			
	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Loss before income tax for the period is stated after charging/ (crediting) the following:				
Allowance for doubtful receivables, net	507	1,673	1,660	4,443
Impairment loss (Reversal of impairment loss) on other non-current assets	2	12	5	(105)
Depreciation expense	1,649	1,326	6,328	4,751
Fair value change in derivative financial instrument	-	2	4	87
Gain on disposal of property, plant and equipment, net	(38)	(3)	(64)	(27)
Loss in fair value of investment properties	331	5,423	431	25,810
Impairment loss on development properties	-	234	566	234
Interest income	(337)	(322)	(1,176)	(1,050)

6. Included in income tax expense is the following over provisions of tax:

	3 months ended		12 months ended	
	31.12.2018 S\$'000	31.12.2017 S\$'000	31.12.2018 S\$'000	31.12.2017 S\$'000
		Restated		Restated
Provision for taxation				
Tax provision for current year	(67)	(553)	(269)	(1,344)
Over provision of tax for prior year	1,121	611	1,116	657
	1,054	58	847	(687)
Deferred tax				
Current year	(14)	-	(14)	-
(Under)/ over provision of deferred tax for prior year	(17)	29	-	49
	(31)	29	(14)	49
	1,023	87	833	(638)

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company	
	31.12.2018 S\$'000	31.12.2017 S\$'000	1.1.2017 S\$'000	31.12.2018 S\$'000	31.12.2017 S\$'000
		Restated	Restated		
ASSETS					
Current assets					
Cash and bank balances	41,213	84,660	91,538	3,565	7,600
Trade and other receivables	38,220	60,404	53,301	23,342	26,579
Deposits and prepayments	4,551	2,630	4,036	8	7
Inventories	7,040	5,576	7,593	-	-
Contract assets	26,908	31,090	33,161	-	-
Development properties	233,061	186,313	182,471	-	-
Total current assets	350,993	370,673	372,100	26,915	34,186
Non-current assets					
Property, plant and equipment	55,462	55,678	48,879	-	-
Investment properties	235,943	236,375	253,385	-	-
Subsidiaries	-	-	-	91,965	91,965
Goodwill	2,595	2,595	2,595	-	-
Associates and joint ventures	16,838	16,199	14,619	-	-
Trade and other receivables	47,104	28,357	25,139	102,129	102,504
Other non-current assets	396	401	296	-	-
Derivative financial instrument	-	4	91	-	-
Total non-current assets	358,338	339,609	345,004	194,094	194,469
Total assets	709,331	710,282	717,104	221,009	228,655
LIABILITIES AND EQUITY					
Current liabilities					
Borrowings	132,860	161,224	131,184	20,000	5,000
Trade and other payables	83,007	85,356	79,453	16,924	5,757
Current portion of finance leases	316	405	343	-	-
Term notes	-	39,957	-	-	39,957
Contract liabilities	46,189	31,663	19,963	-	-
Income tax payable	314	1,470	1,519	-	-
Total current liabilities	262,686	320,075	232,462	36,924	50,714
Non-current liabilities					
Borrowings	212,765	171,289	193,660	-	20,000
Trade and other payables	40,834	37,174	38,849	-	-
Finance leases	307	523	472	-	-
Term notes	26,884	-	39,778	26,884	-
Deferred tax liabilities	280	266	315	-	-
Total non-current liabilities	281,070	209,252	273,074	26,884	20,000

	Group			Company	
	31.12.2018 S\$'000	31.12.2017 S\$'000	1.1.2017 S\$'000	31.12.2018 S\$'000	31.12.2017 S\$'000
		Restated	Restated		
Capital, reserves and non-controlling interests					
Share capital	154,189	150,391	146,157	154,189	150,391
Reserves	675	675	644	31	31
Translation and other reserves	(770)	467	2,179	-	-
Retained earnings	18,289	38,208	61,965	2,981	7,519
Equity attributable to owners of the Company	172,383	189,741	210,945	157,201	157,941
Non-controlling interests	(6,808)	(8,786)	623	-	-
Total equity	165,575	180,955	211,568	157,201	157,941
Total liabilities and equity	709,331	710,282	717,104	221,009	228,655

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

	As at 31.12.2018		As at 31.12.2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	122,757	10,419	154,502	47,084
Amount repayable after one year	212,712	27,244	171,272	540
Total	335,469	37,663	325,774	47,624

Details of any collateral

Collateral for the above secured borrowings include mortgages over the Group's investment properties, development properties, leasehold properties, certain property, plant and equipment and fixed deposits and legal assignment of sales proceeds from the development properties. Certain bank facilities are also secured by corporate guarantees from the Company and guarantees from certain minority shareholders of partially-owned subsidiaries.

