


GSH CORPORATION LIMITED
Full Year Financial Statements for the Period Ended 31/12/2018
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 4th Quarter and 12 Months Ended 31 December

	4th Quarter Ended 31 December			12 months Ended 31 December		
	31.12.2018 Unaudited S\$'000	31.12.2017 Unaudited S\$'000	+/- %	31.12.2018 Unaudited S\$'000	31.12.2017 Audited S\$'000	+/- %
Revenue	24,902	37,794	(34.1%)	100,294	110,325	(9.1%)
Cost of sales	(10,795)	(19,296)	(44.1%)	(39,802)	(51,217)	(22.3%)
Gross profit	14,107	18,498	(23.7%)	60,492	59,108	2.3%
Gross profit margin	57%	49%	16.3%	60%	54%	11.1%
Other income	712	779	(8.6%)	2,365	77,972	(97.0%)
Distribution and selling expenses	(1,105)	(744)	48.5%	(3,355)	(3,117)	7.6%
Administrative expenses	(6,217)	(8,012)	(22.4%)	(24,518)	(28,002)	(12.4%)
Other expenses	(438)	(478)	(8.4%)	(477)	(535)	(10.8%)
Operating profit	7,059	10,043	(29.7%)	34,507	105,426	(67.3%)
Amortisation and depreciation	(2,638)	(2,440)	8.1%	(10,478)	(9,300)	12.7%
Exchange (loss)/ gain	66	426	(84.5%)	(855)	(12,438)	(93.1%)
Finance expenses	(5,655)	(4,259)	32.8%	(19,644)	(19,024)	3.3%
Finance income	299	619	(51.7%)	1,757	3,200	(45.1%)
Net change in fair value of financial derivatives	105	(739)	Nm	1,423	11,452	(87.6%)
Share of profit of equity-accounted investee	1,646	14,206	(88.4%)	6,714	17,327	(61.3%)
Profit before tax	882	17,856	(95.1%)	13,424	96,643	(86.1%)
Taxation	313	(2,163)	Nm	(4,882)	(5,651)	(13.6%)
Profit for the period	1,195	15,693	(92.4%)	8,542	90,992	(90.6%)
Attributable to:						
Owners of the Company	532	15,159	(96.5%)	5,940	87,536	(93.2%)
Non-controlling interests	663	534	24.2%	2,602	3,456	(24.7%)
	1,195	15,693	(92.4%)	8,542	90,992	(90.6%)

	4th Quarter Ended 31 December			12 months Ended 31 December		
	31.12.2018 Unaudited S\$'000	31.12.2017 Unaudited S\$'000	+/- %	31.12.2018 Unaudited S\$'000	31.12.2017 Audited S\$'000	+/- %
Profit for the period	1,195	15,693	(92.4%)	8,542	90,992	(90.6%)
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Effective portion of changes in fair value of cash flow hedges	1,536	-	Nm	(498)	-	Nm
Net change in fair value of other investments, at fair value through other comprehensive income	(1,514)	-	Nm	(3,777)	930	Nm
Translation differences relating to financial statements of foreign subsidiaries	(555)	5,706	Nm	152	4,110	(96.3%)
Share of foreign currency translation differences of equity-accounted investees	(767)	339	Nm	(2,453)	339	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation	(263)	2,264	Nm	(1,465)	1,977	Nm
<u>Items that will not be reclassified to profit or loss:</u>						
Net change in fair value of other investments, at fair value through other comprehensive income	58	-	Nm	(305)	-	Nm
Total comprehensive income for the period	(310)	24,002	Nm	196	98,348	(99.8%)
Attributable to:						
Owners of the Company	(782)	22,150	Nm	(2,288)	93,852	Nm
Non-controlling interests	472	1,852	(74.5%)	2,484	4,496	(44.8%)
	(310)	24,002	Nm	196	98,348	(99.8%)

Notes to Group profit and loss account

1 a(i) Pre-tax profit of the Group is arrived at after charging/(crediting) the following:

