



TA CORPORATION LTD  
(Company Registration No. 201105512R)

**Unaudited Fourth Quarter and Full Year Financial Statements and Dividend Announcement for the Year Ended 31.12.2017**

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

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

	Notes	GROUP					
		3 months ended			12 months ended		
		31.12.2017 SS'000	31.12.2016 SS'000	Change %	31.12.2017 SS'000	31.12.2016 SS'000	Change %
<b>Revenue</b>		56,282	55,616	1.2	215,240	194,103	10.9
Cost of sales		(46,944)	(45,526)	3.1	(176,149)	(158,108)	11.4
<b>Gross profit</b>		9,338	10,090	(7.5)	39,091	35,995	8.6
Other income	1	2,079	3,227	(35.6)	5,025	5,977	(15.9)
Selling and distribution costs	2	(235)	(347)	(32.3)	(1,890)	(1,104)	71.2
General and administrative expenses		(4,317)	(4,358)	(0.9)	(18,120)	(18,469)	(1.9)
Other operating expenses	3	(9,431)	(4,537)	107.9	(39,630)	(28,151)	40.8
Share of profit (loss), net of tax of associates and joint ventures	4	201	(12)	NM	17	3,583	(99.5)
Finance costs		(3,951)	(3,516)	12.4	(11,603)	(11,599)	NM
<b>(Loss) profit before income tax</b>	5	(6,316)	547	NM	(27,110)	(13,768)	96.9
Income tax expense		76	753	(89.9)	(649)	(785)	(17.3)
<b>(Loss) profit after income tax</b>		(6,240)	1,300	NM	(27,759)	(14,553)	90.7
Other comprehensive (loss) income:							
Exchange differences on translation of foreign operations	7		1,938	(99.6)	(1,876)	930	NM
Share of other comprehensive (loss) income of associates and joint ventures		(98)	229	NM	(526)	52	NM
<b>Total comprehensive (loss) income for the year</b>		(6,331)	3,467	NM	(30,161)	(13,571)	122.2
(Loss) Profit attributable to :							
Owners of the Company		(4,281)	3,155	NM	(19,441)	(6,668)	191.6
Non-controlling interests		(1,959)	(1,855)	5.6	(8,318)	(7,885)	5.5
		(6,240)	1,300	NM	(27,759)	(14,553)	90.7
Total comprehensive (loss) income attributable to:							
Owners of the Company		(4,285)	4,776	NM	(21,153)	(5,684)	272.1
Non-controlling interests		(2,046)	(1,309)	56.3	(9,008)	(7,887)	14.2
		(6,331)	3,467	NM	(30,161)	(13,571)	122.2
NM = Not meaningful							

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

1. **Other income**

	Group			
	3 months ended		12 months ended	
	31.12.2017 S\$'000	31.12.2016 S\$'000	31.12.2017 S\$'000	31.12.2016 S\$'000
Rental income	91	283	762	656
Management fee	230	243	615	601
Deemed interest income on retention amounts	1,147	953	1,147	953
Interest income	322	220	1,050	1,405
Grant from government	129	291	520	708
Gain (Loss) on disposal of property, plant and equipment	3	(6)	27	36
Reversal of impairment loss on other non-current assets	105	-	105	-
Reversal of impairment loss on development properties	-	1,012	-	1,012
Others	52	231	799	606
	2,079	3,227	5,025	5,977

2. **Selling and distribution costs**

Selling and distribution costs increased by S\$0.8 million to S\$1.9 million for the year ended 31 December 2017 ("FY2017") compared to the same corresponding period ("FY2016") due mainly to show-flat costs expensed off in current period.

3. **Other operating expenses**

For the 3 months ended 31 December 2017 ("4Q2017"), the other operating expenses amounted to S\$9.4 million, an increase of S\$4.9 million compared to S\$4.5 million in the same comparative period ("4Q2016") mainly due to higher loss in fair value of investment properties, allowance for doubtful receivables and depreciation expense.

Other operating expenses increased by S\$11.4 million to S\$39.6 million for FY2017 compared to S\$28.2 million for FY2016. These were mainly due to higher loss in fair value of investment properties, mainly on Tuas South Dormitory and allowance for doubtful receivables in FY2017 as compared to FY2016.

