

**PAN-UNITED CORPORATION LTD**

(Company Reg No: 199106524G)

**FULL YEAR FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**
**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**
**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

CONSOLIDATED INCOME STATEMENT						
	4Q 2018	4Q 2017	+ / (-)	YTD 2018	YTD 2017	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	211,125	212,705	(1)	863,530	629,321	37
Other income	840	784	7	2,900	3,117	(7)
Raw materials, subcontract cost and other direct costs	(181,775)	(181,937)	(0)	(755,176)	(531,589)	42
Staff costs	(8,681)	(10,582)	(18)	(37,292)	(35,276)	6
Depreciation and amortisation expenses	(4,375)	(4,095)	7	(17,571)	(14,486)	21
Other expenses	(12,131)	(11,532)	5	(44,918)	(42,703)	5
Finance costs	(1,276)	(842)	52	(4,423)	(3,749)	18
	3,727	4,501	(17)	7,050	4,635	52
Share of results of associates	(470)	745	(163)	1,893	3,084	(39)
<b>Profit before income tax from continuing operations</b>	3,257	5,246	(38)	8,943	7,719	16
Income tax expense	(1,044)	(1,263)	(17)	(2,399)	(1,159)	107
<b>Profit from continuing operations, net of tax</b>	2,213	3,983	(44)	6,544	6,560	(0)
<b>Discontinued operations</b>						
Profit from discontinued operations, net of tax	-	3,492	nm	1,007	17,738	(94)
Profit for the period/year, net of tax	2,213	7,475	(70)	7,551	24,298	(69)
<b>Attributable to:</b>						
<b>Equity holders of the Company</b>						
Profit from continuing operations, net of tax	2,033	3,380	(40)	6,072	5,788	5
Profit from discontinued operations, net of tax	-	2,564	nm	878	14,288	(94)
	2,033	5,944	(66)	6,950	20,076	(65)
<b>Non-controlling interests</b>						
Profit from continuing operations, net of tax	180	603	(70)	472	772	(39)
Profit from discontinued operations, net of tax	-	928	nm	129	3,450	(96)
	180	1,531	(88)	601	4,222	(86)
	2,213	7,475	(70)	7,551	24,298	(69)

nm: Not meaningful

The discontinued operations comprised the results from the Ports business, under Xinghua Port Holdings Ltd (Xinghua), which was de-merged on 7 February 2018, as a separate entity. The de-merger was effected through a capital reduction of the Company and a distribution in specie of all the shares in Xinghua, held by the Company, to its shareholders.

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

<b>A. Profit before income tax is arrived at after crediting/(charging) the following:</b>	<b>4Q 2018 \$'000</b>	<b>4Q 2017 \$'000</b>	<b>+ / (-) %</b>	<b>YTD 2018 \$'000</b>	<b>YTD 2017 \$'000</b>	<b>+ / (-) %</b>
Interest income	111	65	71	351	373	(6)
Interest expense	(976)	(740)	32	(3,947)	(3,410)	16
(Impairment loss)/reversal of impairment loss on trade receivables	(480)	(56)	nm	(2,863)	93	nm
Foreign exchange (loss)/gain	(98)	(465)	(79)	315	(711)	(144)
(Loss)/gain on disposal of property, plant and equipment	(10)	1	nm	25	54	(54)
Write-off of property, plant and equipment	-	(491)	nm	(327)	(1,251)	(74)

**B.** The Group's tax charge for YTD 2018 included a reversal of tax provision of \$475,000 related to previous years(2017: \$1,143,000).

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>						
	<b>4Q 2018 \$'000</b>	<b>4Q 2017 \$'000</b>	<b>+ / (-) %</b>	<b>YTD 2018 \$'000</b>	<b>YTD 2017 \$'000</b>	<b>+ / (-) %</b>
<b>Profit for the period/year, net of tax</b>	2,213	7,475	(70)	7,551	24,298	(69)
<b>Other comprehensive income:</b>						
Foreign currency translation	657	1,626	(60)	1,563	(3,412)	146
Fair value changes of derivatives	(287)	95	nm	1,933	(4,021)	148
<b>Other comprehensive income for the period/year, net of tax</b>	370	1,721	(79)	3,496	(7,433)	147
<b>Total comprehensive income for the period/year</b>	2,583	9,196	(72)	11,047	16,865	34
<b>Attributable to:</b>						
Equity holders of the Company	2,326	7,613	(69)	10,101	13,462	(25)
Non-controlling interests	257	1,583	(84)	946	3,403	(72)
<b>period/year</b>	2,583	9,196	(72)	11,047	16,865	(34)
<b>Attributable to equity holders of the Company:</b>						
Total comprehensive income from continuing operations, net of tax	2,326	4,370	(47)	7,116	1,069	nm
Total comprehensive income from discontinued operations, net of tax	-	3,243	nm	2,985	12,393	(76)
<b>Total comprehensive income for the period/year attributable to equity holders of the Company</b>	2,326	7,613	(69)	10,101	13,462	(25)

