


GSH CORPORATION LIMITED
Full Year Financial Statements for the Period Ended 31/12/2019
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		
	31.12.2019	31.12.2018	+/-	31.12.2019	31.12.2018	+/-
	Unaudited S\$'000	Audited S\$'000	%	Unaudited S\$'000	Audited S\$'000	%
Revenue	50,446	24,902	Nm	153,709	100,294	53.3%
Cost of sales	(26,974)	(10,795)	Nm	(76,745)	(39,802)	92.8%
Gross profit	23,472	14,107	66.4%	76,964	60,492	27.2%
Gross profit margin	47%	57%	(17.5%)	50%	60%	(16.7%)
Other income	1,837	712	Nm	4,066	2,365	71.9%
Distribution and selling expenses	(842)	(1,105)	(23.8%)	(3,209)	(3,355)	(4.4%)
Administrative expenses	(7,118)	(6,217)	14.5%	(26,503)	(24,518)	8.1%
Other expenses	(191)	(438)	(56.4%)	(321)	(477)	(32.7%)
Operating profit	17,158	7,059	Nm	50,997	34,507	47.8%
Impairment loss on assets held for sale	(13,676)	-	Nm	(13,676)	-	Nm
Depreciation	(3,270)	(2,638)	24.0%	(11,712)	(10,478)	11.8%
Exchange (loss)/gain	(1,360)	66	Nm	(485)	(855)	(43.3%)
Finance expenses	(5,543)	(5,655)	(2.0%)	(21,314)	(19,644)	8.5%
Finance income	423	299	41.5%	1,689	1,757	(3.9%)
Net change in fair value of financial derivatives	620	105	Nm	(895)	1,423	Nm
Share of profit of equity-accounted investee	403	1,646	(75.5%)	5,878	6,714	(12.5%)
Profit/(loss) before tax	(5,245)	882	Nm	10,482	13,424	(21.9%)
Taxation	4,227	313	Nm	(493)	(4,882)	(89.9%)
Profit/(loss) for the period	(1,018)	1,195	Nm	9,989	8,542	16.9%
Attributable to:						
Owners of the Company	(1,291)	532	Nm	7,602	5,940	28.0%
Non-controlling interests	273	663	(58.8%)	2,387	2,602	(8.3%)
	(1,018)	1,195	Nm	9,989	8,542	16.9%

	4th Quarter Ended 31 December			12 months Ended 31 December		
	31.12.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000	+/- %	31.12.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000	+/- %
Profit/(loss) for the period	(1,018)	1,195	Nm	9,989	8,542	16.9%
Other comprehensive income:						
<u>Items that will not be reclassified to profit or loss:</u>						
Equity investments at fair value through other comprehensive income - net change in fair value	593	58	Nm	6,106	(305)	Nm
<u>Items that are or may be reclassified subsequently to profit or loss:</u>						
Debt investments at fair value through other comprehensive income - net change in fair value	621	(1,514)	Nm	2,796	(3,777)	Nm
Effective portion of changes in fair value of cash flow hedges	-	1,536	Nm	498	(498)	Nm
Exchange differences on monetary items forming part of net investments in a foreign operation	(173)	(265)	(34.7%)	(247)	(1,465)	(83.1%)
Foreign currency translation differences relating to foreign operations	(742)	(554)	33.9%	(834)	152	Nm
Share of foreign currency translation differences of equity-accounted investees	(280)	(766)	(63.4%)	(1,331)	(2,453)	(45.7%)
Total comprehensive income for the period	(999)	(310)	Nm	16,977	196	Nm
Attributable to:						
Owners of the Company	(1,114)	(782)	42.5%	14,834	(2,288)	Nm
Non-controlling interests	115	472	(75.6%)	2,143	2,484	(13.7%)
	(999)	(310)	Nm	16,977	196	Nm