4. **Share of profit, net of tax of associates and joint ventures**

The share of profit, net of tax of associates and joint ventures of S\$0.02 million for FY2017 compared to S\$3.6 million for FY2016 was due mainly to lower share of profit from an associate which developed The Skywoods which was completed in 2016.

5. **Loss (Profit) before income tax**

	Group			
	3 months ended		12 months ended	
	31.12.2017 S\$'000	31.12.2016 S\$'000	31.12.2017 S\$'000	31.12.2016 S\$'000
Loss (Profit) before income tax for the period is stated after charging/ (crediting) the following:				
Allowance for doubtful receivables, net	1,673	1,246	4,443	2,209
Impairment loss (Reversal of impairment loss) on other non-current assets	12	28	(105)	22
Depreciation expense	1,326	897	4,751	4,238
Fair value change in derivative financial instrument	2	(25)	87	692
(Gain) Loss on disposal of property, plant and equipment, net	(3)	6	(27)	(36)
Loss in fair value of investment properties	5,423	2,555	25,810	16,255
Impairment loss (Reversal of impairment loss) on development properties	234	(3,012)	234	(1,012)
Interest income	(322)	(220)	(1,050)	(1,405)
Over provision of income tax in prior years	(611)	(1,199)	(657)	(817)

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	84,660	91,538	7,600	13,779
Trade and other receivables	95,071	92,402	26,579	6,022
Deposits and prepayments	2,630	4,036	7	15
Inventories	5,576	7,593	-	-
Development properties	185,057	183,871	-	-
<b>Total current assets</b>	<b>372,994</b>	<b>379,440</b>	<b>34,186</b>	<b>19,816</b>
<b>Non-current assets</b>				
Property, plant and equipment	55,678	48,879	-	-
Investment properties	236,375	253,385	-	-
Subsidiaries	-	-	91,965	116,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	16,199	14,619	-	-
Trade and other receivables	28,357	25,139	102,504	85,652
Other non-current assets	401	296	-	-
Derivative financial instrument	4	91	-	-
<b>Total non-current assets</b>	<b>339,609</b>	<b>345,004</b>	<b>194,469</b>	<b>202,617</b>
<b>Total assets</b>	<b>712,603</b>	<b>724,444</b>	<b>228,655</b>	<b>222,433</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	161,224	131,184	5,000	5,000
Trade and other payables	120,754	107,697	5,757	902
Current portion of finance leases	405	343	-	-
Term notes	39,957	-	39,957	-
Income tax payable	1,476	1,514	-	-
<b>Total current liabilities</b>	<b>323,816</b>	<b>240,738</b>	<b>50,714</b>	<b>5,902</b>
<b>Non-current liabilities</b>				
Borrowings	171,289	193,660	20,000	25,000
Trade and other payables	37,174	38,849	-	-
Finance leases	523	472	-	-
Term notes	-	39,778	-	39,778
Deferred tax liabilities	266	315	-	-
<b>Total non-current liabilities</b>	<b>209,252</b>	<b>273,074</b>	<b>20,000</b>	<b>64,778</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	150,391	146,157	150,391	146,157
Reserves	675	644	31	-
Translation reserve	467	2,179	-	-
Retained earnings	36,777	61,041	7,519	5,596
Equity attributable to owners of the Company	188,310	210,021	157,941	151,753
Non-controlling interests	(8,775)	611	-	-
<b>Total equity</b>	<b>179,535</b>	<b>210,632</b>	<b>157,941</b>	<b>151,753</b>
<b>Total liabilities and equity</b>	<b>712,603</b>	<b>724,444</b>	<b>228,655</b>	<b>222,433</b>

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

	As at 31.12.2017		As at 31.12.2016	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	154,502	47,084	122,565	8,962
Amount repayable after one year	171,272	540	193,412	40,498
Total	325,774	47,624	315,977	49,460

