AVARGA LIMITED
(Formerly known as UPP Holdings Limited)
(Company Registration No.: 196700346M)

Unaudited Financial Statement And Dividend Announcement for the Fourth Quarter and Full Year Ended 31 December 2018

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

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

1(a)(i) Statement of comprehensive income for the fourth quarter and full year ended 31 December 2018

		Group					
	Note	**4th quarter ended 31 December 2018**	**4th quarter ended 31 December 2017 (Restated)****	**Increase / (decrease)**	**Full year ended 31 December 2018**	**Full year ended 31 December 2017 (Restated)****	**Increase / (decrease)**
		S$'000	S$'000	%	S$'000	S$'000	%
Revenue	(a)	329,256	365,621	(10)	1,572,677	1,455,163	8
Cost of sales	(b)	(299,814)	(332,223)	(10)	(1,426,950)	(1,322,745)	8
Gross profit		29,442	33,398	(12)	145,727	132,418	10
Other (losses)/gains, net		(4,737)	(93)	4,994	(5,955)	80	nm
Distribution expenses		(7,493)	(6,432)	16	(28,150)	(23,484)	20
Selling and administrative expenses		(15,924)	(16,911)	(6)	(71,522)	(68,244)	5
Finance expenses		(2,566)	(3,214)	(20)	(8,973)	(15,622)	(43)
(Loss)/profit before income tax		(1,278)	6,748	nm	31,127	25,148	24
Income tax expense		(2,202)	(6,646)	(67)	(11,032)	(10,238)	8
Net (loss)/profit	(c)	(3,480)	102	nm	20,095	14,910	35
Other comprehensive (loss)/income:							
Items that may be reclassified subsequently to profit or loss:							
Available-for- sale financial assets:							
- Fair value losses		-	(249)	nm	-	(191)	nm
Currency translation differences arising from consolidation							
- (Losses)/gains		(796)	1,337	nm	1,047	(2,652)	nm
Items that will not be reclassified subsequently to profit or loss:							
Financial assets, at FVOCI							
- Fair value losses		(475)	-	nm	(1,109)	-	nm
Currency translation differences arising from consolidation							
- Losses		(695)	-	nm	(495)	-	nm
Other comprehensive (loss)/income, net of tax		(1,966)	1,088	nm	(557)	(2,843)	(80)
Total comprehensive (loss)/income		(5,446)	1,190	nm	19,538	12,067	62
(Loss)/profit attributable to:							
Equity holders of the Company		(3,784)	465	nm	11,163	13,668	(18)
Non-controlling interests		304	(363)	nm	8,932	1,242	619
		(3,480)	102	nm	20,095	14,910	35
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(5,055)	907	nm	11,101	10,682	4
Non-controlling interests		(391)	283	nm	8,437	1,385	509
		(5,446)	1,190	nm	19,538	12,067	62

** A prior year adjustment was made in relation to S$5.4 million (C$5.1 million) under-provision of deferred tax liability arising from the fair value adjustment in relation to acquisition of Taiga Building Products Ltd. in January 2017. For more details, please refer to our announcement dated 23 February 2019.

Footnotes:

(a) Revenue comprises the following:

	Group					
	4th quarter ended 31 December 2018	**4th quarter ended 31 December 2017**	**Increase / (decrease)**	**Full year ended 31 December 2018**	**Full year ended 31 December 2017**	**Increase / (decrease)**
	S$'000	S$'000	%	S$'000	S$'000	%
Sales of goods						
- Paper products	13,598	14,390	(6)	55,907	54,257	3
- Building products	312,691	348,719	(10)	1,506,267	1,389,174	8
Finance income	1,191	1,326	(10)	4,854	5,892	(18)
Operating and maintenance income	1,776	1,186	50	5,649	5,840	(3)
	329,256	365,621	(10)	1,572,677	1,455,163	8

(b) The cost of sales includes the following:

	Group					
	4th quarter ended 31 December 2018	**4th quarter ended 31 December 2017**	**Increase / (decrease)**	**Full year ended 31 December 2018**	**Full year ended 31 December 2017**	**Increase / (decrease)**
	S$'000	S$'000	%	S$'000	S$'000	%
Cost of goods sold						
- Paper products	10,694	11,417	(6)	42,910	44,493	(4)
- Building products	288,008	319,794	(10)	1,379,647	1,273,801	8
Operating and maintenance fees	893	807	11	3,592	3,620	(1)
Others	219	205	7	801	831	(4)
	299,814	332,223	(10)	1,426,950	1,322,745	8

(c) Profit/(loss) for the period/year included the following:

	Group					
	4th quarter ended 31 December 2018	**4th quarter ended 31 December 2017**	**Increase / (decrease)**	**Full year ended 31 December 2018**	**Full year ended 31 December 2017**	**Increase / (decrease)**
	S$'000	S$'000	%	S$'000	S$'000	%
Depreciation of property, plant and equipment	(2,247)	(1,864)	21	(8,030)	(6,963)	15
Amortisation of intangible assets	(1,162)	(1,156)	1	(4,845)	(4,252)	14
Amortisation of deferred gain	99	100	(1)	398	374	6
Gain on extinguishment of subordinated notes	-	2,420	nm	-	2,420	nm
Gain/(loss) on disposal of property, plant and equipment	12	20	(40)	157	(61)	nm
Gain on disposal of asset held-for-sale	-	-	-	-	1,161	nm
Bad debts recovered/(written off)	5	(642)	nm	29	(783)	nm
(Allowance for)/reversal of impairment of trade receivables	-	79	nm	(1,500)	143	nm
Inventories written-down	(97)	(371)	(74)	(2,235)	(1,170)	91
Foreign exchange loss, net	(4,565)	(2,383)	92	(6,063)	(3,946)	54
Dividend income from financial assets, at FVOCI	39	98	(60)	139	194	(28)
Interest income	252	94	168	377	141	167
Interest expense	(2,566)	(3,214)	(20)	(8,973)	(15,622)	(43)
Net fair value (loss)/gain on derivatives	(452)	208	nm	94	5	1,780
Under provision of tax in respect of prior years	-	-	nm	(357)	(238)	50

