



2018 Full-Year Financial Statements Announcement

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

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

UNAUDITED RESULTS FOR FULL-YEAR ENDED 31 DECEMBER 2018

The Directors of Hor Kew Corporation Limited advise the following unaudited results of the Group for the full-year ended 31 December 2018.

	Group		
	Full-year ended 31 December 2018	Full-year ended 31 December 2017 (Restated)	% Variance
	\$'000	\$'000	+ / (-)
Revenue	49,898	59,348	(16)
Cost of sales	(66,293)	(53,445)	24
Gross (loss)/profit	(16,395)	5,903	NM
Other income	2,695	2,560	5
	(13,700)	8,463	NM
Expenses:			
General and administrative expenses	16,560	10,747	54
Finance costs	1,540	1,179	31
	18,100	11,926	52
Loss before tax	(31,800)	(3,463)	NM
Tax credit	8	175	(95)
Loss for the year	(31,792)	(3,288)	NM
Other comprehensive income/(loss):			
<u>Items that are or may be reclassified subsequently to profit or loss:</u>			
Currency translation differences arising from consolidation	44	421	(90)
Fair value (loss)/gain on available-for-sale financial assets	(3)	5	NM
Other comprehensive income for the year, net of tax	41	426	(90)
Total comprehensive loss for the year	(31,751)	(2,862)	NM
Loss per share			
Basic (cents)	(61.06)	(6.31)	NM
Diluted (cents)	(61.06)	(6.31)	NM

NM Not meaningful

Notes:

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

	Group		
	Full-year ended 31 December 2018	Full-year ended 31 December 2017	%
			Variance
	\$'000	\$'000	+ / (-)
Dividend income	1	1	-
Gain on disposal of property, plant and equipment	-	66	NM
Gain on foreign exchange	-	336	NM
Interest income from fixed deposits	447	406	10
Rental income from:			
- investment properties	939	1,031	(11)
- others	189	167	29
Sale of scrap materials	272	330	(18)
Sundry income	847	223	NM

^ - Less than \$1,000.

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

	Group		
	Full-year ended 31 December 2018	Full-year ended 31 December 2017 (Restated)	%
			Variance
	\$'000	\$'000	+ / (-)
Impairment loss on trade receivables	3,529	1,382	30
Bad debts written off	-	25	NM
Auditors' remuneration paid/payable to:			
- auditor of the Company	120	136	(12)
- other auditors of the Group	20	22	(9)
Depreciation of property, plant and equipment	5,786	4,402	31
Directors' fees	104	110	(5)
Fair value loss on derivative financial instruments	261	3	NM
Fair value loss/(gain) on investment properties	124	(48)	NM
Impairment loss on available-for-sale financial assets	^	^	NM
Impairment loss on property, plant and equipment	824	65	NM
Inventories written down/(back)	2,062	(4)	NM
Loss on foreign exchange	2,208	-	NM
Operating lease expenses	685	893	(23)
Write-back of impairment loss on trade receivables	-	(238)	NM
Staff costs	11,949	10,852	10

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

	Group		
	Full-year ended 31 December 2018	Full-year ended 31 December 2017 (Restated)	%
	\$'000	\$'000	Variance + / (-)
Income tax:			
- current year	(8)	(4)	100
- over provision in respect of prior years	16	14	14
	8	10	(20)
Deferred income tax:			
- current year	^	196	NM
- under provision in respect of prior years	-	(31)	NM
	-	165	NM
	8	175	(95)