**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.**

BALANCE SHEETS	Group		Company	
	31-Dec-18 \$'000	31-Dec-17 \$'000	31-Dec-18 \$'000	31-Dec-17 \$'000
<b>Non-current assets</b>				
Property, plant and equipment	180,052	185,851	248	271
Intangible assets	4,888	4,324	370	1,001
Subsidiaries	-	-	92,552	81,049
Associates	3,078	3,728	-	-
Other investments	407	407	404	404
Trade and other receivables	665	633	-	-
Deferred tax assets	679	475	-	-
	<u>189,769</u>	<u>195,418</u>	<u>93,574</u>	<u>82,725</u>
<b>Current assets</b>				
Inventories	22,293	34,362	-	-
Prepayments	1,825	2,652	305	566
Trade and other receivables	149,389	139,007	22,487	3,081
Derivatives	423	-	423	-
Other assets	10,259	4,631	-	-
Cash and short-term deposits	47,894	63,133	27,681	38,637
	<u>232,083</u>	<u>243,785</u>	<u>50,896</u>	<u>42,284</u>
Assets of disposal group classified as held for sale	-	341,434	-	102,000
	<u>232,083</u>	<u>585,219</u>	<u>50,896</u>	<u>144,284</u>
<b>Current liabilities</b>				
Loans and borrowings	62,274	41,559	-	-
Payables and accruals	76,442	98,925	17,760	1,366
Deferred income	5,244	5,361	-	-
Provisions	1,163	1,284	-	-
Income tax payable	2,021	1,408	32	33
Derivatives	-	1,627	-	1,627
	<u>147,144</u>	<u>150,164</u>	<u>17,792</u>	<u>3,026</u>
Liabilities directly associated with disposal group classified as held for sale	-	170,545	-	-
	<u>147,144</u>	<u>320,709</u>	<u>17,792</u>	<u>3,026</u>
<b>Net current assets</b>	<u>84,939</u>	<u>264,510</u>	<u>33,104</u>	<u>141,258</u>
<b>Non-current liabilities</b>				
Loans and borrowings	64,192	81,342	19,787	20,000
Deferred tax liabilities	7,704	6,991	-	-
Other liabilities	539	537	-	-
Provisions	3,949	3,149	-	-
	<u>76,384</u>	<u>92,019</u>	<u>19,787</u>	<u>20,000</u>
<b>Net assets</b>	<u>198,324</u>	<u>367,909</u>	<u>106,891</u>	<u>203,983</u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	12,645	151,799	12,645	151,799
Treasury shares	(957)	(957)	(957)	(957)
Reserves	179,852	141,138	95,203	53,141
Reserves of disposal group classified as held for sale	-	36,914	-	-
	<u>191,540</u>	<u>328,894</u>	<u>106,891</u>	<u>203,983</u>
Non-controlling interests	6,784	39,015	-	-
<b>Total equity</b>	<u>198,324</u>	<u>367,909</u>	<u>106,891</u>	<u>203,983</u>

**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. (continued)**

**Explanatory Notes to Balance Sheets**

The Ports business, under Xinghua Port Holdings Ltd. (Xinghua) was de-merged as a separate entity on 7 February 2018 and was listed on The Stock Exchange of Hong Kong Limited on 12 February 2018. The de-merger was effected through a capital reduction of the Company and a distribution in specie of all the shares in Xinghua held by the Company to its shareholders. Following the capital reduction of \$139.2 million, the share capital of the Company was reduced to \$12.6 million. The assets and liabilities of the de-merged Ports business were de-recognised accordingly.

The higher trade and other receivables is due to the increase in revenue and longer collection days.

