



**2017 Full-Year Financial Statements Announcement**

**PART 1 – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL-YEAR ANNOUNCEMENTS**

1. (a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED RESULTS FOR FULL-YEAR ENDED 31 DECEMBER 2017**

The Directors of Hor Kew Corporation Limited advise the following unaudited results of the Group for the full-year ended 31 December 2017.

|                                                                              | Group                                  |                                        |                     |
|------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|---------------------|
|                                                                              | Full-year ended<br>31 December<br>2017 | Full-year ended<br>31 December<br>2016 | %                   |
|                                                                              | \$'000                                 | \$'000                                 | Variance<br>+ / (-) |
| <b>Revenue</b>                                                               | <b>59,348</b>                          | <b>67,944</b>                          | (13)                |
| Cost of sales                                                                | (53,445)                               | (55,435)                               | (4)                 |
| <b>Gross profit</b>                                                          | <b>5,903</b>                           | <b>12,509</b>                          | (53)                |
| Other income                                                                 | 2,537                                  | 2,570                                  | (1)                 |
|                                                                              | 8,440                                  | 15,079                                 | (44)                |
| <b>Expenses:</b>                                                             |                                        |                                        |                     |
| General and administrative expenses                                          | 10,652                                 | 12,219                                 | (13)                |
| Finance costs                                                                | 1,179                                  | 1,297                                  | (9)                 |
|                                                                              | 11,831                                 | 13,516                                 | (12)                |
| <b>(Loss)/profit before tax</b>                                              | <b>(3,391)</b>                         | <b>1,563</b>                           | NM                  |
| Tax credit/(expense)                                                         | 164                                    | (60)                                   | NM                  |
| <b>(Loss)/profit for the year</b>                                            | <b>(3,227)</b>                         | <b>1,503</b>                           | NM                  |
| <b>Other comprehensive income/(loss):</b>                                    |                                        |                                        |                     |
| <u>Items that are or may be reclassified subsequently to profit or loss:</u> |                                        |                                        |                     |
| Currency translation differences arising from consolidation                  | 418                                    | (445)                                  | NM                  |
| Fair value gain/(loss) on available-for-sale financial assets                | 6                                      | (1)                                    | NM                  |
|                                                                              | 425                                    | (446)                                  | NM                  |
| <u>Items that will not be reclassified subsequently to profit or loss:</u>   |                                        |                                        |                     |
| Revaluation gain on property, plant and equipment                            | 1,146                                  | 578                                    | 98                  |
| <b>Other comprehensive income for the year, net of tax</b>                   | <b>1,570</b>                           | <b>132</b>                             | <b>NM</b>           |
| <b>Total comprehensive (loss)/income for the year</b>                        | <b>(1,657)</b>                         | <b>1,635</b>                           | <b>NM</b>           |
| <b>(Loss)/earnings per share</b>                                             |                                        |                                        |                     |
| Basic (cents)                                                                | (6.19)                                 | 2.89                                   | NM                  |
| Diluted (cents)                                                              | (6.19)                                 | 2.89                                   | NM                  |

**Notes:**

1. (a) (i) Other income includes the following:

|                                                        | Group                                  |                                        |                     |
|--------------------------------------------------------|----------------------------------------|----------------------------------------|---------------------|
|                                                        | Full-year ended<br>31 December<br>2017 | Full-year ended<br>31 December<br>2016 | %                   |
|                                                        | \$'000                                 | \$'000                                 | Variance<br>+ / (-) |
| Dividend income                                        | ^                                      | ^                                      | NM                  |
| Gain on disposal of property, plant and equipment      | 43                                     | 30                                     | 43                  |
| Gain on settlement of derivative financial instruments | -                                      | 89                                     | NM                  |
| Interest income from fixed deposits                    | 406                                    | 697                                    | (42)                |
| Rental income from:                                    |                                        |                                        |                     |
| - investment properties                                | 1,028                                  | 972                                    | 6                   |
| - others                                               | 170                                    | 145                                    | 17                  |
| Sale of scrap materials                                | 362                                    | 259                                    | 40                  |
| Gain on foreign exchange                               | 336                                    | -                                      | NM                  |
| Sundry income                                          | 192                                    | 378                                    | (49)                |

^ - Less than \$1,000.

