



TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited Fourth Quarter and Full Year Financial Statements and Dividend Announcement for the Year Ended 31.12.2015

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) A Statement of Comprehensive Income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Notes | Group | | | | | |
|---|-------|-----------------------|-----------------------|-------------|-----------------------|-----------------------|-------------|
| | | 3 months ended | | | 12 months ended | | |
| | | 31.12.2015 S\$'000 | 31.12.2014 S\$'000 | Change % | 31.12.2015 S\$'000 | 31.12.2014 S\$'000 | Change % |
| Revenue | | 60,379 | 88,151 | (31.5) | 275,203 | 302,942 | (9.2) |
| Cost of sales | | (50,870) | (71,523) | (28.9) | (235,707) | (250,604) | (5.9) |
| Gross profit | | 9,509 | 16,628 | (42.8) | 39,496 | 52,338 | (24.5) |
| Other income | 1 | 21,977 | 3,407 | 545.1 | 26,524 | 9,203 | 188.2 |
| Selling and distribution costs | | (311) | (142) | 119.0 | (849) | (1,741) | (51.2) |
| General and administrative expenses | | (4,347) | (4,382) | (0.8) | (16,271) | (16,523) | (1.5) |
| Other operating expenses | 2 | (19,892) | (6,534) | 204.4 | (60,688) | (10,270) | 490.9 |
| Share of losses, net of tax of associates and joint ventures | 3 | (330) | (906) | (63.6) | (417) | (1,128) | (63.0) |
| Finance costs | | 616 | (1,456) | NM | (3,796) | (4,279) | (11.3) |
| Profit (Loss) before income tax | 4 | 7,222 | 6,615 | 9.2 | (16,001) | 27,600 | NM |
| Income tax expense | | (4,768) | (2,502) | 90.6 | (7,964) | (5,857) | 36.0 |
| Profit (Loss) after income tax | | 2,454 | 4,113 | (40.3) | (23,965) | 21,743 | NM |
| Other comprehensive income (loss): | | | | | | | |
| Exchange differences on translation of foreign operations | | 190 | 1,199 | (84.2) | 677 | 1,311 | (48.4) |
| Reversal (Loss) in fair value on available-for-sale investments | | 55 | (16) | NM | 41 | (41) | NM |
| Total comprehensive (loss) income for the year | | 2,699 | 5,296 | (49.0) | (23,247) | 23,013 | NM |
| (Loss) Profit attributable to: | | | | | | | |
| Owners of the Company | | (4,738) | 3,877 | NM | (31,221) | 20,331 | NM |
| Non-controlling interests | | 7,192 | 236 | 2,947.5 | 7,256 | 1,412 | 413.9 |
| | | 2,454 | 4,113 | (40.3) | (23,965) | 21,743 | NM |
| Total comprehensive (loss) income attributable to: | | | | | | | |
| Owners of the Company | | (4,446) | 4,919 | NM | (30,787) | 21,452 | NM |
| Non-controlling interests | | 7,145 | 377 | 1,795.2 | 7,540 | 1,561 | 383.0 |
| | | 2,699 | 5,296 | (49.0) | (23,247) | 23,013 | NM |
| NM = Not meaningful | | | | | | | |

1(a)(ii) Notes to Statement of Comprehensive Income

1. Other income

| | Group | |
|---|------------------------|-------------------|
| | 12 months ended | |
| | 31.12.2015 | 31.12.2014 |
| | S\$'000 | S\$'000 |
| Property rental income | 2,467 | 2,260 |
| Interest income | 1,613 | 2,197 |
| Deemed interest income on retention amounts | 902 | 880 |
| Service fees income | 750 | 933 |
| Gain on disposal of property, plant and equipment | 265 | 86 |
| Gain in fair value of investment properties | 19,189 | 1,440 |
| Others | 1,338 | 1,407 |
| | 26,524 | 9,203 |

2. Other operating expenses

Other operating expenses increased by S\$50.4 million to S\$60.7 million for twelve months ended 31 December 2015 ("FY2015") compared to the same corresponding period ("FY2014"). Main reasons for the increase were impairments made in connection with the Group's real estate development business in Dalian, China and in Singapore.

In view of the continuing depressed real estate market in Dalian, China, the Group made provision for doubtful receivables due from its associate, Dalian Shicheng Property Development (S) Pte Ltd ("DLSC") amounting to an aggregate of S\$19.3 million for FY2015. Full impairment of the remaining carrying amount of investment in DLSC by S\$4.8 million was made in first quarter 2015. Further, the Singapore property market continues to be weak and in light of this condition and ABSD payable, management has provided impairment loss on two Singapore development properties amounting to an aggregate of S\$24.7 million for FY2015. A provision for doubtful receivables of S\$2.9 million was also provided on receivables due from one of the Group's associates engaged in private residential property development in Singapore.