**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. Certain bank facilities are also secured by corporate guarantees from the Company and guarantees from certain minority 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	
	31.12.2017 S\$'000	31.12.2016 S\$'000	31.12.2017 S\$'000	31.12.2016 S\$'000
<b>Operating activities</b>				
(Loss) Profit before income tax	(6,316)	547	(27,110)	(13,768)
Adjustments for:				
Depreciation expense	1,326	897	4,751	4,238
Interest income	(322)	(220)	(1,050)	(1,405)
Deemed interest income on retention amounts	(1,147)	(953)	(1,147)	(953)
Interest expense	2,834	2,578	10,486	10,661
Deemed interest expense on retention amounts	1,117	938	1,117	938
Fair value change in derivative financial instrument	2	(25)	87	692
Share of (profit) loss of associates and joint ventures	(201)	12	(17)	(3,583)
(Gain) Loss on disposal of property, plant and equipment, net	(3)	6	(27)	(36)
Property, plant and equipment written off	42	2	42	2
Impairment loss (Reversal of impairment loss) on development properties	234	(3,012)	234	(1,012)
Impairment loss (Reversal of impairment loss) on other non-current assets	12	28	(105)	22
Loss in fair value of investment properties	5,423	2,555	25,810	16,255
Allowance for obsolete inventories	-	(94)	-	-
Allowance for doubtful trade and other receivables, net	1,673	1,246	4,443	2,209
Operating cash flows before movements in working capital	4,674	4,505	17,514	14,260
Trade and other receivables	12,089	11,560	(6,532)	43,675
Deposits and prepayments	305	127	1,406	23
Inventories	880	410	2,017	(1,830)
Development properties	(9,375)	(8,381)	1,688	(13,600)
Trade and other payables	3,362	(1,807)	12,530	(12,843)
Cash generated from operations	11,935	6,414	28,623	29,685
Income tax (paid) refund	(99)	863	(735)	(7,779)
Interest paid	(3,572)	(3,683)	(13,596)	(15,703)
Net cash from operating activities	8,264	3,594	14,292	6,203

	<b>Group</b>			
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>Investing activities</b>				
(Advances to) Repayment from associates and joint ventures	(2,197)	(1,286)	(6,799)	40,842
Additional investment in associates and joint ventures	-	-	(2,100)	(1,265)
Addition to investment properties	-	(234)	(8,800)	(1,017)
Dividends received from joint ventures	12	-	12	-
Interest received	322	220	1,050	1,405
Purchase of property, plant and equipment	(3,105)	(4,670)	(11,247)	(11,216)
Premium paid for derivative financial instrument	-	-	-	(310)
Proceeds from disposal of property, plant and equipment	18	30	121	73
Net cash (used in) from investing activities	(4,950)	(5,940)	(27,763)	28,512
<b>Financing activities</b>				
Proceeds from term notes, net	-	133	-	39,778
Proceeds from borrowings	19,152	2,273	55,543	45,659
Repayment of term notes	-	(75,000)	-	(75,000)
Repayment of borrowings	(12,113)	42,392	(47,695)	(31,647)
Repayment of obligations under finance leases	(36)	(94)	(437)	(337)
Proceeds from issue of shares in subsidiaries to non-controlling shareholders	-	-	-	264
Proceeds from warrants issued, net	-	-	31	-
Pledged fixed deposits	10	(64)	(1,140)	(1,338)
Distribution of funds to non-controlling shareholder on voluntary liquidation of a subsidiary	-	-	(307)	-
Dividends paid to non-controlling shareholders	(6)	-	(71)	(240)
Dividends paid	-	-	(589)	(678)
Net cash from (used in) financing activities	7,007	(30,360)	5,335	(23,539)
Increase (Decrease) in cash and cash equivalents	10,321	(32,706)	(8,136)	11,176
Cash and cash equivalents at beginning of the period	68,899	119,763	87,110	75,796
Effect of exchange rate changes	(128)	53	118	138
<b>Cash and cash equivalents at end of the year</b>	<b>79,092</b>	<b>87,110</b>	<b>79,092</b>	<b>87,110</b>

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

Cash and bank balances	62,896	72,997	62,896	72,997
Fixed deposits	21,764	18,541	21,764	18,541
	84,660	91,538	84,660	91,538
Less: pledged fixed deposits	(5,568)	(4,428)	(5,568)	(4,428)
Cash and cash equivalents at end of the year	79,092	87,110	79,092	87,110

