



TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited Fourth Quarter and Full Year Financial Statements and Dividend Announcement for the Year Ended 31.12.2019

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

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

	Notes	GROUP					
		3 months ended			12 months ended		
		31.12.2019 S\$'000	31.12.2018 S\$'000	Change %	31.12.2019 S\$'000	31.12.2018 S\$'000	Change %
Revenue		62,174	28,367	119.2	198,221	134,800	47.0
Cost of sales		(52,710)	(22,312)	136.2	(162,947)	(105,673)	54.2
Gross profit		9,464	6,055	56.3	35,274	29,127	21.1
Other income	1	3,028	2,578	17.5	5,583	3,319	68.2
Selling and distribution costs		(287)	(358)	(19.8)	(3,000)	(1,464)	104.9
General and administrative expenses		(5,516)	(5,463)	1.0	(21,483)	(20,392)	5.4
Other operating expenses		(3,822)	(3,402)	12.3	(11,173)	(11,995)	(6.9)
Share of profit, net of tax of associates and joint ventures		601	511	17.6	678	440	54.1
Finance costs		(4,188)	(3,648)	14.8	(15,540)	(12,946)	20.0
Loss before income tax	2	(720)	(3,727)	(80.7)	(9,661)	(13,911)	(30.6)
Income tax expense	3	(229)	1,023	(122.4)	(1,120)	833	(234.5)
Loss after income tax		(949)	(2,704)	(64.9)	(10,781)	(13,078)	(17.6)
Other comprehensive income (loss):							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Exchange differences on translation of foreign operations		(284)	(1,815)	(84.4)	938	(1,039)	(190.3)
Share of other comprehensive loss of associates and joint ventures		(236)	(146)	61.6	(1)	(174)	(99.4)
Total comprehensive loss for the year		(1,469)	(4,665)	(68.5)	(9,844)	(14,291)	(31.1)
Profit (Loss) attributable to :							
Owners of the Company		216	(4,484)	(104.8)	(11,057)	(14,919)	(25.9)
Non-controlling interests		(1,165)	1,780	(165.4)	276	1,841	(85.0)
		(949)	(2,704)	(64.9)	(10,781)	(13,078)	(17.6)
Total comprehensive (loss) income attributable to							
Owners of the Company		(78)	(6,304)	(98.8)	(10,099)	(16,156)	(37.5)
Non-controlling interests		(1,391)	1,639	(184.9)	255	1,865	(86.3)
		(1,469)	(4,665)	(68.5)	(9,844)	(14,291)	(31.1)

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

1. **Other income**

	Group			
	3 months ended		12 months ended	
	31.12.2019 S\$'000	31.12.2018 S\$'000	31.12.2019 S\$'000	31.12.2018 S\$'000
Rental income	2,291	72	2,701	268
Management fee	168	220	526	635
Interest income	366	337	1,638	1,176
Foreign exchange gain	-	1,713	-	-
Grant from government	23	34	45	303
Gain on disposal of property, plant and equipment	18	37	29	64
Others	162	165	644	873
	3,028	2,578	5,583	3,319

2. **Loss before income tax**

	Group			
	3 months ended		12 months ended	
	31.12.2019 S\$'000	31.12.2018 S\$'000	31.12.2019 S\$'000	31.12.2018 S\$'000
Loss before income tax for the period is stated after charging/ (crediting) the following:				
Impairment loss on financial assets	84	507	396	1,660
Impairment loss on other non-current assets	6	2	14	5
Depreciation of property, plant and equipment	1,552	1,649	6,520	6,328
Depreciation of right-of-use assets	219	-	845	-
Fair value change in derivative financial instrument	-	-	-	4
Gain on disposal of property, plant and equipment, net	(18)	(37)	(29)	(64)
Loss in fair value of investment properties	555	331	932	431
Foreign exchange loss	418	-	16	213
Impairment loss on development properties	-	-	-	566
Interest income	(366)	(337)	(1,638)	(1,176)
Property, plant and equipment written off	147	4	263	6

3. **Included in income tax expense is the following:**

	3 months ended		12 months ended	
	31.12.2019 S\$'000	31.12.2018 S\$'000	31.12.2019 S\$'000	31.12.2018 S\$'000
Provision for taxation				
- current year	(361)	(67)	(1,234)	(269)
- over provision for prior year	134	1,121	128	1,116
	(227)	1,054	(1,106)	847
Deferred tax	(2)	(31)	(14)	(14)
	(229)	1,023	(1,120)	833