1. (a) (ii) (Loss)/profit before tax is arrived at after charging/(crediting) the following:

|                                                        | Group                                  |                                        |                     |
|--------------------------------------------------------|----------------------------------------|----------------------------------------|---------------------|
|                                                        | Full-year ended<br>31 December<br>2017 | Full-year ended<br>31 December<br>2016 | %                   |
|                                                        | \$'000                                 | \$'000                                 | Variance<br>+ / (-) |
| Allowance for doubtful receivables                     | 1,336                                  | 241                                    | NM                  |
| Bad debts written off                                  | 25                                     | 1,221                                  | (98)                |
| Auditors' remuneration paid/payable to:                |                                        |                                        |                     |
| - auditor of the Company                               | 135                                    | 124                                    | 10                  |
| - other auditors of the Group                          | 23                                     | 17                                     | 35                  |
| Depreciation of property, plant and equipment          | 4,403                                  | 4,594                                  | (4)                 |
| Directors' fees                                        | 110                                    | 102                                    | 8                   |
| Fair value loss on derivative financial instruments    | 3                                      | 250                                    | (99)                |
| Fair value (gain)/loss on investment properties        | (48)                                   | 781                                    | NM                  |
| Impairment loss on available-for-sale financial assets | ^                                      | 48                                     | NM                  |
| Reversal of inventories written down                   | (4)                                    | (23)                                   | NM                  |
| Loss on foreign exchange                               | -                                      | 22                                     | NM                  |
| Operating lease expenses                               | 710                                    | 827                                    | (14)                |
| Property, plant and equipment written off              | -                                      | 25                                     | NM                  |
| Write-back of allowance for doubtful receivables       | -                                      | (48)                                   | NM                  |
| Staff costs                                            | 10,818                                 | 11,500                                 | (6)                 |

1. (a) (iii) Tax (credit)/expense includes the following:

|                                                    | Group                                  |                                        |          |
|----------------------------------------------------|----------------------------------------|----------------------------------------|----------|
|                                                    | Full-year ended<br>31 December<br>2017 | Full-year ended<br>31 December<br>2016 | %        |
|                                                    | \$'000                                 | \$'000                                 | Variance |
|                                                    |                                        |                                        | + / (-)  |
| Income tax:                                        |                                        |                                        |          |
| - current year                                     | 7                                      | 74                                     | (91)     |
| - (over)/under provision in respect of prior years | (17)                                   | 10                                     | NM       |
|                                                    | (10)                                   | 84                                     | NM       |
| Deferred income tax:                               |                                        |                                        |          |
| - current year                                     | (154)                                  | (16)                                   | NM       |
| - over provision in respect of prior years         | -                                      | (8)                                    | NM       |
|                                                    | (154)                                  | (24)                                   | 542      |
|                                                    | (164)                                  | 60                                     | NM       |
|                                                    |                                        |                                        |          |