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			Company	
	31/12/2018	**31/12/2017**	**1/1/2017**	**31/12/2018**	**31/12/2017**
	S$'000	S$'000	S$'000	S$'000	S$'000
		(Restated)**			
Non-current Assets					
Property, plant and equipment	99,692	92,069	47,195	423	8
Investments in subsidiary corporations	-	-	-	35,126	20,533
Other investments	500	-	-	500	-
Available-for-sale financial assets	-	3,267	3,458	-	-
Financial assets, at FVOCI	2,158	-	-	-	-
Service concession receivables*	24,622	28,608	38,109	-	-
Other receivables	-	-	-	12,788	16,713
Goodwill on consolidation	31,895	22,538	-	-	-
Intangible assets	39,167	27,125	-	-	-
Deferred income tax assets	270	184	-	-	-
Total Non-current Assets	198,304	173,791	88,762	48,837	37,254
Current Assets					
Inventories	157,955	138,171	5,282	-	-
Service concession receivables*	16,232	15,910	17,219	-	-
Trade receivables	102,416	126,953	12,211	17	176
Other receivables	4,028	1,366	787	145,565	91,719
Prepaid operating expenses	3,093	2,512	165	23	24
Derivatives financial instruments	56	-	-	-	-
Cash and bank balances	22,372	38,701	57,184	2,596	25,100
	306,152	323,613	92,848	148,201	117,019
Assets held-for-sale	7,742	7,742	8,494	-	-
Total Current Assets	313,894	331,355	101,342	148,201	117,019
Current Liabilities					
Trade payables and accruals	(65,551)	(83,954)	(5,390)	(1,630)	(1,547)
Other payables	(304)	(225)	(287)	(55)	(79)
Derivatives financial instruments	-	(38)	-	-	-
Revolving credit facility	(64,680)	(58,280)	-	-	-
Bank borrowings	(29,739)	(34,086)	-	-	-
Finance lease liabilities	(2,498)	(2,490)	-	-	-
Income tax payables	(4,430)	(4,649)	-	-	-
Total Current Liabilities	(167,202)	(183,722)	(5,677)	(1,685)	(1,626)
Net Current Assets	146,692	147,633	95,665	146,516	115,393
Non-current Liabilities					
Bank borrowings	(28,621)	(10,500)	-	-	-
Finance lease liabilities	(20,487)	(23,834)	-	-	-
Deferred gains	(2,724)	(3,303)	-	-	-
Provisions	(669)	(838)	-	-	-
Subordinated notes	(12,525)	(13,313)	-	-	-
Deferred income tax liabilities	(21,828)	(9,915)	(685)	-	-
Total Non-current Liabilities	(86,854)	(61,703)	(685)	-	-
Net Assets	**258,142**	**259,721**	**183,742**	**195,353**	**152,647**
Capital and reserves attributable to equity holders of the Company					
Share capital	169,582	150,519	140,578	169,582	150,519
Treasury shares	(628)	-	-	(628)	-
Retained profits	62,467	60,070	55,168	26,325	2,054
Other reserves	(21,309)	(14,756)	(16,949)	74	74
	210,112	195,833	178,797	195,353	152,647
Non-controlling interests	48,030	63,888	4,945	-	-
Total Equity	**258,142**	**259,721**	**183,742**	**195,353**	**152,647**

* The Group recognised service concession receivables as it has a contractual right under the concession agreement to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plant. The service concession receivables are measured on initial recognition at its fair value. Subsequent to initial recognition, the service concession receivables are measured at amortised cost using the effective interest rate method.

** A prior year adjustment was made in relation to S$5.4 million (C$5.1 million) under-provision of deferred tax liability arising from the fair value adjustment in relation to acquisition of Taiga Building Products Ltd. in January 2017. For more details, please refer to our announcement dated 23 February 2019.

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 31/12/2018		**As at 31/12/2017**	
S$'000		S$'000	
Secured	Unsecured	Secured	Unsecured
74,917	22,000	61,856	33,000

(b) Amount repayable after one year

As at 31/12/2018		**As at 31/12/2017**	
S$'000		S$'000	
Secured	Unsecured	Secured	Unsecured
41,608	20,025	23,834	23,813

(c) Details of any collaterals

The Group's secured borrowings comprise revolving credit facility of S$64,680,000 (2017: S$58,280,000), bank borrowings of S$28,860,000 (2017: S$1,086,000) and finance leases liabilities of S$22,985,000 (2017: S$26,324,000).

The revolving credit facility and bank borrowings are secured by a first perfected security interest in all real and personal property of the Taiga Building Products Ltd. ("Taiga") and certain of its subsidiary corporations.

The bank borrowings are also secured partially by the real estate property of one of the Group's subsidiary corporations in United States.

Finance lease liabilities of the Group are effectively secured over the leased property, plant and equipment as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