3. Share of losses, net of tax of associates and joint ventures

The share of losses, net of tax of associates and joint ventures for FY2015 comprises mainly the share of losses from joint ventures which are partially off-set by share of profit from Meadows Bright Development Pte Ltd and its subsidiaries.

4. Profit (Loss) before income tax

| | Group | |
|--|------------------------|-------------------|
| | 12 months ended | |
| | 31.12.2015 | 31.12.2014 |
| | S\$'000 | S\$'000 |
| Profit (Loss) before income tax for the year is stated after charging/ (crediting) the following: | | |
| Allowance for doubtful receivables, net | 22,424 | 19 |
| Depreciation expense | 4,903 | 4,793 |
| Property, plant and equipment written off | 297 | - |
| Gain on disposal of property, plant and equipment, net | (265) | (86) |
| Gain in fair value of investment properties | (19,189) | (1,440) |
| Loss on sale of available-for-sale investments | 152 | - |
| Interest income | (1,613) | (2,197) |
| Impairment loss on development properties | 24,691 | 5,001 |
| Impairment loss on investment in an associate | 4,811 | - |
| Deemed interest income on retention amounts | (902) | (880) |
| Deemed interest expense on retention amounts | 121 | 46 |
| Under provision of income tax in prior years | 882 | 52 |

1(b)(i) A Statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

| | Group | | Company | |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | 31.12.2015 S\$'000 | 31.12.2014 S\$'000 | 31.12.2015 S\$'000 | 31.12.2014 S\$'000 |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and bank balances | 78,886 | 116,803 | 666 | 32,596 |
| Trade and other receivables [Note 1(b)(iii)] | 137,012 | 106,626 | 9,732 | 6,125 |
| Deposits and prepayments | 4,059 | 3,257 | 20 | 25 |
| Available-for-sale investments | - | 9,437 | - | - |
| Inventories | 5,763 | 4,871 | - | - |
| Development properties | 165,034 | 235,456 | - | - |
| Total current assets | 390,754 | 476,450 | 10,418 | 38,746 |
| Non-current assets | | | | |
| Property, plant and equipment | 40,185 | 35,656 | - | - |
| Investment properties | 269,275 | 192,669 | - | - |
| Subsidiaries | - | - | 116,965 | 116,965 |
| Goodwill | 2,595 | 2,595 | - | - |
| Associates and joint ventures | 9,719 | 6,530 | - | - |
| Other receivables [Note 1(b)(iii)] | 67,261 | 66,791 | 95,903 | 68,360 |
| Other non-current assets | 318 | 400 | - | - |
| Derivative financial instrument | 783 | - | - | - |
| Deferred tax assets | - | 269 | - | - |
| Total non-current assets | 390,136 | 304,910 | 212,868 | 185,325 |
| Total assets | 780,890 | 781,360 | 223,286 | 224,071 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Borrowings | 82,014 | 91,291 | - | - |
| Term notes | 74,588 | - | 74,588 | - |
| Trade and other payables [Note 1(b)(iii)] | 128,617 | 146,479 | 973 | 2,343 |
| Current portion of finance leases | 295 | 388 | - | - |
| Income tax payable | 8,523 | 4,710 | - | - |
| Total current liabilities | 294,037 | 242,868 | 75,561 | 2,343 |
| Non-current liabilities | | | | |
| Borrowings | 229,230 | 191,110 | - | - |
| Finance leases | 431 | 725 | - | - |
| Term notes | - | 74,082 | - | 74,082 |
| Other payables [Note 1(b)(iii)] | 32,035 | 16,678 | - | - |
| Deferred tax liabilities | 300 | 1,952 | - | - |
| Total non-current liabilities | 261,996 | 284,547 | - | 74,082 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 142,185 | 142,185 | 142,185 | 142,185 |
| Capital reserve | 644 | 644 | - | - |
| Translation and other reserves | 1,195 | 761 | - | - |
| Retained earnings | 64,927 | 100,798 | 5,540 | 5,461 |
| Equity attributable to owners of the Company | 208,951 | 244,388 | 147,725 | 147,646 |
| Non-controlling interests | 15,906 | 9,557 | - | - |
| Total equity | 224,857 | 253,945 | 147,725 | 147,646 |
| Total liabilities and equity | 780,890 | 781,360 | 223,286 | 224,071 |

