

Unaudited Financial Statement And Dividend Announcement for the Fourth Quarter and Full Year Ended 31 December 2019

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 2019

		Group					
	Note	4 th quarter ended 31 December 2019	4 th quarter ended 31 December 2018	Increase / (decrease)	Full year ended 31 December 2019	Full year ended 31 December 2018	Increase / (decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	(a)	325,622	329,256	(1)	1,403,873	1,572,677	(11)
Cost of sales	(b)	(289,746)	(299,814)	(3)	(1,253,516)	(1,426,950)	(12)
Gross profit		35,876	29,442	22	150,357	145,727	3
Other gains/(losses), net							
- Interest income – bank deposit		72	252	(71)	330	377	(12)
- Loss allowance of trade receivables, net		-	-	-	(168)	(1,500)	(89)
- Others		104	(4,989)	nm	14,924	(4,832)	nm
Distribution expenses		(6,784)	(7,493)	(9)	(28,035)	(28,150)	-
Selling and administrative expenses		(19,931)	(15,924)	25	(71,868)	(71,522)	-
Finance expenses		(3,277)	(2,566)	28	(12,220)	(8,973)	36
Profit/(loss) before income tax		6,060	(1,278)	nm	53,320	31,127	71
Income tax expense		(3,131)	(2,202)	42	(12,732)	(11,032)	15
Net profit/(loss)	(c)	2,929	(3,480)	nm	40,588	20,095	102
Other comprehensive income/(loss):							
Items that may be reclassified subsequently to profit or loss							
Currency translation differences arising from consolidation							
- (Losses)/Gains		(3,512)	(796)	341	(1,750)	1,047	nm
Items that will not be reclassified subsequently to profit or loss:							
Financial assets, at FVOCI:							
- Fair value losses – equity investments		(56)	(475)	(88)	(194)	(1,109)	(83)
Currency translation differences arising from consolidation							
- (Losses)/Gains		(1,983)	(695)	185	147	(495)	nm
Other comprehensive losses, net of tax		(5,551)	(1,966)	182	(1,797)	(557)	223
Total comprehensive (loss)/income		(2,622)	(5,446)	(52)	38,791	19,538	99
Profit/(Loss) attributable to:							
Equity holders of the Company		1,266	(3,784)	nm	32,562	11,163	192
Non-controlling interests		1,663	304	447	8,026	8,932	(10)
		2,929	(3,480)	nm	40,588	20,095	102
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(2,302)	(5,055)	(54)	30,618	11,101	176
Non-controlling interests		(320)	(391)	(18)	8,173	8,437	(3)
		(2,622)	(5,446)	(52)	38,791	19,538	99

Footnotes:

(a) Revenue comprises the following:

	Group					
	4 th quarter ended 31 December 2019	4 th quarter ended 31 December 2018	Increase / (decrease)	Full year ended 31 December 2019	Full year ended 31 December 2018	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales of goods						
- Paper products	11,415	13,598	(16)	48,058	55,907	(14)
- Building products	307,575	312,691	(2)	1,337,108	1,506,267	(11)
Finance income	1,027	1,191	(14)	4,586	4,854	(6)
Operating and maintenance income	5,605	1,776	216	14,121	5,649	150
	325,622	329,256	(1)	1,403,873	1,572,677	(11)

(b) The cost of sales includes the following:

	Group					
	4 th quarter ended 31 December 2019	4 th quarter ended 31 December 2018	Increase / (decrease)	Full year ended 31 December 2019	Full year ended 31 December 2018	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Cost of goods sold						
- Paper products	8,941	10,694	(16)	37,382	42,910	(13)
- Building products	276,013	288,008	(4)	1,203,838	1,379,647	(13)
Operating and maintenance fees	4,572	893	412	11,461	3,592	219
Others	220	219	-	835	801	4
	289,746	299,814	(3)	1,253,516	1,426,950	(12)

