

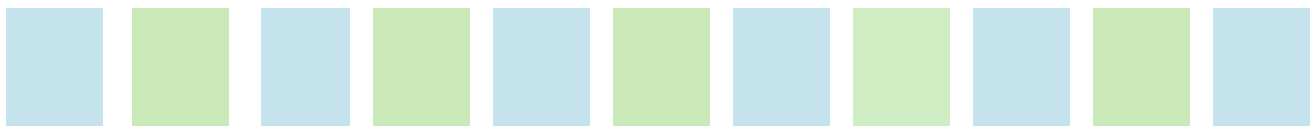


OKP HOLDINGS LIMITED

胡金標控股有限公司

**Full Year Financial
Statements and Dividend
Announcement for the year ended**

31 December 2019



28 February 2020

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Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2019
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2019	2018		2019	2018	
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	22,139	18,366	20.5	81,396	90,449	(10.0)
Cost of sales	(20,436)	(11,607)	76.1	(70,551)	(72,519)	(2.7)
Gross profit	1,703	6,759	(74.8)	10,845	17,930	(39.5)
Other gain/(loss), net	1,060	(1,416)	(174.9)	2,544	(565)	(550.3)
Expenses						
- Administrative	(3,765)	(2,832)	32.9	(10,022)	(9,540)	5.1
- Finance	(293)	(527)	(44.4)	(1,288)	(1,133)	13.7
Share of loss of associated companies and joint ventures, net	(79)	(316)	(75.0)	(1,039)	(121)	758.7
(Loss)/Profit before income tax	(1,374)	1,668	(182.4)	1,040	6,571	(84.2)
Income tax credit/(expense)	215	(195)	(210.3)	(359)	(925)	(61.2)
Net (loss)/profit	(1,159)	1,473	(178.7)	681	5,646	(87.9)
Gross profit margin	7.7%	36.8%		13.3%	19.8%	
Net profit margin	(5.2%)	8.0%		0.8%	6.2%	
Effective tax rate	15.7%	11.7%		34.5%	14.1%	
Net (loss)/profit attributable to:						
Equity holders of the Company	(1,758)	2,727	(164.5)	(378)	6,488	(105.8)
Non-controlling interests	599	(1,254)	(147.8)	1,059	(842)	(225.8)
	(1,159)	1,473	(178.7)	681	5,646	(87.9)



1(a)(i) Consolidated Statement of comprehensive income for the fourth quarter and financial year ended 31 December 2019

Note	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2019	2018		2019	2018	
	\$'000	\$'000	%	\$'000	\$'000	%
Net (loss)/profit	(1,159)	1,473	(178.7)	681	5,646	(87.9)
Other comprehensive (loss)/income:						
Currency translation differences arising from consolidation	35	(35)	(200.0)	(32)	(47)	(31.9)
Total comprehensive (loss)/income, net of tax	(1,124)	1,438	(178.2)	649	5,599	(88.4)
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(1,740)	2,709	(164.2)	(394)	6,463	(106.1)
Non-controlling interests	616	(1,271)	(148.5)	1,043	(864)	(220.7)
	(1,124)	1,438	(178.2)	649	5,599	(88.4)

Note:

- (i) Currency translation difference was attributed to (a) assets and liabilities of foreign operations that are translated to Singapore dollars at the exchange rate at the reporting date and (b) income and expenses of foreign operations that are translated to Singapore dollars at the exchange rate at the date of transactions.



(ii) Additional disclosures

(Loss)/Profit before income tax was arrived at:

Note	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2019	2018		2019	2018	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging: -</u>						
Non-audit fee paid to the auditors of the Company	7	10	(30.0)	22	31	(29.0)
Amortisation of intangible assets	3	1	200.0	11	4	175.0
Depreciation of property, plant and equipment	114	112	1.8	449	451	(0.4)
Depreciation of right-of-use assets	3	-	n.m.	11	-	n.m.
Directors' remuneration						
- Directors of the Company	425	948	(55.2)	2,348	3,094	(24.1)
- Other directors	108	111	(2.7)	444	448	(0.9)
Directors' fees	45	45	-	180	180	-
Interest paid and payable						
- Bank borrowing	169	259	(34.7)	832	790	5.3
- Lease liabilities	46	35	31.4	144	110	30.9
- Notional interest on loan	78	233	(66.5)	312	233	33.9
(Gain)/loss on foreign exchange	(43)	367	(111.7)	168	778	(78.4)
Loss on disposal of right-of-use assets	-	-	-	-	1	(100.0)
Employee compensation	752	810	(7.2)	2,860	3,191	(10.4)
Fair value (gain)/loss on investment properties, net	(590)	1,873	(131.5)	(590)	1,873	(131.5)
Loss on disposal of investment in an associated company	-	58	(100.0)	-	58	(100.0)
<u>Included in the cost of sales are the following: -</u>						
Depreciation of property, plant and equipment	420	633	(33.6)	1,620	1,771	(8.5)
Depreciation of right-of-use assets	389	137	183.9	1,376	1,205	14.2
Amortisation of intangible assets	5	5	-	20	13	53.8
Employee compensation	6,660	5,849	13.9	25,213	24,001	5.0

Note:

- (i) (Gain)/loss on foreign exchange mainly arose from the revaluation of assets denominated in Australian dollar, United States dollar and Indonesian Rupiah to Singapore dollar.

n.m. - not meaningful



Note	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2019	2018		2019	2018	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After crediting: -</u>						
Interest income						
- Bank deposits	236	255	(7.5)	1,029	921	11.7
- Loan to a joint venture	-	529	(100.0)	-	529	(100.0)
Gain on disposal of property, plant and equipment (net)	53	51	3.9	80	123	(35.0)
Government grant	-	25	(100.0)	88	447	(80.3)

(iii) Adjustments for under or over-provision of tax in respect of prior periods

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial year:

- Current income tax

- Singapore

- Foreign

101	934
384	96
485	1,030

- Deferred income tax

- Singapore

35	219
35	219

- Over provision in prior financial years

- Current income tax - Singapore

- Deferred income tax

(69)	(324)
(92)	-
(161)	(324)

359	925
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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

Statements of Financial Position

	Note	The Group		The Company	
		31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
		\$'000	\$'000	\$'000	\$'000
ASSETS					
Current assets					
Cash and cash equivalents		64,638	74,275	2,952	4,071
Trade and other receivables	i	7,138	3,598	12,329	12,537
Contract assets	ii	15,667	18,575	-	-
		87,443	96,448	15,281	16,608
Assets classified as held-for-sale	iii	9,772	-	-	-
		97,215	96,448	15,281	16,608
Non-current assets					
Investments in subsidiary corporations	iv	-	-	19,219	19,219
Investments in joint ventures	v	274	1,252	-	-
Investments in associated companies	vi	1,174	3,462	-	-
Investment properties	vii	49,568	49,586	-	-
Other receivables	viii	6,623	13,493	9,097	8,796
Property, plant and equipment		13,337	14,055	5,047	5,155
Right-of-use assets	ix	10,218	6,554	-	-
Intangible assets	x	1,781	1,789	21	3
		82,975	90,191	33,384	33,173
Total assets		180,190	186,639	48,665	49,781
LIABILITIES					
Current liabilities					
Trade and other payables	xi	19,337	24,378	2,710	3,489
Lease liabilities	ix	2,005	1,307	-	-
Bank borrowing	xii	756	768	-	-
Current income tax liabilities		264	1,182	35	29
		22,362	27,635	2,745	3,518
Non-current liabilities					
Other payables	xi	8,256	8,068	-	-
Lease liabilities	ix	4,376	2,126	-	-
Bank borrowing	xii	22,781	23,902	-	-
Deferred income tax liabilities		1,252	1,310	4	2
		36,665	35,406	4	2
Total liabilities		59,027	63,041	2,749	3,520
NET ASSETS		121,163	123,598	45,916	46,261
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		36,832	36,832	36,832	36,832
Other reserves	xiii	2,988	3,004	-	-
Retained profits		81,164	84,626	9,084	9,429
		120,984	124,462	45,916	46,261
Non-controlling interests		179	(864)	-	-
Total equity		121,163	123,598	45,916	46,261
Net tangible assets		119,382	121,809	45,895	46,258



Notes to Statements of Financial Position:

(i) Trade and other receivables

	The Group		The Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	2,109	953	-	2
- Subsidiary corporations	-	-	6,508	7,347
	2,109	953	6,508	7,349
- Retentions	266	337	-	-
Non-trade receivables				
- Subsidiary corporations	-	-	5,840	5,835
- Associated companies	9	3	-	-
- Joint ventures	513	5	-	-
- Non-related parties	1,200	521	-	-
	1,722	529	5,840	5,835
Less: Allowance for impairment of receivables	-	-	(688)	(688)
Non-trade receivables - net	1,722	529	5,152	5,147
Advance to suppliers	213	268	-	-
Deposits	1,621	721	641	7
Prepayments	1,207	790	28	34
	7,138	3,598	12,329	12,537

The non-trade amounts due from subsidiary corporations, associated companies and joint ventures are unsecured, interest-free and repayable on demand.