NM: Not meaningful

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<br>\$'000     |                     | Company<br>\$'000   |                     |
|------------------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                                | 31 December<br>2017 | 31 December<br>2016 | 31 December<br>2017 | 31 December<br>2016 |
| <b>Non-current assets</b>                      |                     |                     |                     |                     |
| Property, plant and equipment                  | 47,131              | 47,518              | 305                 | 256                 |
| Investment properties                          | 34,847              | 34,799              | -                   | -                   |
| Investment in subsidiary companies             | -                   | -                   | 45,260              | 45,485              |
| Trade receivables                              | 4,502               | 4,185               | -                   | -                   |
| Club membership                                | 34                  | 34                  | -                   | -                   |
| <b>Total non-current assets</b>                | <b>86,514</b>       | <b>86,536</b>       | <b>45,565</b>       | <b>45,741</b>       |
| <b>Current assets</b>                          |                     |                     |                     |                     |
| Development properties                         | 18,998              | 18,554              | -                   | -                   |
| Completed development properties held for sale | 3,384               | 9,672               | -                   | -                   |
| Inventories                                    | 6,991               | 7,525               | -                   | -                   |
| Trade receivables                              | 25,976              | 28,064              | -                   | -                   |
| Other receivables                              | 740                 | 1,028               | 42,748              | 40,246              |
| Available-for-sale financial assets            | 21                  | 16                  | 19                  | 13                  |
| Cash and cash equivalents                      | 30,049              | 29,371              | 24                  | 20                  |
| <b>Total current assets</b>                    | <b>86,159</b>       | <b>94,230</b>       | <b>42,791</b>       | <b>40,279</b>       |
| <b>Total assets</b>                            | <b>172,673</b>      | <b>180,766</b>      | <b>88,356</b>       | <b>86,020</b>       |
| <b>Non-current liabilities</b>                 |                     |                     |                     |                     |
| Hire purchase payables                         | 314                 | 473                 | -                   | -                   |
| Borrowings                                     | 3,010               | 28,269              | -                   | -                   |
| Deferred tax liabilities                       | 2,676               | 2,634               | -                   | -                   |
| <b>Total non-current liabilities</b>           | <b>6,000</b>        | <b>31,376</b>       | <b>-</b>            | <b>-</b>            |
| <b>Current liabilities</b>                     |                     |                     |                     |                     |
| Trade payables                                 | 16,117              | 18,821              | -                   | -                   |
| Other payables                                 | 2,428               | 3,211               | 23,017              | 20,545              |
| Borrowings                                     | 54,391              | 32,090              | -                   | -                   |
| Hire purchase payables                         | 939                 | 445                 | -                   | -                   |
| Derivative financial instruments               | -                   | 250                 | -                   | -                   |
| Tax payables                                   | 14                  | 132                 | 2                   | 10                  |
| <b>Total current liabilities</b>               | <b>73,889</b>       | <b>54,949</b>       | <b>23,019</b>       | <b>20,555</b>       |
| <b>Total liabilities</b>                       | <b>79,889</b>       | <b>86,325</b>       | <b>23,019</b>       | <b>20,555</b>       |
| <b>Net assets</b>                              | <b>92,784</b>       | <b>94,441</b>       | <b>65,337</b>       | <b>65,465</b>       |
| <b>Equity</b>                                  |                     |                     |                     |                     |
| Share capital                                  | 68,323              | 68,323              | 68,323              | 68,323              |
| Share option reserve                           | -                   | 8                   | -                   | 8                   |
| Other reserves                                 | 17,753              | 16,183              | 7                   | 1                   |
| Accumulated profits/(losses)                   | 6,708               | 9,927               | (2,993)             | (2,867)             |
| <b>Total equity</b>                            | <b>92,784</b>       | <b>94,441</b>       | <b>65,337</b>       | <b>65,465</b>       |
|                                                |                     |                     |                     |                     |

**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 December 2017<br>\$'000 |           | As at 31 December 2016<br>\$'000 |           |
|----------------------------------|-----------|----------------------------------|-----------|
| Secured                          | Unsecured | Secured                          | Unsecured |
| 55,330                           | -         | 32,535                           | -         |

(b) Amount repayable after one year

| As at 31 December 2017<br>\$'000 |           | As at 31 December 2016<br>\$'000 |           |
|----------------------------------|-----------|----------------------------------|-----------|
| Secured                          | Unsecured | Secured                          | Unsecured |
| 3,324                            | -         | 28,742                           | -         |

**Details of collaterals:**

- (1) Certain subsidiary companies of the Group have pledged their assets for the borrowings;
- (2) First legal mortgages on certain subsidiary companies' investment properties, as well as assignment of all rights, titles and interests on all sale and tenancy agreements, building agreements, construction contracts, guarantees, performance bonds, insurance policies and any other contracts; and
- (3) Corporate guarantees given by the Company to secure borrowings of certain subsidiary companies.