	4th Quarter Ended 31 December			12 Months Ended 31 December		
	31.12.2018	31.12.2017	+/-	31.12.2018	31.12.2017	+/-
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Personnel expenses*	6,546	8,609	(24.0%)	26,073	29,717	(12.3%)
Operating lease expenses	160	174	(8.0%)	673	758	(11.2%)
Non-executive directors' fees	88	86	2.3%	353	316	11.7%
Executive directors' remuneration	188	1,637	(88.5%)	1,290	6,085	(78.8%)
Depreciation of property, plant & equipment	2,638	2,440	8.1%	10,478	9,300	12.7%
Foreign exchange (gain)/loss	(66)	(426)	(84.5%)	855	12,438	(93.1%)
Change in fair value of investment property	422	431	(2.0%)	422	431	(2.0%)
Rental income	(213)	(518)	(58.9%)	(541)	(1,833)	(70.5%)
Write back of allowance for inventory obsolescence	(1)	(3)	(66.7%)	(3)	(8)	(62.5%)
Allowance for trade receivables	14	26	Nm	14	24	(41.7%)
Bad debts written off/ (recovered)	-	-	Nm	35	(13)	Nm
Dividend income from investments	(323)	-	Nm	(1,172)	-	Nm
Loss on disposal of property, plant and equipment	10	70	(66.7%)	6	106	(94.3%)
Gain on disposal of a subsidiary	-	-	Nm	-	(74,511)	Nm

* Personnel expenses inclusive of executive directors' remuneration

Nm - Not meaningful

1(b)(i) A balance sheet (for the company and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED FINANCIAL POSITION as at 31 DECEMBER

	Group		Company	
	31.12.2018 Unaudited S\$'000	31.12.2017 Audited S\$'000	31.12.2018 Unaudited S\$'000	31.12.2017 Audited S\$'000
ASSETS				
Property, plant and equipment	410,011	403,404	29,381	29,962
Investment property	4,952	5,260	-	-
Investment in subsidiaries	-	-	291	313
Investment in associate	62,900	58,640	-	-
Other investments	75,435	-	75,435	-
Other receivables	1,846	-	-	-
Non-current assets	555,144	467,304	105,107	30,275
Development property	344,437	211,762	-	-
Inventories	963	986	-	-
Trade receivables	2,736	5,090	17	70
Other receivables, deposits and prepayments	5,368	8,512	1,174	4,643
Amounts due from subsidiaries (non-trade)	-	-	430,904	333,049
Amounts due from related parties	567	-	-	-
Fixed deposits	53,850	136,212	13,700	96,500
Cash and bank balances	81,815	100,472	69,438	86,790
Derivatives financial assets	41	-	-	-
Current assets	489,777	463,034	515,233	521,052
Total assets	1,044,921	930,338	620,340	551,327
EQUITY				
Share capital	343,458	343,458	343,458	343,458
Treasury shares	(5,131)	(5,131)	(5,131)	(5,131)
Reserves	38,486	81,629	(4,840)	33,640
Equity attributable to equity holders of the Company	376,813	419,956	333,487	371,967
Non-controlling interests	77,927	58,147	-	-
Total equity	454,740	478,103	333,487	371,967
LIABILITIES				
Loans and borrowings	306,981	327,328	141,798	149,319
Deferred tax liabilities	58,247	58,475	-	-
Non current liabilities	365,228	385,803	141,798	149,319
Trade payables	5,278	3,542	201	-
Other payables and accruals	34,245	38,886	2,332	13,778
Loans and borrowings	146,386	20,957	127,238	809
Amounts due to subsidiaries (non-trade)	-	-	14,956	14,447
Amounts due to related parties	38,182	301	-	-
Provision for taxation	862	1,862	60	123
Derivative financial liabilities	-	884	268	884
Current liabilities	224,953	66,432	145,055	30,041
Total liabilities	590,181	452,235	286,853	179,360
Total equity and liabilities	1,044,921	930,338	620,340	551,327

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31 December 2018			As at 31 December 2017		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
66,459	79,927	146,386	20,957	-	20,957

Amount repayable after one year

As at 31 December 2018			As at 31 December 2017		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
187,713	119,268	306,981	198,068	129,260	327,328