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

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation reserve</u>	<u>Retained earnings</u>	<u>Equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2016	142,185	644	1,195	72,295	216,319	8,538	224,857
<i>Total comprehensive loss for the year</i>							
Loss for the year	-	-	-	(6,668)	(6,668)	(7,885)	(14,553)
Other comprehensive income for the year	-	-	984	-	984	(2)	982
Total	-	-	984	(6,668)	(5,684)	(7,887)	(13,571)
<i>Transactions with owners, recognised directly in equity</i>							
Proceed from issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	264	264
Effect of deemed disposal to non-controlling interest in a subsidiary	-	-	-	64	64	(64)	-
Issue of shares pursuant to scrip dividend scheme	3,972	-	-	-	3,972	-	3,972
Dividends paid							
- in cash	-	-	-	(678)	(678)	-	(678)
- in scrip	-	-	-	(3,972)	(3,972)	-	(3,972)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(240)	(240)
Total	3,972	-	-	(4,586)	(614)	(40)	(654)
Balance at December 31, 2016	146,157	644	2,179	61,041	210,021	611	210,632
<i>Total comprehensive loss for the year</i>							
Loss for the period	-	-	-	(19,441)	(19,441)	(8,318)	(27,759)
Other comprehensive loss for the year	-	-	(1,712)	-	(1,712)	(690)	(2,402)
Total	-	-	467	(19,441)	(21,153)	(9,008)	(30,161)
<i>Transactions with owners, recognised directly in equity</i>							
Effect of liquidation of a subsidiary to non-controlling interest	-	-	-	-	-	(307)	(307)
Issue of warrants	-	362	-	-	362	-	362
Warrants issue expenses	-	(331)	-	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	-	4,234	-	4,234
Dividends paid							
- in cash	-	-	-	(589)	(589)	-	(589)
- in scrip	-	-	-	(4,234)	(4,234)	-	(4,234)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(71)	(71)
Total	4,234	31	-	(4,823)	(558)	(378)	(936)
Balance at December 31, 2017	150,391	675	467	36,777	188,310	(8,775)	179,535

<b><u>Company (S\$'000)</u></b>	<b><u>Share capital</u></b>	<b><u>Reserves</u></b>	<b><u>Retained earnings</u></b>	<b><u>Total equity</u></b>
Balance at January 1, 2016	142,185	-	5,540	147,725
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	4,706	4,706
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares pursuant to scrip dividend scheme	3,972	-	-	3,972
Dividends paid				
- in cash	-	-	(678)	(678)
- in scrip	-	-	(3,972)	(3,972)
Total	3,972	-	(4,650)	(678)
Balance at December 31, 2016	146,157	-	5,596	151,753
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	6,746	6,746
<i>Transactions with owners, recognised directly in equity</i>				
Issue of warrants	-	362	-	362
Warrants issue expenses	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	4,234
Dividends paid				
- in cash	-	-	(589)	(589)
- in scrip	-	-	(4,234)	(4,234)
Total	4,234	31	(4,823)	(558)
Balance at December 31, 2017	150,391	31	7,519	157,941

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

	FY2017		FY2016	
	No of shares	S\$'000	No of shares	S\$'000
<b>Issued and paid up capital</b>				
As at beginning of financial year	482,270,359	146,157	465,000,000	142,185
Issue of shares pursuant to scrip dividend scheme	17,713,451	4,234	17,270,359	3,972
At 31 December	499,983,810	150,391	482,270,359	146,157

There are no changes in the Company's issued share capital for the three months ended 31 December 2017.

On 23 May 2017, the Company has issued 120,567,589 warrants which were allotted on 24 May 2017, with each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.28 for each new share. These warrants will expire on 20 May 2022. The total number of outstanding warrants as at 31 December 2017 was 120,567,589.

As at the end of 31 December 2017, the Company does not have any outstanding treasury shares (31 December 2016: 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 2017 was 499,983,810 (31 December 2016: 482,270,359). The Company has no treasury shares.

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

Not applicable.

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

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

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

Not applicable.

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

As disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 December 2016.

**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.**

Not applicable.