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

| | As at 31.12.2015 | | As at 31.12.2014 | |
|---------------------------------|--------------------|----------------------|--------------------|----------------------|
| | Secured S\$'000 | Unsecured S\$'000 | Secured S\$'000 | Unsecured S\$'000 |
| Amount repayable in one year | 68,490 | 88,407 | 87,058 | 4,621 |
| Amount repayable after one year | 229,661 | - | 191,284 | 74,633 |
| Total | 298,151 | 88,407 | 278,342 | 79,254 |

Details of any collateral

Collateral for the above secured borrowings include mortgages over the Group's investment properties, development properties, leasehold properties, certain property, plant and equipment and fixed deposits. The bank facilities are also secured by corporate guarantees from the Company and certain of these facilities are also secured by guaranteed from certain minority shareholders of partially-owned subsidiaries.

1(b)(iii) The comparative numbers for 31.12.2014 have been reclassified as follows:

| | As previously classified S\$'000 | Reclassification S\$'000 | As reclassified S\$'000 |
|--|--|-----------------------------|----------------------------|
| Group | | | |
| Current trade and other receivables (Note 1) | 173,417 | (66,791) | 106,626 |
| Non-current other receivables | - | 66,791 | 66,791 |
| | 173,417 | - | 173,417 |

| | | | |
|---|---------|----------|---------|
| Current trade and other payables (Note 2) | 163,157 | (16,678) | 146,479 |
| Non-current other payables | - | 16,678 | 16,678 |
| | 163,157 | - | 163,157 |

| | | | |
|--|--------|----------|--------|
| Company | | | |
| Current trade and other receivables (Note 3) | 74,485 | (68,360) | 6,125 |
| Non-current other receivables | - | 68,360 | 68,360 |
| | 74,485 | - | 74,485 |

Note

- 1) S\$66,791,000 receivables are from associates involved in property development in Singapore and China where the property markets continue to be depressed and the timing of making sales and collecting cash would be delayed. These receivables are therefore not expected to be fully repaid within the next 12 months and are reclassified as non-current receivables.
- 2) S\$16,678,000 payables are loans from non-controlling shareholders in one of the Group's subsidiaries where under the terms of its bank loan, the repayment of loan to shareholders is subordinated to repayment of the bank loan. The bank loan is not expected to be fully repaid within the next 12 months therefore loans from non-controlling shareholders are reclassified as non-current payables.
- 3) S\$68,360,000 receivables are from subsidiaries involved in property development in Singapore and China where the property markets continue to be depressed and the timing of making sales and collecting cash would be delayed. These receivables are therefore not expected to be fully repaid within the next 12 months and are reclassified as non-current receivables.

1(c) A Consolidated Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Group | |
|---|------------------------|-------------------|
| | 12 months ended | |
| | 31.12.2015 | 31.12.2014 |
| | S\$'000 | S\$'000 |
| Operating activities | | |
| (Loss) Profit before income tax | (16,001) | 27,600 |
| Adjustments for : | | |
| Depreciation expense | 4,903 | 4,793 |
| Interest income | (1,613) | (2,197) |
| Deemed interest income on retention amounts | (902) | (880) |
| Interest expense | 3,796 | 4,233 |
| Deemed interest expense on retention amounts | 121 | 46 |
| Share of losses, net of tax of associates and joint ventures | 417 | 1,128 |
| Fair value change in derivative financial instrument | 147 | - |
| Gain on disposals of property, plant and equipment | (265) | (86) |
| Loss on sale of available-for-sale investments | 152 | - |
| Gain in fair value of investment properties | (19,189) | (1,440) |
| Impairment of other non-current assets | 82 | 16 |
| Impairment loss on investment in an associate | 4,811 | - |
| Impairment loss on development properties | 24,691 | 5,001 |
| Property, plant and equipment written off | 297 | - |
| Provision for liquidated damages | - | 428 |
| Allowance for doubtful receivables, net | 22,424 | 19 |
| Bad debts written off | - | 1 |
| Operating cash flows before movements in working capital | 23,871 | 38,662 |
| Trade and other receivables | (32,216) | 23,617 |
| Deposits and prepayments | (802) | 3,285 |
| Inventories | (712) | (1,970) |
| Development properties | 49,258 | (41,533) |
| Trade and other payables | (1,783) | 31,654 |
| Cash generated from operations | 37,616 | 53,715 |
| Income tax paid | (5,535) | (12,385) |
| Interest paid | (13,222) | (9,540) |
| Net cash from operating activities | 18,859 | 31,790 |
| Investing activities | | |
| Acquisition of subsidiary | - | (1) |
| Advances to associates and joint ventures | (20,580) | (4,911) |
| Derivative financial instrument | (310) | - |
| Interest received | 1,613 | 2,197 |
| Investment in associates and joint ventures | (8,824) | (1) |
| Investment properties | (51,397) | (130,553) |
| Investment in available-for-sale investments | - | (9,437) |
| Purchase of property, plant and equipment | (10,332) | (17,717) |
| Proceeds from issue of shares in subsidiaries to non-controlling shareholders | 455 | 871 |
| Proceeds from disposal of property, plant and equipment | 289 | 143 |
| Proceeds from sale of available-for-sale investments | 9,325 | - |
| Net cash used in investing activities | (79,761) | (159,409) |