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

|                                                                           | Group                                  |                                        |
|---------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                                           | Full-year ended<br>31 December<br>2017 | Full-year ended<br>31 December<br>2016 |
|                                                                           | \$'000                                 | \$'000                                 |
| <b>Cash flows from operating activities:</b>                              |                                        |                                        |
| (Loss)/profit before tax                                                  | (3,391)                                | 1,563                                  |
| Adjustments for:                                                          |                                        |                                        |
| Allowance for doubtful receivables                                        | 1,336                                  | 241                                    |
| Bad debts written off                                                     | 25                                     | 1,221                                  |
| Depreciation of property, plant and equipment                             | 4,403                                  | 4,594                                  |
| Dividend income                                                           | <sup>^</sup>                           | <sup>^</sup>                           |
| Fair value (gain)/loss on investment properties                           | (48)                                   | 781                                    |
| Fair value loss on derivative financial instruments                       | 3                                      | 250                                    |
| Gain on settlement of derivative financial instruments                    | -                                      | (89)                                   |
| Gain on disposal of property, plant and equipment                         | (43)                                   | (30)                                   |
| Impairment loss on available-for-sale financial assets                    | <sup>^</sup>                           | 48                                     |
| Interest expense                                                          | 1,179                                  | 1,297                                  |
| Interest income from fixed deposits                                       | (406)                                  | (697)                                  |
| Property, plant and equipment written off                                 | -                                      | 25                                     |
| Unrealised gain on foreign exchange                                       | (55)                                   | (251)                                  |
| <b>Operating cash flows before working capital changes</b>                | <b>3,003</b>                           | <b>8,953</b>                           |
| <b>Changes in operating assets and liabilities:</b>                       |                                        |                                        |
| Development properties and completed development properties held for sale | 6,288                                  | -                                      |
| Inventories                                                               | 534                                    | 271                                    |
| Receivables                                                               | 698                                    | (2,415)                                |
| Payables                                                                  | (3,516)                                | (5,942)                                |
| Currency translation adjustment                                           | (330)                                  | 241                                    |
| <b>Cash generated from operations</b>                                     | <b>6,677</b>                           | <b>1,108</b>                           |
| Interest received                                                         | -                                      | 160                                    |
| Income tax paid                                                           | (109)                                  | (201)                                  |
| <b>Net cash generated from operating activities</b>                       | <b>6,568</b>                           | <b>1,067</b>                           |
| <b>Cash flows from investing activities:</b>                              |                                        |                                        |
| Dividends received                                                        | <sup>^</sup>                           | <sup>^</sup>                           |
| Payment for settlement of derivative financial instruments                | (253)                                  | (73)                                   |
| Proceeds from disposal of property, plant and equipment                   | 315                                    | 302                                    |
| Purchase of property, plant and equipment                                 | (1,844)                                | (2,729)                                |
| <b>Net cash used in investing activities</b>                              | <b>(1,782)</b>                         | <b>(2,500)</b>                         |
| <b>Cash flows from financing activities:</b>                              |                                        |                                        |
| Drawdown of borrowings                                                    | 2,000                                  | 9,726                                  |
| Interest paid                                                             | (1,150)                                | (1,290)                                |
| Repayment of borrowings                                                   | (4,954)                                | (14,255)                               |
| Repayment of hire purchase payables                                       | (448)                                  | (394)                                  |
| Withdrawal of fixed deposits pledged                                      | -                                      | 9,343                                  |
| <b>Net cash (used in)/generated from financing activities</b>             | <b>(4,552)</b>                         | <b>3,130</b>                           |
| Net increase in cash and cash equivalents                                 | 234                                    | 1,697                                  |
| Cash and cash equivalents at beginning of financial year                  | 4,478                                  | 2,792                                  |
| Effect of exchange rate changes on cash and cash equivalents              | 15                                     | (11)                                   |
| <b>Cash and cash equivalents at end of financial year</b>                 | <b>4,727</b>                           | <b>4,478</b>                           |

<sup>^</sup> - Less than \$1,000

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following statement of financial position amounts:

|                                                                               | As at<br>31 December 2017<br>\$'000 | As at<br>31 December 2016<br>\$'000 |
|-------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash and cash equivalents on the consolidated statement of financial position | 30,049                              | 29,371                              |
| Fixed deposits pledged                                                        | (25,322)                            | (24,859)                            |
| Bank overdrafts                                                               | -                                   | (34)                                |
| <b>Cash and cash equivalents per consolidated statement of cash flows</b>     | <b>4,727</b>                        | <b>4,478</b>                        |

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

|                                                             | Share<br>capital<br>\$'000 | Share<br>option<br>reserve<br>\$'000 | Other<br>reserves<br>\$'000 | Accumulated<br>profits<br>\$'000 | Total<br>equity<br>\$'000 |
|-------------------------------------------------------------|----------------------------|--------------------------------------|-----------------------------|----------------------------------|---------------------------|
| <b>Group:</b>                                               |                            |                                      |                             |                                  |                           |
| Balance at 1 January 2016                                   | 68,323                     | 13                                   | 16,051                      | 8,419                            | 92,806                    |
| Profit for the year                                         | -                          | -                                    | -                           | 1,503                            | 1,503                     |
| Other comprehensive (loss)/income:                          |                            |                                      |                             |                                  |                           |
| Currency translation differences arising from consolidation | -                          | -                                    | (445)                       | -                                | (445)                     |
| Fair value loss on available-for-sale financial assets      | -                          | -                                    | (1)                         | -                                | (1)                       |
| Revaluation gain on property, plant and equipment           | -                          | -                                    | 578                         | -                                | 578                       |
| Other comprehensive income for the year, net of tax         | -                          | -                                    | 132                         | -                                | 132                       |
| Total comprehensive income for the year                     | -                          | -                                    | 132                         | 1,503                            | 1,635                     |
| Reclassification upon lapse of share options                | -                          | (5)                                  | -                           | 5                                | -                         |
| Balance at 31 December 2016                                 | 68,323                     | 8                                    | 16,183                      | 9,927                            | 94,441                    |
| Loss for the year                                           | -                          | -                                    | -                           | (3,227)                          | (3,227)                   |
| Other comprehensive income:                                 |                            |                                      |                             |                                  |                           |
| Currency translation differences arising from consolidation | -                          | -                                    | 418                         | -                                | 418                       |
| Fair value gain on available-for-sale financial assets      | -                          | -                                    | 6                           | -                                | 6                         |
| Revaluation gain on property, plant and equipment           | -                          | -                                    | 1,146                       | -                                | 1,146                     |
| Other comprehensive income for the year, net of tax         | -                          | -                                    | 1,570                       | -                                | 1,570                     |
| Total comprehensive income/(loss) for the year              | -                          | -                                    | 1,570                       | (3,227)                          | (1,657)                   |
| Reclassification upon lapse of share options                | -                          | (8)                                  | -                           | 8                                | -                         |
| Balance at 31 December 2017                                 | 68,323                     | -                                    | 17,753                      | 6,708                            | 92,784                    |