Nm - Not meaningful

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		
	31.12.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000	+/- %	31.12.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000	+/- %
Personnel expenses*	7,091	6,546	8.3%	28,216	26,073	8.2%
Non-executive directors' fees	78	88	(11.4%)	436	353	23.5%
Executive directors' remuneration	355	188	88.8%	2,108	1,290	63.4%
Depreciation of property, plant & equipment	3,270	2,638	24.0%	11,712	10,478	11.8%
Foreign exchange (gain)/loss	1,360	(66)	Nm	485	855	(43.3%)
Change in fair value of investment property	185	422	(56.2%)	185	422	(56.2%)
Rental income	(238)	(213)	11.7%	(901)	(541)	66.5%
Write back of allowance for inventory obsolescence	-	(1)	Nm	(2)	(3)	(33.3%)
(Reversal)/Provision of impairment loss on trade receivables	(2)	14	Nm	(11)	14	Nm
Bad debts written off	7	35	(80.0%)	7	35	(80.0%)
Dividend income from investments	(378)	(323)	17.0%	(1,174)	(1,172)	0.2%
Loss on disposal of property, plant and equipment	3	2	50.0%	125	6	Nm
Adjustment for under/(over) provision of tax in respective of prior years	(325)	865	Nm	(694)	(191)	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	
	31.12.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000	31.12.2019 Unaudited S\$'000	31.12.2018 Audited S\$'000
ASSETS				
Property, plant and equipment	410,672	410,011	28,737	29,381
Investment property	4,694	4,952	-	-
Subsidiaries	-	-	291	291
Associate	-	62,901	-	-
Other investments	85,552	75,435	85,552	75,435
Other receivables	1,819	1,846	-	-
Non-current assets	502,737	555,145	114,580	105,107
Development properties	353,792	291,007	-	-
Contract costs	27,827	40,654	-	-
Contract assets	34,176	12,777	-	-
Assets held for sale	53,772	-	-	-
Inventories	9,890	946	-	-
Trade receivables	21,583	3,130	44	17
Other receivables, deposits and prepayments	38,192	5,497	2,085	1,174
Amounts due from subsidiaries (non-trade)	-	-	530,125	430,904
Amounts due from related parties	567	567	-	-
Time deposits	8,264	8,989	-	-
Cash and cash equivalents	113,089	126,676	60,564	83,138
Derivatives financial assets	-	41	-	-
Current assets	661,152	490,284	592,818	515,233
Total assets	1,163,889	1,045,429	707,398	620,340
EQUITY				
Share capital	343,458	343,458	343,458	343,458
Treasury shares	(5,131)	(5,131)	(5,131)	(5,131)
Reserves	(31,549)	(38,781)	4,820	(4,580)
Accumulated profits/ (losses)	84,869	77,267	4,645	(260)
Equity attributable to equity holders of the Company	391,647	376,813	347,792	333,487
Non-controlling interests	87,669	77,927	-	-
Total equity	479,316	454,740	347,792	333,487
LIABILITIES				
Other payables and accruals	373	-	-	-
Contract liabilities	1,183	975	-	-
Loans and borrowings	317,524	306,980	160,956	141,798
Deferred tax liabilities	52,268	58,647	-	-
Non-current liabilities	371,348	366,602	160,956	141,798
Trade payables	18,421	5,278	-	200
Other payables and accruals	52,529	28,898	3,188	2,333
Contract liabilities	6,733	4,881	-	-
Amounts due to subsidiaries (non-trade)	-	-	23,730	14,956
Amounts due to related parties	38,336	38,182	-	-
Derivative financial liabilities	356	-	209	268
Loans and borrowings	196,155	146,386	171,463	127,238
Current tax liabilities	695	462	60	60
Current liabilities	313,225	224,087	198,650	145,055
Total liabilities	684,573	590,689	359,606	286,853
Total equity and liabilities	1,163,889	1,045,429	707,398	620,340

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 2019			As at 31 December 2018		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
86,155	110,000	196,155	66,459	79,927	146,386

Amount repayable after one year

As at 31 December 2019			As at 31 December 2018		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
177,524	140,000	317,524	187,712	119,268	306,980