The higher other asset is mainly due to the increase in the import permits quota for construction materials during the financial year.

The reduction in cash and short-term deposits is largely due to the settlement of trade and other payables, purchase of property, plant and equipment and payment of dividends to shareholders.

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

	As of 31 Dec 2018		As of 31 Dec 2017	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
<b>Amount repayable in one year or less, or on demand</b>	21,086	41,188	14,289	27,270
<b>Amount repayable after one year</b>	14,603	49,589	16,342	65,000

**Details of any collateral**

Certain short and long-term bank loans are secured by mortgages over certain assets of foreign subsidiaries.

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.**

<b>CONSOLIDATED CASH FLOW STATEMENTS</b>	<b>4Q 2018 \$'000</b>	<b>4Q 2017 \$'000</b>	<b>YTD 2018 \$'000</b>	<b>YTD 2017 \$'000</b>
<b>Cash flows from operating activities</b>				
Profit before income tax from continuing operations	3,257	5,246	8,943	7,719
Profit from discontinued operations	-	5,312	1,485	24,726
Adjustments for				
Depreciation expenses	4,310	6,496	18,182	24,411
Amortisation of intangible assets	65	63	234	165
Amortisation of upfront fees	(211)	-	(211)	-
Interest income	(111)	(96)	(351)	(544)
Interest expense	976	2,466	3,947	10,810
Loss/(gain) on disposal of property, plant and equipment	10	2	(25)	(25)
Impairment loss/(reversal of impairment loss) on trade receivables	480	56	2,863	(93)
Write-down/(reversal of write-down) of inventories	-	3	62	(7)
Gain on disposal of other investments	-	-	(29)	(24)
Reversal of provisions	(17)	(139)	(215)	(301)
Write-off of property, plant and equipment	-	491	327	1,251
Fair value changes of derivatives	-	117	(117)	117
Share-based payment expenses	(82)	(27)	51	68
Share of results of associates	470	(1,489)	(2,078)	(5,509)
Foreign exchange differences	415	(198)	(1,001)	(1,150)
Operating cash flows before working capital changes	9,562	18,303	32,067	61,614
Decrease/(Increase) in				
Trade and other receivables	(5,143)	(8,708)	(13,621)	(17,631)
Prepayments	1,355	(94)	889	(186)
Inventories and work-in-progress	(1,284)	(15,257)	11,999	(13,988)
Other assets	(843)	(2,194)	(5,628)	(3,054)
Increase/(Decrease) in				
Payables, accruals and provisions	(164)	26,975	(17,275)	24,768
Deferred income	5,244	4,973	(120)	4,781
Cash flows from operations	8,727	23,998	8,311	56,304
Interest paid	(976)	(2,466)	(3,947)	(10,810)
Income tax paid	(355)	(2,187)	(2,723)	(7,900)
Interest received	111	96	351	544
Net cash flows from operating activities	7,507	19,441	1,992	38,138
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(1,257)	(5,146)	(11,424)	(30,003)
Additions to intangible assets	(323)	(119)	(811)	(1,751)
Proceeds from disposal of property, plant and equipment	30	24	67	696
Net cash outflow on de-merger of subsidiaries	-	-	(3,820)	-
Proceeds from disposal of other investments	-	-	42	63
Dividend income from associates	552	1,351	2,543	6,063
Capital refund from other investment	-	-	-	156
Net cash flows used in investing activities	(998)	(3,890)	(13,403)	(24,776)
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	63,394	36,457	108,161	108,641
Repayment of bank borrowings	(59,323)	(11,171)	(106,400)	(153,420)
Proceeds from dilution of investment in a subsidiary	3	-	3	-
Net proceeds from rights issue	-	-	-	59,747
Proceeds from reissuance of treasury shares	-	-	-	573
Dividends paid to shareholders	-	-	(5,607)	(18,919)
Dividend paid to non-controlling interests	-	(133)	(667)	(1,071)
Net cash flows from/(used in) financing activities	4,074	25,153	(4,510)	(4,449)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,583</b>	<b>40,704</b>	<b>(15,921)</b>	<b>8,913</b>
<b>Cash and cash equivalents as at beginning of period/year</b>	<b>37,342</b>	<b>40,327</b>	<b>63,133</b>	<b>72,662</b>
<b>Reclassified to assets held for sale</b>	<b>-</b>	<b>(17,918)</b>	<b>-</b>	<b>(17,918)</b>
<b>Effects of exchange rate changes on opening cash and cash equivalents</b>	<b>(31)</b>	<b>20</b>	<b>682</b>	<b>(524)</b>
<b>Cash and cash equivalents as at end of period/year</b>	<b>47,894</b>	<b>63,133</b>	<b>47,894</b>	<b>63,133</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.