NM: Not meaningful

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

	Group \$'000			Company \$'000	
	31 December 2018	31 December 2017 (Restated)	1 January 2017 (Restated)	31 December 2018	31 December 2017
Non-current assets					
Property, plant and equipment	45,817	45,749	47,518	230	305
Investment properties	34,722	34,847	34,799	-	-
Investment in subsidiary companies	-	-	-	34,261	49,019
Trade receivables	5,447	4,502	4,185	-	-
Club membership	-	-	34	-	-
	85,986	85,098	86,536	34,491	49,324
Current assets					
Development properties	18,957	18,998	18,554	-	-
Completed development properties held for sale	3,384	3,384	9,672	-	-
Inventories	7,576	7,006	7,525	-	-
Trade receivables	19,300	25,976	28,064	-	-
Other receivables	1,243	743	1,028	17,512	43,312
Available-for-sale financial assets	18	21	16	17	19
Cash and cash equivalents	30,947	30,049	29,371	46	24
	81,425	86,177	94,230	17,575	43,355
Total assets	167,411	171,275	180,766	52,066	92,679
Non-current liabilities					
Borrowings	31,789	2,746	28,269	-	-
Hire purchase payables	165	314	473	-	-
Deferred tax liabilities	2,467	2,468	2,634	-	-
	34,421	5,528	31,376	-	-
Current liabilities					
Trade payables	32,632	16,132	18,821	-	-
Other payables	8,195	2,429	3,211	25,668	22,919
Borrowings	32,752	54,655	32,090	-	-
Hire purchase payables	677	939	445	77	98
Derivative financial instruments	261	-	250	-	-
Tax payables	12	13	132	-	2
	74,529	74,168	54,949	25,745	23,019
Total liabilities	108,950	79,696	86,325	25,745	23,019
Net assets	58,461	91,579	94,441	26,321	69,660
Equity					
Share capital	68,323	68,323	68,323	68,323	68,323
Share option reserve	-	-	8	-	-
Other reserves	(6,336)	(6,377)	(6,803)	4	7
Accumulated (losses)/profits	(3,526)	29,633	32,913	(42,006)	1,330
Total equity	58,461	91,579	94,441	26,321	69,660

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

(a) Amount repayable in one year or less, or on demand

As at 31 December 2018 \$'000		As at 31 December 2017 \$'000	
Secured	Unsecured	Secured	Unsecured
33,429	-	55,594	-

(b) Amount repayable after one year

As at 31 December 2017 \$'000		As at 31 December 2017 \$'000	
Secured	Unsecured	Secured	Unsecured
31,954	-	3,060	-

Details of collaterals:

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

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

	Group	
	Full-year ended 31 December 2018	Full-year ended 31 December 2017 (Restated)
	\$'000	\$'000
Cash flows from operating activities:		
Loss before tax	(31,800)	(3,463)
Adjustments for:		
Impairment loss on trade receivables	3,529	1,382
Bad debts written off	-	25
Club membership written off	-	34
Depreciation of property, plant and equipment	5,786	4,402
Dividend income	(1)	(1)
Fair value loss/(gain) on investment properties	124	(48)
Fair value loss on derivative financial instruments	261	3
Gain on disposal of property, plant and equipment	-	(43)
Impairment loss on available-for-sale financial assets	^	65
Impairment loss on property, plant and equipment	824	-
Loss on settlement of derivative financial instruments	-	3
Interest expense	1,540	1,179
Interest income from fixed deposits	(447)	(406)
Unrealised loss/(gain) on foreign exchange	2,033	(53)
Operating cash flows before working capital changes	(18,151)	3,053
Changes in operating assets and liabilities:		
Development properties and completed development properties held for sale	-	6,288
Inventories	(569)	519
Receivables	144	652
Payables	22,238	(3,479)
Currency translation adjustment	245	(332)
Cash generated from operations	3,907	6,701
Income tax paid	13	(109)
Net cash generated from operating activities	3,920	6,592
Cash flows from investing activities:		
Additional of investment properties	-	^
Payment for settlement of derivative financial instruments	-	(253)
Dividend received	1	1
Proceeds from disposal of property, plant and equipment	-	339
Purchase of property, plant and equipment	(6,554)	(1,870)
Net cash used in investing activities	(6,553)	(1,783)
Cash flows from financing activities:		
Drawdown of borrowings	12,606	3,546
Interest paid	(1,512)	(1,172)
Repayment of borrowings	(5,674)	(6,500)
Repayment of hire purchase payables	(437)	(448)
Placement of fixed deposits pledged	(2,468)	-
Net cash generated/(used in) from financing activities	2,515	(4,574)
Net (decrease)/increase in cash and cash equivalents	(118)	235
Cash and cash equivalents at beginning of financial year	4,727	4,478
Effect of exchange rate changes on cash and cash equivalents	(34)	15
Cash and cash equivalents at end of financial year	4,575	4,728