Financing activities

| | | |
|---|---------------|----------------|
| Proceeds from borrowings | 84,374 | 106,633 |
| Proceeds from term notes | - | 74,082 |
| Repayment of borrowings | (55,025) | (19,496) |
| Repayment of obligations under finance leases | (387) | (481) |
| Increase in pledged fixed deposits | (1,998) | (579) |
| Dividends paid to non-controlling shareholders | (1,714) | (9,077) |
| Dividends paid | (4,650) | (4,650) |
| Net cash from financing activities | 20,600 | 146,432 |
| (Decrease)/ Increase in cash and cash equivalents | (40,302) | 18,813 |
| Cash and cash equivalents at beginning of the year | 115,711 | 95,788 |
| Effect of exchange rate changes | 387 | 1,110 |
| Cash and cash equivalents at end of the year | 75,796 | 115,711 |

Cash and cash equivalents at end of the year comprise the following:

| | | |
|--|---------------|----------------|
| Cash and bank balances | 58,516 | 80,036 |
| Fixed deposits | 20,370 | 36,767 |
| | <u>78,886</u> | <u>116,803</u> |
| Less: pledged fixed deposits | (3,090) | (1,092) |
| Cash and cash equivalents at end of the year | <u>75,796</u> | <u>115,711</u> |

1(d)(i) A Statement of Changes in Equity (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.

| <u>Group (S\$'000)</u> | <u>Share capital</u> | <u>Capital reserve</u> | <u>Translation and other reserves</u> | <u>Retained earnings</u> | <u>Equity attributable to owners of the Company</u> | <u>Non-controlling interests</u> | <u>Total Equity</u> |
|--|-----------------------------|-------------------------------|--|---------------------------------|--|---|----------------------------|
| Balance at January 1, 2014 | 142,185 | 644 | (360) | 85,117 | 227,586 | 13,189 | 240,775 |
| Total comprehensive income for the year | - | - | 1,121 | 20,331 | 21,452 | 1,561 | 23,013 |
| Proceed from issue of shares in subsidiaries to non-controlling shareholders | - | - | - | - | - | 871 | 871 |
| Dividends | - | - | - | (4,650) | (4,650) | - | (4,650) |
| Dividends to non-controlling shareholders | - | - | - | - | - | (6,064) | (6,064) |
| Balance at December 31, 2014 | 142,185 | 644 | 761 | 100,798 | 244,388 | 9,557 | 253,945 |
| Total comprehensive (loss) income for the year | - | - | 434 | (31,221) | (30,787) | 7,540 | (23,247) |
| Proceed from issue of shares in subsidiaries to non-controlling shareholders | - | - | - | - | - | 455 | 455 |
| Effect of acquiring non-controlling interest in a subsidiary | - | - | - | - | - | 4 | 4 |
| Dividends | - | - | - | (4,650) | (4,650) | - | (4,650) |
| Dividends to non-controlling shareholders | - | - | - | - | - | (1,650) | (1,650) |
| Balance at December 31, 2015 | 142,185 | 644 | 1,195 | 64,927 | 208,951 | 15,906 | 224,347 |

| <u>Company (S\$'000)</u> | <u>Share capital</u> | <u>Retained earnings</u> | <u>Total equity</u> |
|---|-----------------------------|---------------------------------|----------------------------|
| Balance at January 1, 2014 | 142,185 | 11,352 | 153,537 |
| Total comprehensive loss for the year | - | (1,241) | (1,241) |
| Dividends | - | (4,650) | (4,650) |
| Balance at December 31, 2014 | 142,185 | 5,461 | 147,646 |
| Total comprehensive income for the year | - | 4,729 | 4,729 |
| Dividends | - | (4,650) | (4,650) |
| Balance at December 31, 2015 | 142,185 | 5,540 | 147,725 |

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since 31 December 2014, there has been no change to the total number of issued shares of the Company.

As at the end of 31 December 2015, the Company does not have any outstanding convertibles or treasury shares (31 December 2014: Nil).