(ii) Contract assets

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Unbilled revenue

Construction contracts due from customers
Construction contract work-in-progress

15,505	17,281
162	1,294
<u>15,667</u>	<u>18,575</u>

(iii) Assets classified as held-for-sale

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Investments in associated company
Non-current other receivables

933	-
8,839	-
<u>9,772</u>	<u>-</u>

(iv) Investments in subsidiary corporations

The Company	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Equity investments at cost

Beginning and end of financial year

<u>17,632</u>	<u>17,632</u>
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Allowance for impairment

Beginning and end of financial year

<u>(110)</u>	<u>(110)</u>
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Loan to a subsidiary corporation

Beginning and end of financial year

<u>1,697</u>	<u>1,697</u>
<u>19,219</u>	<u>19,219</u>



Name of subsidiary corporations	Principal activities	Country of incorporation	Equity holding held by the Group	
			31 Dec 2019	31 Dec 2018
<u>Held by the Company</u>				
Or Kim Peow Contractors (Private) Ltd ^(@)	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co. (Pte) Ltd ^(@)	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd ^{(@)(*)}	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (Singapore) Pte Ltd ^{(@)(*)}	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd ^{(@)(&)}	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
United Pavement Specialists Pte Ltd ^{(@)(*)}	Provision of rental services and investment holding	Singapore	100%	100%
OKP Land Pte Ltd ^(@)	Investment holding and property development	Singapore	100%	100%
OKP Transport & Trading Pte Ltd ^{(@)(*)}	Provision of transport and logistics services	Singapore	100%	100%
<u>Held by OKP Land Pte Ltd</u>				
Raffles Prestige Capital Pte Ltd ^(@)	Investment holding	Singapore	51%	51%
<u>Held by Raffles Prestige Capital Pte Ltd</u>				
Bennett WA Investment Pty Ltd ^(#)	Property investment	Australia	51%	51%

(@) Audited by Nexia TS Public Accounting Corporation.

(#) Audited by Nexia Perth Services Pty Ltd.

(*) Dormant company.

(&) On 14 July 2015, OKP (Oil & Gas) Infrastructure Pte Ltd was granted a licence to operate a representative foreign construction service company in Jakarta, Indonesia. The said licence was valid until 8 July 2018 and there is no intention to renew the licence.



(v) Investments in joint ventures

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Interests in joint ventures

Beginning of financial year	1,252	5,495
Share of profit of joint ventures	97	57
Dividend received	(600)	(4,300)
Capital reduction in a joint venture	(475)	-
End of financial year	274	1,252

Details of the joint ventures are as follows:

Name of joint ventures	Principal activities	Country of incorporation	Percentage of ownership interest	
			31 Dec 2019	31 Dec 2018

Held by subsidiary corporations

Incorporated joint ventures

CS-OKP Construction and Development Pte Ltd ^{(@)(1)}	Design, construction and execution of urban developments (including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd ^{(#)(2)}	Business of general construction	Singapore	50%	50%
Lakehomes Pte. Ltd. ^{(^)(3)}	Property development	Singapore	10%	10%

Unincorporated joint ventures

Chye Joo – Or Kim Peow JV ^{(*)(4)}	Business of general construction	Singapore	50%	50%
Eng Lam – United E&P JV ^{(&)(5)}	Business of general construction	Singapore	55%	-

(@) Audited by Heng Lee Seng LLP.

(#) Audited by Nexia TS Public Accounting Corporation.

(^) Audited by Ernst & Young LLP.

(*) Registered on 4 May 2015 and not required to be audited under the laws of incorporation.

(&) Registered on 9 April 2019 and not required to be audited under the laws of incorporation.

(1) CS-OKP Construction and Development Pte Ltd (“CS-OKP”), incorporated in Singapore on 1 December 2009, remained inactive as at 31 December 2019. CS-OKP is a joint venture company of OKP Technical Management Pte Ltd (“OKPTM”), a wholly-owned subsidiary corporation, and CS Mining Pte Ltd, a subsidiary corporation of China Sonangol International Limited, with a share capital of \$100,000 consisting of 100 ordinary shares. OKPTM has a 50% equity interest at a cost of \$50,000 (2018: \$50,000) in CS-OKP.



- (ii) On 8 December 2010, Or Kim Peow Contractors (Pte) Ltd (“OKPC”), a wholly-owned subsidiary corporation, entered into a joint venture agreement with Soil-Build (Pte) Ltd (“SBPL”), incorporated in Singapore and a subsidiary corporation of Soilbuild Construction Group Ltd., to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte. Ltd. (“FBPL”) was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKPC has a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL is the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.

On 30 December 2019, FBPL undertook a capital reduction pursuant to which the share capital of FBPL was reduced from \$1,000,000 consisting of 1,000,000 ordinary shares to \$50,000 consisting of 50,000 ordinary shares, by way of cancellation of 950,000 issued and fully paid ordinary shares and returning a total sum of \$950,000 to its shareholders.

- (iii) On 15 August 2013, a joint venture company, Lakehomes Pte. Ltd. (“LH”) was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKP Land Pte Ltd (“OKPL”), a wholly-owned subsidiary corporation, has a 10% equity interest at a cost of \$100,000 in LH. The principal activity of LH is to develop a land parcel at Yuan Ching Road/Tao Ching Road into an executive condominium. On 13 September 2013, OKPL entered into a joint venture agreement with BBR Development Pte Ltd, Evia Real Estate (5) Pte Ltd, CNH Investment Pte Ltd and Ho Lee Group Pte Ltd for the aforesaid executive condominium development.
- (iv) On 4 May 2015, a joint venture partnership, Chye Joo - Or Kim Peow JV was registered to execute the improvement to Bukit Timah First Diversion Canal Contract 3 (Holland Green to Clementi Road) awarded by the Public Utilities Board.
- (v) On 9 April 2019, a joint venture partnership, Eng Lam – United E&P JV was registered to execute two contracts awarded by a government agency.

The Group has joint control over these joint ventures as under the contractual agreements, unanimous consent is required from all parties to the arrangements for all relevant activities.

The Group’s joint arrangements are structured as private limited companies and partnerships such that the Group and the parties to the agreements have the rights to the net assets of the private limited companies and partnership under the arrangements. Therefore, these arrangements are classified as joint ventures.

The following amounts represent the summarised unaudited financial information of the joint ventures:

	31 Dec 2019	31 Dec 2018
	\$'000	\$'000
Assets		
- Current assets	10,822	24,855
Liabilities		
- Current liabilities	(8,689)	(18,987)
Net assets	2,133	5,868
Revenue	18,765	31,029
Expenses	(17,794)	(30,801)
Profit before income tax	971	228
Income tax expense	(157)	(143)
Net profit	814	85

The information above reflects the amounts included in the unaudited financial statements of the joint ventures, adjusted for differences in accounting policies between the Group and the joint ventures, if any.



(vi) Investments in associated companies

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Interests in associated companies

Beginning of financial year	3,462	3,175
Additions	-	450
Notional fair value of loan (net)	(219)	15
Share of loss of associated companies	(1,136)	(178)
Reclassified to assets classified as held-for-sale	(933)	-
End of financial year	1,174	3,462

Name of associated companies	Principal activities	Country of incorporation	Equity holding	
			31 Dec 2019	31 Dec 2018

Held by subsidiary corporations

CS Amber Development Pte Ltd (@)(1)	Property development	Singapore	-	10%
Chong Kuo Development Pte Ltd (&)(2)	Property development	Singapore	22.5%	22.5%
USB Holdings Pte Ltd (#)(3)	Investment holding and property development	Singapore	25%	25%

Held by USB Holdings Pte Ltd

United Singapore Builders Pte Ltd (#)(4)	General contractors	Singapore	100%	100%
USB (Phoenix) Pte Ltd (#)(5)	Property development	Singapore	100%	100%

(@) Audited by Heng Lee Seng LLP

(#) Audited by Nexia TS Public Accounting Corporation

(&) Audited by Ernst & Young LLP

- (1) On 27 June 2012, OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary corporation, entered into an investment agreement with CS Amber Development Pte Ltd ("CSAmber") and CS Land Pte Ltd ("CS Land"), pursuant to which OKPL subscribed for 111,111 ordinary shares in CSAmber, representing approximately 10% of the enlarged issued and paid-up share capital of CSAmber. The aggregate consideration for the subscription of the shares is \$111,111.

The Group accounts for its investment in CSAmber as an associated company although the Group holds less than 20% of the issued shares of CSAmber as the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding and its representation on the Board).

On 2 January 2020, CSAmber cancelled the 111,111 ordinary shares, constituting approximately 10% of its total issued and paid-up share capital, held by OKPL for nil consideration. As such, the investment in CSAmber has been reclassified to assets classified as held-for-sale.