^ - Less than \$1,000

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

	As at 31 December 2018 \$'000	As at 31 December 2017 \$'000
Cash and cash equivalents on the consolidated statement of financial position	30,947	30,049
Fixed deposits pledged	(26,203)	(25,321)
Bank overdrafts	(169)	-
Cash and cash equivalents per consolidated statement of cash flows	4,575	4,728

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

	Share capital \$'000	Share option reserve \$'000	Other reserves \$'000	Accumulated profits/ (losses) \$'000	Total equity \$'000
Group:					
Balance at 1 January 2017	68,323	8	16,183	9,927	94,441
Effect of changes in accounting policy upon adoption of SFRS(I) 1	-	-	(22,986)	22,986	-
Balance at 1 January 2017 (restated)	68,323	8	(6,803)	32,913	94,441
Loss for the period	-	-	-	(3,288)	(3,288)
Other comprehensive income:					
Currency translation differences arising from consolidation	-	-	421	-	421
Fair value gain on available-for-sale financial assets	-	-	5	-	5
Other comprehensive income for the year, net of tax	-	-	426	-	426
Total comprehensive income/(loss) for the year, net of tax	-	-	426	(3,288)	(2,862)
Reclassification upon lapse of share options	-	(8)	-	8	-
Balance at 31 December 2017 (restated)	68,323	-	(6,377)	29,633	91,579
Balance at 1 January 2018	68,323	-	17,754	6,702	92,779
Effect of changes in accounting policy upon adoption of SFRS(I) 1	-	-	(24,131)	22,931	(1,200)
Effect on adoption of SFRS(I) 9	-	-	-	(1,367)	(1,367)
Balance at 1 January 2018 (restated)	68,323	-	(6,377)	28,266	90,212
Loss for the period	-	-	-	(31,792)	(31,792)
Other comprehensive (loss)/income:					
Currency translation differences arising from consolidation	-	-	44	-	44
Fair value loss on available-for-sale financial assets	-	-	(3)	-	(3)
Other comprehensive income for the year, net of tax	-	-	41	-	41
Total comprehensive (loss)/income for the year, net of tax	-	-	41	(31,792)	(31,751)
Balance at 31 December 2018	68,323	-	(6,336)	(3,526)	58,461

	Share capital \$'000	Share option reserve \$'000	Other reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Company:					
Balance at 1 January 2017	68,323	8	1	(2,867)	65,465
Profit for the year	-	-	-	4,189	4,189
Other comprehensive loss for the year, net of tax					
- Fair value gain on available-for-sale financial assets	-	-	6	-	6
Total comprehensive income for the year	-	-	6	4,189	4,195
Reclassification upon lapse of share options	-	(8)	-	8	-
Balance at 31 December 2017	68,323	-	7	1,330	69,660
Loss for the year			-	(43,336)	(43,336)
Other comprehensive loss for the year, net of tax					
- Fair value loss on available-for-sale financial assets	-	-	(3)	-	(3)
Total comprehensive loss for the year	-		(3)	(43,336)	(43,339)
Balance at 31 December 2018	68,323	-	4	(42,006)	26,321

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

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

During the financial year, no share options were lapsed and the Company did not grant new share options. As at 31 December 2018, nil (31 December 2017: nil) share options representing 0.00% (31 December 2017: 0.00%) of the existing issued share capital remained outstanding.

The Company did not hold any treasury shares nor subsidiary holdings as at 31 December 2018 (31 December 2017: Nil).

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

The total number of issued shares excluding treasury shares as at 31 December 2018 is 52,066,937 shares (31 December 2017: 52,066,937 shares).