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

	Group					
	4 th quarter ended 31 December 2019	4 th quarter ended 31 December 2018	Increase / (decrease)	Full year ended 31 December 2019	Full year ended 31 December 2018	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(2,978)	(2,247)	33	(12,679)	(8,030)	58
Amortisation of intangible assets	(1,312)	(1,162)	13	(5,241)	(4,845)	8
Amortisation of deferred gain	31	99	(69)	123	398	(69)
(Loss)/gain on disposal of property, plant and equipment	(59)	12	nm	14	157	(91)
Gain on disposal of assets held-for-sale	-	-	-	10,864	-	nm
Bad debts recovered	200	5	3,900	262	29	803
Inventories written-down	(968)	(97)	898	(3,511)	(2,235)	57
Currency exchange (loss)/gain, net	(129)	(4,565)	(97)	3,664	(6,063)	nm
Dividend income from listed equity security	59	39	51	137	139	(1)
Interest expense	(3,277)	(2,566)	28	(12,220)	(8,973)	36
Net fair value (loss)/gain on derivatives	(167)	(452)	(63)	(192)	94	nm
Over/(Under) provision of tax in respect of prior years	-	-	-	9	(357)	nm

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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current Assets				
Property, plant and equipment	174,807	99,692	664	423
Investments in subsidiary corporations	-	-	34,854	35,126
Financial asset, at FVPL	500	500	500	500
Financial asset, at FVOCI	1,964	2,158	-	-
Service concession receivables*	24,512	24,622	-	-
Other receivables	-	-	8,419	12,788
Goodwill on consolidation	32,322	31,895	-	-
Intangible assets	34,226	39,167	-	-
Deferred income tax assets	196	270	-	-
Total Non-current Assets	268,527	198,304	44,437	48,837
Current Assets				
Inventories	169,475	157,955	-	-
Service concession receivables*	16,029	16,232	-	-
Trade receivables	94,828	102,416	55	17
Other receivables	4,056	4,028	125,239	145,565
Prepaid operating expenses	3,143	3,093	18	23
Derivative financial instruments	-	56	-	-
Cash and cash equivalents	19,245	22,372	4,618	2,596
	306,776	306,152	129,930	148,201
Assets held-for-sale	-	7,742	-	-
Total Current Assets	306,776	313,894	129,930	148,201
Current Liabilities				
Trade payables and accruals	(75,752)	(65,551)	(1,978)	(1,630)
Other payables	(831)	(304)	(102)	(55)
Derivatives financial instruments	(136)	-	-	-
Revolving credit facility	(42,279)	(64,680)	-	-
Bank borrowings	(40,588)	(29,739)	-	-
Lease liabilities	(4,746)	(2,498)	(124)	-
Current income tax liabilities	(14,747)	(4,430)	-	-
Total Current Liabilities	(179,079)	(167,202)	(2,204)	(1,685)
Net Current Assets	127,697	146,692	127,726	146,516
Non-current Liabilities				
Bank borrowings	(15,361)	(28,621)	-	-
Lease liabilities	(95,232)	(20,487)	(212)	-
Deferred gains	(2,683)	(2,724)	-	-
Provisions	(590)	(669)	-	-
Subordinated notes	(12,900)	(12,525)	-	-
Deferred income tax liabilities	(16,633)	(21,828)	-	-
Total Non-current Liabilities	(143,399)	(86,854)	(212)	-
Net Assets	252,825	258,142	171,951	195,353
Capital and reserves attributable to equity holders of the Company				
Share capital	169,582	169,582	169,582	169,582
Treasury shares	(628)	(628)	(628)	(628)
Retained profits	54,651	62,467	2,923	26,325
Other reserves	(22,399)	(21,309)	74	74
	201,206	210,112	171,951	195,353
Non-controlling interests	51,619	48,030	-	-
Total Equity	252,825	258,142	171,951	195,353

* 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.

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 31/12/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
54,613	33,000	74,917	22,000

(b) Amount repayable after one year

As at 31/12/2019		As at 31/12/2018	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
106,093	17,400	41,608	20,025

(c) Details of any collaterals

The Group's secured borrowings comprise a revolving credit facility of S\$42,279,000 (2018: S\$64,680,000), bank borrowings of S\$18,449,000 (2018: S\$28,860,000) and leases liabilities of S\$99,978,000 (2018: S\$22,985,000).