Total borrowings

As at 31 December 2019			As at 31 December 2018		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
263,679	250,000	513,679	254,171	199,195	453,366
- Attributable to owners of the Company		487,381	- Attributable to owners of the Company		424,754
- Attributable to non-controlling interests		26,298	- Attributable to non-controlling interests		28,612

Less: Cash and cash equivalents and time deposit

As at 31 December 2019			As at 31 December 2018		
S\$'000			S\$'000		
121,353			135,665		
		S\$'000			S\$'000
- Attributable to owners of the Company		115,785	- Attributable to owners of the Company		132,679
- Attributable to non-controlling interests		5,568	- Attributable to non-controlling interests		2,986

Net borrowings

As at 31 December 2019			As at 31 December 2018		
S\$'000			S\$'000		
392,326			317,701		
		S\$'000			S\$'000
- Attributable to owners of the Company		371,596	- Attributable to owners of the Company		292,075
- Attributable to non-controlling interests		20,730	- Attributable to non-controlling interests		25,626

Details of any collateral

As at 31 December 2019, the Group's borrowings were secured by legal charges on the Group's development properties of S\$215.3 million (2018: S\$170.5 million), property, plant and equipment of S\$185.0 million (2018: S\$187.6 million), time deposits of S\$8.3 million (2018: 9.0 million) and cash and cash equivalents of S\$32.5 million (2018: S\$34.6 million).

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	
	2019	2018
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the period	9,989	8,542
Adjustment for:		
Depreciation of property, plant & equipment	11,712	10,478
Interest expense	21,314	19,644
Interest income	(1,689)	(1,757)
Write back of allowance for inventory obsolescence	(2)	(3)
Loss on disposal of property, plant & equipment	125	6
(Reversal)/Provision of impairment loss on trade receivables	(11)	14
Net foreign exchange gain/ (loss) arising from revaluation of fixed deposit pledged	35	(83)
Change in fair value of investment property	185	422
Impairment loss on assets held for sale	13,676	-
Share of profit of equity-accounted investee	(5,878)	(6,714)
Dividend income	(1,174)	(1,172)
Net change in fair value of financial derivatives	895	(1,423)
Tax expense	493	4,882
Operating profit before working capital changes	49,670	32,836
Change in		
Development properties	(65,865)	(7,474)
Contract costs	12,827	(1,632)
Contracts liabilities	(19,339)	(16,216)
Inventories	(8,942)	43
Trade and other receivables	(50,361)	3,002
Trade and other payables	36,449	(263)
Balances with related parties	105	(577)
Cash from operations	(45,456)	9,719
Tax paid, net	(6,511)	(6,248)
Net cash (used in)/ from operating activities	(51,967)	3,471
Cash flows from investing activities		
Acquisition of property, plant and equipment	(9,575)	(14,244)
Acquisition of other investments	(1,097)	(79,517)
Proceeds from disposal of other investments	881	-
Uplift of fixed deposits/ (deposits pledged)	10,994	(4,923)
Uplift of bank deposits/ (placement of bank deposits)	725	(2,524)
Acquisition of non-controlling interest without a change of control	-	(16,001)
Interest received	939	1,886
Acquisition of subsidiary, net of cash acquired	-	(55,521)
Dividend received	1,174	1,172
Proceeds from sale of property, plant and equipment	360	19
Net cash from/ (used in) investing activities	4,401	(169,653)

	GROUP	
	12 Months Ended 31 December	
	2019	2018
	Unaudited	Audited
	S\$'000	S\$'000
Cash flows from financing activities		
Capital contribution by non-controlling interest	7,599	-
Interest paid	(19,698)	(20,230)
Payment of lease liabilities	(914)	(441)
Proceeds from borrowings	327,498	373,176
Repayment of borrowings	(269,436)	(270,330)
Dividends paid	-	(24,487)
Net cash from financing activities	45,049	57,688
Net decrease in cash and cash equivalents	(2,517)	(108,494)
Effect of exchange rate changes on balances held in foreign currencies	(41)	(54)
Cash and cash equivalents at beginning of the period	83,108	191,656
Cash and cash equivalents at end of the period (Note A)	80,550	83,108