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

The total number of shares at 31 December 2015 was 465,000,000 (31 December 2014: 465,000,000). The Company has no treasury shares.

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.

Not applicable.

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

The figures have not been audited nor 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.

As disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 December 2014.

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 effects of, the change.

The Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no effect on the amounts reported for the current period or prior years.

6 (Loss) 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.

| | Group | |
|---|------------------------|-------------------|
| | 12 months ended | |
| | 31.12.2015 | 31.12.2014 |
| (i) (Loss) Earnings per share based on weighted average number of shares (in cents) | (6.7) | 4.4 |
| (ii) (Loss) Earnings per share based on a fully diluted basis (in cents) | (6.7) | 4.4 |
| Weighted average number of ordinary shares (in millions) | 465.0 | 465.0 |

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares for the respective years.

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

| | Group | | Company | |
|--|------------|------------|------------|------------|
| | 31.12.2015 | 31.12.2014 | 31.12.2015 | 31.12.2014 |
| Net asset value per ordinary share issued (in cents) | 44.9 | 52.6 | 31.8 | 31.8 |
| Total number of issued shares at end of the financial year (in millions) | 465.0 | 465.0 | 465.0 | 465.0 |

There were no treasury shares at the end of the respective financial years.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss 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 Group performance

For the full year ended 31 December 2015, the Group recorded revenue of S\$275.2 million, a decrease of S\$27.7 million or 9.2% compared to S\$302.9 million in 2014. The decrease was due mainly to lower revenue for the construction and real estate development segments partially offset by higher revenue for the distribution segment.

Construction segment contributed S\$183.1 million to Group's revenue, a decrease of S\$29.3 million compared to S\$212.4 million in 2014. While higher revenue was recognised from progressive construction work completed for Highline Residences, The Skywoods and Marine Blue, lower revenue was recognised from progressive construction work completed for Riversails, The Sorrento, Nouvel 18 and Foresque Residences.

Real estate development segment contributed S\$74.6 million to the Group's revenue, a decrease of S\$0.6 million compared to S\$75.2 million. While Gambir Ridge and Ascent @ 456 recorded higher revenue in 2015 compared to 2014, there was lower revenue contribution from The Cristallo which achieved TOP in February 2015. Our mixed development projects in Thailand contributed revenue of S\$10.1 million in 2015 upon the completion of the development and progressive handover of sold units to buyers.

Distribution of lubricants and tyres business contributed S\$17.5 million to the Group's revenue, an increase of S\$2.2 million compared to S\$15.3 million in 2014. The increase was mainly due to higher contribution from our distribution business in Myanmar.

Gross profit decreased by 24.5% to S\$39.5 million for current year compared to S\$52.3 million in previous year as a results of lower gross profit margins.

Other income increased by S\$17.3 million to S\$26.5 million for FY2015 compared to S\$9.2 million for FY2014. The increase was mainly due to the gain in fair value on investment properties partially offset by decrease in interest income.

Selling and distribution costs decreased by S\$0.9 million to S\$0.8 million in FY2015 compared to S\$1.7 million in FY2014 due mainly to the absence of show-flat cost in current year.

Other operating expenses increased by S\$50.4 million to S\$60.7 million for FY2015 compared to the same corresponding period. Main reasons for the increase were impairments made in connection with the Group's real estate development business in Dalian, China and in Singapore. In view of the continuing depressed real estate market in Dalian, China, the Group made provision for doubtful receivables due from its associate, Dalian Shicheng Property Development (S) Pte Ltd ("DLSC") amounting to an aggregate of S\$19.3 million for FY2015. Full impairment of the remaining carrying amount of investment in DLSC by S\$4.8 million was made in first quarter 2015. Further, the Singapore property market continues to be weak and in light of this condition and ABSD payable, management has provided impairment loss on two Singapore development properties amounting to an aggregate of S\$24.7 million for FY2015. A provision for doubtful

receivables of S\$2.9 million was also provided on receivables due from one of the Group's associates engaged in private residential property development in Singapore.

The Group recorded loss before tax of S\$16.0 million in FY2015 compared to profit before tax of S\$27.6 million in FY2014. Income tax expense is higher than the statutory tax rate as the impairment of S\$22.2 million on the receivables from associates, provision for impairment of development properties of S\$24.7 million, impairment of S\$4.8 million on the remaining carrying amount of investment in DLSC and gain in fair value of investment properties of S\$19.1 million are not tax deductible.

The Group's loss after income tax was S\$24.0 million for FY2015 compared to profit after income tax of S\$21.7 million for FY2014.