- (2) On 20 February 2018, an associated company, Chong Kuo Development Pte. Ltd. ("ChongKuo") was incorporated in Singapore with a share capital of \$2,000,000 consisting of 2,000,000 ordinary shares. OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary corporation, has a 22.5% equity interest at a cost of \$450,000 in ChongKuo. The principal activity of ChongKuo is to develop a residential condominium on the land parcel at Chong Kuo Road.
- (3) On 29 March 2018, OKP Investments (Singapore) Pte Ltd ("OKPIS"), a wholly-owned subsidiary corporation, together with Ho Lee Group Pte Ltd, HSB Holdings Pte. Ltd. and B&D Investment and Property Pte. Ltd. incorporated USB Holdings Pte. Ltd. ("USBH"). The principal business activities of USBH are investment holding and property development.
- (4) On 8 January 2014, Or Kim Peow Contractors (Pte) Ltd ("OKPC"), a wholly-owned subsidiary corporation, entered into a shareholders' agreement with Chye Joo Construction Pte Ltd, Ho Lee Construction Pte Ltd, Hwa Seng Builder Pte Ltd, Swee Hong Limited and United Singapore Builders Pte Ltd ("USB") to tender for and, if successful, undertake Mass Rapid Transit projects, including the construction of related infrastructure such as stations, tunnels and depots. As at 31 December 2014, OKPC had a 20% equity interest at a cost of \$200,000 in USB.

On 3 June 2015, OKPC acquired another 5% of the issued share capital of USB by way of acquisition of 50,000 ordinary shares for \$1.00. Consequently, OKPC has a 25% equity interest at a cost of \$200,001 in USB. On 17 August 2015, OKPC was allotted and issued 500,000 new ordinary shares by the capitalisation of its advance to USB and hence, its shareholding in USB increased to 750,000 shares. The shareholding percentage remains unchanged at 25% of the total issued and paid-up capital in USB.

USB became a wholly-owned subsidiary corporation of USB Holdings Pte Ltd after a restructuring exercise which took place on 2 July 2018.

- (5) On 23 August 2018, USBH incorporated a wholly-owned subsidiary corporation, USB (Phoenix) Pte. Ltd. ("USB Phoenix"). USB Phoenix has been incorporated with an issued and paid-up share capital of \$2, comprising 2 ordinary shares held by USBH. The principal business activity of USB Phoenix is to redevelop the property at 71-85 Phoenix Avenue, Phoenix Heights, Singapore.

The summarised unaudited financial information of the associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Assets

- Current assets	117,881	224,900
- Non-current assets	697	19,297

Liabilities

- Current liabilities	(19,818)	(16,744)
- Non-current liabilities	(93,729)	(212,367)

Net assets

	5,031	15,086
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Revenue

	25,830	30,872
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Expenses

	(30,572)	(29,791)
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(Loss)/Profit before income tax

	(4,742)	1,081
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Income tax credit

	-	213
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Net (loss)/profit

	(4,742)	1,294
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The Group has not recognised its share of loss of its associated companies, Chong Kuo Development Pte Ltd amounting to \$179,471 (2018: \$nil) as the Group's cumulative share of losses exceeded its interest in this entity and the Group has no obligation in respect of those losses. The cumulative unrecognised losses with respect to this entity amounted to \$179,471 at the reporting date.



(vii) Investment properties

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Beginning of financial year	49,586	7,200
Additions	-	46,330
Currency translation differences	(608)	(2,071)
Net fair value gain/(loss) recognised in profit and loss	590	(1,873)
End of financial year	49,568	49,586

The investment properties are leased to non-related parties.

The Group's policy is to revalue its investment properties on an annual basis.

At the reporting date, the details of the Group's investment properties are as follows:

Location	Description/ existing use	Tenure	Fair value	
			31 Dec 2019	31 Dec 2018
			\$'000	\$'000
6-8 Bennett Street, East Perth, Western Australia	Office building	Freehold	41,828	41,756
No 190 Moulmein Road, #10-03 The Huntington, Singapore 308095	Apartment unit	Freehold	1,800	1,800
No 6 Tagore Drive, B1-06 Tagore Building, Singapore 787623	Office unit	Freehold	1,660	1,680
No 6 Tagore Drive, B1-05 Tagore Building, Singapore 787623	Office unit	Freehold	1,580	1,600
7 Woodlands Industrial Park E2, Singapore 757450	3-storey factory	60-year lease from 25 Sep 2006	2,700	2,750
			49,568	49,586

All the investment properties are carried at fair values at the reporting date as determined by independent professional valuers.



(viii) Other receivables (non-current)

	The Group		The Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	\$'000	\$'000	\$'000	\$'000
Loan to associated companies				
- CS Amber Development Pte Ltd	-	11,180	-	-
- Chong Kuo Development Pte Ltd	3,803	3,803	-	-
- USB Holdings Pte Ltd	3,412	1,662	-	-
Less: Notional fair value of loan (net)	(592)	(1,744)	-	-
	6,623	14,901	-	-
Less: Allowance for impairment	-	(1,408)	-	-
	6,623	13,493	-	-
Loan to subsidiary corporation	-	-	9,097	8,796
	6,623	13,493	9,097	8,796

The loan to an associated company, CS Amber Development Pte Ltd ("CS Amber"), is unsecured, interest-free. The Group charged interest at 2.0% per annum above SIBOR from the first drawdown on 27 June 2012. The Group has ceased to charge interest on the loan with effect from 1 March 2015. The loan had been fully settled on 2 January 2020.

On 2 January 2020, CS Amber cancelled the 111,111 ordinary shares constituting approximately 10% of its total issued and paid-up share capital and has paid \$11,000,000 in full settlement of the sum of \$11,180,000 owing to the Group. As such, the loan to CS Amber has been reclassified to assets classified as held-for-sale.

The loan to subsidiary corporation and loan to other associated companies are unsecured and interest-free advances for the purpose of operating and development activities in their respective fields. The loans are not expected to be repaid within the next 12 months.



(ix) Leases

(a) Amounts recognised in the statements of financial position

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Right-of-use assets

Office unit	343	485
Plant and machineries	7,718	4,688
Motor vehicles	1,555	1,269
Use of state land for worksites	602	112
	<u>10,218</u>	<u>6,554</u>

Lease liabilities

Current	2,005	1,307
Non-current	4,376	2,126
	<u>6,381</u>	<u>3,433</u>

(b) Amounts recognised in the statement of comprehensive income

Depreciation of right-of-use assets

Office unit	110	453
Plant and machineries	736	507
Motor vehicles	236	215
Use of state land for worksites	305	30
	<u>1,387</u>	<u>1,205</u>

Interest expense (included in finance expenses)	<u>144</u>	<u>110</u>
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(x) Intangible assets

The Group		The Company	
31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
\$'000	\$'000	\$'000	\$'000

Composition:

Goodwill	1,688	1,688	-	-
Computer software licences	93	101	21	3
	<u>1,781</u>	<u>1,789</u>	<u>21</u>	<u>3</u>

(a) Goodwill

Cost/net book value

Beginning and end of financial year	<u>1,688</u>	<u>1,688</u>	<u>-</u>	<u>-</u>
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This represents goodwill on acquisitions of subsidiary corporations which is the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired.

(b) Computer software licences

Cost

Beginning of financial year	497	428	55	55
Additions	23	69	23	-
End of financial year	<u>520</u>	<u>497</u>	<u>78</u>	<u>55</u>

Accumulated Amortisation

Beginning of financial year	396	379	52	49
Amortisation charge	31	17	5	3
End of financial year	<u>427</u>	<u>396</u>	<u>57</u>	<u>52</u>

Net book value	<u>93</u>	<u>101</u>	<u>21</u>	<u>3</u>
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Computer software licences relate to fees paid to third parties in relation to the entitlement to use the computer software and are amortised over 5 years.



(xi) Trade and other payables

	The Group		The Company	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	\$'000	\$'000	\$'000	\$'000
<u>Current</u>				
Trade payables				
- Non-related parties	10,276	13,713	49	93
Non-trade payables				
- Subsidiary corporations	-	-	1,947	1,947
- Joint venture	50	50	-	-
- Non-controlling interests	335	324	-	-
- Non-related parties	332	462	-	-
	717	836	1,947	1,947
Accrued operating expenses	8,344	9,829	714	1,449
	<u>19,337</u>	<u>24,378</u>	<u>2,710</u>	<u>3,489</u>
<u>Non-current</u>				
Non-trade payables				
- Loan from non-controlling interests	9,345	9,489	-	-
- Less: Notional fair value of loan	(1,089)	(1,421)	-	-
	<u>8,256</u>	<u>8,068</u>	<u>-</u>	<u>-</u>

The current non-trade amounts due to subsidiary corporations, joint venture and non-controlling interests are unsecured, interest-free and repayable on demand.

The non-current loan from non-controlling interests is unsecured and interest-free for the purpose of funding the subsidiary corporation's operating and development activities. The loan is denominated in Australian dollar and is not expected to be repaid within the next 12 months.



(xii) Bank borrowing

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

Current

Secured bank term loan	756	768
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Non-current

Secured bank term loan	22,781	23,902
	<u>23,537</u>	<u>24,670</u>

The secured bank term loan is mainly secured by:

- First legal mortgage over an investment property of the Group;
- Certain bank deposit;
- Charge over the Group's shares in a subsidiary corporation; and
- Corporate guarantee of the Company.

The Group's secured bank term loan is denominated in Australian dollar. It bears interest at 1.8% above the bank's cost of fund.