The revolving credit facility and bank borrowings are secured by a first perfected security interest in all real and personal property of 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 the United States.

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 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

	4 th quarter ended 31 December 2019	4 th quarter ended 31 December 2018	Full year ended 31 December 2019	Full year ended 31 December 2018
	S\$'000	S\$'000	S\$'000	S\$'000
				(Restated)
Cash flows from operating activities				
Profit/(loss) before income tax	6,060	(1,278)	53,320	31,127
Adjustments for:				
Depreciation of property, plant and equipment	2,978	2,247	12,679	8,030
Amortisation of intangible assets	1,312	1,162	5,241	4,845
Amortisation of deferred gain	(31)	(99)	(123)	(398)
Loss/(gain) on disposal of property, plant and equipment	59	(12)	(14)	(157)
Gain on disposal of asset held-for-sale	-	-	(10,864)	-
Provisions	(29)	(27)	(98)	(124)
Loss allowance of trade receivables	-	-	168	1,500
Net fair value loss/(gain) on derivatives	167	452	192	(94)
Dividend income from listed equity security	(59)	(39)	(137)	(139)
Finance income	(1,027)	(1,191)	(4,586)	(4,854)
Interest income	(72)	(252)	(330)	(377)
Interest expenses	3,277	2,566	12,220	8,973
Unrealised currency translation (gains)/losses	(7,377)	2,930	(56)	4,019
Operating cash flows before working capital changes	5,258	6,459	67,612	52,351
Changes in working capital				
Inventories	(17,412)	(1,518)	(11,520)	1,657
Service concession receivables	(1,237)	1,344	4,421	9,329
Trade receivables	46,398	59,916	7,420	33,331
Other receivables	(2,057)	4,530	(21)	(2,662)
Prepaid operating expenses	4,470	(3,000)	(774)	(2,631)
Trade payables and accruals	(6,978)	(25,350)	9,541	(23,860)
Other payables	666	5	527	79
Cash generated from operations	29,108	42,386	77,206	67,594
Interest received	72	252	330	377
Interest paid	(2,194)	(1,573)	(9,621)	(6,823)
Income tax paid	(929)	(296)	(8,083)	(4,452)
Net cash provided by operating activities	26,057	40,769	59,832	56,696
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,163)	(2,500)	(2,277)	(5,411)
Proceeds from disposal of property, plant and equipment	134	56	195	210
Proceeds from disposal of asset held-for-sale	-	-	18,406	-
Purchase of financial asset, at FVPL	-	-	-	(500)
Net cash outflow on acquisition of a subsidiary corporation	-	(325)	-	(55,103)
Dividend received from listed equity security	59	39	137	139
Net cash (used in)/provided by investing activities	(970)	(2,730)	16,461	(60,665)
Cash flows from financing activities				
Acquisition of non-controlling interests	-	-	-	(9,253)
Share issue expenses	-	-	-	(31)
Purchase of treasury shares	-	(628)	-	(628)
Purchase of treasury shares by a subsidiary corporation	(992)	(911)	(4,328)	(1,684)
Principal element of lease payments	(709)	(612)	(4,852)	(2,440)
Changes in revolving credit facility (Note A)	(19,226)	(30,002)	(23,802)	(1,903)
Proceeds from bank borrowings	-	2,341	31,300	41,266
Repayment of bank borrowings	(1,833)	(3,507)	(33,277)	(27,099)
Interest paid	(715)	(647)	(1,761)	(1,540)
Dividend paid to equity holders of the Company	-	-	(42,613)	(8,766)
Net cash used in financing activities	(23,475)	(33,966)	(79,333)	(12,078)
Net increase/(decrease) in cash and cash equivalents	1,612	4,073	(3,040)	(16,047)
Cash and cash equivalents at beginning of period/year	17,787	18,353	22,372	38,701
Effects of currency translation on cash and cash equivalents	(154)	(54)	(87)	(282)
Cash and cash equivalents at end of period/year	19,245	22,372	19,245	22,372

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

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 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 the acquisition of Exterior Wood, Inc in July 2018. The Facility continues to bear interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of Taiga and certain of its subsidiary corporations, and will mature on June 28, 2023. 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 2019