Review of working capital, assets and liabilities

The movement in assets and liabilities are as follows:

- i) increase in trade and other receivables by S\$30.9 million was mainly due to higher trade receivables from our real estate development, The Cristallo and Gambir Ridge which both achieved TOP in February and December 2015 respectively, additional advances provided to associates and joint ventures for their working capital and partially offset by impairment of receivables from DLSC of S\$22.2 million and lower amount due from customers of construction business at year end.
- ii) increase in deposits and prepayments by S\$0.8 million was mainly due to increase in deposits placed with third parties and show-flat cost incurred for project yet to be launched.
- iii) increase in inventories by S\$0.9 million was mainly due to increase in products range and higher inventory held for trading purpose.
- iv) decrease in available-for-sale investments by S\$9.4 million was due to sale of quoted loan securities.
- v) decrease in development properties by S\$70.4 million was mainly due to the removal of cost of projects completed in FY2015 and partially offset by development costs incurred for projects yet to be launched and new acquisition of land banks by our subsidiaries in Thailand for mixed development projects in shophouses, townhouse, detached and semi-detached houses and impairment loss of S\$24.7 million.
- vi) increase in investment properties by S\$76.6 million was mainly due to costs incurred on construction of the Tuas South dormitory and gain in fair value of investment properties of \$19.1 million. The Group has obtained first phase TOP by 18 December 2015 on its commercial and administration blocks and three dormitory blocks while the remaining two dormitory blocks are scheduled to be completed by early 2016.
- vii) increase in associates and joint ventures by S\$3.2 million was mainly due to investment in three joint ventures, namely, Synergy Performance Oil Pte Ltd which distributes lubricants and related products in the region, Synergy Truck Pte Ltd which distributes trucks and buses in Myanmar and Eternal Synergy Pte Ltd which distributes lubricants and related products in Myanmar. These increases are partially offset by impairment loss of \$4.8 million on the remaining carrying amount of investment in the associate, DLSC and current year share of losses from associates and joint ventures.
- viii) increase in derivative instrument by S\$0.8 million as the Group entered into SGD interest rate cap to manage its exposure to interest rate movements on its bank borrowings by swapping a portion of its borrowings from floating rates to fixed rates.

Cash and cash equivalents decreased by S\$40.3 million in FY2015 mainly from the following items: cash flow from operating activities was S\$18.9 million deriving from profit made for current period and collection of progress billings on properties sold. S\$79.8 million was spent on investing activities mainly on the construction cost of the Tuas South dormitory project, investment in three joint ventures and advance to associates and joint ventures. S\$20.6 million of net cash inflows from financing activities resulted mainly from S\$29.3 million excess of new loans relative to loans repaid, and dividends paid to shareholders and non-controlling shareholders amounting to S\$4.7 million and S\$1.7 million respectively.

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

The company has not made any forecast or prospect statement for the year ended 31 December 2015 previously.

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.

URA's 4th Quarter 2015 real estate statistics released on 22 January 2016 reported that prices of private residential properties decreased by 0.5% in 4th Quarter 2015, compared to the 1.3% decline in the previous quarter. For 2015, prices of private residential properties fell by 3.7%, compared with the 4.0% decline in 2014. Developers sold 1,603 private residential units in 4th Quarter 2015, compared to the 2,410 units sold in 3rd Quarter 2015. For 2015, developers sold 7,440 units, compared with 7,316 units sold in 2014.

The Group expects the challenging outlook for the Singapore private residential property market to persist.

The Group targets to launch its mixed-use multi-storey development project sited in Phnom Penh, Cambodia within 1st Quarter 2016.

According to the Building and Construction Authority news release on 15 January 2016, private residential construction demand is anticipated to moderate to between S\$8.5 billion and S\$12.5 billion, compared to S\$13.2 billion in 2015, as developers may continue to adopt a cautious approach amid a slowdown in private home sales and global economic uncertainties.

The construction sector for private residential construction continues to be challenging. However, the Group remains confident of its construction segment's performance underpinned by our order book of S\$278 million as at 31 December 2015, to be delivered progressively over the next three years as well as continued efforts to increase productivity and manage costs.

11 Dividend

(a) Current Financial Period Reported On

- (i) Any dividend declared for the current financial period reported on? No.
- (ii) Any dividend recommended for the current financial period reported on? Yes.