(xiii) Other reserves

The Group	
31 Dec 2019	31 Dec 2018
\$'000	\$'000

(a) **Composition:**

Asset revaluation reserve	1,372	1,372
Currency translation reserve	(40)	(24)
Capital reserve	1,656	1,656
	<u>2,988</u>	<u>3,004</u>

(b) **Movements**

Asset revaluation reserve

Beginning and end of financial year	<u>1,372</u>	<u>1,372</u>
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Currency translation reserve

Beginning of financial year	(24)	-
Currency translation differences arising from consolidation	(32)	(47)
Less: Non-controlling interests	16	23
	<u>(16)</u>	<u>(24)</u>
End of financial year	<u>(40)</u>	<u>(24)</u>

Capital reserve

Beginning of financial year	1,656	-
Fair value adjustment on interest-free loan	-	1,656
End of financial year	<u>1,656</u>	<u>1,656</u>

Other reserves are non-distributable.



Explanatory Notes:

(i) Current assets

Current assets increased by \$0.8 million, from \$96.4 million as at 31 December 2018 to \$97.2 million as at 31 December 2019. The increase was due mainly to:

- (a) an increase in trade and other receivables of \$3.6 million. This was due mainly to (1) an increase in trade receivables of \$1.1 million, (2) an increase in non-trade receivables of \$1.2 million arising from advances to a joint venture for working capital purpose of \$0.5 million and insurance claim receivable of \$0.7 million, (3) an increase in deposits of \$0.9 million arising mainly from deposits paid for the purchase of property, plant and equipment, and (4) an increase in prepayments of \$0.4 million; and
- (b) a reclassification of investment in associated company and non-current loan to an associated company collectively amounting to \$9.8 million to assets classified as held-for-sale,

which were partially offset by:

- (c) a decrease in cash and cash equivalents of \$9.7 million. This was due mainly to the cash used in operating activities of \$0.2 million, cash used in investing activities of \$3.3 million, and cash used in financing activities of \$6.2 million; and
- (d) a decrease in contract assets of \$2.9 million, due mainly to a decrease in construction contract due from customers arising from lower unbilled amounts expected to be collected from customers following the lower revenue recognised,

during the financial year ended 31 December 2019 ("FY2019").

(ii) Non-current assets

Non-current assets decreased by \$7.2 million, from \$90.2 million as at 31 December 2018 to \$83.0 million as at 31 December 2019. The decrease was due mainly to:

- (a) decrease in investments in joint ventures of \$1.0 million arising from dividends received of \$0.6 million and a capital reduction in a joint venture of \$0.4 million;
- (b) a decrease in investments in associated companies of \$2.3 million arising from (1) the notional fair value on loan and share of loss of the associated companies and (2) a reclassification of investment in CS Amber of \$0.9 million as asset held-for-sale;
- (c) a decrease in other receivables of \$6.9 million arising from the reclassification of loan to CS Amber to assets classified as held-for-sale, offset by an increase in other receivables of \$2.0 million due mainly to an advance to an associated company, USB Holdings Pte Ltd; and
- (d) a decrease in property, plant and equipment of \$0.7 million resulting from the disposal and depreciation of property, plant and equipment, which were partially offset by the purchase of new property, plant and equipment,



which were partially offset by:

- (e) an increase in right-of-use assets of \$3.7 million resulting from the new plant and equipment acquired to support the new and existing projects and the use of state land,

during FY2019.

(iii) Current liabilities

Current liabilities decreased by \$5.2 million, from \$27.6 million as at 31 December 2018 to \$22.4 million as at 31 December 2019. The decrease was due mainly to:

- (a) a decrease in trade and other payables of \$5.0 million arising from (1) lower accrued operating expenses related to project costs and (2) settlement of some major trade and other payables; and
- (b) a decrease in current income tax liabilities of \$0.9 million due to lower tax provision resulting from lower profits generated,

which were partially offset by:

- (c) an increase in lease liabilities of \$0.7 million arising from the purchase of plant and machineries and use of state land,

during FY2019.

(iv) Non-current liabilities

Non-current liabilities increased by \$1.3 million, from \$35.4 million as at 31 December 2018 to \$36.7 million as at 31 December 2019. The increase was due mainly to (1) an increase in lease liabilities of \$2.2 million arising from the purchase of plant and machineries to support the existing projects and (2) a net increase of \$0.2 million in non-trade payables arising from a foreign exchange realignment due to depreciation of Australian dollar against the Singapore dollar, which were partially offset by repayment of bank borrowing of \$1.1 million during FY2019.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, decreased by \$2.5 million, from \$123.6 million as at 31 December 2018 to \$121.1 million as at 31 December 2019. The decrease was due mainly to:

- (a) the dividend payment to shareholders of \$3.1 million; and
- (b) the loss generated from operations of \$0.4 million attributable to equity holders of the Company, offset by non-controlling interests of \$1.0 million arising from the share of profit of Raffles Prestige Capital Pte Ltd,

during FY2019.



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

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

As at 31 Dec 2019			As at 31 Dec 2018		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	2,005	-	Lease liabilities	1,307	-
Bank borrowing	756	-	Bank borrowing	768	-
Total	2,761	-	Total	2,075	-

(b) Amount repayable after one year

As at 31 Dec 2019			As at 31 Dec 2018		
	\$'000	\$'000		\$'000	\$'000
	Secured	Unsecured		Secured	Unsecured
Lease liabilities	4,376	-	Lease liabilities	2,126	-
Bank borrowing	22,781	-	Bank borrowing	23,902	-
Total	27,157	-	Total	26,028	-

(c) Details of any collateral

The above secured borrowings of the Group relate to:

- (1) lease liabilities of \$6.4 million secured by way of corporate guarantees of the Company and charges over the property, plant and equipment under the leases; and
- (2) bank borrowings of \$23.5 million secured by first legal mortgage over an investment property of the Group, certain bank deposits, charge over the Group's shares in a subsidiary corporation and corporate guarantee of the Company.



1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated statement of cash flows

	The Group		The Group	
	Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Net (loss)/profit	(1,159)	1,473	681	5,646
Adjustments for:				
- Income tax (credit)/expense	(215)	195	359	925
- Depreciation of property, plant and equipment	534	745	2,069	2,222
- Depreciation of right-of-use assets	392	137	1,387	1,205
- Amortisation of intangible assets	8	6	31	17
- Loss on disposal of right-of-use assets	-	-	-	1
- Gain on disposal of property, plant and equipment, net	(53)	(51)	(80)	(123)
- Share of results of associated companies and joint ventures, net	79	316	1,039	121
- Fair value (gain)/loss on investment properties, net	(590)	1,873	(590)	1,873
- Interest income	(236)	(784)	(1,029)	(1,450)
- Interest expense	293	527	1,288	1,133
- Loss on disposal of investment in associated companies	-	58	-	58
- Foreign exchange differences	(40)	(455)	442	(141)
Operating cash flow before working capital changes	(987)	4,040	5,597	11,487
Change in working capital				
- Trade and other receivables	(51)	2,353	(3,064)	2,050
- Contract assets	1,667	(7,213)	2,908	(2,107)
- Trade and other payables	1,812	(6,773)	(5,354)	(13,441)
- Contract liabilities	-	-	-	(263)
Cash generated from/(used in) operations	2,441	(7,593)	87	(2,274)
- Interest received	236	784	1,029	1,450
- Income tax (paid)/received	(6)	380	(1,335)	(1,680)
Net cash provided by/(used in) operating activities	2,671	(6,429)	(219)	(2,504)
Cash flows from investing activities				
- Additions to property, plant and equipment	(1,096)	(261)	(2,298)	(1,523)
- Additions to investment properties	-	-	-	(46,330)
- Additions to intangible assets	-	(69)	(23)	(69)
- Investment in an associated company	-	-	-	(450)
- Advance to associated companies	-	(424)	(1,750)	(5,465)
- Proceeds from disposal of property, plant and equipment	53	54	212	194
- Dividend received from joint ventures	300	4,000	600	4,300
- Repayment of loans by an associated company	-	-	-	8,500
- Repayment of loans by a joint venture	-	-	-	3,852
- Capital contribution of a non-controlling interest for the incorporation of a subsidiary corporation	-	-	-	*
Net cash (used in)/provided by investing activities	(743)	3,300	(3,259)	(36,991)

Note: (*) Amount is less than \$1,000.



Consolidated statement of cash flows (Cont'd)

	The Group		The Group	
	Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Cash flows from financing activities				
- Repayment of lease liabilities	(39)	(332)	(1,289)	(1,578)
- Advance from a non-controlling interest	-	-	-	10,314
- Interest paid	(215)	(273)	(976)	(900)
- Proceeds from bank borrowing	-	-	-	26,338
- Repayment of borrowings	(186)	(191)	(759)	(389)
- Dividend paid to shareholders	-	-	(3,084)	(6,169)
- Bank deposits pledged	2	(439)	(42)	(488)
Net cash (used in)/provided by financing activities	(438)	(1,235)	(6,150)	27,128
Net increase/(decrease) in cash and cash equivalents	1,490	(4,364)	(9,628)	(12,367)
Cash and cash equivalents at the beginning of the financial period/year	58,033	73,520	69,231	81,551
Effects of currency translation on cash and cash equivalents	29	75	(51)	47
Cash and cash equivalents at the end of the financial period/year	59,552	69,231	59,552	69,231

Explanatory Notes:

- (i) For the purpose of the consolidated statement of cash flows, the cash and cash equivalents at the end of the financial year comprise the following:

	The Group	
	31 Dec 2019	31 Dec 2018
	\$'000	\$'000
Cash at bank and on hand	14,430	25,702
Short-term bank deposits	49,892	48,451
Trust account – Cash at bank	316	122
	64,638	74,275
Short-term bank deposits pledged to banks	(5,086)	(5,044)
Cash and cash equivalents per consolidated statement of cash flows	59,552	69,231

Short-term bank deposits of \$5,086,190 (2018: \$5,043,796) are pledged to banks for banking facilities of certain subsidiary corporations.