	Share capital	Treasury shares	Retained profits	Capital reserve	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
9M2019									
Balance at 1 January 2019 (As previously reported)	169,582	(628)	62,467	(600)	(20,046)	(663)	(21,309)	48,030	258,142
Adjustment on adoption of SFRS(I) 16 Lease (net of tax)	-	-	1,850	-	-	-	-	974	2,824
Balance at 1 January 2019 (As restated)	169,582	(628)	64,317	(600)	(20,046)	(663)	(21,309)	49,004	260,966
Profit for the financial period	-	-	31,296	-	-	-	-	6,363	37,659
Other comprehensive income/(loss) for the financial period	-	-	-	-	1,762	(138)	1,624	2,130	3,754
Total comprehensive income/(loss) for the financial period	-	-	31,296	-	1,762	(138)	1,624	8,493	41,413
Liquidation of a subsidiary corporation	-	-	-	-	-	-	-	9	9
Dividend relating to 2018 paid	-	-	(28,409)	-	-	-	-	-	(28,409)
Dividend relating to 2019 paid	-	-	(14,204)	-	-	-	-	-	(14,204)
Effect of subsidiary's shares buyback and cancelled	-	-	-	(2,185)	-	-	(2,185)	(1,151)	(3,336)
Balance at 30 September 2019	169,582	(628)	53,000	(2,785)	(18,284)	(801)	(21,870)	56,355	256,439
4Q2019									
Profit for the financial period	-	-	1,266	-	-	-	-	1,663	2,929
Other comprehensive loss for the financial period	-	-	-	-	(3,512)	(56)	(3,568)	(1,983)	(5,551)
Total comprehensive income/(loss) for the financial period	-	-	1,266	-	(3,512)	(56)	(3,568)	(320)	(2,622)
Effect of subsidiary's shares buyback and cancelled	-	-	-	(673)	-	-	(673)	(319)	(992)
Deemed acquisition of non-controlling interests without a change in control	-	-	385	3,818	(106)	-	3,712	(4,097)	-
Balance at 31 December 2019	169,582	(628)	54,651	360	(21,902)	(857)	(22,399)	51,619	252,825

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 2018

	Share capital	Treasury shares	Retained profits	Capital reserve	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
9M2018									
Balance at 1 January 2018 (As previously reported)	150,519	-	62,742	5,891	(21,093)	446	(14,756)	66,670	265,175
Effect of prior year adjustments **	-	-	(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 financial period	-	-	14,947	-	-	-	-	8,628	23,575
Other comprehensive income/(loss) for the financial period	-	-	-	-	1,843	(634)	1,209	200	1,409
Total comprehensive income/(loss) for the financial period	-	-	14,947	-	1,843	(634)	1,209	8,828	24,984
Effect of subsidiary's shares buyback and cancelled	-	-	-	(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)
Balance at 30 September 2018 (As restated)	169,582	-	66,251	(6)	(19,250)	(188)	(19,444)	48,738	265,127
4Q2018									
Loss for the financial period	-	-	(3,784)	-	-	-	-	304	(3,480)
Other comprehensive loss for the financial period	-	-	-	-	(796)	(475)	(1,271)	(695)	(1,966)
Total comprehensive loss for the financial period	-	-	(3,784)	-	(796)	(475)	(1,271)	(391)	(5,446)
Purchase of treasury shares	-	(628)	-	-	-	-	-	-	(628)
Effect of subsidiary's shares buyback and cancelled	-	-	-	(594)	-	-	(594)	(317)	(911)
Balance at 31 December 2018 (As restated)	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 COMPANY

Statement of changes in equity for the year ended 31 December 2019

	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
9M2019						
Balance at 1 January 2019	169,582	(628)	26,325	74	74	195,353
Total comprehensive income for the period	-	-	2,811	-	-	2,811
Dividend relating to 2018 paid	-	-	(28,409)	-	-	(28,409)
Dividend relating to 2019 paid	-	-	(14,204)	-	-	(14,204)
Balance at 30 September 2019	169,582	(628)	(13,477)	74	74	155,551
4Q2019						
Total comprehensive income for the period	-	-	16,400	-	-	16,400
Balance at 31 December 2019	169,582	(628)	2,923	74	74	171,951

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
9M2018						
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
4Q2018						
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

- 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 2019.