The directors recommend a first and final dividend for the year ended 31 December 2015 as stated below:

| | |
|--------------------------------------|---------------------|
| Name of dividend | First & Final |
| Dividend Type | Cash/ Scrip |
| Dividend Amount per Share (in cents) | 1.0 cent per 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? Yes.

| | |
|--------------------------------------|---------------------|
| Name of dividend | First & Final |
| Dividend Type | Cash |
| Dividend Amount per Share (in cents) | 1.0 cent per share |
| Tax Rate | One-tier tax exempt |

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

13 If the group has obtained 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 Group has not obtained a general mandate for interested person transactions. During the year, the following interested person transactions were entered into by the Group:

| Name of Interested person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920) | | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000) | |
|--------------------------------|--|----------------------------------|---|----------------------------------|
| | 3 months ended 31 December 2015 | 12 months ended 31 December 2015 | 3 months ended 31 December 2015 | 12 months ended 31 December 2015 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Liong Kiam Teck (Note 1) | 629 | 2,820 | N.A. | N.A. |
| Prestige Resources Pte Ltd | 92 | 299 | N.A. | N.A. |
| Tac Alliance Pte. Ltd. | 65 | 194 | N.A. | N.A. |
| Edgewell Investments Pte. Ltd. | 62 | 203 | N.A. | N.A. |

Note 1:

On 22 January 2014, a subsidiary entered into a cost-plus contract with Mr Liong Kiam Teck, the Executive Chairman of the Company, for the erection of three 3-storey strata bungalows. Under the contract, estimated cost of S\$4 million plus a 5% mark up on cost incurred shall be billed progressively according to work done. For the year ended 31 December 2015, billing of S\$2,820,098 was rendered. As at 31 December 2015, cumulative billing of S\$3,968,053 has been rendered based on certified work done. The project achieved TOP in the 4th quarter 2015 and final billing is expected by 1st quarter 2016.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual

We confirm that the Company has procured the undertakings from all its directors and the executive officer based on the latest revised format set out in Appendix 7.7.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half 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 the immediately preceding year.**

The Group's segment information is as follows:

| | Construction | Real Estate Development and Investment | Distribution | Others | Elimination | Total |
|---|---------------------|---|---------------------|----------------|--------------------|-----------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 2015 | | | | | | |
| REVENUE | | | | | | |
| External revenue | 183,127 | 74,564 | 17,511 | - | | 275,203 |
| Inter-segment revenue | 97,405 | 186 | 10,757 | - | (108,348) | - |
| | <u>280,532</u> | <u>74,750</u> | <u>28,268</u> | <u>-</u> | <u>(108,348)</u> | <u>275,203</u> |
| RESULT | | | | | | |
| Segment result | 8,841 | (21,694) | (273) | (692) | - | (13,818) |
| Interest income | 173 | 1,400 | 2 | 38 | - | 1,613 |
| Interest expense | (203) | (1,396) | (55) | (2,142) | - | (3,796) |
| Profit/ (Loss) before income | 8,811 | (21,690) | (326) | (2,796) | - | (16,001) |
| Income tax expense | (6,225) | (1,693) | (46) | - | - | (7,964) |
| Profit/ (Loss) for the year | <u>2,586</u> | <u>(23,383)</u> | <u>(372)</u> | <u>(2,796)</u> | <u>-</u> | <u>(23,965)</u> |
| STATEMENT OF FINANCIAL POSITION | | | | | | |
| Segment assets | 271,806 | 763,722 | 23,632 | 223,286 | (501,874) | 780,572 |
| Unallocated corporate assets | 318 | - | - | - | - | 318 |
| Total assets | <u>272,124</u> | <u>763,722</u> | <u>23,632</u> | <u>223,286</u> | <u>(501,874)</u> | <u>780,890</u> |
| Segment liabilities | 153,795 | 663,917 | 16,546 | 75,561 | (353,786) | 556,033 |
| Total liabilities | <u>153,795</u> | <u>663,917</u> | <u>16,546</u> | <u>75,561</u> | <u>(353,786)</u> | <u>556,033</u> |
| OTHER INFORMATION | | | | | | |
| Addition to non-current assets | 8,938 | 58,524 | 288 | - | - | 67,750 |
| Depreciation expense | 4,067 | 488 | 348 | - | - | 4,903 |
| Provision for impairment loss on development properties | - | 24,691 | - | - | - | 24,691 |
| Allowance for impairment on other non-current assets | 82 | - | - | - | - | 82 |