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 S\$'000	31.12.2018 S\$'000	31.12.2019 S\$'000	31.12.2018 S\$'000
ASSETS				
Current assets				
Cash and bank balances	32,859	41,213	118	3,565
Trade and other receivables	61,138	38,220	25,007	23,342
Deposits and prepayments	11,081	4,551	6	8
Inventories	8,122	7,040	-	-
Contract assets	48,980	26,908	-	-
Development properties	264,681	233,061	-	-
Total current assets	426,861	350,993	25,131	26,915
Non-current assets				
Property, plant and equipment	54,080	55,462	-	-
Investment properties	235,159	235,943	-	-
Subsidiaries	-	-	91,965	91,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	17,192	16,838	-	-
Trade and other receivables	55,216	47,104	107,597	102,129
Right-of-use assets	1,743	-	-	-
Other non-current assets	382	396	-	-
Total non-current assets	366,367	358,338	199,562	194,094
Total assets	793,228	709,331	224,693	221,009
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	193,082	132,860	5,000	20,000
Trade and other payables	115,106	83,007	25,833	16,924
Lease liabilities	944	-	-	-
Current portion of finance leases	-	316	-	-
Contract liabilities	76,625	46,189	-	-
Income tax payable	1,237	314	-	-
Total current liabilities	386,994	262,686	30,833	36,924
Non-current liabilities				
Borrowings	165,308	212,765	7,500	-
Trade and other payables	56,734	40,834	-	-
Lease liabilities	1,317	-	-	-
Finance leases	-	307	-	-
Term notes	26,929	26,884	26,929	26,884
Deferred tax liabilities	294	280	-	-
Total non-current liabilities	250,582	281,070	34,429	26,884

	Group		Company	
	31.12.2019 S\$'000	31.12.2018 S\$'000	31.12.2019 S\$'000	31.12.2018 S\$'000
Capital, reserves and non-controlling interests				
Share capital	154,189	154,189	154,189	154,189
Reserves	675	675	31	31
Translation and other reserves	188	(770)	-	-
Retained earnings	7,232	18,289	5,211	2,981
Equity attributable to owners of the Company	162,284	172,383	159,431	157,201
Non-controlling interests	(6,632)	(6,808)	-	-
Total equity	155,652	165,575	159,431	157,201
Total liabilities and equity	793,228	709,331	224,693	221,009

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

	As at 31.12.2019		As at 31.12.2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	191,191	2,835	122,757	10,419
Amount repayable after one year	166,445	27,109	212,712	27,244
Total	357,636	29,944	335,469	37,663

Details of any collateral

Collateral for the above secured borrowings include mortgages over the Group's investment properties, development properties, leasehold properties, certain property, plant and equipment and fixed deposits and legal assignment of sales proceeds from the development properties. Certain bank facilities are also secured by corporate guarantees from the Company, two of its subsidiaries and certain non-controlling shareholders of partially-owned subsidiaries.