|                                                          | Share capital<br>\$'000 | Share option reserve<br>\$'000 | Other reserves<br>\$'000 | Accumulated losses<br>\$'000 | Total equity<br>\$'000 |
|----------------------------------------------------------|-------------------------|--------------------------------|--------------------------|------------------------------|------------------------|
| <b>Company:</b>                                          |                         |                                |                          |                              |                        |
| Balance at 1 January 2016                                | 68,323                  | 13                             | 2                        | (4,414)                      | 63,924                 |
| Profit for the year                                      | -                       | -                              | -                        | 1,542                        | 1,542                  |
| Other comprehensive loss for the year, net of tax        |                         |                                |                          |                              |                        |
| - Fair value loss on available-for-sale financial assets | -                       | -                              | (1)                      | -                            | (1)                    |
| Total comprehensive (loss)/income for the year           | -                       | -                              | (1)                      | 1,542                        | 1,541                  |
| Reclassification upon lapse of share options             | -                       | (5)                            | -                        | 5                            | -                      |
| Balance at 31 December 2016                              | 68,323                  | 8                              | 1                        | (2,867)                      | 65,465                 |
| Loss for the year                                        | -                       | -                              | -                        | (134)                        | (134)                  |
| Other comprehensive gain for the year, net of tax        |                         |                                |                          |                              |                        |
| - Fair value gain on available-for-sale financial assets | -                       | -                              | 6                        | -                            | 6                      |
| Total comprehensive income/(loss) for the year           | -                       |                                | 6                        | (134)                        | (128)                  |
| Reclassification upon lapse of share options             | -                       | (8)                            | -                        | 8                            | -                      |
| Balance at 31 December 2017                              | 68,323                  | -                              | 7                        | (2,993)                      | 65,337                 |

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

During the period under review, there is no change in the Company's share capital.

3,799 share options were lapsed during the financial year as share options granted on 22 August 2007 had expired on 21 August 2017. The Company did not grant new share options during the financial year. As at 31 December 2017, nil (31 December 2016: 3,799) share options representing 0.00% (31 December 2016: 0.01%) of the existing issued share capital remained outstanding.

The Company did not hold any treasury shares nor subsidiary holdings as at 31 December 2017 (31 December 2016: 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 year.**

The total number of issued shares excluding treasury shares as at 31 December 2017 is 52,066,937 shares (31 December 2016: 52,066,937 shares).

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

There was no sale, transfer, cancellation and/or use of treasury shares as at current financial year ended 31 December 2017.

**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.**

There was no sale, transfer, cancellation and/or use of subsidiary holdings as at current financial year ended 31 December 2017.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the audited financial statements for the financial year ended 31 December 2016.

**5. If there are any changes to its 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.**

In the current financial year, the Group and the Company have adopted all the new and revised Financial Reporting Standards in Singapore (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and are effective for annual periods beginning on 1 January 2017. The adoption of the new and revised FRSs and INT FRSs does not result in any significant changes to the accounting policies of the Group and the Company and has no material effect on the amounts reported for the current and prior periods.