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

	4th quarter ended 31 December 2018	4th quarter ended 31 December 2017 (Restated)##	Full year ended 31 December 2018	Full year ended 31 December 2017 (Restated)##
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
(Loss)/profit before income tax	(1,278)	6,748	31,127	25,148
Adjustments for:				
Depreciation of property, plant and equipment	2,247	1,864	8,030	6,963
Amortisation of intangible assets	1,162	1,156	4,845	4,252
Amortisation of deferred gain	(99)	(100)	(398)	(374)
(Gain)/loss on disposal of property, plant and equipment	(12)	(20)	(157)	61
Gain on disposal of asset held-for-sale	-	-	-	(1,161)
Gain on extinguishment of subordinated notes	-	(2,420)	-	(2,420)
Provisions	(27)	(53)	(124)	(4)
Allowance for impairment of trade receivables	-	(79)	1,500	(143)
Dividend income from quoted equity security	(39)	(98)	(139)	(194)
Net fair value loss/(gain) on derivatives	452	(208)	(94)	(5)
Finance income	(1,191)	(1,326)	(4,854)	(5,892)
Interest income	(252)	(94)	(377)	(141)
Interest expenses	2,566	3,214	8,973	15,622
Unrealised currency translation losses/(gains)	2,930	(626)	4,019	5,658
Operating cash flows before working capital changes	6,459	7,958	52,351	47,370
Changes in working capital, net of effects from acquisition of subsidiary corporation:				
Inventories	(1,518)	(2,991)	1,657	12,154
Service concession receivables	1,344	2,867	9,329	12,545
Trade receivables	59,916	46,167	33,331	(13,716)
Other receivables	4,530	38	(2,662)	1,759
Prepaid operating expenses	(3,000)	(449)	(2,631)	49
Trade payables and accruals	(25,350)	(20,299)	(23,860)	9,615
Other payables	5	56	79	(156)
Cash generated from operations	42,386	33,347	67,594	69,620
Interest received	252	94	377	141
Interest paid	(1,573)	(1,191)	(6,823)	(6,454)
Income tax paid	(296)	(685)	(4,452)	(6,828)
Net cash generated from operating activities	40,769	31,565	56,696	56,479
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,500)	(327)	(5,411)	(3,546)
Proceeds from disposal of property, plant and equipment	56	3	210	758
Proceeds from disposal of asset held-for-sale	-	-	-	1,896
Purchase of unquoted equity security	-	-	(500)	-
Net cash outflow on acquisition of a subsidiary corporation **(Note A and Note B)**	(325)	-	(55,103)	(20,477)
Dividend income from quoted equity security	39	98	139	194
Acquisition of subordinated notes	-	-	-	(57,302)
Net cash used in investing activities	(2,730)	(226)	(60,665)	(78,477)
Cash flows from financing activities				
Acquisition of non-controlling interests	-	-	(9,253)	(4,862)
Proceeds from shares placement	-	-	-	10,000
Share issue expenses	-	-	(31)	(59)
Purchase of treasury shares	(628)	-	(628)	-
Purchase of treasury shares by a subsidiary corporation	(911)	-	(1,684)	-
Repayment of obligations under finance leases	(612)	(368)	(2,440)	(2,007)
Changes in revolving credit facility (**Note C**)	(30,002)	(10,047)	(1,903)	(8,427)
Proceeds from bank borrowings	2,341	20,000	41,266	55,000
Repayment of bank borrowings	(3,507)	(816)	(27,099)	(11,770)
Redemption of subordinated notes	-	(15,905)	-	(15,905)
Interest paid	(647)	(2,009)	(1,540)	(9,649)
Dividend paid to equity holders of the Company	-	-	(8,766)	(8,766)
Net cash (used in)/generated from financing activities	(33,966)	(9,145)	(12,078)	3,555
Net increase/(decrease) in cash and cash equivalents	4,073	22,194	(16,047)	(18,443)
Cash and cash equivalents at beginning of period/year	18,353	16,584	38,701	57,184
Effects of currency translation on cash and cash equivalents	(54)	(77)	(282)	(40)
Cash and cash equivalents at end of period/year	22,372	38,701	22,372	(38,701)

Refer to Note C.

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 (cont'd)

Note A

Acquisition of Exterior Wood, Inc. ("Exterior Wood")

On 31 July 2018, the Group's subsidiary corporation, Taiga Building Products USA Ltd. completed the acquisition of all the shares of Exterior Wood, Inc. ("Exterior Wood"). Exterior Wood manufactures pressure-treated wood and related products for indoor and outdoor use in building construction materials, farm and agriculture, decks, fences and highway material at its wood treatment facility and distribution centre located in Washougal, Washington. Total purchase consideration comprised of S$58,102,000 in exchange for all issued and outstanding common shares of Exterior Wood. The consideration transferred to the vendors was satisfied primarily through Taiga's revolving credit facility (the "Facility") and additional term loans included in the Facility. The purchase price allocation ("PPA") exercise in respect of the acquisition of Exterior Wood has been carried out and finalised in February 2019 and the effects of the PPA exercise had been taken up in FY2018 financial statements.

At the date of acquisition, the Group recognised a goodwill of S$10,689,000 (US$7,873,000) based on fair value of assets and liabilities of Exterior Wood. The goodwill was translated at the prevailing exchange rate which amounted to S$10,690,000 as at 31 December 2018.

Fair value of assets acquired and liabilities identified at the date of acquisition	S$'000
Current assets	35,122
Current liabilities	(10,428)
Property, plant and equipment	11,230
Intangible assets (customer relationships and brand name)	18,219
Deferred tax liabilities	(6,730)
Total net identifiable assets at fair value	47,413
Goodwill	10,689
Consideration transferred for the business	58,102

Net cash outflow arising from the acquisition	S$'000
Cash consideration paid	(58,102)
Add: Cash and cash equivalents in subsidiary corporation acquired	2,999
Net cash outflow on acquisition	(55,103)

Note B

Acquisition of Taiga Building Products Ltd. ("Taiga")

On 31 January 2017, the Company through its wholly-owned subsidiary corporation, Avarga Canada Limited (formerly known as UPP Investments Canada Limited) ("Avarga Canada") acquired 58.34% interest in Taiga, a public company incorporated in Canada and listed on the Toronto Stock Exchange for a cash consideration of C$18,908,208. Taiga is a wholesale distributor of building materials.

The fair values of assets and liabilities from the acquisition had initially been determined based on provisional fair values on 31 January 2017. The purchase price allocation ("PPA") exercise in respect of the acquisition of Taiga has been carried out and finalised on 29 January 2018 and the effects of the PPA exercise had been taken up in FY2017 financial statements.

At the date of acquisition, the Group recognised a goodwill of S$22,919,000 (C$21,163,000) based on fair value of assets and liabilities of Taiga. The goodwill was translated at the prevailing exchange rate which amounted to S$21,205,000 as at 31 December 2018. The Group has elected to measure the non-controlling interest at the non-controlling interest's proportionate share of Taiga's net identifiable liabilities.