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

There was no sale, transfer, cancellation and/or use of treasury shares as at current financial year ended 31 December 2018.

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

There was no sale, transfer, cancellation and/or use of subsidiary holdings as at current financial year ended 31 December 2018.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting year as those of the audited financial statements for the financial year ended 31 December 2017.

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

The Group has adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") framework and the new accounting standards that are effective on 1 January 2018. In addition to adopting all the applicable standards under SFRS(I), the Group also takes the opportunity to review the relevance of the accounting policy choices with the application of SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. The Group is required to retrospectively apply all SFRS (I) effective at the end of the first SFRS(I) reporting period (financial year ending 31 December 2018), subject to mandatory exceptions and optional exemptions under SFRS(I) 1. The Group decided to elect the optional exemption in SFRS(I) 1 to measure the freehold properties and leasehold land and buildings (collectively, the "Properties") classified under property, plant and equipment held by the Group at the date of transition to IFRS at fair value and use that fair value as its deemed cost in its IFRS financial statements. Any amount in asset revaluation reserve relating to the Properties is transferred to accumulated profits directly. Subsequent to the date of transition, the Properties shall be carried at cost less any accumulated depreciation and impairment losses. As a result, the Group reclassified \$23.0 million of asset revaluation reserve to the opening accumulated profits as at 1 January 2017.

In addition, the Group has adopted SFRS(I) 9 and SFRS(I) 15 on 1 January 2018.

SFRS(I) 9 – Financial Instruments

In July 2014, the IASB issued the final version of SFRS(I) 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment, and hedge accounting. There were no significant changes to the classification and measurement of the Group financial instruments and the accounting for hedges.

With regard to impairment, SFRS(I) 9 requires the Group to assess expected credit losses on all of its relevant financial assets, either on a 12-month or lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on the relevant financial assets. As a result of the assessment, an impairment loss of \$1.4 million was made to the beginning retained earnings on 1 January 2018.

SFRS(I) 15 – Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The adoption of SFRS(I) 15 did not have a material impact to the Group's financials.

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

	Group	
	Full-year ended 31 December 2018	Full-year ended 31 December 2017 (Restated)
Loss for the year attributable to equity holders of the Company	\$'000 (31,792)	\$'000 (3,288)
Weighted average number of ordinary shares in issue	'000	'000
- Basic weighted average	52,067	52,067
- Fully diluted weighted average	52,067	52,067
Basic loss per share	Cents (61.06)	Cents (6.31)
Diluted loss per share	(61.06)	(6.31)

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

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

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

	Group		Company	
	31 December 2018 \$	31 December 2017 \$	31 December 2018 \$	31 December 2017 \$
Net asset value per ordinary share	1.12	1.76	0.51	1.34

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: - (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Statement of comprehensive income

The Group generated revenue of \$49.9 million in FY2018 as compared to \$59.3 million in FY2017, a decrease of \$9.4 million. This decrease was due to decreases of \$9.3 million from property development activities and \$1.2 million from construction activities, but mitigated by increase of \$1.1 million from its prefabrication activities.

The Group recorded a gross loss of \$16.4 million compared to a gross profit of \$5.9 million in FY2017. The gross loss margin of the Group came from prefabrication activities and was due to low profit margins during project tenders that were eroded by increases in raw material costs as well as provisions for foreseeable losses.

Other income of the Group increased slightly from \$2.6 million in FY2017 to \$2.7 million in FY2018.

General and administrative expenses increased \$5.9 million in FY2017 to \$16.6 million in FY2018. This was mainly due to loss on foreign exchange of \$2.2 million, increase in impairment loss on trade receivables of \$2.4 million and increase in fair value loss on derivative financial instruments of \$0.3 million.

Finance costs increased by 9% from \$1.2 million in FY2016 to \$1.5 million in FY2018 mainly due to rising interest rates on our loans.

The Group recorded a loss before tax of \$31.8 million in FY2018 (FY2017: loss before tax of \$3.5 million).