1(c) A Consolidated Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
		Restated		Restated
Operating activities				
Loss before income tax	(3,560)	(5,843)	(13,911)	(26,637)
Adjustments for:				
Depreciation expense	1,649	1,326	6,328	4,751
Interest income	(337)	(322)	(1,176)	(1,050)
Deemed interest income on retention amounts	(91)	(1,147)	(91)	(1,147)
Finance costs	3,648	2,834	12,946	10,486
Deemed interest expense on retention amounts	-	1,117	-	1,117
Fair value change in derivative financial instrument	-	2	4	87
Share of profit of associates and joint ventures	(511)	(201)	(440)	(17)
Gain on disposal of property, plant and equipment, net	(38)	(3)	(64)	(27)
Property, plant and equipment written off	4	42	6	42
Impairment loss on development properties	-	234	566	234
Impairment loss (Reversal of impairment loss) on other non-current assets	2	12	5	(105)
Loss in fair value of investment properties	331	5,423	431	25,810
Allowance for doubtful trade and other receivables, net	507	1,673	1,660	4,443
Operating cash flows before movements in working capital	1,604	5,147	6,264	17,987
Trade and other receivables	7,931	7,269	19,534	(10,966)
Contract assets	(9,768)	2,457	4,182	2,071
Contract liabilities	4,599	(176)	12,570	10,716
Deposits and prepayments	(1,406)	305	(1,921)	1,406
Inventories	(18)	880	(1,464)	2,017
Development properties	(10,273)	(11,047)	(43,401)	16
Trade and other payables	5,738	7,099	(8,198)	5,375
Cash (used in) generated from operations	(1,593)	11,934	(12,434)	28,622
Income tax paid	-	(99)	(308)	(735)
Interest paid	(3,938)	(3,572)	(14,904)	(13,596)
Net cash (used in) from operating activities	(5,531)	8,263	(27,646)	14,291
Investing activities				
Advances to associates and joint ventures	(169)	(2,196)	(18,887)	(6,798)
Additional investment in associates and joint ventures	(399)	-	(600)	(2,100)
Addition to investment properties	-	-	-	(8,800)
Dividends received from joint ventures	7	12	227	12
Interest received	337	322	1,176	1,050
Purchase of property, plant and equipment	(1,372)	(3,105)	(6,455)	(11,247)
Proceeds from disposal of property, plant and equipment	38	18	189	121
Net cash used in investing activities	(1,558)	(4,949)	(24,350)	(27,762)

	Group			
	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
		Restated		Restated
Financing activities				
Advance from an associate	-	-	9,600	-
Proceeds from borrowings	43,929	19,152	121,619	55,543
Proceeds from term notes	-	-	27,000	-
Proceeds from issue of shares in subsidiary to non-controlling shareholder	200	-	200	-
Repayment of borrowings	(43,592)	(12,113)	(108,581)	(47,695)
Repayment of term notes	-	-	(40,000)	-
Repayment of obligations under finance leases	(107)	(36)	(493)	(437)
Proceeds from warrants issued, net	-	-	-	31
Pledged fixed deposits	(32)	10	(1,864)	(1,140)
Distribution of funds to non-controlling shareholder on voluntary liquidation of a subsidiary	-	-	-	(307)
Dividends paid to non-controlling shareholders	(87)	(6)	(87)	(71)
Dividends paid	-	-	(1,202)	(589)
Net cash from financing activities	311	7,007	6,192	5,335
(Decrease) Increase in cash and cash equivalents	(6,778)	10,321	(45,804)	(8,136)
Cash and cash equivalents at beginning of the period	40,563	68,899	79,092	87,110
Effect of exchange rate changes	(4)	(128)	493	118
Cash and cash equivalents at end of the year	33,781	79,092	33,781	79,092