Fair value of assets acquired and liabilities identified at the date of acquisition	S$'000
Current assets	258,799
Non-current assets	80,481
Current liabilities	(146,557)
Non-current liabilities	(196,910)
Total net identifiable liabilities at fair value	(4,187)
Non-controlling interest	1,745
	(2,442)
Goodwill	22,919
Consideration transferred for the business	20,477

Net cash outflow arising from the acquisition	S$'000
Cash consideration paid	(20,477)
Add: Cash and cash equivalents in subsidiary corporation acquired (Restated)	-
Net cash outflow on acquisition (Restated)	(20,477)

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 (cont'd)

Note C

Revolving credit facility

Previously, the Group reflected the revolving credit facility of Taiga as part of cash and cash equivalents as it forms an integral part of Taiga’s cash management and fluctuates directly as a result of cash flows from operating, investing and financing activities. In response to an agenda decision issued by the IFRS Interpretations Committee, Taiga has revised this presentation and now includes cash flows resulting from changes in the revolving credit facility balance within financing activities. The Group has reflected the same presentation with Taiga and comparative information has also been adjusted accordingly.

On June 28, 2018, Taiga renewed its senior secured revolving credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the “Facility”). The Facility was increased from C$225 million to C$250 million, with an option to increase the limit by up to C$50 million. The facility also features the ability to draw on additional term loans in an aggregate amount of approximately C$23 million at favourable rates, which Taiga utilised for acquisition of Exterior Wood, Inc. The Facility will mature on June 28, 2023 and is secured by a first perfected security interest in all personal property of the Taiga and certain of its subsidiary corporations. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivable and inventories.

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

THE GROUP

Consolidated statement of changes in equity for the year ended 31 December 2018

	Share capital	Treasury shares	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
9M 2018									
Balance at 1 January 2018 (As previously reported)	**150,519**	**-**	**62,742**	**5,891**	**(21,093)**	**446**	**(14,756)**	**66,670**	**265,175**
Prior year adjustment **	-	-	(2,672)	-	-	-	-	(2,782)	(5,454)
Balance at 1 January 2018 (As restated)	**150,519**	**-**	**60,070**	**5,891**	**(21,093)**	**446**	**(14,756)**	**63,888**	**259,721**
Profit for the period	-	-	14,947	-	-	-	-	8,628	23,575
Other comprehensive income/(loss) for the period	-	-	-	-	1,843	(634)	1,209	200	1,409
Total comprehensive income/(loss) for the period	**-**	**-**	**14,947**	**-**	**1,843**	**(634)**	**1,209**	**8,828**	**24,984**
Effect of subsidiary's treasury shares transaction	-	-	-	(379)	-	-	(379)	(394)	(773)
Share issued for acquisition of non-controlling interests without a change in control	19,094	-	-	-	-	-	-	-	19,094
Share issuance expense	(31)	-	-	-	-	-	-	-	(31)
Acquisition of non-controlling interests without a change in control	-	-	-	(5,518)	-	-	(5,518)	(23,584)	(29,102)
Dividend relating to 2017 paid	-	-	(4,383)	-	-	-	-	-	(4,383)
Dividend relating to 2018 paid	-	-	(4,383)	-	-	-	-	-	(4,383)
Total transactions with owners, recognised directly in equity	**19,063**	**-**	**(8,766)**	**(5,897)**	**-**	**-**	**(5,897)**	**(23,978)**	**(19,578)**
Balance at 30 September 2018 (As restated)	**169,582**	**-**	**66,251**	**(6)**	**(19,250)**	**(188)**	**(19,444)**	**48,738**	**265,127**
4Q 2018									
Loss for the period	-	-	(3,784)	-	-	-	-	304	(3,480)
Other comprehensive loss for the period	-	-	-	-	(796)	(475)	(1,271)	(695)	(1,966)
Total comprehensive loss for the period	**-**	**-**	**(3,784)**	**-**	**(796)**	**(475)**	**(1,271)**	**(391)**	**(5,446)**
Purchase of treasury shares	-	(628)	-	-	-	-	-	-	(628)
Effect of subsidiary's treasury shares transaction	-	-	-	(594)	-	-	(594)	(317)	(911)
Balance at 31 December 2018	**169,582**	**(628)**	**62,467**	**(600)**	**(20,046)**	**(663)**	**(21,309)**	**48,030**	**258,142**

** A prior year adjustment was made in relation to S$5.4 million (C$5.1 million) under-provision of deferred tax liability arising from the fair value adjustment in relation to acquisition of Taiga Building Products Ltd. in January 2017. For more details, please refer to our announcement dated 23 February 2019.

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 (Cont'd)