	GROUP	
	12 Months Ended 31 December	
	2019	2018
	Unaudited	Audited
	S\$'000	S\$'000
Note A: Cash and cash equivalents comprise:		
Cash and cash equivalents in the statement of financial position	113,089	126,676
Less: fixed deposits and cash balances pledged	(32,539)	(43,568)
Cash and cash equivalents in the statement of cash flows	80,550	83,108
Time deposits	8,264	8,989
Cash and cash equivalents and time deposits	88,814	92,097

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 2019

Group	Attributable to owners of Company							Total	Non-controlling interest	Total Equity		
	Share capital	Treasury Shares	Asset			Accumulated profits	S\$'000				S\$'000	S\$'000
			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			
As at 1 January 2019	343,458	(5,131)	4,132	(38,333)	(498)	(4,082)	77,267	376,813	77,927	454,740		
Total comprehensive income for the year												
Profit for the period	-	-	-	-	-	-	7,602	7,602	2,387	9,989		
Other comprehensive income:												
Foreign currency translation differences relating to foreign operations	-	-	-	(590)	-	-	-	(590)	(244)	(834)		
Exchange differences on monetary items forming part of net investment in a foreign operation	-	-	-	(247)	-	-	-	(247)	-	(247)		
Share of foreign currency translation differences of equity-accounted investees	-	-	-	(1,331)	-	-	-	(1,331)	-	(1,331)		
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	498	-	-	498	-	498		
Net change in fair value:-												
equity investments at fair value through other comprehensive income	-	-	-	-	-	6,106	-	6,106	-	6,106		
debt investments at fair value through other comprehensive income	-	-	-	-	-	2,796	-	2,796	-	2,796		
Total other comprehensive income, net of tax	-	-	-	(2,168)	498	8,902	-	7,232	(244)	6,988		
Total comprehensive income for the year	-	-	-	(2,168)	498	8,902	7,602	14,834	2,143	16,977		
Changes in ownership interests in subsidiaries												
Acquisition of subsidiaries with non-controlling interests	-	-	-	-	-	-	-	-	7,599	7,599		
Total changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	-	7,599	7,599		
As at 31 December 2019	343,458	(5,131)	4,132	(40,501)	-	4,820	84,869	391,647	87,669	479,316		

Statement of Changes in Equity as at 31 December 2018

Group	Attributable to owners of Company							Total	Non-controlling interest	Total Equity			
	Asset						profits				S\$'000	S\$'000	S\$'000
	Share capital	Treasury Shares	revaluation reserves	Translation reserves	Hedging reserves	Fair value reserves							
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000				
As 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			

Statements of Changes in Equity as at 31 December 2019

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 2019	343,458	(5,131)	(498)	(4,082)	(260)	333,487
Total comprehensive income for the year						
Profit for the period	-	-	-	-	4,905	4,905
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	-	-	-	6,106	-	6,106
debt investments at FVOCI	-	-	-	2,796	-	2,796
Total other comprehensive income, net of tax	-	-	498	8,902	-	9,400
Total comprehensive income for the year	-	-	498	8,902	4,905	14,305
As at 31 December 2019	343,458	(5,131)	-	4,820	4,645	347,792

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

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 31.12.2019/ 31.12.2018
Total number of issued shares	1,977,036,050
Total number of treasury shares	(18,102,700)
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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 2018.

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

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use (ROU) asset representing its rights to use the underlying asset and a lease liability representing its obligation to make lease payments. Remaining lease payments under the operating leases will be recognised at their present value discounted using an appropriate discount rate and the nature of expenses will now change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of ROU assets and interest expense on lease liabilities.