(ii) **Review of cash flows for FY2019**

Net cash used in operating activities

Our Group reported net cash used in operating activities of \$0.2 million in FY2019, a decrease of \$2.3 million from \$2.5 million in the financial year ended 31 December 2018 ("FY2018"). The decrease was due mainly to:

- (a) a decrease in cash generated from operating activities before working capital changes of \$5.9 million; and
- (b) a decrease in interest received of \$0.4 million,

which were partially offset by:

- (c) a decrease in net working capital outflow of \$8.3 million; and
- (d) a decrease in income tax paid of \$0.3 million,

during FY2019.

Net cash used in investing activities

Net cash used in investing activities decreased by \$33.7 million, from \$37.0 million in FY2018 to \$3.3 million FY2019. The decrease was due mainly to:

- (a) repayment of loans by associated company and joint venture of \$8.5 million and \$3.8 million respectively in FY2018;
- (b) an increase in cash used in the purchase of property, plant and equipment of \$0.8 million during FY2019; and
- (c) a decrease in dividend received from joint ventures of \$3.7 million,

which were partially offset by:

- (d) cash used in FY2018 for (1) the purchase of new investment property of \$46.3 million and (2) investment in an associated company of \$0.5 million; and
- (e) a decrease in advances extended to associated companies of \$3.7 million.

Net cash used in financing activities

Net cash of \$6.2 million was used in financing activities in FY2019. This was due mainly to (1) dividend payments to shareholders of \$3.1 million, (2) repayment of lease liabilities of \$1.3 million, (3) interest payments of \$1.0 million, and (4) repayment of borrowings of \$0.8 million, during FY2019.

Overall, free cash and cash equivalents stood at \$59.5 million as at 31 December 2019, a decrease of \$9.7 million, from \$69.2 million as at 31 December 2018. This works out to cash of 19.3 cents per share as at 31 December 2019 as compared to 22.4 cents per share as at 31 December 2018 (based on 308,430,594 issued shares as at 31 December 2019 and 31 December 2018).



(iii) **Review of cash flows for fourth quarter ended 31 December 2019**

Net cash generated from operating activities

Our Group's net cash generated from operating activities for the fourth quarter ended 31 December 2019 ("4Q2019") was \$2.7 million as compared to net cash used in operating activities of \$6.4 million for the fourth quarter ended 31 December 2018 ("4Q2018"). The \$9.1 million decrease was due mainly to:

(a) a decrease in net working capital outflow of \$15.0 million,

which was partially offset by:

(b) an increase in cash used in operating activities before working capital changes of \$5.0 million;

(c) an increase in income tax paid of \$0.4 million; and

(d) a decrease in interest received of \$0.5 million,

during 4Q2019.

Net cash used in investing activities

Net cash used in investing activities of \$0.7 million for 4Q2019 was due mainly to the purchase of new property, plant and equipment of \$1.0 million, partially offset by dividend received from a joint venture of \$0.3 million and the proceeds from disposal of property, plant and equipment of \$53,000 in 4Q2019.

Net cash used in financing activities

The net cash used in financing activities was \$0.4 million for 4Q2019, compared with \$1.2 million for 4Q2018. The major outflows in 4Q2019 related (1) interest payments of \$0.2 million, (2) repayment of borrowings of \$0.2 million, and (3) repayment of lease liabilities of \$39,000.



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

Attributable to equity holders of the Company							
Share Capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Retained profits	Total	Non-controlling interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2019	36,832	1,656	1,372	(24)	84,626	124,462	(864)	123,598
Profit for the period	-	-	-	-	1,068	1,068	138	1,206
Other comprehensive income for the period	-	-	-	9	-	9	8	17
	-	-	-	9	1,068	1,077	146	1,223
As at 31 Mar 2019	36,832	1,656	1,372	(15)	85,694	125,539	(718)	124,821
Profit for the period	-	-	-	-	278	278	137	415
Other comprehensive loss for the period	-	-	-	(20)	-	(20)	(19)	(39)
	-	-	-	(20)	278	258	118	376
Dividend relating to FY2018	-	-	-	-	(3,084)	(3,084)	-	(3,084)
As at 30 Jun 2019	36,832	1,656	1,372	(35)	82,888	122,713	(600)	122,113
Profit for the period	-	-	-	-	34	34	185	219
Other comprehensive loss for the period	-	-	-	(23)	-	(23)	(22)	(45)
	-	-	-	(23)	34	11	163	174
As at 30 Sep 2019	36,832	1,656	1,372	(58)	82,922	122,724	(437)	122,287
(Loss)/Profit for the period	-	-	-	-	(1,758)	(1,758)	599	(1,159)
Other comprehensive income for the period	-	-	-	18	-	18	17	35
	-	-	-	18	(1,758)	(1,740)	616	(1,124)
As at 31 Dec 2019	36,832	1,656	1,372	(40)	81,164	120,984	179	121,163



Attributable to equity holders of the Company							
Share Capital	Capital reserve	Asset revaluation reserve	Currency translation reserve	Retained profits	Total	Non-controlling interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

As at 1 Jan 2018	36,832	-	1,372	-	84,308	122,512	-	122,512
Total comprehensive income for the period	-	-	-	-*	2,843	2,843	(14)	2,829
As at 31 Mar 2018	36,832	-	1,372	-*	87,151	125,355	(14)	125,341
Total comprehensive income for the period	-	-	-	(1)	106	105	195	300
Dividend relating to FY2017	-	-	-	-	(6,169)	(6,169)	-	(6,169)
As at 30 Jun 2018	36,832	-	1,372	(1)	81,088	119,291	181	119,472
Total comprehensive income for the period	-	-	-	(5)	811	806	226	1,032
As at 30 Sep 2018	36,832	-	1,372	(6)	81,899	120,097	407	120,504
Total comprehensive income for the period	-	-	-	(18)	2,727	2,709	(1,271)	1,438
Fair value adjustment on interest-free loan	-	1,656	-	-	-	1,656	-	1,656
As at 31 Dec 2018	36,832	1,656	1,372	(24)	84,626	124,462	(864)	123,598

Note:

(*) Amount is less than \$1,000



Attributable to equity holders of the Company		
Share capital	Retained profits	Total equity
\$'000	\$'000	\$'000

The Company

As at 1 Jan 2019	36,832	9,429	46,261
Total comprehensive income for the period	-	206	206
As at 31 Mar 2019	36,832	9,635	46,467
Total comprehensive income for the period	-	33	33
Dividend relating to FY2018	-	(3,084)	(3,084)
As at 30 Jun 2019	36,832	6,584	43,416
Total comprehensive income for the period	-	114	114
As at 30 Sep 2019	36,832	6,698	43,530
Total comprehensive income for the period	-	2,386	2,386
As at 31 Dec 2019	36,832	9,084	45,916



Attributable to equity holders of the Company		
Share capital	Retained profits	Total equity
\$'000	\$'000	\$'000

The Company

As at 1 Jan 2018	36,832	11,782	48,614
Total comprehensive income for the period	-	143	143
As at 31 Mar 2018	36,832	11,925	48,757
Total comprehensive income for the period	-	251	251
Dividend relating to FY2017	-	(6,169)	(6,169)
As at 30 Jun 2018	36,832	6,007	42,839
Total comprehensive income for the period	-	114	114
As at 30 Sep 2018	36,832	6,121	42,953
Total comprehensive income for the period	-	3,308	3,308
As at 31 Dec 2018	36,832	9,429	46,261



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

There have been no changes in the issued share capital of the Company since 30 September 2019.

Under the Share Buy Back Mandate which was approved by the Shareholders on 29 April 2019, no shares were bought back by the Company during the fourth quarter ended 31 December 2019.

There were no outstanding convertibles issued or treasury shares held by the Company and no subsidiary holdings as at 31 December 2019 and 31 December 2018.

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

	31 Dec 2019	31 Dec 2018
Total number of issued shares (excluding treasury shares)	308,430,594	308,430,594

1(d)(iv) A statement showing all sales, transfers, disposals, 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 or reviewed.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 December 2018.

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

Below are the new and amended Singapore Financial Reporting Standards (International) ("SFRS(I)") that have been published and relevant for the Group's accounting period beginning on or after 1 January 2020:

Effective for annual periods beginning on or after 1 January 2020

- Amendments to References to the Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 3: Definition of a Business
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of Material
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7: Interest Rate Benchmark Reform

Effective for annual periods beginning on or after 1 January 2021

- SFRS(I) 17 Insurance Contracts

Effective date: to be determined*

- Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the new accounting standards does not have any significant impact on the financial information.

* The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.



