

2ND QUARTER 2019 FINANCIAL STATEMENTS ANNOUNCEMENT
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group Income Statement</u>	2 nd quarter ended 30.06.2019	2 nd quarter ended 30.06.2018 (Restated)	Increase/ (decrease)	Half year ended 30.06.2019	Half year ended 30.06.2018 (Restated)	Increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	54,572	22,363	144.0%	107,463	38,979	175.7%
Cost of sales	(37,750)	(14,959)	152.4%	(72,043)	(25,678)	180.6%
Gross profit	16,822	7,404	127.2%	35,420	13,301	166.3%
Other income	1,423	971	46.5%	2,671	1,727	54.7%
Administrative expenses	(1,357)	(816)	66.3%	(2,520)	(1,504)	67.6%
Sales and marketing expenses	(500)	(672)	(25.6%)	(1,144)	(1,171)	(2.3%)
Other operating expenses	(165)	(402)	(59.0%)	(424)	(785)	(46.0%)
Finance costs	(1,234)	(1,744)	(29.2%)	(2,756)	(3,452)	(20.2%)
Profit before tax	14,989	4,741	216.2%	31,247	8,116	285.0%
Income tax expense	(2,290)	(797)	187.3%	(5,026)	(1,325)	279.3%
Profit for the period	12,699	3,944	222.0%	26,221	6,791	286.1%
Attributable to:						
Shareholders of the Company	9,243	3,144	194.0%	19,182	5,591	243.1%
Non-controlling interests	3,456	800	332.0%	7,039	1,200	486.6%
	12,699	3,944	222.0%	26,221	6,791	286.1%

<u>Statement of Comprehensive Income</u>	2 nd quarter ended 30.06.2019	2 nd quarter ended 30.06.2018 (Restated)	Half year ended 30.06.2019	Half year ended 30.06.2018 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Profit for the period	12,699	3,944	26,221	6,791
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Net fair value (loss)/gain on equity instruments at fair value through other comprehensive income (FVOCI)	(228)	(85)	57	(29)
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation	(979)	(11)	(867)	(1,779)
Total comprehensive income for the period	11,492	3,848	25,411	4,983
Total comprehensive income attributable to:				
Shareholders of the Company	8,036	3,048	18,372	3,783
Non-controlling interests	3,456	800	7,039	1,200
	11,492	3,848	25,411	4,983

Profit before tax is stated after crediting/(charging) :

	2 nd quarter ended 30.06.2019	2 nd quarter ended 30.06.2018 (Restated)	Increase/ (decrease)	Half year ended 30.06.2019	Half year ended 30.06.2018 (Restated)	Increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	311	383	(18.8%)	728	707	3.0%
Dividend income from equity securities at FVOCI	199	199	-	199	199	-
Dividend income from held for trading investment securities	59	65	(9.2%)	129	115	12.2%
Rental income from investment property	1,124	1,278	(12.1%)	3,008	3,313	(9.2%)
Rental income and property management fee from completed properties	299	301	(0.7%)	601	598	0.5%
Gain on sale of held for trading investment securities	72	-	N/M	72	52	38.5%
Fair value gain/(loss) on held for trading investment securities	428	(256)	(267.2%)	902	(340)	(365.3%)
Foreign exchange gain/(loss)	26	32	(18.8%)	7	(47)	(114.9%)
Depreciation of property, plant and equipment	(44)	(45)	(2.2%)	(88)	(90)	(2.2%)

N/M denotes "Not meaningful"

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

	Group		Company	
	As at 30.06.2019	As at 31.12.2018	As at 30.06.2019	As at 31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	70	159	70	159
Investment property	104,489	105,666	-	-
Investment in subsidiaries and trusts	-	-	56,624	46,900
Investment securities	4,182	4,125	4,182	4,125
Loans to subsidiaries	-	-	144,144	112,009
	108,741	109,950	205,020	163,193
Current assets				
Development property	266,928	305,166	-	-
Completed properties	23,675	23,675	23,675	23,675
Investment securities	5,138	5,203	5,138	5,203
Trade receivables	3,947	14,486	7	7
Contract assets	24,313	-	-	-
Deposits and other receivables	152	237	55	140
Prepayments	94	68	15	16
Advance to non-controlling shareholder of a subsidiary	1,140	1,140	-	-
Amounts due from subsidiaries	-	-	24,142	7,163
Cash and cash equivalents	42,629	87,896	5,067	67,264
	368,016	437,871	58,099	103,468
Current liabilities				
Trade and other payables	19,570	9,428	1,718	1,419
Contract liabilities	-	36,206	-	-
Advance from subsidiaries	-	-	2,735	4,681
Provision for taxation	368	625	-	-
	19,938	46,259	4,453	6,100
Net current assets	348,078	391,612	53,646	97,368
Non-current liabilities				
Trade and other payables	6,255	3,449	88	164
Interest-bearing bank loans	127,800	200,839	-	-
Loans from non-controlling shareholder of a subsidiary	30,565	30,324	-	-
Deferred tax liabilities	7,310	2,660	-	-
	171,930	237,272	88	164
Net assets	284,889	264,290	258,578	260,397
Equity attributable to shareholders of the Company				
Share capital	104,951	104,951	104,951	104,951
Reserves	165,151	151,591	153,627	155,446
	270,102	256,542	258,578	260,397
Non-controlling interests	14,787	7,748	-	-
Total equity	284,889	264,290	258,578	260,397