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

	Group			
	3 months ended		12 months ended	
	31.12.2019 S\$'000	31.12.2018 S\$'000	31.12.2019 S\$'000	31.12.2018 S\$'000
Operating activities				
Loss before income tax	(720)	(3,727)	(9,661)	(13,911)
Adjustments for:				
Depreciation of property, plant and equipment	1,552	1,649	6,520	6,328
Depreciation of right-of-use assets	219	-	845	-
Interest income	(366)	(337)	(1,638)	(1,176)
Deemed interest income on retention amounts	-	(91)	-	(91)
Finance costs	3,737	3,648	15,089	12,946
Deemed interest expense on retention amounts	451	-	451	-
Fair value change in derivative financial instrument	-	-	-	4
Share of profit of associates and joint ventures	(601)	(511)	(678)	(440)
Gain on disposal of property, plant and equipment, net	(18)	(37)	(29)	(64)
Property, plant and equipment written off	147	4	263	6
Impairment loss on development properties	-	-	-	566
Impairment loss on other non-current assets	6	2	14	5
Loss in fair value of investment properties	555	331	932	432
Impairment loss recognised on financial assets	84	507	396	1,660
Operating cash flows before movements in working capital	5,046	1,438	12,504	6,265
Trade and other receivables	(2,562)	(797)	(26,829)	19,534
Contract assets	(10,105)	463	(22,072)	4,182
Contract liabilities	11,807	3,512	26,673	12,570
Deposits and prepayments	(3,398)	(1,406)	(4,027)	(1,921)
Inventories	(355)	(19)	(1,082)	(1,464)
Development properties	(3,652)	(10,009)	(23,797)	(43,401)
Trade and other payables	12,289	5,226	41,085	(8,199)
Cash generated from (used in) operations	9,070	(1,592)	2,455	(12,434)
Income tax refund (paid)	31	-	(182)	(308)
Interest paid	(6,064)	(3,938)	(18,165)	(14,904)
Net cash from (used in) operating activities	3,037	(5,530)	(15,892)	(27,646)
Investing activities				
Advances to associates and joint ventures	(1,585)	(169)	(6,585)	(18,887)
Additional investment in associates and joint ventures	-	(399)	-	(600)
Dividends received from joint ventures	321	7	321	227
Interest received	366	337	1,638	1,176
Purchase of property, plant and equipment	(1,352)	(1,372)	(5,234)	(6,455)
Proceeds from disposal of property, plant and equipment	17	38	34	189
Net cash used in investing activities	(2,233)	(1,558)	(9,826)	(24,350)

	Group			
	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities				
Advance from an associate	1,430	-	5,930	9,600
Proceeds from borrowings	46,497	43,929	91,264	121,619
Proceeds from term notes	-	-	-	27,000
Proceeds from issue of shares in subsidiary to non-controlling shareholders	8	200	8	200
Repayment of borrowings	(39,431)	(43,592)	(79,172)	(108,581)
Repayment of term notes	-	-	-	(40,000)
Repayment of principal portion of lease liabilities	(290)	(109)	(1,266)	(493)
Pledged fixed deposits	2,449	(32)	(98)	(1,864)
Dividends paid to non-controlling shareholders	(87)	(87)	(87)	(87)
Dividends paid	-	-	-	(1,202)
Net cash from financing activities	10,576	309	16,579	6,192
Increase (Decrease) in cash and cash equivalents	11,380	(6,779)	(9,139)	(45,804)
Cash and cash equivalents at beginning of the period	13,145	40,563	33,781	79,092
Effect of exchange rate changes	86	(3)	(31)	493
Cash and cash equivalents at end of the year	24,611	33,781	24,611	33,781

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

Cash and bank balances	26,569	31,816	26,569	31,816
Fixed deposits	6,290	9,397	6,290	9,397
	32,859	41,213	32,859	41,213
Less: pledged cash and fixed deposits	(7,530)	(7,432)	(7,530)	(7,432)
Less: bank overdraft	(718)	-	(718)	-
Cash and cash equivalents at end of the year	24,611	33,781	24,611	33,781

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

Equity attributable to owners of the Company

<u>Group (\$S'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation and other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2018	150,391	675	467	38,208	189,741	(8,786)	180,955
<i>Total comprehensive (loss) income for the year</i>							
(Loss) Profit for the year	-	-	-	(14,919)	(14,919)	1,841	(13,078)
Other comprehensive (loss) income for the year	-	-	(1,237)	-	(1,237)	24	(1,213)
Total	-	-	(1,237)	(14,919)	(16,156)	1,865	(14,291)
<i>Transactions with owners, recognised directly in equity</i>							
Proceeds from issue of shares to non-controlling shareholders	-	-	-	-	-	200	200
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	-	3,798	-	3,798
Dividends paid							
- in cash	-	-	-	(1,202)	(1,202)	-	(1,202)
- in scrip	-	-	-	(3,798)	(3,798)	-	(3,798)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(87)	(87)
Total	3,798	-	-	(5,000)	(1,202)	113	(1,089)
Balance at December 31, 2018	154,189	675	(770)	18,289	172,383	(6,808)	165,575