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 2018: 836,667,121). The Warrant were expired at 5pm on 12 February 2020.

As at	31.12.2019	31.12.2018
Treasury shares held	3,037,000	3,037,000
Subsidiary holdings held	-	-
	3,037,000	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%	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	31.12.2019	31.12.2018
Total number of issued shares	950,106,121	950,106,121
Less: Treasury shares	(3,037,000)	(3,037,000)
Total number of issued shares excluding treasury shares	947,069,121	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 2019, 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 2019, 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 2018.

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

The Group has adopted new Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) and interpretations effective for the financial period beginning 1 January 2019 as follows:

SFRS(I) 16 Leases

SFRS(I) 16 Leases introduces a single lessee accounting model and requires a lessee to recognise a right-of-use (“**ROU**”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has adopted SFRS(I) 16 with a date of initial application of 1 January 2019, using the modified retrospective approach. Accordingly, comparative figures as at 31 December 2018 and for the twelve month year ended 31 December 2018 have not been restated and continue to be reported under SFRS(I) 1-17 and SFRS(I) INT 4, *Determining whether an arrangement contains a lease* (“**SFRS(I) INT 4**”).

On initial application for leases previously classified as operating leases under SFRS(I) 1-17, the Group has elected to record right-of-use assets based on the corresponding lease liabilities, adjusted for any deferred lease inducements and any lease payments made at or before the commencement date that were recorded in other non-current liabilities and other current assets and other assets, on the statement of financial position as at 31 December 2018. For moveable equipment leases previously classified as finance leases under SFRS(I) 1-17, the Group measured the right-of-use asset and lease liabilities as previously accounted for without adjustment.

For recording new right-of-use assets under SFRS(I) 16, the Group discounted future lease payments using its incremental borrowing rate as at 1 January 2019. Furthermore, the Group has elected to apply the practical expedient to grandfather the assessment of which transactions are leases on the date of initial application, as previously assessed under SFRS(I) 1-17 and SFRS(I) INT 4. The Group applied the definition of a lease under SFRS(I) 16 to contracts entered into or changed on or after 1 January 2019. The Group has also elected to apply the practical expedient on facility leases, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Under SFRS(I) 1-17, the Group had previously accounted for the building component of certain warehouse leases as finance leases and the land component as operating leases. On adoption, the Group derecognised the amounts previously recognised as leased assets (S\$17.2 million) and finance lease obligations (S\$21.0 million) with the difference of S\$3.8 million being credited to retained profits and non-controlling interests as a result of the adoption of SFRS(I) 16, offset by an increase in deferred tax liabilities of S\$1.0 million. New right-of-use assets were recorded for the entire single lease component of each warehouse location leased by the Group, resulting in the recognition of new right-of-use assets along with corresponding lease liabilities. The increase was due to adopting the policy of recognising the lease as a single component along with including renewal terms determined by management to be reasonably certain to be exercised.

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Property, plant and equipment – decreased by S\$17.2 million
- Right-of-use assets – increased by S\$97.1 million
- Deferred tax liabilities – increased by S\$1.0 million
- Lease liabilities – increased by S\$76.1 million

The net impact to retained profits and non-controlling interests on 1 January 2019 was a credit of S\$2.8 million.

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			
				4 th quarter ended 31 December 2019	4 th quarter ended 31 December 2018	Full year ended 31 December 2019	Full year ended 31 December 2018
Earnings per ordinary share for the period based on profit attributable to equity holders of the Company							
(i)	Based on weighted average number of ordinary shares on issue	S\$ cents		0.13	(0.40)	3.44	1.25
	- Weighted average number of shares	('000)		947,069	948,026	947,069	895,257
(ii)	On a fully diluted basis	S\$ cents		0.13	(0.40)	3.44	1.25
	- Weighted average number of shares	('000)		947,069	948,026	947,069	895,257

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 because they are anti-dilutive for the current financial period and the corresponding period of the immediately preceding financial period.