THE GROUP

Consolidated statement of changes in equity for the year ended 31 December 2017

	Share capital	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
9M 2017								
Balance at 1 January 2017	**140,578**	**55,168**	**712**	**(18,298)**	**637**	**(16,949)**	**4,945**	**183,742**
Profit for the period (as previously stated)	-	18,607	-	-	-	-	5,465	24,072
Effect of PPA adjustment #	-	(5,404)	-	-	-	-	(3,860)	(9,264)
Profit for the period (as restated)	-	13,203	-	-	-	-	1,605	14,808
Other comprehensive loss for the period (as previously stated)	-	-	-	(3,369)	58	(3,311)	(519)	(3,830)
Effect of PPA adjustment #	-	-	-	(117)	-	(117)	16	(101)
Other comprehensive loss for the period (as restated)	-	-	-	(3,486)	58	(3,428)	(503)	(3,931)
Total comprehensive income for the period	**-**	**13,203**	**-**	**(3,486)**	**58**	**(3,428)**	**1,102**	**10,877**
Share placement	10,000	-	-	-	-	-	-	10,000
Share placement expenses	(59)	-	-	-	-	-	-	(59)
Acquisition of a subsidiary corporation (as previously stated)	-	-	-	-	-	-	(17,857)	(17,857)
Effect of PPA adjustment #	-	-	-	-	-	-	16,113	16,113
Acquisition of a subsidiary corporation (as restated)	-	-	-	-	-	-	(1,744)	(1,744)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(4,897)	(4,897)
Dividend relating to 2016 paid	-	(4,383)	-	-	-	-	-	(4,383)
Dividend relating to 2017 paid	-	(4,383)	-	-	-	-	-	(4,383)
Total transactions with owners, recognised directly in equity	**9,941**	**(8,766)**	**-**	**-**	**-**	**-**	**(6,641)**	**(5,466)**
Balance at 30 September 2017 (as restated)	**150,519**	**59,605**	**712**	**(21,784)**	**695**	**(20,377)**	**(594)**	**189,153**
4Q 2017								
Profit for the period (as previously reported)	-	3,137	-	-	-	-	2,419	5,556
Effect of prior year adjustment **	-	(2,672)	-	-	-	-	(2,782)	(5,454)
Profit for the period (as restated)	-	465	-	-	-	-	(363)	102
Other comprehensive income for the period	-	-	-	691	(249)	442	646	1,088
Total comprehensive income for the period (As restated)	**-**	**465**	**-**	**691**	**(249)**	**442**	**283**	**1,190**
Acquisition of non-controlling interest without a change in control	-	-	35	-	-	35	-	35
Deemed disposal of non-controlling interest without a change in control	-	-	5,144	-	-	5,144	64,199	69,343
Total transactions with owners, recognised directly in equity	**-**	**-**	**5,179**	**-**	**-**	**5,179**	**64,199**	**69,378**
Balance at 31 December 2017 (As restated)	**150,519**	**60,070**	**5,891**	**(21,093)**	**446**	**(14,756)**	**63,888**	**259,721**

The results of 1Q2017, 2Q2017 and 3Q2017, collectively 9 months have been retrospectively adjusted to reflect the fair values of assets and liabilities of Taiga Building Products Ltd upon finalisation of the purchase price allocation ("PPA") exercise in January 2018.

** A prior year adjustment was made in relation to S$5.4 million (C$5.1 million) under-provision of deferred tax liability arising from the fair value adjustment in relation to acquisition of Taiga Building Products Ltd. in January 2017. For more details, please refer to our announcement dated 23 February 2019.

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 (Cont'd)

THE COMPANY

Statement of changes in equity for the year ended 31 December 2018

	Share capital	Treasury shares	Retained profits/ (Accumulated losses)	Capital reserve	Total reserves	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
9M 2018						
Balance at 1 January 2018	**150,519**	**-**	**2,054**	**74**	**74**	**152,647**
Total comprehensive loss for the period	-	-	(176)	-	-	(176)
Share issued for acquisition of non-controlling interests without a change in control	19,094	-	-	-	-	19,094
Share issuance expense	(31)	-	-	-	-	(31)
Dividend relating to 2017 paid	-	-	(4,383)	-	-	(4,383)
Dividend relating to 2018 paid	-	-	(4,383)	-	-	(4,383)
Balance at 30 September 2018	**169,582**	**-**	**(6,888)**	**74**	**74**	**162,768**
4Q 2018						
Total comprehensive income for the period	-	-	33,213	-	-	33,213
Purchase of treasury shares	-	(628)	-	-	-	(628)
Balance at 31 December 2018	**169,582**	**(628)**	**26,325**	**74**	**74**	**195,353**

Statement of changes in equity for the year ended 31 December 2017

	Share capital	Retained profits/ (Accumulated losses)	Capital reserve	Total reserves	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000
9M 2017					
Balance at 1 January 2017	**140,578**	**1,936**	**74**	**74**	**142,588**
Total comprehensive income for the period	-	312	-	-	312
Shares placement	10,000	-	-	-	10,000
Share placement expenses	(59)	-	-	-	(59)
Dividend relating to 2016 paid	-	(4,383)	-	-	(4,383)
Dividend relating to 2017 paid	-	(4,383)	-	-	(4,383)
Balance at 30 September 2017	**150,519**	**(6,518)**	**74**	**74**	**144,075**
4Q 2017					
Total comprehensive income for the period	-	8,572	-	-	8,572
Balance at 31 December 2017	**150,519**	**2,054**	**74**	**74**	**152,647**

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.

There were no changes in the Company's issued share capital for the fourth quarter ended 31 December 2018.

Bonus warrants (the "Warrant") were issued by the Company on 13 February 2017 and the number of shares that may be issued on their conversion were 836,667,121 (31 December 2017: 836,667,121).

As at	**31.12.2018**	**31.12.2017**
Treasury shares held	3,037,000	-
Subsidiary holdings held	-	-
	3,037,000	-
Percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of issued shares excluding treasury shares and subsidiary holdings	0.32%	-

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

As at	**31.12.2018**	**31.12.2017**
Total number of issued shares	950,106,121	-
Less: Treasury shares	(3,037,000)	-
Total number of issued shares excluding treasury shares	947,069,121	-

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

As at 31 December 2018, there were no sales, transfers, cancellation and/or use of treasury shares.

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

As at 31 December 2018, there were no sales, transfers, cancellation and/or use of subsidiary holdings.

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 in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current period as compared with those used in the audited financial statements for the year ended 31 December 2017.

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

As required by the listing requirements of the Singapore Exchange, the Group has adopted SFRS(I) since 1 January 2018. The Group's previously issued financial statements for periods up to and including the financial year ended 31 December 2017 were prepared in accordance with Singapore Financial Reporting Standards ("SFRS").

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) equivalent of IFRS 1 First-time Adoption of IFRS ("IFRS 1"). The Group has concurrently applied new major SFRS(I) equivalents of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers.

The adoption of SFRS(I) has no material impact on the financial statements of the Group.