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

Basic/diluted earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease) %	Financial Year ended 31 Dec		Increase/ (Decrease) %
	2019	2018		2019	2018	
Net (loss)/profit attributable to equity holders of the Company (\$'000)	(1,758)	2,727	(164.5)	(378)	6,488	(105.8)
Weighted average number of ordinary shares in issue	308,430,594	308,430,594	-	308,430,594	308,430,594	-
Basic (loss)/earnings per share (cents per share)	(0.57)	0.88	(164.8)	(0.12)	2.10	(105.7)
Diluted (loss)/earnings per share (cents per share)	(0.57)	0.88	(164.8)	(0.12)	2.10	(105.7)

**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**

	The Group		The Company		Increase/ (Decrease) %	
	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2018	The Group	The Company
Net tangible assets (\$'000)	119,382	121,809	45,895	46,258	(2.0)	(0.8)
Number of shares	308,430,594	308,430,594	308,430,594	308,430,594	-	-
NTA per share (cents)	38.71	39.49	14.88	15.00	(2.0)	(0.8)



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Our Business

OKP Holdings Limited is a home-grown infrastructure and civil engineering company in the region. It specialises in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and roads-related facilities and building construction-related works. We tender for both public and private civil engineering and infrastructure construction projects. We have expanded our core business to include property development and investment.

We have three business segments: Construction, Maintenance and Rental income from investment properties.

Income Statement Review (Current financial year ended 31 December 2019 vs previous financial year ended 31 December 2018)

	The Group					
	Current financial year ended 31 Dec 2019		Previous financial year ended 31 Dec 2018		Increase/ (Decrease)	
	\$'000	%	\$'000	%	\$'000	%
Construction	49,966	61.4	46,051	50.9	3,915	8.5
Maintenance	25,683	31.5	40,363	44.6	(14,680)	(36.4)
Rental income	5,747	7.1	4,035	4.5	1,712	42.4
Total Revenue	81,396	100.0	90,449	100.0	(9,053)	(10.0)

Revenue

Our Group reported a 10.0% or \$9.0 million decrease in revenue to \$81.4 million for FY2019 as compared to \$90.4 million for FY2018. The decrease was due mainly to a 36.4% decrease in revenue from the maintenance segment to \$25.7 million, partially offset by (i) an 8.5% increase in revenue from the construction segment to \$50.0 million and (ii) a 42.4% increase in rental income.

The increase in revenue from the construction segment was due mainly to the higher percentage of revenue recognised from a number of existing and newly awarded construction projects as they progressed to a more active phase in FY2019.



The decrease in revenue from the maintenance segment was due mainly to a lower percentage of revenue recognised from a few newly-awarded maintenance projects in FY2019.

The increase in rental income generated from investment properties was due mainly to rental income generated from the property at 6-8 Bennett Street, East Perth, Western Australia which has been fully occupied since the second quarter ended 30 June 2019.

Both the construction and maintenance segments are the major contributors to our Group's revenue. On a segmental basis, construction, maintenance and rental income accounted for 61.4% (FY2018: 50.9%), 31.5% (FY2018: 44.6%) and 7.1% (FY2018: 4.5%) of our Group's revenue respectively for FY2019.

Cost of sales

	The Group			
	Current financial year ended 31 Dec 2019	Previous financial year ended 31 Dec 2018	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	68,714	71,245	(2,531)	(3.6)
Maintenance				
Rental income	1,837	1,274	563	44.2
Total cost of sales	70,551	72,519	(1,968)	(2.7)

Our cost of sales decreased by 2.7% or \$1.9 million from \$72.5 million for FY2018 to \$70.6 million for FY2019. The decrease in cost of sales was due mainly to:

- (a) the decrease in sub-contracting costs which were mainly costs incurred for specialised works such as bored piling, asphalt works, mechanical and electrical works, soil-testing, landscaping and metalworks which are usually sub-contracted to external parties; and
- (b) the decrease in preliminary costs and overheads such as worksite expenses and depreciation, and professional fees related to the engagement of consultants to design the construction methods of our on-going projects,



which were partially offset by:

- (c) an increase in the cost of construction materials due to higher utilisation of materials as some of the projects progressed to a more active phase in FY2019;
- (d) an increase in overheads such as upkeep of machineries and hiring costs related to the rental of additional heavy equipment and machineries to support existing projects; and
- (e) an increase in labour costs,

during FY2019.

Gross profit and gross profit margin

Our gross profit for FY2019 decreased by 39.5% or \$7.1 million from \$17.9 million for FY2018 to \$10.8 million for FY2019.

The lower gross profit margin in FY2019 was due mainly to lower profit margins for new and some current construction projects as a result of a more competitive pricing environment and rising manpower cost.

Other gains, net

Other gains increased by \$3.1 million or 550.3% from a net loss of \$0.6 million for FY2018 to a net gain of \$2.5 million for FY2019. The increase was due mainly to (1) a technical management consultancy fee of \$0.5 million in relation to a piling project in Jakarta, Indonesia, (2) an increase in net fair value gain of \$2.5 million resulting from a fair value loss of \$1.9 million in FY2018 to a fair value gain of \$0.6 million in FY2019, arising from the revaluation of some of the investment properties and (3) an increase of \$0.1 million in miscellaneous income arising from the sale of construction materials during FY2019.

Administrative expenses

Administrative expenses increased by \$0.5 million or 5.1% from \$9.5 million for FY2018 to \$10.0 million for FY2019. The increase was largely due to an increase in legal fees incurred for an ongoing trial, partially offset by a decrease in directors' remuneration as a result of the loss before income tax (excluding non-controlling interests) of the Group for FY2019.



Finance expenses

The Group		
Financial year ended 31 Dec 2019	Financial Year ended 31 Dec 2018	
\$'000	\$'000	
Lease liabilities ^(a)	144	110
Notional interest on loan ^(b)	312	233
Bank borrowing ^(c)	832	790
	<u>1,288</u>	<u>1,133</u>

Finance expenses increased by \$0.2 million or 13.7% from \$1.1 million for FY2018 to \$1.3 million for FY2019. The increase was due mainly to:

- (a) an increase in lease liabilities of \$34,000 arising from right-of-use assets;
- (b) an increase in notional interest on loan of \$79,000 resulting from fair value adjustment of loan from a non-controlling interests; and
- (c) an increase in interest expenses of \$42,000 incurred on a bank term loan for the purchase of an investment property at 6-8 Bennett Street, East Perth, Western Australia.

Share of results of associated companies and joint ventures

The Group		
Financial Year ended 31 Dec 2019	Financial Year ended 31 Dec 2018	
\$'000	\$'000	
Share of profit of joint ventures	97	57
Share of loss of associated companies	(1,136)	(178)
	<u>(1,039)</u>	<u>(121)</u>

The share of loss of associated companies was due mainly to losses incurred by the Group's 22.5% held associated company, Chong Kuo Development Pte Ltd, and the Group's 25% held associated company, USB Holdings Pte Ltd, during FY2019.



Profit before income tax

Profit before income tax decreased by \$5.6 million or 84.2% from \$6.6 million for FY2018 to \$1.0 million for FY2019. The decrease was due mainly to (1) the decrease in gross profit of \$7.1 million, (2) the increase in administrative expenses of \$0.5 million, (3) the increase in finance expenses of \$0.2 million and (4) the increase in share of loss of associated companies and joint ventures of \$0.9 million. The decrease was partially offset by the increase in other gains (net) of \$3.1 million, as explained above.

Income tax expense

Income tax expense decreased by \$0.6 million or 61.2% from \$0.9 million in FY2018 to \$0.3 million in FY2019 due mainly to lower profit before income tax, as explained above.

The effective tax rates for FY2019 and FY2018 were 34.5% and 14.1% respectively.

The effective tax rate for FY2019 was higher than the statutory tax rate of 17.0%, due mainly to (1) to the profit before income tax of \$1.0 million which took into account the share of loss of associated companies and joint ventures of \$1.0 million, which was not tax deductible, (2) the relatively higher corporate tax rate of our Australian subsidiary corporation, and (3) certain non-deductible items added back for tax purposes.

The effective tax rate for FY2018 was lower than the statutory tax rate of 17.0% due mainly to (1) statutory stepped income tax exemption and (2) a tax rebate of 20% on the corporate tax payable.

Non-controlling interests

Non-controlling interests of \$1.0 million was due to the share of profit of our subsidiary corporation, Raffles Prestige Capital Pte Ltd, in FY2019.

Net profit

Overall, for FY2019, net profit decreased by \$4.9 million or 87.9%, from \$5.6 million for FY2018 to \$0.7 million for FY2019, following the decrease in profit before income tax of \$5.5 million which was partially offset by the decrease in income tax expense of \$0.6 million, as explained above.

Our net profit margin decreased from 6.2% for FY2018 to 0.8% for FY2019.



Income Statement Review (Fourth Quarter ended 31 December 2019 vs Fourth Quarter ended 31 December 2018)

	The Group					
	Current fourth quarter ended 31 Dec 2019		Previous fourth quarter ended 31 Dec 2018		Increase/ (Decrease)	
	\$'000	%	\$'000	%	\$'000	%
Construction	14,534	65.6	11,179	60.9	3,355	30.0
Maintenance	6,085	27.5	5,841	31.8	244	4.2
Rental income	1,520	6.9	1,346	7.3	174	12.9
Total Revenue	22,139	100.0	18,366	100.0	3,773	20.5

Revenue

Our Group recorded an increase in revenue of \$3.7 million or 20.5% to \$22.1 million in 4Q2019, as compared to \$18.3 million in 4Q2018.