| | Construction S\$'000 | Real Estate Development and Investment S\$'000 | Distribution S\$'000 | Others S\$'000 | Elimination S\$'000 | Total S\$'000 |
|--|--------------------------------|--|--------------------------------|--------------------------|-------------------------------|-------------------------|
| 2014 | | | | | | |
| REVENUE | | | | | | |
| External revenue | 212,485 | 75,165 | 15,292 | - | - | 302,942 |
| Inter-segment revenue | 44,689 | 93 | 7,029 | - | (51,811) | - |
| | <u>257,174</u> | <u>75,258</u> | <u>22,321</u> | <u>-</u> | <u>(51,811)</u> | <u>302,942</u> |
| RESULT | | | | | | |
| Segment result | 24,169 | 5,616 | 428 | (531) | - | 29,682 |
| Interest income | 313 | 1,804 | - | 80 | - | 2,197 |
| Interest expense | (104) | (1,081) | (28) | (3,066) | - | (4,279) |
| Profit/ (Loss) before income | <u>24,378</u> | <u>6,339</u> | <u>400</u> | <u>(3,517)</u> | <u>-</u> | <u>27,600</u> |
| Income tax expense | (4,393) | (1,428) | - | (36) | - | (5,857) |
| Profit/ (Loss) for the year | <u>19,985</u> | <u>4,911</u> | <u>400</u> | <u>(3,553)</u> | <u>-</u> | <u>21,743</u> |
| STATEMENT OF FINANCIAL POSITION | | | | | | |
| Segment assets | 254,656 | 688,838 | 17,764 | 224,071 | (403,750) | 781,579 |
| Unallocated corporate assets | 400 | - | - | - | - | 400 |
| Total assets | <u>255,056</u> | <u>688,838</u> | <u>17,764</u> | <u>224,071</u> | <u>(403,750)</u> | <u>781,979</u> |
| Segment liabilities | 158,703 | 538,626 | 10,948 | 76,425 | (256,668) | 528,034 |
| Total liabilities | <u>158,703</u> | <u>538,626</u> | <u>10,948</u> | <u>76,425</u> | <u>(256,668)</u> | <u>528,034</u> |
| OTHER INFORMATION | | | | | | |
| Addition to non-current assets | 17,432 | 132,693 | 537 | - | - | 150,662 |
| Depreciation expense | 4,117 | 397 | 279 | - | - | 4,793 |
| Provision for impairment loss on development properties | - | 5,001 | - | - | - | 5,001 |
| Allowance for impairment loss on other non-current assets | 16 | - | - | - | - | 16 |

Geographical segments

The Group's revenue from external customers generated from other countries is not significant compared to Group's revenue for the year, which is principally generated from Singapore. Accordingly, no geographical segment assets and revenue from external customers' information are presented.

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.

Refer to paragraph 8 above.

17 A breakdown of sales.

| | Group | | |
|--|-----------------|-----------------|-------------------------------|
| | 2015 S\$'000 | 2014 S\$'000 | Increase / (Decrease) % |
| Sales reported for first half year | 144,273 | 135,991 | 6.1 |
| Operating (loss) profit after tax before deducting non-controlling interests reported for first half year | (7,453) | 10,587 | NM |
| Sales reported for second half year | 130,930 | 166,951 | (21.6) |
| Operating (loss) profit after tax before deducting non-controlling interests reported for second half year | (16,512) | 11,156 | NM |

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

Total annual net dividend proposed

| | Latest Full Year | Previous Full Year |
|------------|------------------|--------------------|
| | S\$'000 | S\$'000 |
| Ordinary | 4,650 | 4,650 |
| Preference | Nil | Nil |
| Total: | 4,650 | 4,650 |

The first and final dividend for 2015 is subject to the approval of shareholders at the forthcoming Annual General Meeting.

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(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

| Name | Age | Family relationship with any director and/or substantial shareholder | Current position and duties, and the year the position was held | Details of changes in duties and position held, if any, during the year |
|------------------------|-----|--|--|--|
| Neo Tiam Chuan, Nelson | 67 | Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An | General Manager in charge of the daily operation of Credence Engineering Pte Ltd since December 2010. | N.A. |
| Neo Kian Lee | 55 | Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An | Site Manager in charge of the properties operation of Sino Holdings (S'pore) Pte Ltd since January 1983. | In addition to position as Site Manager for Sino Holdings (S'pore) Pte Ltd, Neo Kian Lee was appointed as Resident Technical Officer of TA Realty Pte Ltd on 1 April 2015. |

| | | | | |
|--------------------------|----|---|--|------|
| Liong Chai Yin, Fiona | 36 | Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An | Manager (Marketing/ Business development (Overseas)), in charge of the marketing and project-related aspects of our real estate development division and the sourcing for real estate development and construction opportunities since year 2002 | N.A. |
| Liong Cailin, Wendy | 33 | Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An | Assistant General Manager (Business development), in charge of sourcing and assessing the viability of potential development in Singapore and assisting the Board in assessing the viability of business opportunities. | N.A. |

20 Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation for the current financial year.

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo
Company Secretaries

25 February 2016