As a lessee, the Group had adopted SFRS(I) 16 using the modified retrospective approach. Therefore, the cumulative effect of adoption SFRS(I) 16 will be recognised as an adjustment to the opening balance of accumulative profits at 1 January 2019, with no restatement of comparative information. The Group had applied the practical expedient to grandfather the definition of a lease on transition and the practical expedient to recognise ROU assets equal to its lease liabilities as at 1 January 2019.

The adoption of SFRS(I) 16 resulted in adjustments to the statement of financial position of the Group as at 1 January 2019.

Statement of financial position

	1.1.2019
	S\$'000
Increase in ROU assets	1,296
Increase in lease liabilities	(1,296)
	-

In relation to those leases under SFRS(I) 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During financial year 2019, the Group recognised depreciation charge of S\$564,000 and interest costs of S\$105,000 from these leases.

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		
	31.12.2019	31.12.2018	+/- %	31.12.2019	31.12.2018	+/- %
Earnings per ordinary share of the Group based on net profit/(loss) attributable to shareholders:-						
i) Based on weighted average number of shares (cents)	(0.066)	0.027	Nm	0.388	0.303	28.1%
-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)	(0.066)	0.027	Nm	0.388	0.303	28.1%
-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		
	31.12.2019 (S\$ cents)	31.12.2018 (S\$ cents)	+/- %	31.12.2019 (S\$ cents)	31.12.2018 (S\$ cents)	+/- %
Net asset value per ordinary share	19.99	19.24	3.9%	17.75	17.02	4.3%

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

Group revenue for Q4 2019 rose by 103% to S\$50.4 million, generating an operating profit of S\$17.2 million (Q4 2018: S\$7.1 million), and a net loss after tax of S\$1.0 million (Q4 2018: net profit after tax of S\$1.2 million).

On a segmental basis, the Group's property business registered a 340% increase in revenue to S\$28.7 million, boosted by the progressive sales recognised from the Group's Eaton Residences and Coral Bay projects in Malaysia.

The Group's hospitality business grew by 4%, from S\$18.4 million in Q4 2018 to S\$19.2 million in Q4 2019, due mainly to the increase in room occupancy rates at its two hotels in Sutera Harbour Resort in Kota Kinabalu, Sabah.

On 29 November 2019, the Group entered into a conditional sale and purchase agreement with Henan Xinrun Industrial Co., Ltd, in relation to the sale of 171 million shares in its associate ("Sale Shares") held by the Group ("Proposed Sale"), for an aggregate consideration of RMB 278 million (equivalent to S\$53.8 million) and any interest accrued ("Consideration").

Post-acquisition by the Group of the Sale Shares in March 2017, the Group had commissioned a re-valuation of the Sale Shares in order to ascertain its fair value of the Sale Shares. Arising from the fair valuation exercise, there was a negative goodwill gain of S\$14.3 million recognised in FY2017. As such, the carrying amount of the Sale Shares was higher than the Consideration, which resulted in an accounting book loss of S\$13.7 million, which was reflected as impairment loss on assets held for sale in the income statement.

Consequently, from the above-mentioned Proposed Sale, the Group only consolidated October 2019's profit from its associate. As such, share of profits from an equity-accounted investee (i.e Associate) in Q4 2019 was lower by S\$1.2 million to S\$0.4 million, compared to S\$1.6 million in Q4 2018.

The Group hence recorded a loss after tax of S\$1.0 million in Q4 2019 after the one-off impairment loss on assets held for sale of S\$13.7 million,

Balance Sheet

The increase in other investments, from S\$75.4 million as at 31 December 2018, to S\$85.6 million as at 31 December 2019, was due to upward fair valuations of the Group's treasury investments and various fixed-tenure principal-protected securities.

As the Proposed Sale mentioned above is expected to be completed in FY2020, the Group has reclassified the Associate under non-current assets to assets held for sale under current assets.

The increase in development properties and contract assets, from S\$303.8 million as at 31 December 2018, to S\$388.0 million as at 31 December 2019, was due mainly to capitalization of construction costs incurred for the Group's property development projects.