Cash and cash equivalents at end of the year comprise the following:

Cash and bank balances	31,816	62,896	31,816	62,896
Fixed deposits	9,397	21,764	9,397	21,764
	41,213	84,660	41,213	84,660
Less: pledged fixed deposits	(7,432)	(5,568)	(7,432)	(5,568)
Cash and cash equivalents at end of the year	33,781	79,092	33,781	79,092

1(d)(i) A Statement of Changes in Equity (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Equity attributable to owners of the Company

<u>Group (\$S'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation and other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2017, as previously reported	146,157	644	2,179	61,041	210,021	611	210,632
Effects of changes in accounting policies	-	-	-	924	924	12	936
Balance at January 1, 2017, as restated	146,157	644	2,179	61,965	210,945	623	211,568
<i>Total comprehensive loss for the year</i>							
Loss for the year	-	-	-	(18,934)	(18,934)	(8,341)	(27,275)
Other comprehensive loss for the year	-	-	(1,712)	-	(1,712)	(690)	(2,402)
Total	-	-	(1,712)	(18,934)	(20,646)	(9,031)	(29,677)
<i>Transactions with owners, recognised directly in equity</i>							
Effect of liquidation of a subsidiary to non-controlling interest	-	-	-	-	-	(307)	(307)
Issue of warrants	-	362	-	-	362	-	362
Warrants issue expenses	-	(331)	-	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	-	4,234	-	4,234
Dividends paid							
- in cash	-	-	-	(589)	(589)	-	(589)
- in scrip	-	-	-	(4,234)	(4,234)	-	(4,234)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(71)	(71)
Total	4,234	31	-	(4,823)	(558)	(378)	(936)
Balance at December 31, 2017	150,391	675	467	38,208	189,741	(8,786)	180,955

Equity attributable to owners of the Company

<u>Group (\$S'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation and other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2018	150,391	675	467	38,208	189,741	(8,786)	180,955
<i>Total comprehensive loss for the year</i>							
Loss for the year	-	-	-	(14,919)	(14,919)	1,841	(13,078)
Other comprehensive loss for the year	-	-	(1,237)	-	(1,237)	24	(1,213)
Total	-	-	(1,237)	(14,919)	(16,156)	1,865	(14,291)
<i>Transactions with owners, recognised directly in equity</i>							
Proceeds from issue of shares to non-controlling shareholders	-	-	-	-	-	200	200
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	-	3,798	-	3,798
Dividends paid							
- in cash	-	-	-	(1,202)	(1,202)	-	(1,202)
- in scrip	-	-	-	(3,798)	(3,798)	-	(3,798)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(87)	(87)
Total	3,798	-	-	(5,000)	(1,202)	113	(1,089)
Balance at December 31, 2018	154,189	675	(770)	18,289	172,383	(6,808)	165,575

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2017	146,157	-	5,596	151,753
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	6,746	6,746
<i>Transactions with owners, recognised directly in equity</i>				
Issue of warrants	-	362	-	362
Warrants issue expenses	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	4,234
Dividends paid				
- in cash	-	-	(589)	(589)
- in scrip	-	-	(4,234)	(4,234)
Total	4,234	31	(4,823)	(558)
Balance at December 31, 2017	150,391	31	7,519	157,941
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	462	462
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	3,798
Dividends paid				
- in cash	-	-	(1,202)	(1,202)
- in scrip	-	-	(3,798)	(3,798)
Total	3,798	-	(5,000)	(1,202)
Balance at December 31, 2018	154,189	31	2,981	157,201

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	FY2018		FY2017	
	No of shares	S\$'000	No of shares	S\$'000
Issued and paid up capital				
At 1 January	499,983,810	150,391	482,270,359	146,157
Issue of shares pursuant to scrip dividend scheme	18,084,410	3,798	17,713,451	4,234
At 31 December	518,068,220	154,189	499,983,810	150,391

There are no changes in the Company's issued share capital for the three months ended 31 December 2018.

The total number of outstanding warrants as at 31 December 2018 was 120,567,589 (31 December 2017: 120,567,589).

As at the end of 31 December 2018, the Company does not have any outstanding treasury shares and subsidiary holding (31 December 2017: Nil).