Total borrowings

As at 31 December 2018			As at 31 December 2017		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
254,172	199,195	453,367	219,025	129,260	348,285
- Attributable to owners of the Company		424,755	- Attributable to owners of the Company		308,978
- Attributable to non-controlling interests		28,612	- Attributable to non-controlling interests		39,307

Less: Cash and cash equivalents

As at 31 December 2018			As at 31 December 2017		
S\$'000			S\$'000		
135,665			236,684		
- Attributable to owners of the Company		S\$'000	- Attributable to owners of the Company		S\$'000
		132,679			223,705
- Attributable to non-controlling interests		2,986	- Attributable to non-controlling interests		12,979

Net borrowings

As at 31 December 2018			As at 31 December 2017		
S\$'000			S\$'000		
317,702			111,601		
- Attributable to owners of the Company		S\$'000	- Attributable to owners of the Company		S\$'000
		292,076			85,273
- Attributable to non-controlling interests		25,626	- Attributable to non-controlling interests		26,328

Details of any collateral

As at 31 December 2018, the Group's borrowings were secured by legal charges on the Group's development properties of \$100.7 million (2017: \$85.5 million), property, plant and equipment of \$200.5 million (2017: \$192.54 million), and pledge of fixed deposits and bank balances of S\$43.6 million (2017: S\$38.6 million).

*Including redeemable preference shares

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

GROUP CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	12 Months Ended 31 December	
	2018	2017
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	8,542	90,992
Adjustment for:		
Depreciation of property, plant & equipment	10,478	9,300
Interest expense	19,644	19,024
Interest income	(1,757)	(3,200)
Write back of allowance for inventory obsolescence	(3)	(8)
Loss on disposal of property, plant & equipment	6	106
Allowance for trade receivables	14	24
Unrealised foreign exchange gain arising from revaluation of fixed deposit pledged	(83)	(144)
Change in fair value of investment property	422	431
Gain on disposal of a subsidiary	-	(74,511)
Share of profit of equity-accounted investee	(6,714)	(17,327)
Net change in fair value of financial derivatives	(1,423)	(11,452)
Tax expense	4,882	5,651
Operating profit before working capital changes	34,008	18,886
Change in		
Development property	(24,612)	33,453
Inventories	26	(241)
Trade and other receivables	3,525	(17,641)
Trade and other payables	(3,653)	3,757
Balances with related parties	(577)	301
Cash from operations	8,717	38,515
Tax paid, net	(6,248)	(4,459)
Net cash from operating activities	2,469	34,056
Cash flows from investing activities		
Purchase of property, plant and equipment	(13,900)	(12,066)
Acquisition of equity accounted investee	-	(40,974)
Payment for acquisition of other investments	(79,517)	-
(Increase)/ Decrease in deposits and cash balances pledged	(4,923)	233,377
Interest received	1,886	5,711
Proceeds from disposal of property, plant and equipment	-	5
Disposal of a subsidiary, net of cash disposed of	-	157,149
Acquisition of subsidiary, net of cash acquired	(55,521)	-
Acquisition of non-controlling interests without a change in control	(16,001)	-
Net cash (used in)/ from investing activities	(167,976)	343,202

	GROUP	
	12 Months Ended 31 December	
	2018	2017
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from financing activities		
Finance expense paid (including amounts capitalised in development property)	(18,486)	(22,553)
Payment of finance lease obligations	(441)	(386)
Proceeds from borrowings	373,281	141,297
Repayment of borrowings	(270,330)	(323,273)
Dividends paid	(24,487)	(19,589)
Net cash from/ (used in) financing activities	59,537	(224,504)
Net (decrease)/increase in cash and cash equivalents	(105,970)	152,754
Effect of exchange rate changes on balances held in foreign currencies	(54)	48
Cash and cash equivalents at beginning of the period	198,121	45,319
Cash and cash equivalents at end of the period (Note A)	92,097	198,121

	GROUP	
	12 Months Ended 31 December	
	2018	2017
	Unaudited	Audited
	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:		
Fixed deposits	53,850	136,212
Cash and bank balances	81,815	100,472
	135,665	236,684
Less: fixed deposits and cash balances pledged	(43,568)	(38,563)
Cash and cash equivalents	92,097	198,121

1(d)(i) A statement (for the company 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.