**6. (Loss)/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.**

|                                                                          | Group                                  |                                        |
|--------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                                          | Full-year ended<br>31 December<br>2017 | Full-year ended<br>31 December<br>2016 |
|                                                                          | \$'000                                 | \$'000                                 |
| (Loss)/profit for the year attributable to equity holders of the Company | (3,227)                                | 1,503                                  |
|                                                                          | '000                                   | '000                                   |
| Weighted average number of ordinary shares in issue                      |                                        |                                        |
| - Basic weighted average                                                 | 52,067                                 | 52,067                                 |
| - Fully diluted weighted average                                         | 52,067                                 | 52,067                                 |
|                                                                          | Cents                                  | Cents                                  |
| Basic (loss)/earnings per share                                          | (6.19)                                 | 2.89                                   |
| Diluted (loss)/earnings per share                                        | (6.19)                                 | 2.89                                   |

Basic (loss)/earnings per share is calculated based on the Group's (loss)/profit for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Diluted (loss)/earnings per share is calculated based on the Group's (loss)/profit for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares arising from the share options.

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

|                                    | Group                     |                           | Company                   |                           |
|------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                    | 31 December<br>2017<br>\$ | 31 December<br>2016<br>\$ | 31 December<br>2017<br>\$ | 31 December<br>2016<br>\$ |
|                                    | 1.78                      | 1.81                      | 1.25                      | 1.26                      |
| Net asset value per ordinary share |                           |                           |                           |                           |

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.**

#### **Statement of comprehensive income**

The Group generated revenue of \$59.3 million in FY2017 as compared to \$67.9 million recorded in FY2016, a decrease of \$8.6 million. This decrease was due to \$18.4 million fall in revenue from its prefabrication activities, but mitigated by increases of \$9.3 million from property development activities and \$0.5 million from construction activities.

The Group recorded a gross profit of \$5.9 million in FY2017 as compared to \$12.5 million in FY2016. The gross profit of the Group had deteriorated mainly due to lower gross profit margins of its prefabrication activities and lower revenue.

Other income of the Group decreased marginally by \$33,000 from FY2016 to FY2017.

General and administrative expenses decreased by 13% from \$12.2 million in FY2016 to \$10.7 million in FY2017, a \$1.5 million decrease. The fair value loss in investment properties decreased by \$829,000, due to loss incurred of \$781,000 in FY2016 compared to gain of \$48,000 in FY2017. Staff costs fell by \$0.7 million from \$11.5 million in FY2016 to \$10.8 million in FY2017. Allowance for doubtful receivables increased \$1.1 million from \$0.2 million in FY2016 to \$1.3 million in FY2017, but bad debts written off fell \$1.2 million from \$1.2 million in FY2016 to \$25,000 in FY2017.

Finance costs decreased by 9% from \$1.3 million in FY2016 to \$1.2 million in FY2017 mainly due to repayment of term loans during the financial year.

The Group recorded a loss before tax of \$3.4 million in FY2017 (FY2016: profit before tax of \$1.6 million).

The Group provided tax credit of \$164,000 in FY2017 after taking into consideration of available tax allowances and reliefs, and over-provision of income tax in prior years. (FY2016: tax expense of \$60,000).

Loss after tax of the Group for FY2017 was \$3.2 million (FY2016: profit after tax of \$1.5 million).

Other comprehensive income for the Group, net of tax, for FY2017 was \$1.6 million mainly comprising \$1.2 million revaluation gains on property, plant and equipment, and \$0.4 million currency translation gains arising from consolidation (FY2016: other comprehensive income of \$132,000).

#### **Statement of financial position**

Non-current assets of the Group remained at same as FY2016 of \$86.5 million mainly due because \$0.4 million decrease in property, plant and equipment was mostly offset by \$0.3 million increase in trade receivables.

Current assets of the Group decreased by \$8.1 million from \$94.2 million in FY2016 to \$86.1 million in FY2017. Completed development properties held for sale decreased \$6.3 million from \$9.7 million in FY2016 to \$3.4 million in FY2017. Trade receivables decreased by \$2.1 million mainly due to decrease in external sales generated from precast and prefabrication activities. Cash and cash equivalents increased by \$0.6 million mainly due to collections from receivables.

Non-current liabilities decreased from \$31.4 million in FY2016 to \$6.0 million in FY2017 mainly due to \$25.0 million of loans being classified under current liabilities in FY2017.

Current liabilities of the Group increased by \$19.0 million from FY2016. Borrowings increased \$22.8 million, primarily due to \$25 million being classified as current liabilities this year. Trade and other payables fell by \$3.5 million mainly due to lower purchases in FY2017.