The decrease in contract costs, from S\$40.7 million as at 31 December 2018, to S\$27.8 million as at 31 December 2019, was due mainly to progressive amortization of capitalized commission, legal and other related costs, to profit or loss, as costs of sales, when the related revenue are recognized in FY2019.

The increase in inventories, from S\$0.9 million as at 31 December 2018, to S\$9.9 million as at 31 December 2019, was mainly due to a balance of inventories of S\$8.9 million arising from the commencement of our frozen foods supply chain trading business in Qingdao, China.

The increase in trade receivables, from S\$3.1 million as at 31 December 2018, to S\$21.6 million as at 31 December 2019, was from the increase in progressive billings to customers for our property development projects.

The increase in other receivables, from S\$5.5 million as at 31 December 2018, to S\$38.2 million as at 31 December 2019, was the result of deposits, amounting to S\$26.9 million, that were paid for a land tender exercise in Chongqing, China.

The increase in other payables and accruals, from S\$28.9 million as at 31 December 2018, to S\$52.9 million as at 31 December 2019, was due mainly to the accrual of construction costs for the Group's property development projects.

The increase in loans and borrowings, from S\$453.4 million as at 31 December 2018, to S\$513.7 million as at 31 December 2019, 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 2019, the operating profit before working capital changes, was S\$49.7 million. However, after adjusting for working capital changes, the Group recorded a net cash outflow from operating activities of S\$52.0 million.

The Group registered a net cash inflow from investing activities of S\$4.4 million, which was due mainly to the increase in uplift of fixed deposit of S\$11.0 million, interest received of S\$0.9 million and dividend received of S\$1.2 million offset by the acquisition of property, plant and equipment of S\$9.6 million.

The Group registered a net cash inflow from financing activities of S\$45.0 million, which was due mainly to the net proceeds from borrowings of S\$58.1 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.**

As a result of the Covid-19 outbreak, the travel restrictions as well as suspension of flights by various countries will impact the hospitality industry in Sabah, including our two hotels in Sutera Harbour Resort. Depending on the duration of this epidemic, there will be consequential impact on the short-term performance of our hospitality business.

The Group is actively monitoring the situation to ensure that its hospitality business in Sabah put in place mitigating measures to manage the situation.

- 11. Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Name of Dividend	Final (Proposed)
Dividend Type	Cash
Dividend Amount Per Share (in SGD cents)	0.25 cents per ordinary share
Tax Rate	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?

No.

(c) Date payable

To be announced later.

(d) Record date

To be announced later.

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

The proposed final dividend as stated in 11(a) is subject to shareholders approval at the forthcoming Annual General Meeting.

- 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 2019				3 Months Ended 31 December 2018			
	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	19,222	28,688	4,005	51,915	18,389	6,513	967	25,869
Elimination of inter-segment revenue	(53)	-	(1,416)	(1,469)	-	-	(967)	(967)
External revenue	19,169	28,688	2,589	50,446	18,389	6,513	-	24,902
Interest income	196	145	82	423	130	141	28	299
Interest expense	(1,731)	(654)	(3,158)	(5,543)	(1,931)	(975)	(2,749)	(5,655)
Depreciation	(2,722)	(405)	(143)	(3,270)	(2,177)	(330)	(131)	(2,638)
Reportable segment profit/(loss) before tax	2,958	(3,648)	(4,555)	(5,245)	3,350	1,133	(3,601)	882
Tax expense	918	3,329	(20)	4,227	(225)	538	-	313
Reportable segment profit/(loss) after tax	3,876	(319)	(4,575)	(1,018)	3,125	1,671	(3,601)	1,195
Share of profit of equity-accounted investee	-	403	-	403	-	1,646	-	1,646
Reportable segment assets	402,711	567,912	193,266	1,163,889	402,656	456,837	185,936	1,045,429
Reportable segment liabilities	(184,994)	(159,752)	(339,827)	(684,573)	(200,375)	(118,687)	(271,627)	(590,689)

* Including general corporate activities

Geographical Information

	Revenue		Non-current assets	
	3 months ended 31 Dec		3 months ended 31 Dec	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Malaysia	47,857	24,902	384,368	383,222
China	2,589	-	121	62,901
Singapore	-	-	26,183	26,789
Middle East	-	-	4,694	4,952
Total	50,446	24,902	415,366	477,864

*Non-current assets relate to the carrying amounts of investment properties, property, plant and equipment and associate.