Equity attributable to owners of the Company

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation and other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2019	154,189	675	(770)	18,289	172,383	(6,808)	165,575
<i>Total comprehensive (loss) income for the year</i>							
Loss for the year	-	-	-	(11,057)	(11,057)	276	(10,781)
Other comprehensive income (loss) for the year	-	-	958	-	958	(21)	937
Total	-	-	958	(11,057)	(10,099)	255	(9,844)
<i>Transactions with owners, recognised directly in equity</i>							
Proceeds from issue of shares to non-controlling shareholders	-	-	-	-	-	8	8
Dividends paid to non-controlling shareholders	-	-	-	-	-	(87)	(87)
Total	-	-	-	-	-	(79)	(79)
Balance at December 31, 2019	154,189	675	188	7,232	162,284	(6,632)	155,652

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2018	150,391	31	7,519	157,941
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	462	462
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	3,798
Dividends paid				
- in cash	-	-	(1,202)	(1,202)
- in scrip	-	-	(3,798)	(3,798)
Total	<u>3,798</u>	<u>-</u>	<u>(5,000)</u>	<u>(1,202)</u>
Balance at December 31, 2019	154,189	31	2,981	157,201
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	2,230	2,230
Balance at December 31, 2019	<u>154,189</u>	<u>31</u>	<u>5,211</u>	<u>159,431</u>

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, 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.**

	FY2019		FY2018	
	No of shares	SS'000	No of shares	SS'000
Issued and paid up capital				
At 1 January	518,068,220	154,189	499,983,810	150,391
Issue of shares pursuant to scrip dividend scheme	-	-	18,084,410	3,798
At 31 December	518,068,220	154,189	518,068,220	154,189

There are no changes in the Company's issued share capital for the three months ended 31 December 2019.

The total number of outstanding warrants as at 31 December 2019 was 120,567,589 (31 December 2018: 120,567,589).

As at the end of 31 December 2019, the Company does not have any outstanding treasury shares and subsidiary holding (31 December 2018: Nil).

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

The total number of shares at 31 December 2019 was 518,068,220 (31 December 2018: 518,068,220). The Company has no treasury shares.

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

Not applicable.

- 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**

Not applicable.

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

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

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

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

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

None.

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

(i) SFRS(I) 16 Leases

The Group has adopted SFRS(I) 16 *Leases* with effect from 1 January 2019. The Group has applied the simplified transition approach and has not restated the comparative for the 2018 reporting period as permitted under the specific transition provision in the standard. On adoption of SFRS(I) 16 *Leases*, the Group recognised right-of-use ("ROU") assets and lease liabilities of S\$2.5 million on 1 January 2019.

The Group applied the practical expedient under SFRS(I) 16 not to reassess whether a contract is, or contain, a lease at the date of initial application by applying this standard to contracts that were previously identified as leases applying FRS17 *Leases* and INT FRS 104 *Determining whether an Arrangement contains a Lease*.

ROU asset that meets the definition of investment property is presented within investment properties.

6 Profit/(Loss) 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			
	3 months ended		12 months ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
(i) Profit/(Loss) per ordinary share based on weighted average number of shares (in cents)	0.04	(0.9)	(2.1)	(2.9)
(ii) Profit/(Loss) per ordinary share based on a fully diluted basis (in cents)	0.04	(0.9)	(2.1)	(2.9)
Weighted average number of ordinary shares (in millions)	518.1	518.1	518.1	510.5

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares based on the weighted average number of shares for the respective periods.

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

	Group		Company	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Net asset value per ordinary share issued (in cents)	31.3	33.3	30.8	30.3
Total number of issued shares at end of the financial year (in millions)	518.1	518.1	518.1	518.1

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

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

Review of Group performance

4Q2019 vs 4Q2018

For the quarter under review, the Group's revenue increased by S\$33.8 million from S\$28.4 million in 4Q2018 to S\$62.2 million in 4Q2019. The increase in revenue was mainly due to higher revenue contributions by the construction segment from S\$14.9 million to S\$51.7 million and the real estate investment segment from S\$5.5 million to S\$5.9 million, partially offset by lower revenue from the distribution segment from S\$7.6 million to S\$5.9 million. The gross profit increased by 56.3% from S\$6.1 million in 4Q2018 to S\$9.5 million in 4Q2019.

The share of profit, net of tax of associates and joint ventures of S\$0.6 million in 4Q2019 compared to S\$0.5 million in 4Q2018 was mainly due to higher share of profit from the joint ventures in Myanmar.

Finance costs have increased by 14.8% from S\$4.2 million in 4Q2019 compared to S\$3.6 million in 4Q2018 mainly due to increase in project borrowings and interest rates on borrowings.