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

		Group			
		4th quarter ended 31 December 2018	4th quarter ended 31 December 2017 (Restated)	Full year ended 31 December 2018	Full year ended 31 December 2017 (Restated)
Earnings/(loss) per ordinary share for the period based on profit/(loss) attributable to equity holders of the Company					
(i) Based on weighted average number of ordinary shares on issue	S$ cents	(0.40)	0.05**	1.25	1.58**
- Weighted average number of shares	('000)	948,026	867,352	895,257	867,352
(ii) On a fully diluted basis	S$ cents	(0.40)	0.05**	1.25	1.58**
- Weighted average number of shares	('000)	948,026	867,352	895,257	867,352

The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

Bonus warrants as disclosed in Section 1(d)(ii) were not included in the calculation of diluted EPS/LPS because they are anti-dilutive for the current financial period and the corresponding period of the immediate preceding financial year.

7. Net asset value (for the issuer and the 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.

Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the end of the period reported on:-

		31 December 2018	31 December 2017
The Group	S$ cents	22.19	22.34**
The Company	S$ cents	20.63	17.41

** Amount restated due to the prior year adjustment in relation to S$5.4 million (C$5.1 million) under-provision of deferred tax liability arising from the fair value adjustment in relation to acquisition of Taiga Building Products Ltd. in January 2017. For more details, please refer to our announcement dated 23 February 2019.

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.

(a) <u>Review of Statement of comprehensive income</u>

Kindly refer to our announcement dated 23 February 2019 on prior year adjustments of S$5.4 million under provision of deferred tax expense made to the financial statements for the financial year ended 31 December 2017 due to correction of material errors.

<u>4th quarter ended 31 December 2018 ("4Q2018") Vs 4th quarter ended 31 December 2017 ("4Q2017")</u>

The Group incurred a net loss of S$3.5 million for 4Q2018 as compared to net profit of S$0.1 million for the same quarter last year. The loss and variation from the previous year were mainly caused by the following non-operating items:

a) Foreign exchange loss of S$4.6 million (4Q2017: S$2.4 million),
b) Provision for deferred tax liability of S$2.0 million (4Q2017: S$5.4 million),
c) One-off gain on extinguishment of subordinated notes amounted to S$2.4 million recognised in same corresponding quarter last year, but none in 4Q2018.

Excluding the above items, the Group would have recorded net profit of S$3.1 million in 4Q2018 (4Q2017: S$5.5 million). The decline was primarily due to lower in contributions from the building products business of Taiga.

The Group's revenue for 4Q2018 was S$329.2 million, compared to S$365.6 million for 4Q2017. Overall gross profit margin decreased by S$3.9 million or 12%. Overall gross margin percentage decreased marginally to 8.9% from 9.1%.

Revenue from the building products business of Taiga for 4Q2018 decreased by 10% to S$312.7 million from S$348.7 million over the same quarter last year. The decline in revenue by S$36.0 million or 10% was largely due to lower demand for Taiga's products in all segments and lower commodity prices. Gross margin fell by S$4.2 million or 15% and gross profit margin percentage decreased to 7.9% in the current quarter compared to 8.3% in the same quarter last year. The decrease in gross margin percentage was primarily due to lower commodity prices in the current quarter.

Revenue from the paper mill business for 4Q2018 decreased by 6% to S$13.6 million from S$14.4 million in the same quarter last year but gross margin percentage increased to 21.4% in the current quarter compared to 20.7% in the same quarter last year.

Operating and maintenance income and gross profit margin of the power plant business increased mainly due to additional income recognised for consumption by EPGE above the minimum off-take requirement.

"Other gains/(losses), net" for 4Q2018 included a foreign exchange loss of S$4.6 million (4Q2017: S$2.4 million) that mainly arose from the translation of intercompany receivables denominated in Canadian Dollar ("CAD") and United States Dollar ("USD"). The "Other gains/(losses), net" in the same quarter last year also included a one-off gain on extinguishment of subordinated notes amounted to S$2.4 million.

Distribution expenses for the 4Q2018 was S$7.5 million compared to S$6.4 million over the same quarter last year. The increase was due to the additional expenses resulting from the acquisition of Exterior Wood.

Selling and administrative expenses for 4Q2018 decreased to S$15.9 million compared to S$16.9 million over the same quarter last year. The decrease was primarily due to lower legal and consulting fees in relation to Taiga's notes restructuring exercise which was completed in November 2017.

Finance expenses decreased mainly due to lower subordinated notes interest expense at Taiga, following the completion of Taiga's notes restructuring exercise in November 2017. Following the exercise, there is currently only C$12.5 million of notes bearing 7% interest as opposed to C$82.8 million of notes bearing 14% interest in the same quarter last year. As a result, subordinated notes interest expense for 4Q2018 was S$0.2 million compared to S$1.9 million over the same quarter last year. The lower notes interest expenses was partially offset by additional interest costs incurred from higher borrowing levels in the current quarter.

12 months ended 31 December 2018 (“12M2018”) Vs 12 months ended 31 December 2017 (“12M2017”)

The Group's net profit for 12M2018 increased by S$5.2 million or 35% to S$20.1 million from S$14.9 million in the previous corresponding year.

The variation from the previous corresponding year was mainly due to the following non-operating items:

a) Foreign exchange loss of S$6.1 million (12M2017: S$3.9 million),
b) Provision of deferred tax liability of S$6.9 million (12M2017: S$6.4 million),
c) Exceptional fair value accounting charge of S$8.5 million relating to the acquisition exercise in 1Q2017, gain on disposal of asset held-for-sale of S$1.2 million and one-off gain on extinguishment of subordinated notes amounted to S$2.4 million, all recognised in the previous corresponding year,

Excluding the above items, the Group’s net profit would have increased by S$3.0 million or 10% from S$30.1 million for 12M2017 to S$33.1 million for 12M2018.

The Group reported revenue of S$1.6 billion for 12M2018 as compared to S$1.5 billion for 12M2017. The increase in revenue by S$117.5 million or 8% was largely due to the building products business of Taiga.

Overall gross profit margin increased by S$13.3 million or 10% while overall gross margin percentage increased marginally to 9.3% from 9.1%.