Segment Analysis

	12 Months Ended 31 December 2019				12 Months Ended 31 December 2018			
	Hospitality	Property	Others*	Total	Hospitality	Property	Others*	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Segment revenue	77,444	72,205	8,849	158,498	78,952	21,342	4,062	104,356
Elimination of inter-segment revenue	(57)	-	(4,732)	(4,789)	-	-	(4,062)	(4,062)
External revenue	77,387	72,205	4,117	153,709	78,952	21,342	-	100,294
Interest income	516	541	632	1,689	473	525	759	1,757
Interest expense	(7,137)	(2,139)	(12,038)	(21,314)	(8,076)	(1,746)	(9,822)	(19,644)
Depreciation	(9,720)	(1,339)	(653)	(11,712)	(8,585)	(1,261)	(632)	(10,478)
Reportable segment profit/(loss) before tax	16,198	12,745	(18,461)	10,482	19,213	8,817	(14,606)	13,424
Tax expense	(1,445)	972	(20)	(493)	(4,574)	(308)	-	(4,882)
Reportable segment profit/(loss) after tax	14,753	13,717	(18,481)	9,989	14,639	8,509	(14,606)	8,542
Share of profit of equity-accounted investee	-	5,878	-	5,878	-	6,714	-	6,714
Reportable segment assets	402,711	567,912	193,266	1,163,889	402,656	456,837	185,936	1,045,429
Reportable segment liabilities	(184,994)	(159,752)	(339,827)	(684,573)	(200,375)	(118,687)	(271,627)	(590,689)

* Including general corporate activities

Geographical Information

	Revenue		Non-current assets	
	12 months ended 31 Dec		12 months ended 31 Dec	
	2019	2018	2019	2018
	S\$'000	S\$'000	S\$'000	S\$'000
Malaysia	149,592	100,294	384,368	383,222
China	4,117	-	121	62,901
Singapore	-	-	26,183	26,789
Middle East	-	-	4,694	4,952
Total	153,709	100,294	415,366	477,864

*Non-current assets relate to the carrying amounts of investment properties, property, plant and equipment and associate.

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.

Property Business Segment

With the progressive sales recognition from the Group's property development projects in Eaton Residences and Coral Bay, the property business segment contributed 47% to the Group's revenue in FY2019 (FY2018: 21%).

Excluding the impairment loss on reclassification to assets held for sale of S\$13.7 million, the property business segment registered a profit after tax of S\$27.4 million in FY2019 (FY2018: S\$8.5 million).

Hospitality Business Segment

The Group's hospitality business registered a slight decrease in revenue from S\$79.0 million in FY2018 to S\$77.4 million in FY2018, which has contributed to 50% to the Group's revenue in FY2019 (FY2018: 79%).

Our hospitality business maintained its profit after tax at S\$14.8 million in FY2019, compared to S\$14.6 million in FY2018.

16. A breakdown of sales.

Breakdown for revenue

	Group		Increase/ (Decrease) %
	Full Year Ended 31 December		
	2019 Unaudited S\$'000	2018 Audited S\$'000	
<u>First Half</u>			
Revenue reported for the first half year	57,346	47,347	21.1%
Profit after tax reported for the first half year	2,803	4,101	(31.7%)
<u>Second Half</u>			
Revenue reported for the second half year	96,363	52,947	82.0%
Profit after tax reported for the second half year	7,186	4,441	61.8%

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	
	2019 Unaudited S\$'000	2018 Audited S\$'000
Ordinary	-	24,487

- 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
26 February 2020**