STATEMENTS OF CHANGES IN EQUITY									Non-controlling interests	Total Equity
GROUP	Attributable to equity holders of the Company									
	Share capital	Treasury shares	Statutory reserve	Foreign currency translation reserve	Retained earnings	Other reserves	Reserves of disposal group classified as held for sale	Total reserves		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018, as previously reported	151,799	(957)	-	(6,925)	148,242	(179)	36,914	178,052	39,015	367,909
Effect on adoption of SFRS (I)	-	-	-	6,228	(6,228)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(1,469)	4,039	2,220	2,985	7,775	689	8,464
Cost of share-based payment (share options)	-	-	-	-	-	133	-	133	-	133
Dividends on ordinary shares	-	-	-	-	(5,607)	-	-	(5,607)	-	(5,607)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(667)	(667)
Distribution in specie	-	-	-	-	-	37,154	(39,899)	(2,745)	(32,513)	(35,258)
Capital reduction	(139,154)	-	-	-	-	-	-	-	-	(139,154)
<b>Balance at 30 September 2018</b>	<b>12,645</b>	<b>(957)</b>	<b>-</b>	<b>(2,166)</b>	<b>140,446</b>	<b>39,328</b>	<b>-</b>	<b>177,608</b>	<b>6,524</b>	<b>195,820</b>
Total comprehensive income for the period	-	-	-	580	2,033	(287)	-	2,326	257	2,583
Cost of share-based payment (share options)	-	-	-	-	-	(82)	-	(82)	-	(82)
Proceeds from dilution of investment in a subsidiary	-	-	-	-	-	-	-	-	3	3
<b>Balance at 31 December 2018</b>	<b>12,645</b>	<b>(957)</b>	<b>-</b>	<b>(1,586)</b>	<b>142,479</b>	<b>38,959</b>	<b>-</b>	<b>179,852</b>	<b>6,784</b>	<b>198,324</b>
Balance at 1 January 2017, as previously reported	92,052	(1,759)	3,000	(6,766)	254,045	(66,885)	-	183,394	36,959	310,646
Effect on adoption of SFRS (I)	-	-	-	6,766	(6,766)	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(4,167)	14,132	(4,116)	-	5,849	1,820	7,669
Cost of share-based payment (share options)	-	-	-	-	-	95	-	95	-	95
Reissuance of treasury shares	-	802	-	-	-	(229)	-	(229)	-	573
Shares issued pursuant to right issue	59,747	-	-	-	-	-	-	-	-	59,747
Dividends on ordinary shares	-	-	-	-	(18,919)	-	-	(18,919)	-	(18,919)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,071)	(1,071)
<b>Balance at 30 September 2017</b>	<b>151,799</b>	<b>(957)</b>	<b>3,000</b>	<b>(4,167)</b>	<b>242,492</b>	<b>(71,135)</b>	<b>-</b>	<b>170,190</b>	<b>37,708</b>	<b>358,740</b>
Total comprehensive income for the period	-	-	-	1,574	5,944	95	-	7,613	1,583	9,196
Cost of share-based payment (share options)	-	-	-	-	-	(27)	-	(27)	-	(27)
Effect of share swap arrangement	-	-	-	-	-	276	-	276	(276)	-
Reclassification to reserves of disposal group classified as held for sale	-	-	(3,000)	2,434	(106,960)	70,612	36,914	-	-	-
<b>Balance at 31 December 2017</b>	<b>151,799</b>	<b>(957)</b>	<b>-</b>	<b>(159)</b>	<b>141,476</b>	<b>(179)</b>	<b>36,914</b>	<b>178,052</b>	<b>39,015</b>	<b>367,909</b>

(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. (continued)