Revenue from the building products business of Taiga for 12M2018 increased by 8% to S$1.5 billion from S$1.4 billion in the previous financial year. Gross margin increased by S$11.2 million or 10% and gross margin percentage increased marginally to 8.4% for 12M2018 compared to 8.3% in the previous financial year.

Revenue from the paper mill business for 12M2018 increased by 3% to S$55.9 million from S$54.3 million in the previous financial year. Gross margin percentage increased to 23.2% in 12M2018 compared to 18.0% in the previous financial year. The increase in revenue and margins was due to higher selling prices and lower waste paper costs in the current year compared to last year.

The operating and maintenance income and gross profit margin of the power plant business was fairly consistent with the previous financial year.

“Other losses, net” for 12M2018 included a foreign exchange loss of S$6.1 million (12M2017: S$3.9 million) and loss allowance for trade receivables of S$1.5 million (12M2017: reversal of impairment of S$143k). “Other gains, net” in the previous corresponding year of S$80k also included a gain on disposal of asset held-for-sale amounted to S$1.2 million and an one-off gain on extinguishment of subordinated notes amounted to S$2.4 million.

Distribution expense for the 12M2018 was S$28.1 million compared to S$23.5 million in previous financial year. The increase was due primarily to increased compensation costs for warehouse and delivery staff and increased expenses to service higher sales levels.

Selling and administrative expense for 12M2018 increased to S$71.5 million compared to S$68.2 million over the same period last year. The increase was primarily due to higher compensation costs under the “Pay for Performance” (“P4P”) structure at Taiga.

Finance expenses decreased mainly due to lower subordinated notes interest expense at Taiga, following the completion of Taiga’s notes restructuring exercise in November 2017. Subordinated notes interest expense for 12M2018 was S$0.9 million compared to S$9.5 million over the same period last year. The decrease was due to the current total of only C$12.5 million of notes bearing 7% interest as opposed to C$82.8 million of notes bearing 14% interest in the same period last year, following the notes restructuring exercise.

(b) (i) Review of Statement of Financial Position

The Group's total assets increased from S$505.1 million as at 31 December 2017 to S$512.2 million as at 31 December 2018. The increase of S$7.1 million was primarily due to higher inventories, intangible assets, goodwill and lower trade receivables.

The increase in goodwill of S$9.4 million and intangible assets of S$12.0 million were mainly due to recognition of additional goodwill and intangible assets arising from the acquisition of Exterior Wood by Taiga in July 2018.

Property, plant and equipment increased to S$99.7 million as at 31 December 2018 compared to S$92.1 million as at 31 December 2017 mainly due to the acquisition of Exterior Wood. The increase was partially offset by depreciation charges of S$8.0 million during the current year.

Inventories increased to S$157.9 million as at 31 December 2018 compared to S$138.2 million as at 31 December 2017, mainly due to acquisition of Exterior Wood by Taiga. As well, Taiga had higher inventories on hand.

Trade receivables decreased to S$102.4 million as at 31 December 2018 compared to S$126.9 million as at 31 December 2017 largely due to decreased demand for Taiga's building products and lower commodity prices in the last quarter of the year.

Total liabilities of the Group increased to S$254.1 million as at 31 December 2018 from S$245.4 million as at 31 December 2017. The increase was due to increased revolving credit facility balance, increased bank borrowings for acquisition purposes as well as increased deferred tax liabilities as a result of acquisition of Exterior Wood.

The Group's working capital was S$146.7 million as at 31 December 2018 compared to S$147.6 million as at 31 December 2017.

The Group's total equity as at 31 December 2018 amounted to S$258.1 million (31 December 2017: S$259.7 million).

(b) (ii) Review of Statement of Cash Flows

Operating activities generated cash flows of S$40.8 million for 4Q2018 compared to S$31.6 million for the same quarter last year. Operating activities generated cash flows of S$56.7 million for 12M2018 compared to S$56.5 million for the same period last year. Changes between the comparative periods were primarily due to changes in non-cash working capital.

Investing activities used cash of S$2.7 million for 4Q2018 compared to S$0.2 million over the same quarter last year. Investing activities used cash of S$60.7 million for 12M2018 compared to S$78.5 million for the same period last year. For 12M2018, investing activities used cash of S$55.1 million for acquisition of Exterior Wood, inc. whereas for 12M2017, the cash outflow of S$77.8 million was used for acquisition of a 58.34% interest in Taiga shares and the acquisition of 35.71% or C$46 million principal amount of Taiga subordinated notes.

Financing activities used cash of S$34.0 million for 4Q2018 compared to S$9.1 million for 4Q2017. Financing activities used cash of S$12.1 million for 12M2018 compared to generating S$3.6 million cash for the same period last year. Changes between the comparative periods were primarily due to changes in the revolving credit facility and increase in bank borrowings for acquisitions purposes.

Overall, the net increase in cash and cash equivalents for 4Q2018 was S$4.1 million whereas the net decrease in cash and cash equivalents for 12M2018 was S$16.0 million.

As at 31 December 2018, the Group's cash and cash equivalents was S$22.4 million.

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

No forecast was previously provided.

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 announced on 28 January 2019, the Group has completed the disposal of its property at 35 Tuas View Crescent Singapore 637608 for S$18,600,000. In view of the foregoing, the Board is pleased to announce that the Company proposes to distribute a one-tier tax exempt interim special dividend of 1.5 cents for the year ending 31 December 2019 for each ordinary share held by the Shareholders. This interim special dividend is in addition to the Group's proposed final dividend of 3.0 cents per share for the year ended 31 Dec 2018, as disclosed in section 11.

The Group will continue to focus on improving operational efficiency for its portfolio of businesses, and evaluate opportunities for growth. However, the increased geographical diversity of the Group's assets will also subject it to higher currency volatility when earnings are translated back to SGD. Included in the latest 12 month's results are foreign exchange losses amounting to S$6.1 million as compared to S$3.9 million for 12M2017.