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

The total number of shares at 31 December 2018 was 518,068,220 (31 December 2017: 499,983,810). The Company has no treasury shares.

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

Not applicable.

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

Not applicable.

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

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change.

The Group has adopted a new financial reporting framework - Singapore Financial Reporting Standards (International) (“SFRS(I)”), that is identical to the International Financial Reporting Standards with effect from 1 January 2018. Changes to the Group’s accounting policies have been made as required, in accordance with the respective SFRS(I) and SFRS(I) INT.

The Group has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from 1 January 2018 as follows:

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

SFRS(I) 9 Financial Instruments

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 1

SFRS(I) 1 requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) requires both the opening statement of financial position and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, different from those specific transition provisions in individual FRSs applied to FRS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) does not have any significant impact on the Group’s financial statements as the Group has not made any allowable transition adjustment that have impact on the financial statements.

SFRS(I) 9

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement method under SFRS(I) 9.

SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables and contract assets. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

SFRS(I) 15

SFRS(I) 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It also introduces new cost guidance which requires certain costs of obtaining and fulfilling contracts to be recognised as separate assets when specified criteria are met.

The Group has adopted SFRS(I) 15 using the retrospective approach and applies all of the requirements of SFRS(I) 15 retrospectively.

Before 1 January 2018, the Group recognized construction contract revenue by stage of completion where the value of work performed is certified by quantity surveyors and contract costs based on the percentage of revenue certified. Upon the adoption of the SFRS(I) 15, the Group recognizes contract revenue over time by measuring the progress of performance obligations. The Group determines that the cost-based input method reflects the over-time transfer of control to customers and total costs incurred during the year are recognized as costs of sales and contract revenue is established by reference to the percentage of actual cost relative to the total contract cost.

Following the presentation requirements in SFRS(I) 15, the Group has presented amount due from customer arising from construction contracts as contract assets and amount due to and advances received from customers arising from construction contract customers and development properties to be presented as part of contract liabilities.

Borrowing costs relating to development properties

In December 2018, IFRS Interpretation Committee (“IC”) issued a tentative agenda decision and gathered public comments on borrowing costs relating to development properties should not be capitalized and should be expensed off when incurred. The Group is currently capitalising all borrowing costs relating to its development properties under construction. As the IC is currently considering comments received before finalizing its decision, the management will assess the impact from adopting this accounting approach on its financial statements upon finalization of the decision by IC.

6 Loss per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3 months ended		12 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
		Restated		Restated
(i) Loss per ordinary share based on weighted average number of shares (in cents)	(0.8)	(0.8)	(2.9)	(3.8)
(ii) Loss per ordinary share based on a fully diluted basis (in cents)	(0.8)	(0.8)	(2.9)	(3.8)
Weighted average number of ordinary shares (in millions)	518.1	500.0	510.5	492.6

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares based on the weighted average number of shares for the respective periods.

7 Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group		Company	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
		Restated		
Net asset value per ordinary share issued (in cents)	33.3	37.9	30.3	31.6
Total number of issued shares at end of the financial year (in millions)	518.1	500.0	518.1	500.0

There were no treasury shares at the end of the respective financial years.

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.

Review of Group performance

4Q2018 vs 4Q2017

For the quarter under review, the Group's revenue decreased by S\$17.4 million from S\$59.8 million in 4Q2017 to S\$42.4 million in 4Q2018. The decrease in revenue was due mainly to lower revenue contributions by construction segment from S\$46.7 million to S\$28.9 million, distribution segment from S\$8.1 million to S\$7.6 million, real estate development segment from S\$0.8 million to S\$0.3 million and partially offset by higher revenue contributed by the real estate investment segment from S\$4.1 million to S\$5.5 million.

The Group reported a loss before income tax of S\$3.6 million in 4Q2018, a decrease of S\$2.3 million compared to S\$5.8 million in 4Q2017 mainly due to lower loss in fair value of investment properties and allowance for doubtful receivables.

FY2018 vs FY2017

The Group's revenue for FY2018 was S\$134.8 million, a decrease of S\$83.9 million compared to S\$218.7 million for the corresponding year in FY2017.