The construction segment contributed \$14.5 million to our Group's revenue in 4Q2019, compared to \$11.1 million in 4Q2018. The increase in revenue from the construction segment was due mainly to the higher percentage of revenue recognised from a number of existing and newly awarded construction projects as they progressed to a more active phase in 4Q2019.

The \$0.2 million increase in revenue from the maintenance segment was due mainly to a higher percentage of revenue recognised from a number of existing maintenance projects as they progressed to a more active phase during 4Q2019.

The increase in rental income generated from investment properties was due mainly to rental income generated from the property at 6-8 Bennett Street, East Perth, Western Australia which has been fully occupied since the second quarter ended 30 June 2019.



Cost of sales

	The Group			
	Current fourth quarter ended 31 Dec 2019	Previous fourth quarter ended 31 Dec 2018	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	19,998	11,152	8,846	79.3
Maintenance				
Rental income	438	455	(17)	(3.7)
Total cost of sales	20,436	11,607	8,829	76.1

Our cost of sales increased by 76.1% or \$8.8 million from \$11.6 million for 4Q2018 to \$20.4 million for 4Q2019. The increase in cost of sales was due mainly to:

- (a) an increase in sub-contracting costs which were mainly (1) costs incurred for specialised works such as bored piling, asphalt works, mechanical and electrical works, soil-testing, landscaping and metalworks which are usually sub-contracted to external parties and (2) recognition of costs for a particular maintenance project following finalisation of this project with a sub-contractor;
- (b) an increase in the cost of construction materials due to higher utilisation of materials as some of the projects progressed to a more active phase;
- (c) an increase in overheads such as worksite expenses and upkeep of machineries; and
- (d) an increase in labour costs due to salary adjustment,

which were partially offset by:

- (e) the decrease in preliminary costs and overheads such as depreciation and hiring costs related to the rental of additional heavy equipment and machineries to support existing projects; and
- (f) professional fees related to the engagement of consultants to design the construction methods of our on-going projects,

during 4Q2019.



Gross profit and gross profit margin

Our gross profit decreased by \$5.1 million or 74.8% from \$6.8 million for 4Q2018 to \$1.7 million for 4Q2019.

Our gross profit margin decreased from 36.8% for 4Q2018 to 7.7% for 4Q2019.

The lower gross profit margin was largely due to lower profit margins for new and some current construction projects as a result of a more competitive pricing environment and rising manpower costs during 4Q2019.

Other gains, net

The increase of \$2.5 million in other gains was due mainly to an increase in the fair value gain of \$2.5 million from a fair value loss of \$1.9 million in 4Q2018 to a fair value gain of \$0.6 million in 4Q2019, arising from the revaluation of some of the investment properties during 4Q2019.

Administrative expenses

The increase of \$0.9 million in administrative expenses was due mainly to an increase in legal fees incurred for an ongoing trial, partially offset by a decrease in directors' remuneration as a result of the loss before income tax (excluding non-controlling interests) of the Group for 4Q2019.

Finance expenses

Finance expenses decreased by \$0.2 million or 44.4% from \$0.5 million for 4Q2018 to \$0.3 million for 4Q2019 due mainly to a decrease in notional interest on loan of \$0.2 million resulting from fair value adjustment of loan from a non-controlling shareholder.

Share of results of associated companies and joint ventures

The share of loss of associated companies and joint ventures decreased by \$0.2 million or 75.0% from \$0.3 million for 4Q2018 to \$79,000 for 4Q2019. The decrease is due mainly to the Group not recognising its share of loss of an associated company which amounted to \$0.4 million in 4Q2019 as the Group's cumulative share of unrecognised losses exceeded its interest in that entity and the Group has no obligation in respect of those losses.



Profit before income tax

The Group incurred a loss before income tax of \$1.4 million in 4Q2019, as compared to a profit before income tax of \$1.7 million in 4Q2018. The decrease of \$3.1 million or 182.4% was due mainly to (1) a decrease in gross profit of \$5.1 million, and (2) an increase in administrative expenses of \$0.9 million, partially offset by (1) an increase in other gains (net) of \$2.5 million, (2) a decrease in share of loss of associated companies and joint ventures of \$0.2 million, and (3) a decrease in finance expenses of \$0.2 million, as explained above.

Income tax expense

Income tax expense decreased by \$0.4 million or 210.3% from an income tax expense of \$0.2 million in 4Q2018 to an income tax credit of \$0.2 million for 4Q2019.

The effective tax rate for 4Q2019 was lower than the statutory tax rate of 17.0% due mainly to (1) statutory stepped income tax exemption, (2) utilisation of capital allowances in the current financial year, and (3) an overprovision of deferred tax and income tax in prior financial years, collectively amounting to \$0.2 million.

The effective tax rate for 4Q2018 was lower than the statutory tax rate of 17.0% due mainly to (1) statutory stepped income tax exemption and (2) a tax rebate of 20% on the corporate tax payable.

Non-controlling interests

Non-controlling interests of \$0.6 million was due to share of income in our subsidiary corporation, Raffles Prestige Capital Pte Ltd, in 4Q2019.

Net profit

Overall, for 4Q2019, the Group incurred a net loss of \$1.2 million as compared to a net profit of \$1.5 million for 4Q2018, being a decrease of \$2.7 million or 178.7%, following the decrease in profit before income tax of \$3.1 million and the decrease in income tax expense of \$0.4 million, as explained above.

Our net profit margin was 8.0% for 4Q2018 and our net loss margin was 5.2% for 4Q2019.

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

There is no material deviation in the actual results for the fourth quarter ended 31 December 2019 from what was previously discussed under paragraph 10 of the Company's financial statements for the third quarter ended 30 September 2019.



10. A commentary at the date of the announcement of the 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

Economic Outlook

The Ministry of Trade and Industry (“MTI”) has announced that the Singapore economy grew by 0.7% in 2019, slower than the 3.4% growth recorded in 2018. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a slower pace of 0.6% in 4Q2019, compared to the 2.2% growth in the preceding quarter.

For 2020, MTI has downgraded the GDP growth forecast to -0.5 to 1.5%, with growth expected to come in at around 0.5%, the mid-point of the forecast range. This comes on the back of uncertainties in the global economy, and dampened by the COVID-19 outbreak, which is likely to lead to a slowdown in the growth prospects of China and other affected countries this year¹

Industry Outlook

The construction sector grew by 2.8% on a y-o-y basis in 2019, a turnaround from the 3.5% contraction in 2018. Growth of the construction sector was supported by a pickup in both public and private sector construction activities.

According to the Building and Construction Authority (“BCA”), construction demand for 2020 is expected to remain strong with sustained public sector construction demand. The total construction demand for the year is expected to range between \$28.0 billion and \$33.0 billion, with public sector demand expected to reach between \$17.5 billion and \$20.5 billion, making up about 60% of the projected demand. Preliminary data from the BCA showed that, in 2019, an estimated \$33.4 billion worth of projects was awarded, higher than the top end projection of \$32.0 billion.

Over the medium term, BCA expects the construction demand to hold steady, with a projection of between \$27.0 billion and \$34.0 billion per year for 2021 and 2022, and between \$28.0 billion and \$35.0 billion per year for 2023 to 2024. The public sector will continue to lead demand and is expected to contribute \$16 billion to \$20 billion per year from 2021 to 2024 with building projects and civil engineering works each taking up about half of the demand.

The above developments reflect a healthy operating environment for the construction sector and the Group will continue to focus on tendering for public sector infrastructure projects.

With regards to the private residential property segment, data from the Urban Redevelopment Authority (“URA”) showed a 0.5% increase in the private residential property index in 4Q2019, compared to the 1.3% increase in 3Q2019. During the quarter, 2,226 uncompleted private residential units were launched for sale and 2,443 private residential units were sold. This compared to 3,628 units launched and 3,281 units sold in 3Q2019.

As at the end of 4Q2019, there was a total of 49,173 uncompleted private residential units (excluding executive condominiums) in the pipeline with planning approvals as compared to 50,964 in 3Q2019. Of these units, 30,162 remain unsold as at the end of 4Q2019, compared to 31,948 units in 3Q2019.



Company Outlook And Order Book Update

Looking ahead, the Group expects the cost of construction and other operating costs to continue an uptrend amidst the challenging operating environment, coupled with the ongoing coronavirus outbreak. With effect from 31 January 2020, Singapore's Ministry of Manpower will reject all new work pass applications for foreign workers from mainland China until further notice. This could potentially result in a shortage of manpower for new and ongoing projects. Meanwhile, the Company has already stepped up on its precautionary measures including temperature monitoring and enforcement of a two-week home leave/quarantine for any staff returning from China.

The Group remains cautiously optimistic as it continues to be supported by a healthy pipeline of construction projects. With the objective of increasing productivity, the Group will continue to focus on technology adoption, innovative measures, training of workers and higher usage of equipment and tools.

As at 31 December 2019, the Group's order book stood at \$283.1 million, with projects extending till 2023.

On the property development front, the Group's joint venture residential project, The Essence, was launched in March 2019 and the Group will continue to actively market this development.

The Group's 74-unit residential project in Bukit Panjang, Phoenix Heights, is also well on track to launch in 2020, having earlier received the necessary regulatory approvals from the Singapore Land Authority for development and the grant of a top-up to 99-year lease.