The Group recorded a loss before income tax of S\$0.7 million in 4Q2019 compared to loss before income tax of S\$3.7 million in 4Q2018.

FY2019 vs FY2018

The Group's revenue for FY2019 was S\$198.2 million, an increase of S\$63.4 million compared to S\$134.8 million in FY2018.

Construction segment recorded revenue of S\$153.7 million in FY2019, an increase of S\$64.3 million compared to S\$89.4 million in FY2018 due to higher revenue recognised from progressive construction work for projects.

Real estate investment segment recorded S\$22.5 million revenue in FY2019, an increase of S\$3.0 million compared to S\$19.5 million in FY2018 mainly due to improvement in bed and occupancy rates for Tuas South Dormitory in FY2019 compared to FY2018.

Distribution segment generated S\$21.4 million revenue in FY2019, a decrease of S\$3.7 million from S\$25.1 million in FY2018. The decrease was mainly due to lower contribution from our distribution business in Myanmar.

The gross profit increased by 21.0% from S\$29.1 million in FY2018 to S\$35.3 million in FY2019.

Selling and marketing costs increased by S\$1.5 million to S\$3.0 million in FY2019 compared to S\$1.5 million in FY2018 due to higher marketing costs incurred for a property development project.

General and administrative expenses increased by S\$1.1 million to S\$21.5 million in FY2019 compared to S\$20.4 million in FY2018 mainly due to higher staff costs resulting from higher head count in the construction segment and salaries increment.

Other operating expenses decreased by S\$0.8 million to S\$11.2 million in FY2019 compared to S\$12.0 million in FY2018. This was mainly due to lower loss allowance for doubtful receivables and absence of impairment loss on development properties.

Finance costs increased by S\$2.6 million to S\$15.5 million in FY2019 compared to S\$12.9 million in FY2018 mainly due to increase in project borrowings, increase in interest rates on borrowings.

The Group recorded a loss before income tax of S\$9.7 million in FY2019, a decrease of S\$4.2 million compared to S\$13.9 million in FY2018.

Review of working capital, assets and liabilities

The changes in assets and liabilities are as follows:

- i) increase in current trade and other receivables by S\$22.9 million was mainly due to higher contract work billed for construction projects and progress billings on sold units of the Group's real estate development project in Cambodia.
- ii) increase in deposits and prepayments by S\$6.5 million was mainly due to deposits for purchase of fixed assets, and deferred expenditure and prepayments for development projects.
- iii) increase in contract assets by S\$22.1 million was mainly due to increase in accrued income arising from timing difference between revenue recognised and progress billings from construction contracts.
- iv) increase in development properties by S\$31.6 million was mainly due to development cost incurred for on-going projects.
- v) decrease in investment properties by S\$0.8 million was mainly due to loss in fair value of investment property.
- vi) increase in non-current trade and other receivables by S\$8.1 million was mainly due to working capital advances provided to a joint venture undertaking a property development project at Mattar Road.
- vii) ROU assets arise from the adoption of SFRS (I) 16 *leases* on 1 January 2019. The net carrying value of ROU assets was S\$1.7 million as at 31 December 2019.
- viii) increase in net borrowings by S\$12.8 million was mainly due to additional loans obtained for construction projects financing purposes.
- ix) increase in trade and other payables by S\$48.0 million was mainly due to higher billing from subcontractors and suppliers resulting from higher construction progress works, increase in progress payments received from buyers of sold units of development project in Cambodia where the revenue is recognised at a point in time and increase in payables to associate.
- x) lease liabilities increased mainly due to recognition of lease obligations upon adoption of SFRS (I) 16 *Leases* on 1 January 2019.
- xi) Increase in contract liabilities by S\$30.4 million was mainly due to higher cumulative progress billings for sold units of the Group's real estate development project in Cambodia and higher progress billings compared to revenue recognized for construction projects.

Cash and cash equivalents decreased by S\$9.1 million in FY2019 mainly due to the following items:

- i) net cash used in operating activities of S\$15.9 million was mainly attributable to interest payment of S\$18.2 million and development cost incurred for on-going projects of S\$23.8 million.
- ii) net cash used in investing activities of S\$9.8 million was mainly due to advances of S\$6.6 million provided to associates and joint ventures for their working capital and S\$5.2 million for purchase of property, plant and equipment.