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

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 2019	31 December 2018
The Group	S\$ cents	21.25	22.19
The Company	S\$ cents	18.16	20.63

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) Review of Statement of comprehensive income

4th quarter ended 31 December 2019 ("4Q2019") Vs 4th quarter ended 31 December 2018 ("4Q2018")

Group financial performance by business segments

	<u>4Q2019</u> S\$'000	<u>Contribution</u> %	<u>4Q2018</u> S\$'000	<u>Contribution</u> %
<u>Revenue</u>				
Paper manufacturing	11,415	4	13,598	4
Building products	307,575	94	312,691	95
Power plant	6,632	2	2,967	1
	325,622	100	329,256	100
<u>Gross profit</u>				
Paper manufacturing	2,474	7	2,904	10
Building products	31,562	88	24,683	84
Power plant	1,840	5	1,855	6
	35,876	100	29,442	100

Overview

The Group reported net profit after tax of S\$2.9 million for 4Q2019 as compared to a net loss of S\$3.5 million for 4Q2018. Excluding the effects of the currency exchange loss of S\$0.1 million (4Q2018: S\$4.6 million) that mainly arose from the translation of intercompany receivables denominated in Canadian Dollar ("**CAD**") and United States Dollar ("**USD**"), the Group's net profit would have increased by 182% from S\$1.1 million for 4Q2018 to S\$3.1 million for 4Q2019.

The Group's revenue for 4Q2019 was S\$325.6 million, compared to S\$329.3 million for 4Q2018. Overall gross profit increased by S\$6.4 million or 22%. Overall gross margin percentage increased from 8.9% for 4Q2018 to 11.0% for 4Q2019. Revenue and gross profit from building products business contributed at least 84% of the Group's performance for the both comparison periods on a consolidated basis.

Revenue from the building products business of Taiga for 4Q2019 decreased marginally by 2% to S\$307.6 million from S\$312.7 million over the same quarter last year. The decline was largely due to decreased demand for the Group's building products. Gross margin for 4Q2019 increased by S\$6.9 million or 28% to S\$31.6 million from S\$24.7 million over the same quarter last year. Gross profit margin percentage increased from 7.9% for 4Q2018 to 10.3% for 4Q2019. The increase in gross profit margin percentage was primarily due to inventory gains in the current quarter.

Distribution expenses were S\$6.8 million and S\$7.5 million for 4Q2019 and 4Q2018 respectively.

Selling and administrative expenses for 4Q2019 was S\$19.9 million as compared to S\$15.9 million over the same quarter last year. The increase was primarily due to higher compensation costs.

Finance expenses increased due to the adoption of SFRS(I) 16 Leases.

Full year ended 31 December 2019 ("12M2019") Vs full year ended 31 December 2018 ("12M2018")

Group financial performance by business segments

	<u>12M2019</u> S\$'000	<u>Contribution</u> %	<u>12M2018</u> S\$'000	<u>Contribution</u> %
<u>Revenue</u>				
Paper manufacturing	48,058	4	55,907	3
Building products	1,337,108	95	1,506,267	96
Power plant	18,707	1	10,503	1
	1,403,873	100	1,572,677	100
<u>Gross profit</u>				
Paper manufacturing	10,676	7	12,997	9
Building products	133,270	89	126,620	87
Power plant	6,411	4	6,110	4
	150,357	100	145,727	100

Overview

The Group's net profit after tax increased by S\$20.5 million from S\$20.1 million recorded in the corresponding period last year to S\$40.6 million in the current year. This was mainly due to a gain on disposal of property at 35 Tuas View Crescent of S\$10.9 million and a currency exchange gain of S\$3.7 million in the current financial year compared to a currency exchange loss of S\$6.1 million in the previous corresponding financial year. The one-off gain on property disposal and currency exchange difference were included in the statement of comprehensive income within "Other gains/(losses), net - Others".

Excluding the effects of the currency exchange gain of S\$3.7 million (12M2018: loss of S\$6.1 million) that mainly arose from the translation of intercompany receivables denominated in Canadian Dollar ("CAD") and United States Dollar ("USD") and the gain on disposal of property of S\$10.9 million (12M2018: S\$Nil), the Group's net profit was consistent at approximately S\$26 million for 12M2018 and 12M2019.