**6 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.**

	<b>Group</b>			
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2017</b>	<b>31.12.2016</b>	<b>31.12.2017</b>	<b>31.12.2016</b>
(i) Loss per ordinary share based on weighted average number of shares (in cents)	(0.9)	0.7	(3.9)	(1.4)
(ii) Loss per ordinary share based on a fully diluted basis (in cents)	(0.9)	0.7	(3.9)	(1.4)
Weighted average number of ordinary shares (in millions)	500.0	482.3	492.6	475.1

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	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Net asset value per ordinary share issued (in cents)	37.7	43.5	31.6	31.5
Total number of issued shares at end of the financial year (in millions)	500.0	482.3	500.0	482.3

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**

#### **4Q2017 vs 4Q2016**

For the quarter under review, the Group's revenue has increased by a marginal 1.2% from S\$55.6 million in 4Q2016 to S\$56.3 million in 4Q2017. Despite the higher revenue, the gross profit decreased by 7.5% from S\$10.1 million in 4Q2016 to S\$9.3 million in 4Q2017 attributed mainly to reduced margins from construction and distribution segments.

The Group reported a loss before income tax of S\$6.3 million in 4Q2017 compared to profit before income tax of S\$0.5 million in 4Q2016 mainly due to higher impairment loss on investment properties by S\$2.9 million, higher allowance for doubtful receivables by S\$0.4 million, higher depreciation expense by S\$0.4 million and reversal of impairment loss on development properties of S\$0.2 million in 4Q2017 compared to a reversal of S\$3.0 million in 4Q2016.

#### **FY2017 vs FY2016**

The Group's revenue for FY2017 was S\$215.2 million, an increase of S\$21.1 million compared to S\$194.1 million for the corresponding year in FY2016.

Real estate development segment recorded S\$28.1 million revenue for FY2017, a decrease of S\$6.5 million compared to S\$34.6 million for FY2016. The decrease was mainly due to lower revenue from project in Thailand, partially offset by revenue from units sold in Terra Villa, Ascent@456 and The Cristallo.

Real estate investment segment recorded S\$15.7 million revenue for FY2017, an increase of S\$7.7 million compared to S\$8.0 million for FY2016 due mainly to higher occupancy rate achieved by Tuas South Dormitory in FY2017 compared to FY2016 and that the dormitory only obtained TOP for its second phase development in May 2016.

Construction segment recorded revenue of S\$146.0 million for FY2017, an increase of S\$16.0 million compared to S\$130.0 million for FY2016 due to higher amounts of progressive construction work for projects.

Distribution of lubricants and tyres generated S\$25.4 million revenue for FY2017, an increase of S\$3.9 million from S\$21.5 million in FY2016. The increase was mainly due to higher contribution from our distribution business in Myanmar.

In line with higher revenue, gross profit increased by 8.6% to S\$39.1 million for FY2017 compared to S\$36.0 million for FY2016.

Selling and distribution costs increased by S\$0.8 million to S\$1.9 million for FY2017 compared to S\$1.1 million for FY2016 mainly due to show-flat costs expensed off in current period.

Other operating expenses increased by S\$11.4 million to S\$39.6 million for FY2017 compared to S\$28.2 million for FY2016. These were mainly due to higher loss in fair value of investment properties, mainly on Tuas South Dormitory and allowance for doubtful receivables in FY2017 compared to FY2016.

Loss in exchange differences on translation of foreign operations of S\$1.9 million for FY2017 compared to a gain of S\$0.9 million in FY2016 due to lower US\$ closing rate to S\$ of 1.34 in FY2017 compared to 1.45 in FY2016.

The Group recorded a loss before tax of S\$27.1 million in FY2017 compared to S\$13.8 million in FY2016. Income tax expense is higher than the statutory tax rate as loss in fair value of S\$25.8 million on investment properties and certain expenses are not tax deductible.