Real estate development segment recorded S\$0.8 million revenue for FY2018, a decrease of S\$27.3 million compared to S\$28.1 million in FY2017. The decrease was mainly due to significant lower revenue from both local and overseas projects.

Real estate investment segment recorded S\$19.5 million revenue for FY2018, an increase of S\$3.8 million compared to S\$15.7 million in FY2017. The increase was mainly due to improvement in occupancy rate in Tuas South Dormitory.

Construction segment recorded revenue of S\$89.4 million for FY2018, a decrease of S\$60.1 million compared to S\$149.5 million in FY2017 due to lower revenue recognised of progressive construction work for projects.

Distribution of lubricants and tyres generated S\$25.1 million revenue for FY2018, a decrease of S\$0.3 million from S\$25.4 million in FY2017. The decrease was mainly due to lower contribution from our distribution business in Singapore.

In line with the lower revenue recorded, gross profit decreased by 26.4% to S\$29.1 million for FY2018 compared to S\$39.6 million in FY2017. However, gross profit margin improved from 18.1% for FY2017 to 21.6% for FY2018, mainly contributed by the real estate investment segment.

Selling and distribution costs decreased by S\$0.4 million to S\$1.5 million for FY2018 compared to S\$1.9 million in FY2017 due mainly to absence of show-flat costs in FY2018.

General and administrative expense increased by S\$2.3 million to S\$20.4 for FY2018 compared to S\$18.1 million in FY2017 due mainly to higher staff costs resulting from higher head count in construction segment and salaries increment.

Other operating expenses decreased by S\$27.6 million to S\$12.0 million for FY2018 compared to S\$39.6 million for FY2017. These were mainly due to lower loss in fair value of investment properties and allowance for doubtful receivables.

Finance costs increased by S\$1.3 million to S\$12.9 million for FY2018 compared to S\$11.6 million in FY2017 due mainly to higher interest rates on borrowings.

Overprovision of income tax for FY2018 was mainly due to utilisation of group relief by taxable entities which resulted in reversal of tax provision.

Loss in exchange differences on translation of foreign operations decreased by S\$0.9 million to S\$1.0 million for FY2018 compared to S\$1.9 million in FY2017 due mainly to higher US\$ closing rate to S\$ of 1.36 in FY2018 compared to 1.34 in FY2017.

As a result of the above, the Group recorded a loss before income tax of S\$13.9 million in FY2018 (FY2017: S\$26.7 million)

Review of working capital, assets and liabilities

The changes in assets and liabilities are as follows:

- i) decrease in current trade and other receivables by S\$22.2 million was mainly due to collection from customers on property development and construction contract.
- ii) increase in deposits and prepayment by S\$2.0 million was mainly due to deposit and prepayments for project tenders, purchase of fixed assets and deferred expenditure for projects.
- iii) increase in inventories by S\$1.5 million was due to higher inventory level held for the lubricants business and raw materials for concrete pre-cast production.
- iv) decrease in contract assets by S\$4.2 million was mainly due to decrease in accrued income arising from timing difference between revenue recognised and progress billings from construction contracts.
- v) increase in development properties by S\$46.7 million was due mainly to development cost incurred for on-going projects.
- vi) increase in non-current trade and other receivables by S\$18.7 million was due mainly to working capital advances provided to a joint venture undertaking for a property development project at Mattar Road.

- vii) decrease in current borrowings by S\$28.4 million was due mainly to reclassification of loans to non-current borrowings upon restructuring of the loans.
- viii) decrease in current term notes by S\$40.0 million was due to repayment on due date.
- ix) Increase in contract liabilities by S\$14.5 million was mainly due to higher progress billings compared to revenue recognized and progress billings for overseas development projects.
- x) increase in non-current borrowings by S\$41.5 million was due to additional drawdowns on project financing with repayment due after 12 months.
- xi) increase in non-current term notes by S\$26.9 million arose from issuance of principal amount of S\$27.0 million Series 3 term notes due in July 2021 with coupon rate of 6.0% under the S\$300 million multi-currency medium term notes programme.