Total liabilities of the Group decreased by \$6.4 million in FY2017 and stood at \$79.9 million as at 31 December 2017.

Shareholders' equity of the Group decreased by \$1.6 million and recorded at \$92.8 million as at 31 December 2017. The decrease was mainly due to loss after tax of \$3.2 million incurred in FY2017, partially offset by increases of \$1.2 million in assets revaluation reserve and \$0.4 million in currency translation reserve.

### **Statement of cash flows**

The Group generated \$6.6 million from its operating activities. It used \$1.8 million in its investing activities, mainly in purchasing of moulds for precast projects.

The Group drew down net loans of \$4.6 million to finance its investing activities.

Net cash of the Group increased by \$0.2 million and stood at \$4.7 million as at 31 December 2017.

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

The Group's actual results are in line with the commentary under paragraph 10 of the Group's previous results announcement (3Q 2017 financial statements announcement).

**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.**

Business environment remains challenging. The construction industry is facing great pricing pressure. The Group will remain focused on cost efficiency and productivity in executing its on-going projects and cautious in tendering for new projects.

**11. Dividend.**

**(a) Current Financial Period Reported On.**

Any dividend recommended for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year.**

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

No.

**(c) Date payable.**

Not applicable.

**(d) Books closure date.**

Not applicable.

**(e) Total cumulative dividend (net).**

There is no dividend declared for FY2017 (FY2016: Nil).

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

Not applicable.

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

- 13. Segmented revenue and results for operating 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.**

**Full year ended 31 December 2017**

|                              | Property investment and development<br>\$'000 | Construction<br>\$'000 | Prefabrication<br>\$'000 | Others<br>\$'000 | Elimination<br>\$'000 | Consolidated<br>\$'000 |
|------------------------------|-----------------------------------------------|------------------------|--------------------------|------------------|-----------------------|------------------------|
| <b>Segment revenue</b>       |                                               |                        |                          |                  |                       |                        |
| Sales to external customers  | 9,335                                         | 1,330                  | 48,683                   | -                | -                     | 59,348                 |
| Inter-segment sales          | -                                             | -                      | -                        | 2,468            | (2,468)               | -                      |
| Total revenue                | 9,335                                         | 1,330                  | 48,683                   | 2,468            | (2,468)               | 59,348                 |
| <b>Segment profit/(loss)</b> | 3,098                                         | 1,027                  | (7,076)                  | (440)            | -                     | (3,391)                |
| Tax credit                   |                                               |                        |                          |                  |                       | 164                    |
| Loss for the year            |                                               |                        |                          |                  |                       | (3,227)                |

**Full year ended 31 December 2016**

|                              | Property investment and development<br>\$'000 | Construction<br>\$'000 | Prefabrication<br>\$'000 | Others<br>\$'000 | Eliminations<br>\$'000 | Consolidated<br>\$'000 |
|------------------------------|-----------------------------------------------|------------------------|--------------------------|------------------|------------------------|------------------------|
| <b>Segment revenue</b>       |                                               |                        |                          |                  |                        |                        |
| Sales to external customers  | -                                             | 842                    | 67,102                   | -                | -                      | 67,944                 |
| Inter-segment sales          | -                                             | -                      | (238)                    | 2,607            | (2,369)                | -                      |
| Total revenue                | -                                             | 842                    | 66,684                   | 2,607            | (2,369)                | 67,944                 |
| <b>Segment profit/(loss)</b> | 392                                           | 13                     | 1,619                    | (461)            | -                      | 1,563                  |
| Tax expense                  |                                               |                        |                          |                  |                        | (60)                   |
| Profit for the year          |                                               |                        |                          |                  |                        | 1,503                  |

- 14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

**Property investment and development segment**

Property investment and development segment recorded a profit of \$3.1 million in FY2017 as compared to a profit of \$0.4 million in FY2016 due to \$9.3 million sales from property development activities in FY2017.

**Construction segment**

Construction segment recorded a revenue of \$1.3 million in FY2017 which was \$0.5 million higher compared to \$0.8 million in FY2016.

This segment generated profit of \$1.0 million mainly due to variation orders approved for works done in prior years.

**Prefabrication segment**

The prefabrication segment recorded a loss of \$7.1 million in FY2017 compared to a profit of \$1.6 million in FY2016. This was mainly due to decrease in revenue by \$18.4 million from \$67.1 million in FY2016 to \$48.7 million in FY2017, as well as lower gross profit margins resulting from keen market competition.