Statement of changes in Equity as at 31 December 2018

Group	Attributable to owners of Company								Non-controlling interest	Total Equity
	Share capital	Treasury Shares	Asset			Fair value reserves	Accumulated profits	Total		
			revaluation reserves	Translation reserves	Hedging reserves					
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2018	343,458	(5,131)	4,132	(34,685)	-	-	112,182	419,956	58,147	478,103
Total comprehensive income for the year										
Profit for the period	-	-	-	-	-	-	5,940	5,940	2,602	8,542
Other comprehensive income:										
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	(498)	-	-	(498)	-	(498)
Net change in fair value-										
equity investments at FVOCI	-	-	-	-	-	(305)	-	(305)	-	(305)
debt investments at FVOCI	-	-	-	-	-	(3,777)	-	(3,777)	-	(3,777)
Translation differences relating to financial statements of foreign subsidiaries	-	-	-	270	-	-	-	270	(118)	152
Share of foreign currency translation differences of equity-accounted investees	-	-	-	(2,453)	-	-	-	(2,453)	-	(2,453)
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(1,465)	-	-	-	(1,465)	-	(1,465)
Total other comprehensive income, net of tax	-	-	-	(3,648)	(498)	(4,082)	-	(8,228)	(118)	(8,346)
Total comprehensive income for the year	-	-	-	(3,648)	(498)	(4,082)	5,940	(2,288)	2,484	196
Transactions with owners, recognised directly in equity										
Contributions by and distribution to owners										
Dividend paid	-	-	-	-	-	-	(24,487)	(24,487)	-	(24,487)
Total contributions by and distributions to owners	-	-	-	-	-	-	(24,487)	(24,487)	-	(24,487)
Changes in ownership interests in subsidiaries										
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(16,368)	(16,368)	367	(16,001)
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	16,929	16,929
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	(16,368)	(16,368)	17,296	928
As at 31 December 2018	343,458	(5,131)	4,132	(38,333)	(498)	(4,082)	77,267	376,813	77,927	454,740

Statement of changes in Equity as at 31 December 2017

Group	Attributable to owners of Company							Non-controlling interest	Total Equity	
	Share capital	Asset				Total	S\$'000			S\$'000
		Treasury Shares	revaluation reserves	Translation reserves	Accumulated profits					
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
At 1 January 2017	343,458	(5,131)	4,132	(41,011)	44,235	345,683	92,451	438,134		
Total comprehensive income for the year										
Profit for the year	-	-	-	-	87,536	87,536	3,456	90,992		
Other comprehensive income										
Foreign currency translation differences realised on disposal of a subsidiary	-	-	-	930	-	930	-	930		
Foreign currency translation differences relating to foreign operations	-	-	-	3,080	-	3,080	1,030	4,110		
Share of foreign currency translation differences of equity-accounted investees	-	-	-	339	-	339	-	339		
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	1,977	-	1,977	-	1,977		
Total other comprehensive income, net of tax	-	-	-	6,326	-	6,326	1,030	7,356		
Total comprehensive income for the year	-	-	-	6,326	87,536	93,862	4,486	98,348		
Transactions with owners, recognised directly in equity										
Contribution by and distributions to owners										
Dividends declared and paid	-	-	-	-	(19,589)	(19,589)	-	(19,589)		
Total contribution by and distributions to owners	-	-	-	-	(19,589)	(19,589)	-	(19,589)		
Changes in ownership interests in a subsidiary										
Disposal of a subsidiary with non-controlling interests	-	-	-	-	-	-	(38,790)	(38,790)		
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	(38,790)	(38,790)		
Total transactions with owners	-	-	-	-	(19,589)	(19,589)	(38,790)	(58,379)		
As at 31 December 2017	343,458	(5,131)	4,132	(34,685)	112,182	419,956	58,147	478,103		