The Group provided tax credit of \$8,000 in FY2017 after taking into consideration of available tax allowances and reliefs, and over-provision of income tax in prior years. (FY2017: tax credit of \$175,000).

Loss after tax of the Group for FY2018 was \$31.8 million (FY2017: loss after tax of \$3.3 million).

The Group had a comprehensive gain of \$44,000 from favourable currency movements in foreign subsidiaries compared to \$0.4 million in FY2017.

The Group reported total comprehensive loss of \$31.8 million in FY2018 (FY2017: total comprehensive loss of \$2.9 million).

Statement of financial position

Non-current assets of the Group increased \$0.9 million from FY2017 mainly due to \$0.9 million increase in non-current trade receivables mainly comprising of retention sums.

Current assets of the Group decreased by \$4.8 million from FY2017. Trade receivables decreased by \$6.7 million mainly due to \$2.4 million increase in impairment loss on trade receivables and because there were receivables of \$3.6 million from the construction and the property investment and development segments in FY2017 but not in FY2018. Cash and cash equivalents increased by \$0.9 million.

Total assets of the Group fell \$3.9 million from FY2017 to \$167.4 million as at 31 December 2018.

Non-current liabilities increased \$28.9 million from FY2017 mainly due to \$25.0 million of loans being classified under non-current liabilities in FY2018 as well as additional loans.

Current liabilities of the Group increased by \$0.3 million from FY2017. Trade and other payables increased by \$22.3 million mainly due to management of supplier payments, advance collection from customers and provision for foreseeable losses. Current borrowings fell \$21.9 million, primarily due to \$25 million of loans being classified as current liabilities this year.

Total liabilities of the Group increased by \$29.3 million from FY2017 and stood at \$109.0 million as at 31 December 2018.

Shareholders' equity of the Group decreased by \$33.1 million and recorded at \$58.5 million as at 31 December 2018. The decrease was mainly due to loss after tax of \$31.8 million incurred in FY2018.

Statement of cash flows

The Group generated \$3.9 million from its operating activities and used \$6.6 million in its investing activities.

The Group drew down net loans of \$2.5 million to finance its investing activities.

Net cash of the Group decreased by \$0.2 million and stood at \$4.6 million as at 31 December 2018.

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

The Group's actual results are in line with the commentary under paragraph 10 of the Group's previous results announcement (3Q 2018 financial statements announcement).

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

Business environment remains challenging. The construction industry is facing great pricing pressure. The Group will remain focused on cost efficiency and productivity in executing its on-going projects and cautious in tendering for new projects. The Group will also closely monitor its receivables and payables and manage prudently to ensure cash flow liquidity.

11. Dividend.

(a) Current Financial Period Reported On.

Any dividend recommended for the current financial period reported on?

No.

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

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

No.

(c) Date payable.

Not applicable.

(d) Books closure date.

Not applicable.

(e) Total cumulative dividend (net).

There is no dividend declared for FY2018 (FY2017: Nil).

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

Not applicable.

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

13. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Full year ended 31 December 2018

	Property investment and development \$'000	Construction \$'000	Prefabrication \$'000	Others \$'000	Elimination \$'000	Consolidated \$'000
Segment revenue						
Sales to external customers	-	115	49,780	-	-	49,898
Inter-segment sales	-	-	-	2,542	(2,542)	-
Total revenue	-	115	49,783	2,542	(2,542)	49,898
Segment loss	(1,867)	(832)	(28,699)	(402)	-	(31,800)
Tax credit						8
Loss for the year						(31,792)

Full year ended 31 December 2017

	Property investment and development \$'000	Construction \$'000	Prefabrication \$'000	Others \$'000	Eliminations \$'000	Consolidated \$'000
Segment revenue						
Sales to external customers	9,335	1,330	48,683	-	-	59,348
Inter-segment sales	-	-	-	2,468	(2,468)	-
Total revenue	9,335	1,330	48,683	2,468	(2,468)	59,348
Segment profit/(loss)	3,098	994	(7,115)	(440)	-	(3,463)
Tax credit						175
Loss for the year						(3,285)

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

Property investment and development segment

Property investment and development segment recorded a profit of \$3.1 million in FY2017 mainly due to \$9.3 million sales from property development activities. The segment incurred a loss of \$1.9 million in FY2018 mainly because there were no sales from property development activities but there was a foreign exchange loss of \$2.0 million.