Cash and cash equivalents decreased by S\$45.8 million in FY2018 mainly due to the following items:

- i) net cash used in operating activities of S\$27.6 million was mainly attributable to interest payment of S\$14.9 million, development cost incurred for on-going projects of S\$43.4 million, partially offset by collection from trade and other receivables of S\$19.5 million.
- ii) net cash used in investing activities of investing activities of \$24.4 million was mainly due to advances of S\$15.1 million provided to associates and joint ventures (“JV”) for purchase of land at Mattar Road for property development and for the JV’s working capital and purchase of property, plant and equipment amounting to S\$6.5 million.
- iii) net cash inflow from financing activities of S\$6.2 million mainly due to proceeds from borrowings.

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

The company has not made any forecast or prospect statement for the year ended 31 December 2018 previously.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Urban Redevelopment Authority (“URA”) reported in its 4th Quarter 2018 real estate statistics dated 25 January 2019 that prices of private residential properties decreased by 0.1% in 4th Quarter 2018, compared with the 0.5% price increase in the previous quarter. For year 2018, prices increased by 7.9%, compared with the 1.1% increase for 2017. Developers sold 1,836 private residential units in 4th Quarter 2018, compared with the 3,012 units sold in 3rd Quarter 2018. For 2018, developers sold 8,795 units, compared with 10,566 units sold in 2017.

According to the Building and Construction Authority news release on 14 January 2019, private sector construction demand is expected to remain steady at between S\$10.5 billion and S\$12.5 billion in 2019, supported by projects including the redevelopment of past en-bloc sale sites concluded prior to the second half of 2018 and new industrial developments.

As at 31 December 2018, the Group’s construction order book is S\$615.1 million to be delivered progressively over four years.

The Group’s Tuas South Dormitory, managed to improve its financial performance in FY2018 but continues to be impacted by the sluggish business environment of its customers. In these challenging market conditions, the Group will continue its effort to increase the rental and occupancy rates in its dormitories by enhancing the facilities and amenities in the dormitories.

The Group’s distribution business will continue to widen its product range and expand its geographical coverage in the neighboring regions.

The Group will continue to identify suitable opportunities to grow our core businesses in the region while remaining focused on cost effectiveness and operational efficiency.

11 Dividend

(a) Current Financial Period Reported On

(i) Any dividend declared for the current financial period reported on? No.

(ii) Any dividend recommended for the current financial period reported on? No.

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of dividend	First & Final
Dividend Type	Cash/ Scrip
Dividend Amount per Share (in cents)	1.0 cent per share
Tax Rate	One-tier tax exempt

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

3 If the group has obtained 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 Group has not obtained a general mandate for interested person transactions. During the period, the following interested person transactions were entered into by the Group:

Name of Interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)	
	3 months ended 31 December 2018	12 months ended 31 December 2018	3 months ended 31 December 2018	12 months ended 31 December 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Prestige Resources Pte Ltd	63	303	N.A.	N.A.
TAC Alliance Pte. Ltd.	58	233	N.A.	N.A.
Matsushita Greatwall Corporation Private Limited	396	518	N.A.	N.A.
Sinotac Group Pte Ltd	-	3,380	N.A.	N.A.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual

We confirm that the Company has procured undertakings from all its directors and the executive officer based on the latest revised format set out in Appendix 7.7.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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.

The Group's segment information is as follows:

	Construction	Real estate investment	Real estate development	Distribution	Others	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2018							
REVENUE							
External revenue	89,414	19,505	757	25,124	-	-	134,800
Inter-segment revenue	19,658	361	276	11,307	-	(31,602)	-
	109,072	19,866	1,033	36,431	-	(31,602)	134,800
RESULT							
Segment result	(10,162)	11,135	(2,436)	(95)	(674)	-	(2,232)
Interest income	142	1,046	5	47	27	-	1,267
Interest expense	(800)	(7,102)	(2,592)	(391)	(2,061)	-	(12,946)
(Loss)/ Profit before income	(10,820)	5,079	(5,023)	(439)	(2,708)	-	(13,911)
Income tax expense	928	(98)	(4)	7	-	-	833
(Loss)/ Profit for the year	(9,892)	4,981	(5,027)	(432)	(2,708)	-	(13,078)
STATEMENT OF FINANCIAL POSITION							
Segment assets	197,605	447,099	307,076	37,526	221,009	(501,380)	708,935
Unallocated corporate assets	396	-	-	-	-	-	396
Total assets	198,001	447,099	307,076	37,526	221,009	(501,380)	709,331
Segment liabilities	101,098	460,904	319,081	30,048	63,809	(431,184)	543,756
OTHER INFORMATION							
Addition to non-current assets	4,841	33	781	1,025	-	-	6,680
Associates and joint ventures	-	6,331	591	9,936	-	-	16,838
Depreciation	4,410	567	955	396	-	-	6,328
Impairment loss on investment properties	416	15	-	-	-	-	431
Impairment loss on development properties	-	-	566	-	-	-	566
Allowance for doubtful receivables, net	718	665	109	168	-	-	1,660
Allowance for impairment on other non-current assets	5	-	-	-	-	-	5