Statements of changes in Equity as at 31 December 2018**Company**

	Share capital S\$'000	Treasury Share S\$'000	Hedging reserves S\$'000	Fair value reserves S\$'000	Accumulated (losses)/profit S\$'000	Total S\$'000
As at 1 January 2018	343,458	(5,131)	-	-	33,640	371,967
Total comprehensive income for the year						
Loss for the period	-	-	-	-	(9,413)	(9,413)
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges	-	-	(498)	-	-	(498)
Net change in fair value-						
equity investments at FVOCI	-	-	-	(305)	-	(305)
debt investments at FVOCI	-	-	-	(3,777)	-	(3,777)
Total other comprehensive income, net of tax	-	-	(498)	(4,082)	-	(4,580)
Total comprehensive income for the year	-	-	(498)	(4,082)	(9,413)	(13,993)
Transactions with owners, recognised directly in equity						
Contributions by and distribution to owners						
Dividend paid	-	-	-	-	(24,487)	(24,487)
Total contributions by and distributions to owners	-	-	-	-	(24,487)	(24,487)
As at 31 December 2018	343,458	(5,131)	(498)	(4,082)	(260)	333,487
As at 1 January 2017	343,458	(5,131)	-	-	(26,258)	312,069
Total comprehensive income for the year						
Profit for the year	-	-	-	-	79,487	79,487
Total comprehensive income for the year	-	-	-	-	79,487	79,487
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends declared and paid	-	-	-	-	(19,589)	(19,589)
Total transactions with owners	-	-	-	-	(19,589)	(19,589)
As at 31 December 2017	343,458	(5,131)	-	-	33,640	371,967

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles 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 is no change in the Company's share capital since 1 January 2017.

- 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.**

	As at
	31.12.2018/
	31.12.2017
Total number of issued shares	1,977,036,050
Total number of treasury shares	<u>(18,102,700)</u>
Total number of issued shares (excluding treasury shares)	<u>1,958,933,350</u>

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

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

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

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2017.

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

The Group adopted a number of new standards, amendments to standards and interpretations that are effective for annual periods beginning on 1 January 2018. The adoption of these new standards, amendments to standards and interpretations did not result in any significant impact on the financial statements of the Group.

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

	4th Quarter Ended 31 December			12 Months Ended 31 December		
	31.12.2018	31.12.2017	+/- %	31.12.2018	31.12.2017	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	0.027	0.774	-97.0%	0.303	4.469	-93.2%
-Weighted average number of shares ('000)	1,958,933	1,958,933		1,958,933	1,958,933	
ii) On a fully diluted basis (cents)	0.027	0.774	-97.0%	0.303	4.469	-93.2%
-Adjusted weighted average number of shares ('000)	1,958,933	1,958,933		1,958,933	1,958,933	

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

	Group			Company		
	31.12.2018 (S\$ cents)	31.12.2017 (S\$ cents)	+/- %	31.12.2018 (S\$ cents)	31.12.2017 (S\$ cents)	+/- %
Net asset value per ordinary share	19.24	21.44	-10.3%	17.02	18.99	-10.4%

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.**

Profit and Loss

The Group recorded revenue of S\$24.9 million in Q4 2018, compared to S\$37.8 million in Q4 2017, and an operating profit of S\$7.1 million in Q4 2018, compared to S\$10.0 million in Q4 2017. It posted a net profit after tax of S\$1.2 million in Q4 2018, compared to S\$15.7 million in Q4 2017.

In Q4 2018, our property business registered revenue of S\$6.5 million, compared to S\$18.8 million in Q4 2017. Revenue from the Group's Coral Bay residential project in Kota Kinabalu, which received strong interest during its launch earlier in 2018, will be progressively recognised over the development period of the project, possibly from FY2019.

With increased competition from new hotels in Kota Kinabalu, Sabah, our hospitality revenue registered S\$18.4 million in Q4 2018, compared to S\$19.0 million in Q4 2017.

Due to the fall of rental rates in Dubai, the valuation of the Group's investment property in Dubai was reduced by S\$0.4 million, as reflected in Other Expenses in Q4 2018.

Administrative expenses in Q4 2018 were lower by S\$1.8 million to S\$6.2 million, compared to S\$8.0 million in Q4 2017, due mainly to the decrease in personnel expenses.