The Group's revenue for 12M2019 was S\$1.404 billion, compared to S\$1.573 billion for 12M2018. Overall gross profit increased by S\$4.6 million or 3%. Overall gross margin percentage increased marginally from 9.3% for 12M2018 to 10.7% for 12M2019. Revenue and gross profit from building products business contributed at least 87% of the Group's performance for the both comparison periods on a consolidated basis.

Revenue from the building products business of Taiga for 12M2019 decreased by 11% to S\$1.337 billion from S\$1.506 billion over the same period last year. The decline was largely due to decreased selling prices for commodity products partially offset by the inclusion of Exterior Wood's results, which was acquired in July 2018. Gross margin was S\$133.3 million for 12M2019 as compared to S\$126.6 million for 12M2018. Gross profit margin percentage increased from 8.4% for 12M2018 to 9.97% for 12M2019.

Distribution expenses were about S\$28 million for both 4Q2019 and 4Q2018.

Selling and administrative expenses for 12M2019 were S\$71.9 million as compared to S\$71.5 million over the same period last year.

Finance expenses increased due to the adoption of SFRS(I) 16 Leases as well as more interest expenses on additional long term debt utilised for the acquisition of Exterior Wood in July 2018.

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

The Group's total assets increased from S\$512.2 million as at 31 December 2018 to S\$575.3 million as at 31 December 2019. The increase of S\$63.1 million was primarily due to higher property, plant and equipment and inventories.

Property, plant and equipment increased to S\$174.8 million as at 31 December 2019 compared to S\$99.7 million as at 31 December 2018 primarily due to the adoption of SFRS(I) 16 Leases on 1 January 2019 which led to lease obligations being capitalised as right of use ("ROU") assets. The net book value of right of use assets as at 31 December 2019 was S\$97.7 million after depreciation charge of S\$6.5 million for the current year. Please refer to Item 5 on Page 10 for more information on the impact of SFRS(I) 16 Leases.

Inventories increased to S\$169.5 million as at 31 December 2019 compared to S\$157.9 million as at 31 December 2018, primarily due to seasonal ramp up of inventories which led to greater inventories on hand.

Total liabilities of the Group increased to S\$322.5 million as at 31 December 2019 from S\$254.1 million as at 31 December 2018. The increase was mainly due to an increase in the lease liabilities as a result of the adoption of SFRS(I) 16 Leases.

The Group's working capital was S\$127.7 million as at 31 December 2019 compared to S\$146.7 million as at 31 December 2018.

The Group's total equity as at 31 December 2019 amounted to S\$252.8 million (31 December 2018: S\$258.1 million) after dividend payment of S\$42.6 million in the first half of 2019.

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

Cash flows from operating activities generated cash of S\$26.1 million for current quarter compared to S\$40.8 million for the same quarter last year. Cash flows from operating activities generated cash of S\$59.8 million for 12M2019 compared to S\$56.7 million for the same period last year. The change between the comparative periods were primarily due to changes in non-cash working capital.

Investing activities used cash of S\$1.0 million for current quarter compared to S\$2.7 million for same quarter last year. Investing activities generated cash of S\$16.5 million for 12M2019, mainly due to proceeds from disposal of asset held-for-sale, compared to used cash of S\$60.7 million during the same period last year for the acquisition of Exterior Wood, Inc in July 2018.

Financing activities used cash of S\$23.5 million for the quarter ended 31 December 2019 compared to S\$34.0 million for the same quarter last year. Financing activities used cash of S\$79.3 million for 12M2019 compared to S\$12.1 million for the same period last year. The changes were mainly due to lesser borrowings from the Taiga's revolving credit facility combined with higher amount of dividend payment in the current year under review.

Overall, the net increase in cash and cash equivalents for 4Q2019 was S\$1.6 million and net decrease in cash and cash equivalents for 12M2019 was S\$3.0 million.

As at 31 December 2019, the Group's cash and cash equivalents was S\$19.2 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.