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

Amount repayable in one year or less, or on demand

As at 30.06.2019		As at 31.12.2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 30.06.2019		As at 31.12.2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
127,800 ⁽ⁱ⁾	30,565 ⁽ⁱⁱ⁾	200,839 ⁽ⁱ⁾	30,324 ⁽ⁱⁱ⁾

(i) Interest-bearing Bank Loans

Interest-bearing bank loans were drawn mainly for the acquisition and development of properties. Interests incurred for property development activities which have commenced were capitalised as part of development costs until the project was ready for its intended use or sale. Interests incurred after that date were expensed as incurred.

Interest-bearing bank loans are secured by the following: -

- 1) assignment of sales and rental proceeds, construction guarantees, insurances, rights, title and interests under construction contracts and performance bonds
- 2) first legal mortgage over the Group's completed and development properties and its investment property
- 3) completion undertakings given by the Company and a subsidiary's non-controlling shareholder

(ii) Loans from Non-controlling Shareholders of Subsidiaries

This relates to loans from non-controlling shareholder of a subsidiary, which are subordinated to the interest-bearing bank loans. They are unsecured, interest-free, carried at amortised costs and have no fixed terms of repayment under the agreement. Management expects these to be repaid at the end of the project.

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.

	2 nd quarter ended 30.06.2019	2 nd quarter ended 30.06.2018 (Restated)	Half year ended 30.06.2019	Half year ended 30.06.2018 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before tax	14,989	4,741	31,247	8,116
Adjustments for:				
Depreciation of property, plant and equipment	44	45	88	90
Fair value (gain)/loss on held for trading investment securities	(428)	256	(902)	340
Gain on sale of held for trading investment securities	(72)	-	(72)	(52)
Interest expense	1,234	1,744	2,756	3,452
Interest income	(311)	(383)	(728)	(707)
Dividend income from equity securities at FVOCI	(199)	(199)	(199)	(199)
Dividend income from held for trading investment securities	(59)	(65)	(129)	(115)
Foreign exchange (gain)/loss	(26)	(32)	(7)	47
Operating cash flows before changes in working capital	15,172	6,107	32,054	10,972
Changes in working capital:				
Development property	20,024	7,347	38,238	11,240
Completed properties	-	593	-	593
Trade receivables	2,777	(1,271)	10,534	19,080
Contract assets	(24,313)	-	(24,313)	-
Deposits and other receivables	9,899	(500)	22	(495)
Prepayments	29	(36)	(26)	(36)
Trade and other payables	5,648	2,983	12,827	(9,509)
Contract liabilities	(4,820)	5,771	(36,206)	12,492
Net cash generated from operations	24,416	20,994	33,130	44,337
Interest received	343	389	791	781
Interest paid	(1,126)	(1,672)	(2,519)	(3,269)
Income tax paid	(625)	(599)	(628)	(607)
Net cash flows generated from operating activities	23,008	19,112	30,774	41,242
Cash flows from investing activities				
Purchase of held for trading investment securities	-	(100)	-	(2,604)
Purchase of property, plant and equipment	-	(5)	-	(5)
Dividends received	258	264	328	314
Proceeds from sale of held for trading investment securities	1,028	-	1,028	1,549
Capital distribution from held for trading investment securities	11	11	11	11
Net cash flows generated from/(used in) investing activities	1,297	170	1,367	(735)

(Cont'd)

	2nd quarter ended 30.06.2019	2nd quarter ended 30.06.2018 (Restated)	Half year ended 30.06.2019	Half year ended 30.06.2018 (Restated)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Repayment of bank loans	(58,689)	(16,765)	(72,559)	(26,065)
Dividends paid on ordinary shares	(4,812)	(4,010)	(4,812)	(4,010)
Net cash flows used in financing activities	(63,501)	(20,775)	(77,371)	(30,075)
Net (decrease)/increase in cash and cash equivalents	(39,196)	(1,493)	(45,230)	10,432
Cash and cash equivalents at beginning of the period	81,879	120,728	87,896	108,828
Effect of exchange rates changes on cash and cash equivalents	(54)	1	(37)	(24)
Cash and cash equivalents at end of the period	42,629	119,236	42,629	119,236

- 1(d) (i) A statement (for the company 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.