<b>COMPANY</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Retained earnings</b>	<b>Other reserves</b>	<b>Total reserves</b>	<b>Total Equity</b>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	151,799	(957)	53,320	(179)	53,141	203,983
Total comprehensive income for the period	-	-	423	2,220	2,643	2,643
Cost of share-based payment (share options)	-	-	-	133	133	133
Dividends on ordinary shares	-	-	(5,607)	-	(5,607)	(5,607)
Distribution in specie	-	-	-	37,154	37,154	37,154
Capital reduction	(139,154)	-	-	-	-	(139,154)
<b>Balance at 30 September 2018</b>	<b>12,645</b>	<b>(957)</b>	<b>48,136</b>	<b>39,328</b>	<b>87,464</b>	<b>99,152</b>
Total comprehensive income for the period	-	-	8,108	(287)	7,821	7,821
Cost of share-based payment (share options)	-	-	-	(82)	(82)	(82)
<b>Balance at 31 December 2018</b>	<b>12,645</b>	<b>(957)</b>	<b>56,244</b>	<b>38,959</b>	<b>95,203</b>	<b>106,891</b>
Balance at 1 January 2017	92,052	(1,759)	54,289	4,003	58,292	148,585
Total comprehensive income for the period	-	-	18,422	(4,116)	14,306	14,306
Cost of share-based payment (share options)	-	-	-	95	95	95
Reissuance of treasury shares	-	802	-	(229)	(229)	573
Shares issued pursuant to rights issue	59,747	-	-	-	-	59,747
Dividends on ordinary shares	-	-	(18,919)	-	(18,919)	(18,919)
<b>Balance at 30 September 2017</b>	<b>151,799</b>	<b>(957)</b>	<b>53,792</b>	<b>(247)</b>	<b>53,545</b>	<b>204,387</b>
Total comprehensive income for the period	-	-	(472)	95	(377)	(377)
Cost of share-based payment (share options)	-	-	-	(27)	(27)	(27)
<b>Balance at 31 December 2017</b>	<b>151,799</b>	<b>(957)</b>	<b>53,320</b>	<b>(179)</b>	<b>53,141</b>	<b>203,983</b>

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, shares buy-backs, exercise of shares 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the corresponding period of the immediately preceding financial year.

	4Q 2018 ended 31-Dec-18	4Q 2017 ended 31-Dec-17
<b>Issued share capital</b>		
Issued and fully paid ordinary shares: As at beginning and end of period	701,995,825	701,995,825
<b>Treasury shares</b>		
As at beginning and end of period	1,110,000	1,110,000
<b>Total number of issued shares excluding treasury shares</b>	700,885,825	700,885,825

There were no share buyback and no new shares issued during the quarter ended 31 December 2018.

	As at 31-Dec-18	As at 31-Dec-17
The number of shares that may be issued on exercise of share options outstanding at the end of the period	12,898,800	12,401,400

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

	As at 31-Dec-18	As at 31-Dec-17
Total number of issued shares	701,995,825	701,995,825
Treasury shares	1,110,000	1,110,000
Total number of issued shares excluding treasury shares	700,885,825	700,885,825

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

There were no sales, transfers, disposals, cancellations and/or use of treasury shares for the quarter ended 31 December 2018.

1(d)(v) **Subsidiary holdings.**

There were no 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 our auditors, Messrs Ernst & Young LLP.

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

Not applicable.

**4 Where the same accounting policies and methods of computation as in the issuers' most recently audited annual financial statements have been applied.**

Except as disclosed in item 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 of the audited financial statements for the year ended 31 December 2017.

**5 If there are any changes in 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.**

On 1 January 2018, the Group adopted the Singapore Financial Reporting Framework (International) (SFRS(I)), a new financial reporting framework identical to the International Financial Reporting Standards. As a first-time adopter of SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017 (date of transition), and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The foreign currency translation reserve of \$6.8 million, as previously reported was reclassified to the opening retained earnings as at 1 January 2017.

Other than the effects of the matter as described above, the Group expects that the adoption of the new standards that are effective on 1 January 2018 will have no material impact on the financial position and financial performance of the Group.