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

The Company has not made any forecast or prospect statement for the year ended 31 December 2019 previously.

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

The Ministry of Trade and Industry announced on 17 February 2020 that the GDP growth forecast for 2020 is between -0.5% to 1.5% following the outbreak of COVID-19.

The Urban Redevelopment Authority (“URA”) reported in its 4th Quarter 2019 real estate statistics dated 23 January 2020 that prices of private residential properties increased by 0.5% in 4th Quarter 2019, compared with the 1.3% increase in the previous quarter. For the whole of 2019, prices of private residential properties increased by 2.7% compared with the 7.9% increase in 2018. Developers sold 2,443 private residential units (excluding ECs) in 4th Quarter 2019, compared with the 3,281 units sold in the previous quarter. For the whole of 2019, developers sold 9,912 private residential units, compared with the 8,795 units in the previous year. For the whole of 2019, developers launched 11,345 uncompleted private residential properties, compared with the 8,769 units in the previous year.

According to the Building and Construction Authority news release on 8 January 2020, private sector construction demand is projected to be between S\$10.5 billion and S\$12.5 billion this year, supported by projects such as redevelopment of en-bloc sale sites, recreational developments and port facilities constructions. Construction demand is expected to hold steady over the medium term. Demand is projected to reach between S\$27 billion and S\$34 billion per year for 2021 and 2022 and between S\$28 billion and S\$35 billion per year for 2023 to 2024.

As at 31 December 2019, the Group’s construction order book is S\$461.0 million to be delivered progressively over three years.

Financial performance of the Group's dormitory continued to improve in FY2019, with improvement in both rental and occupancy rates. The Group will continue its efforts to further push for higher rental and occupancy rates.

Amidst the on-going global trade uncertainties impacting local and global economy, the sudden outbreak of COVID-19 further exacerbated the economic uncertainties. The COVID-19 situation remains fluid with full impact to businesses and operations largely unquantified at this time. The Group will remain vigilant in these uncertain times, will continue to adopt a conservative policy and take necessary measures to mitigate risks.

11 Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended to conserve cash.

13 If the group has obtained general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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

Name of Interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)	
		3 months ended 31 December 2019	12 months ended 31 December 2019	3 months ended 31 December 2019	12 months ended 31 December 2019
		S\$'000	S\$'000	S\$'000	S\$'000
Prestige Resources Pte Ltd	Associate of directors - Liong Kiam Teck ("LKT"), Neo Tiam Boon ("NTB"), Neo Tiam Poon @ Neo Thiam Poon ("NTP"), and Neo Thiam An ("NTA")	93	380	N.A.	N.A.
TAC Alliance Pte. Ltd.	Associate of directors - LKT, NTB, NTP and NTA	52	219	N.A.	N.A.
Matsushita Greatwall Corporation Private Limited	Associate of directors - LKT, NTB, NTP and NTA	-	434	N.A.	N.A.

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

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

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

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

The Group's segment information is as follows:

	Construction S\$'000	Real estate investment S\$'000	Real estate development S\$'000	Distribution S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000
2019							
REVENUE							
External revenue	153,685	22,459	643	21,434	-	-	198,221
Inter-segment revenue	20,022	361	300	7,136	-	(27,819)	-
	<u>173,707</u>	<u>22,820</u>	<u>943</u>	<u>28,570</u>	<u>-</u>	<u>(27,819)</u>	<u>198,221</u>
RESULT							
Segment result	(6,239)	13,300	(4,328)	2,056	(548)	-	4,241
Interest income	307	1,290	6	35	-	-	1,638
Finance costs	(1,873)	(7,273)	(3,546)	(366)	(2,482)	-	(15,540)
(Loss) Profit before income	<u>(7,805)</u>	<u>7,317</u>	<u>(7,868)</u>	<u>1,725</u>	<u>(3,030)</u>	<u>-</u>	<u>(9,661)</u>
Income tax expense	(24)	(1,049)	(35)	(12)	-	-	(1,120)
(Loss) Profit for the year	<u>(7,829)</u>	<u>6,268</u>	<u>(7,903)</u>	<u>1,713</u>	<u>(3,030)</u>	<u>-</u>	<u>(10,781)</u>
STATEMENT OF FINANCIAL POSITION							
Segment assets	149,475	334,510	290,519	17,368	974	-	792,846
Unallocated corporate assets	382	-	-	-	-	-	382
Total assets	<u>149,857</u>	<u>334,510</u>	<u>290,519</u>	<u>17,368</u>	<u>974</u>	<u>-</u>	<u>793,228</u>
Segment liabilities	<u>152,652</u>	<u>205,661</u>	<u>218,785</u>	<u>8,936</u>	<u>51,542</u>	<u>-</u>	<u>637,576</u>
OTHER INFORMATION							
Addition to non-current assets	4,101	65	1,102	133	-	-	5,401
Associates and joint ventures	-	6,496	-	10,696	-	-	17,192
Depreciation of property, plant and equipment	4,772	469	906	373	-	-	6,520
Depreciation of right-of-use assets	384	5	423	33	-	-	845
Loss in fair value of investment properties	502	430	-	-	-	-	932
Loss allowance for doubtful receivables, net	204	67	-	125	-	-	396
Allowance for impairment on other non-current assets	14	-	-	-	-	-	14