The Group will continue to focus on improving operational efficiency for its portfolio of businesses and evaluate opportunities for growth. Increased geographical diversity of the Group's assets also results in greater exposure to currency volatility when earnings are translated back to SGD. Included in the full year results was a currency exchange gain of S\$3.7 million, compared with a currency exchange loss of S\$6.1 million for FY2018.

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 and secondary markets are Canada and the United States respectively.

In Canada, according to the Canada Mortgage and Housing Corporation ("CMHC") Housing Market Outlook, Canadian Edition for Fall 2019, housing starts are forecasted to range from 194,000 to 204,300 units in the 2020 calendar year compared to 193,700 to 204,500 units in calendar year 2019. CMHC is reporting that housing starts will stabilize by 2020 compared to 2019. In the United States, the National Association of Home Builders reported in January 2020 that housing starts are forecasted to total 1,303,000 units in the 2020 calendar year compared to 1,266,000 units in calendar year 2019.

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. With the acquisition of Exterior Wood in July 2018, Taiga now has a larger presence in the United States and a more diversified exposure to the North American housing market.

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 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 underwent scheduled overhaul throughout 2019, with the balance of the exercise expected to be completed by mid 2020. Despite some downtime from the scheduled overhaul in 2019, the power plant’s production increased compared to 2018, and it is committed to meet the minimum off-take requirement of 350 million kWh per year.

11. Dividend

(a) 4th Quarter ended 31 December 2019

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)	0.50 cents
Tax rate	-

(b) 4th Quarter ended 31 December 2018

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)	3 cents
Tax rate	-

(c) Reasons for the variation in the interim or final dividend rate compared to that for the previous corresponding period

On 24 May 2019, the Company had already paid an interim dividend of 1.5 cents per share for the first quarter ended 31 March 2019 or S\$14.2 million in May 2019. The Group has proposed a final dividend of 0.5 cents per share for the financial year ended 31 December 2019 (2018: 3 cents), subject to shareholders’ approval.

(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 22 May 2020.

(e) Books closure date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 9 May 2020 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 8 May 2020 will be registered to determine shareholders’ entitlements to the proposed dividend.

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		Canada		Myanmar		Others		Total		Adjustments and		Consolidated	
	Paper Mill		Building Products		Power Plant						Eliminations			
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	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	48,058	55,907	1,337,108	1,506,267	18,707	10,503	-	-	1,403,873	1,572,677	-	-	1,403,873	1,572,677
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue	48,058	55,907	1,337,108	1,506,267	18,707	10,503	-	-	1,403,873	1,572,677	-	-	1,403,873	1,572,677
Results														
Finance expenses	(4)	(4)	(11,350)	(8,332)	-	-	(866)	(637)	(12,220)	(8,973)	-	-	(12,220)	(8,973)
Interest income	283	299	-	-	-	-	47	78	330	377	-	-	330	377
Depreciation	(2,417)	(2,453)	(10,071)	(5,542)	(4)	(4)	(187)	(31)	(12,679)	(8,030)	-	-	(12,679)	(8,030)
Amortisation of intangible assets	-	-	(5,241)	(4,845)	-	-	-	-	(5,241)	(4,845)	-	-	(5,241)	(4,845)
Segment profit before taxation	8,112	10,271	32,731	25,565	5,990	5,680	6,487	(10,389)	53,320	31,127	-	-	53,320	31,127

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 2019	Full year ended 31 December 2018	Increase/ (decrease)
	S\$'000	S\$'000	%
(a) Turnover reported for first half year	688,605	807,133	(15)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	27,235	13,182	107
(c) Turnover reported for second half year	715,268	765,544	(7)
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	13,353	6,913	93

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

	2019 (S\$'000)	2018 (S\$'000)
Ordinary		
- Interim	14,204	4,383
- Proposed final	4,735	28,409
Preference	-	-
Total	18,939	32,792

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	32	Son of Tong Kooi Ong (Executive Chairman, Chief Executive Officer and substantial shareholder)	<u>Avarga Limited</u> Current position: Executive Director Duties: Oversees the Group's operations 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	Not applicable.

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

Tong Ian
Executive Director

22 February 2020