**Investment holdings and others**

Revenue of investment holdings and others segment, which mainly comprised management fees charged to some Singapore companies of the Group, fell \$0.1 million from FY2016.

Investment holdings and others segment incurred a loss of \$0.4 million, which was around same level as FY2016. The loss mainly resulted from expenses, such as listing expenses and depreciation on property, plant and equipment, which were not rechargeable as management fees to subsidiary companies.

**15. A breakdown of sales.**

|                                                                                                            | Group                                            |                                                  |                          |
|------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------|
|                                                                                                            | Full-year ended<br>31 December<br>2017<br>\$'000 | Full-year ended<br>31 December<br>2016<br>\$'000 | %<br>Variance<br>+ / (-) |
| Sales reported for the first half-year                                                                     | 32,500                                           | 29,028                                           | 12                       |
| Operating profit after tax before deducting non-controlling interests reported for first half-year         | 780                                              | 774                                              | 1                        |
| Sales reported for the second half-year                                                                    | 26,848                                           | 38,916                                           | (32)                     |
| Operating (loss)/profit after tax before deducting non-controlling interests reported for second half-year | (4,007)                                          | 729                                              | NM                       |

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

|                                       | FY2017         | FY2016         |
|---------------------------------------|----------------|----------------|
| Name of Dividend                      | Nil            | Nil            |
| Dividend Type                         | Not applicable | Not applicable |
| Dividend Amount per Share (in cents)  | Not applicable | Not applicable |
| Tax Rate                              | Not applicable | Not applicable |
| <b>Total Annual Dividend (\$'000)</b> | Not applicable | Not applicable |

**17. Interested Person Transactions.**

| Name of interested person     | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <a href="#">Rule 920</a> ) |                                         |                    | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to <a href="#">Rule 920</a> (excluding transactions less than \$100,000) |                                         |                    |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------|
|                               | Full-year ended 31 December 2017 \$'000                                                                                                                                                                                                  | Full-year ended 31 December 2016 \$'000 | % Variance + / (-) | Full-year ended 31 December 2017 \$'000                                                                                                                                       | Full-year ended 31 December 2016 \$'000 | % Variance + / (-) |
| Triton Metal Supplies Pte Ltd | 4,655                                                                                                                                                                                                                                    | 146                                     | 3,088              | NIL                                                                                                                                                                           | NIL                                     | NM                 |

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such person, the issuer must make an appropriate negative statement.**

| <b>Name</b>  | <b>Age</b> | <b>Family relationship with any director and/or substantial shareholder</b>                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Current position and duties, and the year the position was held</b>                                                                                                                                                                             | <b>Details of changes in duties and position held, if any, during the year</b> |
|--------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Aw Lay Sim   | 59         | <ol style="list-style-type: none"> <li>1. Sister of Aw Khoon Hwee (Executive Chairman/Managing Director/Substantial Shareholder of the Company)</li> <li>2. Sister of Aw Soon Hwee (Substantial Shareholder of the Company)</li> <li>3. Aunt of Aw Ying Ying (Executive Director of the Company)</li> <li>4. Aunt of Aw Chi-Ken (Executive Director of the Company)</li> <li>5. Shareholder of Hor Kew Holdings Pte Ltd, a Substantial Shareholder of the Company.</li> </ol>     | <p>Group Human Resource of the Company since December 2001.</p> <p>Also oversees the Information Technology, Administration and Human Resource function of the Group as well as facilities management of the investment property in Singapore.</p> | N.A.                                                                           |
| Aw Hong Hwee | 65         | <ol style="list-style-type: none"> <li>1. Brother of Aw Khoon Hwee (Executive Chairman/Managing Director/Substantial Shareholder of the Company)</li> <li>2. Brother of Aw Soon Hwee (Substantial Shareholder of the Company)</li> <li>3. Uncle of Aw Ying Ying (Executive Director of the Company)</li> <li>4. Uncle of Aw Chi-Ken (Executive Director of the Company)</li> <li>5. Shareholder of Hor Kew Holdings Pte Ltd, a Substantial Shareholder of the Company.</li> </ol> | <p>Business Development Director of Hor Kew Pte Ltd since December 2001. Responsible for business development.</p>                                                                                                                                 | N.A.                                                                           |

**19. Confirmation that issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

Undertakings from all directors and executive officers under Rule 720 (1) have been duly procured.

**BY ORDER OF THE BOARD**

MS KOH EE KOON  
COMPANY SECRETARY  
1 March 2018