Construction segment

Construction segment recorded revenue of \$0.1 million in FY2018 which was \$1.2 million lower than the \$1.3 million in FY2017 which was mainly due to variation orders approved for works done in prior years.

This segment generated profit of \$1.0 million in FY2017 mainly due to the variation orders, but incurred a loss of \$0.8 million mainly due to finance costs being \$0.6 million but it only recorded a revenue of \$0.1 million.

Prefabrication segment

The prefabrication segment recorded a loss of \$28.7 million in FY2018 compared to loss of \$7.1 million in FY2017. This was mainly due to lower margins for projects awarded as a result of market competition, increase in material costs and provisions in doubtful debts and foreseeable losses.

Investment holdings and others

Revenue of investment holdings and others segment, which mainly comprised management fees charged to some Singapore companies of the Group remained at almost same level as FY2017.

This segment incurred a loss of \$0.4 million, which was also around same level as FY2017. The loss mainly resulted from expenses, such as listing expenses and depreciation on property, plant and equipment, which were not rechargeable as management fees to subsidiary companies.

15. A breakdown of sales.

	Group		
	Full-year ended 31 December 2018 \$'000	Full-year ended 31 December 2017 \$'000 (Restated)	% Variance + / (-)
Sales reported for the first half-year	21,862	32,500	(33)
Operating (loss)/profit after tax before deducting non-controlling interests reported for first half-year	(6,942)	780	NM
Sales reported for the second half-year	28,036	26,848	3
Operating loss after tax before deducting non-controlling interests reported for second half-year	(24,850)	(4,068)	NM

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

	FY2018	FY2017
Name of Dividend	Nil	Nil
Dividend Type	Not applicable	Not applicable
Dividend Amount per Share (in cents)	Not applicable	Not applicable
Tax Rate	Not applicable	Not applicable
Total Annual Dividend (\$'000)	Not applicable	Not applicable

17. Interested Person Transactions.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)			Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)		
	Full-year ended 31 December 2018 \$'000	Full-year ended 31 December 2017 \$'000	% Variance +/ (-)	Full-year ended 31 December 2018 \$'000	Full-year ended 31 December 2017 \$'000	% Variance +/ (-)
Triton Metal Supplies Pte Ltd	4,051	4,657	(15)	NIL	NIL	NM

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

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
Aw Lay Sim	60	1. Sister of Aw Khoon Hwee (Executive Chairman/Managing Director/Substantial Shareholder of the Company) 2. Sister of Aw Soon Hwee (Substantial Shareholder of the Company) 3. Aunt of Aw Ying Ying (Executive Director of the Company) 4. Aunt of Aw Chi-Ken (Executive Director of the Company) 5. Shareholder of Hor Kew Holdings Pte Ltd, a Substantial Shareholder of the Company.	Group Human Resource of the Company since December 2001. Also oversees the Information Technology, Administration and Human Resource function of the Group as well as facilities management of the investment property in Singapore.	N.A.
Aw Hong Hwee	66	1. Brother of Aw Khoon Hwee (Executive Chairman/Managing Director/Substantial Shareholder of the Company) 2. Brother of Aw Soon Hwee (Substantial Shareholder of the Company) 3. Uncle of Aw Ying Ying (Executive Director of the Company) 4. Uncle of Aw Chi-Ken (Executive Director of the Company) 5. Shareholder of Hor Kew Holdings Pte Ltd, a Substantial Shareholder of the Company.	Business Development Director of Hor Kew Pte Ltd since December 2001. Responsible for business development.	N.A.

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

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

BY ORDER OF THE BOARD

MR SOH CHIA YANG
FINANCIAL CONTROLLER
1 March 2019