Outlook of the respective business divisions are as follows: -

a) Building products business

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets in North America. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators. Taiga caters to both the primary housing and renovation markets. Taiga's primary market is Canada and secondary market, the United States. The recent acquisition of Exterior Wood, Inc is expected to increase Taiga's penetration into the United Stated market.

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 (Cont'd).

In Canada, according to the Canada Mortgage and Housing Corporation ("CMHC") Housing Market Outlook, Canadian Edition for Fall 2018, housing starts are forecasted to range from 193,700 to 204,500 units in the 2019 calendar year. CMHC is reporting that housing starts will decline by the end of 2019 compared to 2018. In the United States, the National Association of Home Builders reported in January 2019 that housing starts are forecasted to total 1,272,000 units in the 2019 calendar year compared to 1,262,000 units in calendar year 2018.

Taiga's sales are typically subject to seasonal variances that fluctuate in accordance with the home building season in Canada and the United States. Taiga generally experiences higher sales in the second and third quarters and reduced sales in the late fall and winter during its first and fourth quarters of each year, when home building activity is low due to the cold weather.

b) Paper mill business

China's policies on the import of solid waste for environmental reasons are expected to continue influencing the price of waste paper, as well as the demand and selling price of industrial paper in the region. The outlook of industrial paper will be supplemented by demand for paper packaging products as the economy grows.

The Group will continue to monitor market developments and pricing trends. It is mindful of potential hikes in future energy costs, fluctuations in the price of raw materials and exchange rates, and will continue to strive to improve operational efficiency.

c) Power plant business

Earnings for the power plant in Myanmar are largely backed by a 30-year power purchase agreement with the Electric Power Generation Enterprise ("EPGE"), under Myanmar's Ministry of Electricity and Energy. The power plant will undergo scheduled overhaul in 2019 but is committed to meet the minimum off-take requirement of 350 million kWh per year.

11. If a decision regarding Dividends has been made:

(a) 4th Quarter ended 31 December 2018

Any dividend declared for the current financial period reported on?

Name of dividend	Tax-exempt one tier
Dividend type	Final
Dividend amount per Share (in S$ cents)	3 cents
Tax rate	-

(b) 4th Quarter ended 31 December 2017

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

Name of dividend	Tax-exempt one tier
Dividend type	Final
Dividend amount per Share (in S$ cents)	0.50 cents
Tax rate	-

(c) Reasons for the variation in the interim or final dividend rate

The Group has proposed a final dividend of 3 cents per share for the financial year ended 31 December 2018 (2017: 0.5 cents), subject to shareholders' approval. The higher dividend reflects the Group's efforts to optimise returns for shareholders and return on equity, taking into account its balance sheet and earnings.

(d) Date payable

Payment of the proposed final tax-exempt one tier dividend, if approved by the members at the forthcoming Annual General Meeting, will be made on 24 May 2019.

(e) Books closure date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 11 May 2019 for the purpose of determination of members' entitlements to the proposed dividend.

Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902 up to the close of business at 5.00 p.m. on 10 May 2019 will be registered to determine shareholders' entitlements to the proposed dividend.

11. **If a decision regarding Dividends has been made (Cont'd):**

(f) Interim special dividend for the year ending 31 December 2019

The Directors have also proposed to distribute a one-tier tax exempt interim dividend of 1.5 cents per ordinary share for the year ending 31 December 2019, being an interim special dividend out of the net proceeds from the disposal of property owned by Group which was completed on 28 January 2019.

The book closure date of the interim special dividend will be same with the final dividend of 3 cents per share for the financial year ended 31 December 2018. The interim special dividend will be payable on 24 May 2019.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. 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

	Malaysia Paper Mill		Canada Building Products		Myanmar Power Plant		Others		Total		Adjustments and Eliminations		Consolidated	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue														
External customers	55,907	54,257	1,506,267	1,389,174	10,503	11,732	-	-	1,572,677	1,455,163	-	-	1,572,677	1,455,163
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	55,907	54,257	1,506,267	1,389,174	10,503	11,732	-	-	1,572,677	1,455,163	-	-	1,572,677	1,455,163
Results														
Finance expenses	(4)	(4)	(8,332)	(15,045)	-	-	(637)	(573)	(8,973)	(15,622)	-	-	(8,973)	(15,622)
Interest income	299	120	-	-	-	-	78	21	377	141	-	-	377	141
Depreciation	(2,453)	(2,370)	(5,542)	(4,502)	(4)	(5)	(31)	(86)	(8,030)	(6,963)	-	-	(8,030)	(6,963)
Amortisation of intangible assets	-	-	(4,845)	(4,252)	-	-	-	-	(4,845)	(4,252)	-	-	(4,845)	(4,252)
Segment profit before taxation	10,271	8,338	25,565	18,497	5,680	6,887	(10,389)	(8,574)	31,127	25,148	-	-	31,127	25,148

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

Please refer to item 8.

15. A breakdown of sales

	Group		
	Full year ended 31 December 2018	Full year ended 31 December 2017 (Restated)	Increase/ (decrease)
	S$'000	S$'000	%
(a) Turnover reported for first half year	807,133	642,221	26
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	13,182	3,548	272
(c) Turnover reported for second half year	765,544	812,942	(6)
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	6,913	11,362	(39)

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

	2018 (S$'000)	2017 (S$'000)
Ordinary - Interim - Proposed final	 4,383 28,412	 4,383 4,383
Preference	-	-
Total	**32,795**	**8,766**

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

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

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(13) 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
Tong Ian	31	Son of Tong Kooi Ong (Executive Chairman, Chief Executive Officer and substantial shareholder)	<u>Avarga Limited</u> Current position: Director Duties: Operations and building materials distribution. Date when position first held: 7 March 2017 <u>Taiga Building Products Ltd</u> Position: Director Duties: Non-executive Chairman Date when position first held: 20 July 2012	Mr Tong Ian was appointed as Non-executive Chairman of Taiga Building Products Ltd with effect from 9 August 2018

19. 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 that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Tong Kooi Ong Executive Chairman	Koh Wan Kai Executive Director

23 February 2019