The Group's investment property at 6-8 Bennett Street in Perth, Australia continues to provide a source of recurring rental income. As at 31 December 2019, the property has an occupancy of 100%.

To expand its portfolio of investment properties, the Group has acquired a freehold property located at 32 Tagore Lane for investment purposes. The property comprises a 2-storey corner light industrial terrace factory and occupies a lot area of approximately 601 square metres.

The trial in respect of the worksite accident at PIE (Exit to Tampines Expressway) is currently ongoing and the next tranche of hearings is set for the period between 14 April 2020 and 30 April 2020. The Group is expected to incur additional administrative expenses mainly due to legal fees relating to the trial.

Moving forward, the Group will continue to strengthen its capabilities in its core civil engineering business in order to maintain its status as a leading civil engineering contractor across various industries. The Group remains fully committed to the smooth execution and delivery of its existing projects.

In line with the Group's long-term strategy to diversify its earnings and build a recurring income stream, the Group will continue to explore business opportunities, both locally and abroad, to widen its foothold in property development and investment, through strategic tie-ups with experienced partners.



11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of Dividends	Final
Dividend Type	Cash
Dividend amount per share	\$0.007
	One-tier tax exempt

(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 Dividends	Final	Special
Dividend Type	Cash	Cash
Dividend amount per share	\$0.007	\$0.003
	One-tier tax exempt	One-tier tax exempt

(c) Date payable

Payment of the said dividends, if approved by shareholders at the forthcoming Eighteenth Annual General Meeting of the Company to be held on 27 April 2020 (Monday), will be made on 18 May 2020.

(d) Record date

Notice is hereby given that the Share Transfer Book and Register of Members of the Company will be closed from 5.00 p.m. on 8 May 2020 for the preparation of dividend payment. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 8 May 2020 will be registered to determine shareholders' entitlement to the proposed final dividend.

Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2020 will be entitled to the proposed final dividend.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

Not applicable.



13. Interested person transactions disclosure

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchanged Securities Trading Limited, entered into by the Group or by the Company during FY2019.

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920.

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

14. 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

The Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group's operating segments are its strategic business units which offer different services and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

- (i) Construction – It relates to the construction of urban and arterial roads, expressways, vehicular bridges, flyovers and buildings, airports infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals.
- (ii) Maintenance – It relates to re-construction work performed on roads, road reserves, pavements, footpaths and kerbs, guardrails, railings, drains, signboards as well as bus bays and shelters.
- (i) Rental income - It relates to income received from rental of investment properties.



	Primary Reporting - Business Segment							
	Current financial year ended 31 December 2019				Previous financial year ended 31 December 2018			
The Group	Construction	Maintenance	Rental income	Total	Construction	Maintenance	Rental income	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Total segment revenue	76,962	29,490	5,747	112,199	52,191	50,405	4,035	106,631
Inter-segment revenue	(26,996)	(3,807)	-	(30,803)	(6,140)	(10,042)	-	(16,182)
Revenue to external parties	49,966	25,683	5,747	81,396	46,051	40,363	4,035	90,449
Gross profit	4,917	2,018	3,910	10,845	7,208	7,961	2,761	17,930
Other income								
-Allocated			680	680			1	1
-Unallocated				1,864				2,143
Other losses								
-Allocated			-	-			(2,503)	(2,503)
-Unallocated				-				(206)
Administrative costs								
-Allocated			(53)	(53)			(32)	(32)
-Unallocated				(9,969)				(9,508)
Share of profit of joint venture companies				97				57
Share of loss of associated companies				(1,136)				(178)
				2,328				7,704
Finance expenses								
-Allocated			(1,144)	(1,144)			(1,023)	(1,023)
-Unallocated				(144)				(110)
Profit before income tax				1,040				6,571
Income tax expense								
-Allocated			(384)	(384)			(96)	(96)
-Unallocated				25				(829)
Net profit				681				5,646
Depreciation of property, plant and equipment	1,061	559	-	1,620	1,224	547	-	1,771
Depreciation of right-of-use	798	578	-	1,376	1,109	96	-	1,205
Amortisation	20	-	-	20	10	3	-	13
Segment assets	17,153	6,617	50,548	74,318	16,953	5,469	50,238	72,660
Segment liabilities	10,239	5,701	871	16,811	13,046	8,011	512	21,569

Revenue between segments is carried out as agreed by both parties. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

The Board of Directors assesses the performance of the operating segments based on gross profit. Administrative and finance expenses and other income are not allocated to segments.



Geographical Segments

Geographical segments are analysed by two principal geographical areas, namely Singapore and Australia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location where the revenue is generated. Segment non-current assets and segment assets are based on the geographical location of the assets.

	Geographical Segment					
	Current financial year ended 31 December 2019			Previous financial year ended 31 December 2018		
	Singapore	Australia	Total	Singapore	Australia	Total
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	75,969	5,427	81,396	86,750	3,699	90,449
Segment non-current assets	41,148	41,828	82,976	48,435	41,756	90,191
Segment assets	137,784	42,407	180,191	144,391	42,248	186,639

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

As explained under paragraph 8 above.

	The Group				
	Current financial year ended 31 December 2019		Previous financial year ended 31 December 2018		Increase/ (Decrease)
	\$'000	Gross profit margin	\$'000	Gross profit margin	\$'000
Construction	4,917	9.8%	7,208	15.7%	(2,291)
Maintenance	2,018	7.9%	7,961	19.7%	(5,943)
Rental income	3,910	68.0%	2,761	68.4%	1,149
Total gross profit	10,845	13.3%	17,930	19.8%	(7,085)

The drop in gross profit margin of both the construction and maintenance segments was due mainly to lower profit margins for new and some current projects as a result of a more competitive pricing environment and rising manpower costs.

The gross profit margin of rental income maintained at 68.0% and 68.4% in FY2019 and FY2018 respectively.



16. A breakdown of sales

	The Group			
	Current financial year ended 31 Dec 2019	Previous financial year ended 31 Dec 2018	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	38,538	50,393	(11,855)	(23.5)
(b) Operating profit after taxation before deducting non-controlling interests reported for the first half year	1,621	3,130	(1,509)	(48.2)
(c) Sales reported for second half year	42,858	40,056	2,802	7.0
(d) Operating (loss)/profit after taxation before deducting non-controlling interests reported for the second half year	(940)	2,516	(3,456)	(137.4)

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

Total Annual Dividend

	FY2019 (\$'000)	FY2018 (\$'000)
Ordinary	2,519	3,084
Preference	-	-
Total	2,519	3,084

FY2019

Based on the proposed final dividend of \$0.007 per share for 308,430,594 shares, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

FY2018

Based on the final and special dividends of \$0.01 per share for 308,430,594 shares.



18. Use of proceeds as at 31 December 2019

Exercise of 61,139,186 warrants at \$0.20 for each share as at 4 January 2013 raising net proceeds of \$12.2 million

Use of proceeds	Amount allocated (\$'million)	Amount utilised (\$'million)	Balance amount (\$'million)
To be used as general working capital for the Company	12.22	10.72	1.50

The amount of \$10.72 million had been utilised to fund the investment in and the loan to CS Amber Development Pte Ltd, an associated company of the Group.

The unutilised proceeds are deposited with a bank pending deployment.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Or Kim Peow	85	Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Group Chairman of the Company, overseeing the overall management and strategic development of the Group. Position held since 2002.	NA
Or Toh Wat	52	Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Group Managing Director of the Company, responsible for setting the Group's corporate directions and strategies, and overseeing the day-to-day management and business development of the Group. Position held since 2002.	NA



Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Ang Beng Tin	64	Wife of Mr Or Kim Peow (Group Chairman); Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of the Company, responsible for managing employee relations, benefit programmes and insurance claims at Or Kim Peow Contractors (Pte) Ltd. Position held since 2002.	NA
Or Kiam Meng	55	Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of the Company, responsible for overseeing the daily site management and operations of Or Kim Peow Contractors (Pte) Ltd. Position held since 2002.	NA
Oh Enc Nam	64	Nephew of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow	Executive Director of the Company, responsible for the day-to-day management and the overall operations of Eng Lam Contractors Co. (Pte) Ltd. Position held since 2002.	NA



Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Or Lay Huat Daniel	42	Son of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director) and Mr Or Kiam Meng (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of the Company, responsible for business development, investor relations and corporate communications of the Group. Position held since 2006.	NA
Or Yew Whatt	62	Nephew of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of Eng Lam Contractors Co. (Pte) Ltd, responsible for the supervision of projects, resolving site issues and involved in the project tender process. Position held since 1992.	NA
Oh Kim Poy	80	Brother of Mr Or Kim Peow (Group Chairman); Mdm Ang Beng Tin (Executive Director) is the wife of Mr Or Kim Peow; Mr Or Toh Wat (Group Managing Director), Mr Or Kiam Meng (Executive Director) and Mr Or Lay Huat, Daniel (Executive Director) are the sons of Mr Or Kim Peow; Mr Oh Enc Nam (Executive Director) is the nephew of Mr Or Kim Peow	Executive Director of Eng Lam Contractors Co. (Pte) Ltd, responsible for supervising and monitoring of projects. Position held since 1992.	NA



20. Confirmation that the issuer has procured undertakings from all its directors and executive officers

The Company confirms that it 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.

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
28 February 2020