	Construction S\$'000	Real estate investment S\$'000	Real estate development S\$'000	Distribution S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000 (Restated)
2017							
REVENUE							
External revenue	149,482	15,715	28,147	25,402	-	-	218,746
Inter-segment revenue	22,565	178	276	7,634	-	(30,653)	-
	172,047	15,893	28,423	33,036	-	(30,653)	218,746
RESULT							
Segment result	2,796	(21,268)	1,237	647	(643)	-	(17,231)
Interest income	1,256	814	17	58	52	-	2,197
Interest expense	(1,731)	(6,584)	(966)	(244)	(2,078)	-	(11,603)
Profit/ (Loss) before income	2,321	(27,038)	288	461	(2,669)	-	(26,637)
Income tax expense	(447)	(19)	(18)	(154)	-	-	(638)
Profit/ (Loss) for the year	1,874	(27,057)	270	307	(2,669)	-	(27,275)
STATEMENT OF FINANCIAL POSITION							
Segment assets	248,005	429,240	260,440	35,701	228,655	(491,660)	709,881
Unallocated corporate assets	401	-	-	-	-	-	401
Total assets	247,906	429,240	260,440	35,701	228,655	(491,660)	710,282
Segment liabilities	144,659	434,385	265,654	28,446	70,714	(414,531)	529,327
OTHER INFORMATION							
Addition to non-current assets	8,605	8,874	704	2,414	-	-	20,597
Associates and joint ventures	-	5,538	-	10,661	-	-	16,199
Depreciation	3,018	613	694	426	-	-	4,751
Impairment loss on investment properties	500	25,310	-	-	-	-	25,810
Impairment loss on development properties	-	-	234	-	-	-	234
Allowance for doubtful receivables, net	786	3,580	-	77	-	-	4,443
Allowance for impairment on other non-current assets	(105)	-	-	-	-	-	(105)

Geographical segments

The Group's revenue from external customers generated from other countries is not significant compared to Group's revenue for the year, which is principally generated from Singapore. Accordingly, no geographical segment assets and revenue from external customers' information are presented.

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 paragraph 8 above.

17 A breakdown of sales.

	Group		
	2018 S\$'000	2017 S\$'000	Increase / (Decrease) %
Sales reported for first half year	64,765	107,819	(40.0)
Operating loss after tax before deducting non-controlling interests reported for first half year	(4,341)	(15,657)	(72.3)
Sales reported for second half year	70,035	110,927	(36.9)
Operating loss after tax before deducting non-controlling interests reported for second half year	(8,737)	(11,618)	(24.8)

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

Not applicable.

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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Neo Tiam Chuan, Nelson	70	Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	General Manager in charge of the daily operation of Credence Engineering Pte Ltd since December 2010.	N.A.
Neo Kian Lee	58	Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	(i) Site Manager in charge of the properties operation of Sino Holdings (S'pore) Pte Ltd since January 1983 and appointed Technical Officer of TA Realty Pte Ltd since April 2015. (ii) Interior design supervisor for 12 On Shan from May 2018.	N.A.

Liong Chai Yin, Fiona	39	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Manager (Marketing/ Business development (Overseas)), in charge of the marketing and project-related aspects of our real estate development division and the sourcing for real estate development and construction opportunities since year 2002.	N.A.
Liong Cailin, Wendy	36	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	General Manager (Business development), in charge of sourcing and assessing the viability of potential development in Singapore and assisting the Board in assessing the viability of business opportunities.	Promoted to General Manager (Business development) in April 2018.

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo
Company Secretaries

26 February 2019