Finance expenses in Q4 2018 rose by S\$1.4 million to S\$5.7 million, as a result of the interest incurred on the issuance of additional medium-term notes in Q2 2018. In December 2018, the IFRS Interpretations Committee issued a clarification where it presented its view that borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred. The Group's accounting policy currently capitalises borrowing costs relating to its development properties under construction, which is the general market practice for developers in Singapore. The Group has assessed the impact from adopting this accounting clarification and has expensed off the loan interest amounting to S\$0.7 million, which was previously capitalised under property development costs.

Share of profits from an equity-accounted investee in China in Q4 2018 was lower by S\$12.6 million to S\$1.6 million, compared to S\$14.2 million in Q4 2017, due mainly to the one-off recognition of net negative goodwill of S\$11.7 million in Q4 2017.

Balance Sheet

During FY2018, the Group held treasury investments which yielded dividend income amounting to S\$1.2 million (this was recorded under "Other Income"). As at 31 December 2018, these investments were fair valued at S\$19.7 million.

Similarly, the Group had also invested in various fixed-tenure principal-protected securities in Q1 2018, to earn a yield on unutilised cash balances. As of 31 December 2018, these investments were fair valued at S\$55.7 million.

Accordingly, the total investments of both treasury investments and principal-protected securities, of S\$75.4 million were recorded as "Other Investments" in the Balance Sheet.

In Q2 2018, the Group invested S\$55.6 million for a 50% stake in Aspirasi Kukuh Sdn Bhd ("AKSB"), via the subscription of new shares and shareholders' loan (in equal proportion as the other 50% partner of AKSB). AKSB is the beneficial owner of a piece of land in Kuala Lumpur, Malaysia. Upon consolidation, the development property and amount due to related parties have increased.

The rise in loans and borrowings, from S\$348.3 million as at 31 December 2017, to S\$453.4 million as at 31 December 2018, was mainly attributed to proceeds received from the issuance of fixed-rate notes under the Company's multicurrency medium-term note programme.

Cash Flow Analysis

For the financial year ended 31 December 2018, the operating profit before working capital changes, was S\$34.0 million. However, after adjusting for working capital changes, the Group generated a net cash inflow from operating activities, of S\$2.5 million.

The Group registered a net cash outflow from investing activities of S\$168.0 million, which was due mainly to the payment made for acquisition of Other Investments of S\$79.5 million, investment in AKSB of S\$55.5 million, and acquisition of the balance non-controlling interests of subsidiaries for the Coral Bay residential development in Kota Kinabalu, Sabah.

The Group posted a net cash inflow from financing activities of S\$59.5 million, which was due to the net borrowings received of S\$103.0 million less payment for finance expenses of S\$18.5 million and dividend of S\$24.5 million.

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

Not applicable.

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

There are no new significant trends and competitive conditions.

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?

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount Per Share (in SGD cents)	1.25 cents per ordinary share
Tax Rate	One-Tier Tax Exempt

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared as the Group is reserving its funds for working capital.

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

The Company does not have a general mandate for IPTs.

14. Segment Analysis**SEGMENT ANALYSIS**

	3 Months Ended 31 December 2018				3 Months Ended 31 December 2017			
	Hospitality S\$'000	Property S\$'000	Others* S\$'000	Total S\$'000	Hospitality S\$'000	Property S\$'000	Others* S\$'000	Total S\$'000
Segment revenue	18,390	6,512	967	25,869	18,978	18,816	1,455	39,249
Elimination of inter-segment revenue	-	-	(967)	(967)	-	-	(1,455)	(1,455)
External revenue	18,390	6,512	-	24,902	18,978	18,816	-	37,794
Interest income	130	141	28	299	(16)	64	571	619
Interest expense	(1,931)	(975)	(2,749)	(5,655)	(2,024)	(450)	(1,785)	(4,259)
Depreciation	(2,176)	(330)	(132)	(2,638)	(2,109)	(190)	(141)	(2,440)
Reportable segment profit/(loss) before tax	3,350	1,133	(3,601)	882	3,265	19,160	(4,569)	17,856
Tax expense	(224)	537	-	313	(1,214)	(826)	(123)	(2,163)
Reportable segment profit/(loss) after tax	3,126	1,670	(3,601)	1,195	2,051	18,334	(4,692)	15,693
Share of profit of equity-accounted investee	-	1,646	-	1,646	-	14,206	-	14,206
Reportable segment assets	402,148	456,837	185,936	1,044,921	393,362	321,889	215,087	930,338
Reportable segment liabilities	(199,867)	(118,687)	(271,627)	(590,181)	(212,353)	(74,967)	(164,915)	(452,235)