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

	Quarter ended December			Year to date ended December		
	<u>2018</u>	<u>2017</u>	<u>Change</u>	<u>2018</u>	<u>2017</u>	<u>Change</u>
Earnings per share from continuing operations attributable to equity holders of the Company						
Based on weighted average number of ordinary shares in issue (in cents)	0.29	0.48	-40%	0.87	0.83	5%
On a fully diluted basis (in cents)	0.29	0.48	-40%	0.87	0.83	5%

**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 (b) immediately preceding financial year.**

	<u>Group</u>	<u>Company</u>
Net asset value per ordinary share based on Issued share capital at 31 December 2018 (in cents)	27.3	15.3
Net asset value per ordinary share based on Issued share capital at 31 December 2017 (in cents)	46.9	29.1

**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.**

**Review of Year to date 2018 Performance**

The Ports business, under Xinghua Port Holdings Ltd, was de-merged as a separate entity on 7 February 2018. The results of the Ports business and its comparatives are presented separately on the income statement under "Discontinued Operations".

The continuing businesses of Concrete & Cement (C&C) and Trading recorded year-on-year (yoy) increases of 37% in revenue and 27% in EBITDA. The increase in revenue from \$629 million to \$864 million was primarily due to the higher volume registered from the Trading business. The EBITDA growth was attributable to improved selling prices of ready mix concrete in Singapore and higher contribution from the Trading business.

The higher depreciation was due to the new slag grinding plant in Malaysia as well as new batching plants in Singapore. The higher interest expense incurred was primarily due to higher financing requirements for working capital and the increase in interest rate in Singapore in 2018.

Notwithstanding a 39% decrease in share of results of associates, the Group registered a net attributable profit of \$6.1 million from continuing operations, a 5% increase yoy.

**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.**

The construction demand in Singapore is anticipated to stay firm at between \$27 billion and \$32 billion in 2019, compared to \$30.5 billion in 2018. Public construction demand is expected to be boosted by major infrastructure projects, such as the Cross Island Line, Jurong Lake District and Changi Airport Terminal 5, and a pipeline of major industrial building projects and public residential developments. Meanwhile, private construction demand is expected to remain steady at between \$10.5 billion and \$12.5 billion in 2019, supported by the potential redevelopment of 35 residential en bloc sites sold in 2018.

According to forecasts from the Building and Construction Authority, the demand for ready mix concrete is projected to increase to between 12.0 million m<sup>3</sup> and 13.0 million m<sup>3</sup> in 2019 as compared to 11.5 million m<sup>3</sup> in 2018.

Vietnam's construction industry output value is expected to continue expanding over 2019-2023, with investments in infrastructure construction, tourism infrastructure and housing projects continuing to drive growth.

In Malaysia, the construction sector is forecasted to slow down from 4.5% to 4.3% in 2019, amid several government measures to reduce debt and expenditure by suspending large-scale infrastructure projects across the country.

**11 If a decision regarding dividend has been made:**

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

Any dividend recommended for the current financial period reported on? Yes.

The Board proposes a final dividend of 0.8 cents per ordinary share in respect of the financial year ended 31 December 2018.

Name of dividend:	Final, proposed
Dividend type:	Cash
Dividend rate:	S\$0.008 per ordinary share (One-tier tax exempt)

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

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

Name of dividend:	Interim, paid	Final, paid
Dividend type:	Cash	Cash
Dividend rate:	S\$0.005 per ordinary share (One-tier tax exempt)	S\$0.008 per ordinary share (One-tier tax exempt)

**(c) Date payable:**

The final dividend, if approved at the forthcoming Annual General Meeting, will be paid on 29 May 2019.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 17 May 2019 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 by 5.00 p.m. on 17 May 2019 will be registered before entitlements to the proposed final dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 17 May 2019 will be entitled to the proposed final dividend.

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

Not applicable.

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

The Group does not have a general mandate from shareholders for interested person transactions.

- 14 Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.**

**CONFIRMATION PURSUANT TO RULE 720(1) OF THE LISTING MANUAL**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720 (1) of the SGX Listing Manual.

**Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS (Q1, Q2 & Q3) or HALF-YEAR AND FULL YEAR RESULTS**

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

12 Months ended 31 December 2018

Business Segments from continuing operations

	<b>Concrete &amp; cement \$'000</b>	<b>Trading &amp; shipping \$'000</b>	<b>Others \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>					
External sales	545,710	317,820	-	-	863,530
Inter-segment sales	-	651	-	(651)	-
Total revenue	545,710	318,471	-	(651)	863,530
<b>Results</b>					
Segment results	30,260	3,952	(5,995)	-	28,217
Interest income	221	-	130	-	351
Depreciation expenses	(17,078)	-	(259)	-	(17,337)
Amortisation of intangible assets	(59)	-	(175)	-	(234)
Interest expense	(3,318)	-	(629)	-	(3,947)
Share of results of associates	-	-	1,893	-	1,893
Profit/(loss) before tax from continuing operations	10,026	3,952	(5,035)	-	8,943
Income tax expense	(1,530)	(267)	(602)	-	(2,399)
Profit/(loss) from continuing operations, net of tax	8,496	3,685	(5,637)	-	6,544
<b>Attributable to</b>					
Equity holders of the Company	8,525	3,184	(5,637)	-	6,072
Non-controlling interests	(29)	501	-	-	472
	8,496	3,685	(5,637)	-	6,544
<b>Balance Sheet</b>					
Investments in associates	-	-	3,078	-	3,078
Additions to non-current assets	12,371	5	962	-	13,338
Segment assets	376,788	3,410	41,654	-	421,852
Segment liabilities	189,660	12,310	21,558	-	223,528

**Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS (Q1, Q2 & Q3) or HALF-YEAR AND FULL YEAR RESULTS**

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

12 Months ended 31 December 2017

Business Segments from continuing operations

	<b>Concrete &amp; cement \$'000</b>	<b>Trading &amp; shipping \$'000</b>	<b>Others \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>				
External sales	527,674	101,647	-	629,321
Total revenue	527,674	101,647	-	629,321
<b>Results</b>				
Segment results	24,800	2,478	(5,120)	22,158
Interest income	291	-	82	373
Depreciation expenses	(14,128)	-	(193)	(14,321)
Amortisation of intangible assets	(136)	-	(29)	(165)
Interest expense	(1,695)	-	(1,715)	(3,410)
Share of results of associates	-	-	3,084	3,084
Profit/(loss) before tax from continuing operations	9,132	2,478	(3,891)	7,719
Income tax expense	(174)	(287)	(698)	(1,159)
Profit/(loss) from continuing operations, net of tax	8,958	2,191	(4,589)	6,560
<b>Attributable to</b>				
Equity holders of the Company	8,743	1,634	(4,589)	5,788
Non-controlling interests	215	557	-	772
	8,958	2,191	(4,589)	6,560
<b>Balance Sheet</b>				
Investments in associates	-	-	3,728	3,728
Additions to non-current assets	27,852	-	680	28,532
Segment assets	363,727	23,041	52,435	439,203
Segment liabilities	190,201	28,442	23,540	242,183

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

None.

- 17 A breakdown of sales.

Sales breakdown as follows:-

	Group		+ / (-) %
	2018 \$'000	2017 \$'000	
<b>Continuing Operations</b>			
Sales reported for first half year	433,293	271,171	60%
Operating profit after tax before deducting non-controlling interests reported for first half year	689	1,528	-55%
Sales reported for second half year	430,237	358,150	20%
Operating profit after tax before deducting non-controlling interests reported for second half year	5,855	5,032	16%

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

	Group	
	2018 \$'000	2017 \$'000
Ordinary - Interim	-	3,505
Ordinary - final	5,607	5,607
Total	5,607	9,112

The final ordinary dividend for FY2018 is estimated basing on the latest issued share capital less treasury shares comprising 700,885,825 shares.

**19 Disclosure of persons 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.**

<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 first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Patrick Ng Bee Soon	55	Brother of: Ng Han Whatt and Jane Kimberly Ng Bee Kiok (substantial shareholders); Ng Bee Bee (Chief Executive Officer and substantial shareholder).	Deputy Chairman (Appointed on 1 March 2011)  Duties: To focus on the Group's overall growth strategy.	Pursuant to the De-merger exercise, Mr Patrick Ng Bee Soon has relinquished his executive position as Deputy Chairman on 5 February 2018. Mr Ng continues to serve on the Board of the Company in a non-executive capacity with the same title of Deputy Chairman.
Ng Bee Bee	51	Sister of: Ng Han Whatt and Jane Kimberly Ng Bee Kiok (substantial shareholders); Patrick Ng Bee Soon (Deputy Chairman).	Chief Executive Officer (Appointed on 1 March 2011)  Duties: Overall management of the Group.	N.A.

BY ORDER OF THE BOARD

Cho Form Po  
Company Secretary  
26 February 2019