### **Review of working capital, assets and liabilities**

The changes in assets and liabilities are as follows:

- i) decrease in deposits and prepayment by S\$1.4 million was mainly due to show-flat costs expensed off upon launch of the project.
- ii) increase in trade and other receivables by S\$5.9 million was mainly due to additional loans for working capital to joint ventures.
- iii) decrease in inventories by S\$2.0 million was due to higher sales achieved in FY2017.
- iv) increase in property, plant and equipment by S\$6.8 million was mainly due to additional construction cost of a warehouse at Tuas South, Singapore and purchase of plant and equipment for construction business, partially offset by depreciation charged for the year.
- v) decrease in investment properties by S\$17.0 million was due to loss in fair value of investment properties by S\$25.8 million, partially offset by addition to investment properties of S\$8.8 million in FY2017.
- vi) increase in associate and joint ventures by S\$1.6 million as a result of additional investment in a joint venture and share of total comprehensive loss of associate and joint ventures for FY2017.
- vii) increase in net borrowings by S\$7.7 million mainly due to higher borrowings for working capital.
- viii) increase in trade and other payables by S\$11.4 million was mainly due to progress payment received from sold units of development project in Cambodia, The Gateway which revenue is recognised on completion of contract basis.

Cash and cash equivalents decreased by S\$8.1 million in FY2017 mainly attributed to net cash outflow in investing of S\$27.8 million, partially offset of net cash from operating activities and financing activities by S\$14.3 million and S\$5.3 million respectively.

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

The company has not made any forecast or prospect statement for the year ended 31 December 2017 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 Urban Redevelopment Authority (“URA”) reported in its 4th Quarter 2017 real estate statistics dated 26 January 2018 that prices of private residential properties increased by 0.8% in 4th Quarter 2017, similar to the 0.7% price increase in the previous quarter. For 2017, prices increased by 1.1%, compared with the 3.1% decline in 2016. Developers sold 1,864 private residential units in 4th Quarter 2017, compared with the 2,663 units sold in 3<sup>rd</sup> Quarter 2017. For 2017, developers sold 10,566 units, compared with 7,972 units sold in 2016.

While the outlook for the Singapore private residential property may be turning positive, the Group will continue to act cautiously while exploring real estate development business opportunities both locally and overseas.

The Group’s Tuas South Dormitory, which started operation in 2016, managed to improve its occupancy rate in FY2017 but continues to be impacted by the sluggish business environment of its customers. In these challenging market conditions, the Group will continue its effort to increase the rental and occupancy rates in its dormitories.

According to the Building and Construction Authority news release on 11 January 2018, private residential construction demand is expected to improve between S\$10 billion and S\$12 billion in 2018, compared to S\$9 billion in 2017, on the back of a strengthened overall economic outlook and the upturn in property market sentiment.

The Group remains confident of its construction segment’s performance, backed by a contract secured in December 2017 of S\$180 million, the Group’s construction order book stands at S\$241 million as at 31 December 2017, to be delivered progressively over the next three years as well as continued efforts to increase productivity and manage costs.

**11 Dividend**

**(a) Current Financial Period Reported On**

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

The directors recommend a first and final dividend for the year ended 31 December 2017 as stated below:

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

**(b) Corresponding period of the Immediately Preceding Financial Year**

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

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

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

Not applicable.

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

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

Name of Interested person	Aggregate value of all interested person transactions during the financial period 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 2017	12 months ended 31 December 2017	3 months ended 31 December 2017	12 months ended 31 December 2017
	S\$'000	S\$'000	S\$'000	S\$'000
Prestige Resources Pte Ltd	88	332	N.A.	N.A.
TAC Alliance Pte. Ltd.	58	211	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
<b>2017</b>							
<b>REVENUE</b>							
External revenue	145,976	15,715	28,147	25,402	-	-	215,240
Inter-segment revenue	20,572	178	276	7,634	-	(28,660)	-
	166,548	15,893	28,423	33,036	-	(28,660)	215,240
<b>RESULT</b>							
Segment result	2,323	(21,268)	1,237	647	(643)	-	(17,704)
Interest income	1,256	814	17	58	52	-	2,197
Interest expense	(1,731)	(6,584)	(966)	(244)	(2,078)	-	(11,603)
Profit/ (Loss) before income	1,848	(27,038)	288	461	(2,669)	-	(27,110)
Income tax expense	(458)	(19)	(18)	(154)	-	-	(649)
Profit/ (Loss) for the year	1,390	(27,057)	270	307	(2,669)	-	(27,759)
<b>STATEMENT OF FINANCIAL POSITION</b>							
Segment assets	250,564	429,240	259,082	35,701	228,655	(491,040)	712,202
Unallocated corporate assets	401	-	-	-	-	-	401
Total assets	250,965	429,240	259,082	35,701	228,655	(491,040)	712,603
Segment liabilities	124,082	264,296	434,385	28,446	70,714	(388,855)	533,068
<b>OTHER INFORMATION</b>							
Addition to non-current assets	8,605	8,874	704	2,414	-	-	20,597
Associates and joint ventures	-	5,538	-	10,661	-	-	16,199
Depreciation	3,018	613	694	426	-	-	4,751
Impairment loss on investment properties	-	25,810	-	-	-	-	25,810
Impairment loss on development properties	-	-	234	-	-	-	234
Allowance for doubtful receivables, net	786	3,580	-	77	-	-	4,443
Reversal of allowance for impairment on other non-current assets	(105)	-	-	-	-	-	(105)