2018**REVENUE**

	Construction S\$'000	Real estate investment S\$'000	Real estate development S\$'000	Distribution S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000
External revenue	89,414	19,505	757	25,124	-	-	134,800
Inter-segment revenue	19,658	361	276	11,307	-	(31,602)	-
	109,072	19,866	1,033	36,431	-	(31,602)	134,800

RESULT

Segment result	(10,162)	11,135	(2,436)	(95)	(674)	-	(2,232)
Interest income	142	1,046	5	47	27	-	1,267
Finance costs	(800)	(7,102)	(2,592)	(391)	(2,061)	-	(12,946)
(Loss) Profit before income	(10,820)	5,079	(5,023)	(439)	(2,708)	-	(13,911)
Income tax expense	928	(98)	(4)	7	-	-	833
(Loss) Profit for the year	(9,892)	4,981	(5,027)	(432)	(2,708)	-	(13,078)

**STATEMENT OF
FINANCIAL POSITION**

Segment assets	197,605	447,099	307,076	37,526	221,009	(501,380)	708,935
Unallocated corporate assets	396	-	-	-	-	-	396
Total assets	198,001	447,099	307,076	37,526	221,009	(501,380)	709,331
Segment liabilities	101,098	460,904	319,081	30,048	63,809	(431,184)	543,756

OTHER INFORMATION

Addition to non-current assets	5,221	46	860	1,115	-	-	7,242
Associates and joint ventures	-	6,311	591	9,936	-	-	16,838
Depreciation of property, plant and equipment	4,410	567	955	396	-	-	6,328
Impairment loss on investment properties	416	15	-	-	-	-	431
Impairment loss on development properties	-	-	566	-	-	-	566
Loss allowance for doubtful receivables, net	718	665	109	168	-	-	1,660
Allowance for impairment on other non-current assets	5	-	-	-	-	-	5

Geographical segments

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

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

Refer to paragraph 8 above.

17 A breakdown of sales.

	Group		Increase / (Decrease) %
	2019 S\$'000	2018 S\$'000	
Sales reported for first half year	78,373	64,765	21.0
Operating loss after tax before deducting non-controlling interests reported for first half year	(6,104)	(4,341)	40.6
Sales reported for second half year	119,848	70,035	71.1
Operating loss after tax before deducting non-controlling interests reported for second half year	(4,677)	(8,737)	(46.5)

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

Not applicable.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Neo Tiam Chuan, Nelson	71	Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	General Manager in charge of the daily operation of Credence Engineering Pte Ltd since December 2010.	N.A.
Neo Kian Lee	59	Sibling to Liong Kiam Teck, Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Site Manager in charge of the properties operation of Sino Holdings (S'pore) Pte Ltd since January 1983.	N.A.
Liong Chai Yin, Fiona	40	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Manager (Marketing/ Business development (Overseas)), in charge of the marketing and project-related aspects of our real estate development division and the sourcing for real estate development and construction opportunities since year 2002.	N.A.
Liong Cailin, Wendy	37	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	General Manager (Business development), in charge of sourcing and assessing the viability of potential development in Singapore and assisting the Board in assessing the viability of business opportunities.	N.A.

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo
 Company Secretaries
 27 February 2020