* General corporate activities

Geographical Information

	Revenue 3 months ended 31 Dec		Non-current assets 3 months ended 31 Dec	
	2018 S\$'000	2017 S\$'000	2018 S\$'000	2017 S\$'000
Malaysia	24,902	37,549	385,067	376,071
China	-	-	62,900	58,640
Singapore	-	-	102,225	27,333
Middle East	-	-	4,952	5,260
Total	24,902	37,549	555,144	467,304

SEGMENT ANALYSIS

	12 Months Ended 31 December 2018				12 Months Ended 31 December 2017			
	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000	<u>Hospitality</u> S\$'000	<u>Property</u> S\$'000	<u>Others*</u> S\$'000	<u>Total</u> S\$'000
Segment revenue	78,952	21,342	4,062	104,356	74,745	36,246	4,085	115,076
Elimination of inter-segment revenue	-	-	(4,062)	(4,062)	(16)	(650)	(4,085)	(4,751)
External revenue	78,952	21,342	-	100,294	74,729	35,596	-	110,325
Interest income	473	525	759	1,757	400	144	2,656	3,200
Interest expense	(8,076)	(1,746)	(9,822)	(19,644)	(8,260)	(4,584)	(6,180)	(19,024)
Depreciation	(8,585)	(1,261)	(632)	(10,478)	(8,128)	(743)	(429)	(9,300)
Reportable segment profit/(loss) before tax	19,213	8,817	(14,606)	13,424	17,154	94,857	(15,368)	96,643
Tax expense	(4,574)	(308)	-	(4,882)	(5,210)	(318)	(123)	(5,651)
Reportable segment profit/(loss) after tax	14,639	8,509	(14,606)	8,542	11,944	94,539	(15,491)	90,992
Share of profit of equity-accounted investee	-	6,714	-	6,714	-	17,327	-	17,327
Reportable segment assets	402,148	456,837	185,936	1,044,921	393,362	321,889	215,087	930,338
Reportable segment liabilities	(199,867)	(118,687)	(271,627)	(590,181)	(212,353)	(74,967)	(164,915)	(452,235)

* General corporate activities

Geographical Information

	Revenue		Non-current assets	
	12 months ended 31 Dec 2018 S\$'000	12 months ended 31 Dec 2017 S\$'000	12 months ended 31 Dec 2018 S\$'000	12 months ended 31 Dec 2017 S\$'000
Malaysia	100,294	93,545	385,067	376,071
China	-	-	62,900	58,640
Singapore	-	16,780	102,225	27,333
Middle East	-	-	4,952	5,260
Total	100,294	110,325	555,144	467,304

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

There are no material changes in contribution to the Group's turnover as the hospitality and property business segments contributed 79% and 21% respectively to the Group's revenue in FY2018 (FY2017: 68% and 32%).

16. A breakdown of sales.**Breakdown for revenue**

	Group		
	Full Year Ended 31 December		
	2018	2017	Increase/ (Decrease)
	Unaudited	Unaudited	%
	S\$'000	S\$'000	
<u>First Half</u>			
Revenue reported for the first half year	47,347	51,558	(8.2%)
Profit after tax reported for the first half year	4,101	72,367	(94.3%)
<u>Second Half</u>			
Revenue reported for the second half year	52,947	58,767	(9.9%)
Profit after tax reported for the second half year	4,441	18,625	(76.2%)

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

	Group	
	Full Year Ended 31 December	
	2018	2017
	Unaudited	Audited
	S\$'000	S\$'000
Ordinary	24,487	19,589

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a Director or Chief Executive Officer or Substantial Shareholder of the Company.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms it has procured the undertakings.

BY ORDER OF THE BOARD

Lee Tiong Hock
Company Secretary
27 February 2019