**2016****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	129,938	7,983	34,616	21,566	-	-	194,103
Inter-segment revenue	35,545	25	288	10,454	-	(46,312)	-
	165,483	8,008	34,904	32,020	-	(46,312)	194,103

**RESULT**

Segment result	3,830	(17,861)	10,012	597	(1,106)	-	(4,527)
Interest income	1,080	1,090	75	3	111	-	2,358
Interest expense	(1,149)	(6,000)	(560)	(123)	(3,767)	-	(11,599)
Profit/ (Loss) before income	3,761	(22,771)	9,527	477	(4,762)	-	(13,768)
Income tax expense	(808)	(5)	308	(280)	-	-	(785)
Profit/ (Loss) for the year	2,953	(22,776)	9,835	197	(4,762)	-	(14,553)

**STATEMENT OF  
FINANCIAL POSITION**

Segment assets	241,671	455,944	268,398	29,015	222,434	(493,314)	724,148
Unallocated corporate assets	296	-	-	-	-	-	296
Total assets	241,967	455,944	268,398	29,015	222,434	(493,314)	724,444
Segment liabilities	119,236	417,842	262,774	21,766	70,681	(378,487)	513,812

**OTHER INFORMATION**

Addition to non-current assets	7,587	3,022	2,632	236	-	-	13,477
Associates and joint ventures	-	5,367	-	9,252	-	-	14,619
Depreciation	2,645	592	640	361	-	-	4,238
Reversal of allowance for impairment loss on development properties	-	-	(1,012)	-	-	-	(1,012)
Allowance for doubtful receivables	1,869	325	-	15	-	-	2,209
Allowance for impairment on other non-current assets	22	-	-	-	-	-	22

**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.**

	<b>Group</b>		
	<b>2017 S\$'000</b>	<b>2016 S\$'000</b>	<b>Increase / (Decrease) %</b>
Sales reported for first half year	107,819	88,362	22.0
Operating loss after tax before deducting non-controlling interests reported for first half year	(15,657)	(294)	5,225.5
Sales reported for second half year	107,421	105,741	1.6
Operating loss after tax before deducting non-controlling interests reported for second half year	(12,102)	(14,259)	(15.1)

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

Total annual net dividend proposed

	<b>Latest Full Year</b>	<b>Previous Full Year</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary	5,000	4,823
Preference	Nil	Nil
Total:	5,000	4,823

The first and final dividend for 2017 is subject to the approval of shareholders at the forthcoming Annual General Meeting.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Neo Tiam Chuan, Nelson	69	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	57	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 and appointed Technical Officer of TA Realty Pte Ltd since April 2015.	N.A

Liong Chai Yin, Fiona	38	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)), incharge 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	35	Daughter of Liong Kiam Teck and niece of Neo Tiam Poon @ Neo Thiam Poon, Neo Tiam Boon and Neo Thiam An	Assistant General Manager (Business development), in charge of sourcing and assessing the viability of potential development in Singapore and assisting the Board in assessing the viability of business opportunities.	N.A.

**BY ORDER OF THE BOARD**

Foo Soon Soo/ Yap Ming Choo  
Company Secretaries

28 February 2018