Group	Attributable to shareholders of the Company						
	Non-distributable		Distributable		Total	Non-controlling interests	Total equity
	Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Revenue reserve			
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
At 1 January 2019	104,951	1,044	(5,854)	156,401	256,542	7,748	264,290
Profit for the period	-	-	-	19,182	19,182	7,039	26,221
<u>Other comprehensive income for the period</u>							
Net fair value gain on equity instruments at FVOCI	-	57	-	-	57	-	57
Foreign currency translation	-	-	(867)	-	(867)	-	(867)
Total comprehensive income for the period	-	57	(867)	19,182	18,372	7,039	25,411
Dividends on ordinary shares	-	-	-	(4,812)	(4,812)	-	(4,812)
At 30 June 2019	104,951	1,101	(6,721)	170,771	270,102	14,787	284,889
At 1 January 2018	104,951	1,329	(788)	149,257	254,749	5,097	259,846
Profit for the period	-	-	-	5,591	5,591	1,200	6,791
<u>Other comprehensive income for the period</u>							
Net fair value loss on equity instruments at FVOCI	-	(29)	-	-	(29)	-	(29)
Foreign currency translation	-	-	(1,779)	-	(1,779)	-	(1,779)
Total comprehensive income for the period	-	(29)	(1,779)	5,591	3,783	1,200	4,983
Dividends on ordinary shares	-	-	-	(4,010)	(4,010)	-	(4,010)
At 30 June 2018	104,951	1,300	(2,567)	150,838	254,522	6,297	260,819

(Cont'd)

Company	<u>Non-distributable</u>		<u>Distributable</u>	Total S\$'000
	Share capital S\$'000	Fair value adjustment reserve S\$'000	Revenue reserve S\$'000	
At 1 January 2019	104,951	1,044	154,402	260,397
Profit for the period	-	-	2,936	2,936
<u>Other comprehensive income for the period</u>				
Net fair value gain on equity instruments at FVOCI	-	57	-	57
Total comprehensive income for the period	-	57	2,936	2,993
Dividends on ordinary shares	-	-	(4,812)	(4,812)
At 30 June 2019	104,951	1,101	152,526	258,578
At 1 January 2018	104,951	1,329	148,629	254,909
Profit for the period	-	-	1,431	1,431
<u>Other comprehensive income for the period</u>				
Net fair value loss on equity instruments at FVOCI	-	(29)	-	(29)
Total comprehensive income for the period	-	(29)	1,431	1,402
Dividends on ordinary shares	-	-	(4,010)	(4,010)
At 30 June 2018	104,951	1,300	146,050	252,301



- 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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the current financial period, there was no change in the Company's share capital.

The Company did not have any outstanding convertibles 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 period.

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

As at 30 June 2019, the Company had in issue 400,994,652 (31 December 2018: 400,994,652) ordinary shares.

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

The Company did not hold any treasury shares as at the end of the current financial period reported on.

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

The financial results of the Group for the period ended 30 June 2019 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 a matter).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the company'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 financial statements for the current reporting period compared with 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.

- (i) The Group has adopted all the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on or after 1 January 2019.

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. At commencement date of a lease, a lessee recognises a right-of-use asset representing its right to use the underlying asset during the lease term and a lease liability representing its obligation to make lease payments.

The Group has applied the recognition exemptions for short-term leases and leases of low value assets in accordance with the principles of SFRS(I) 16.

The adoption of SFRS(I) 16 did not result in significant impact on the financial statements of the Group.

- (ii) The comparative figures have been restated to take into account the retrospective adjustments relating to SFRS(I) 15 Revenue from Contracts with Customers

Borrowing Costs Relating to Development Property

Following the IFRS Interpretations Committee's final decision that borrowing costs relating to the construction of a residential multi-unit real estate development where revenue is recognised over time are not to be capitalised beyond the point when the project is ready for its intended use or sale, but to be expensed when incurred, the Group has ceased capitalisation of certain borrowing costs on its development property.

The impact on the comparatives of the Group's financial statements is as follows:

Group Income statement	2nd quarter ended 30.06.2018 (Restated)	Half year ended 30.06.2018 (Restated)
	S\$'000	S\$'000
Decrease in cost of sales	120	170
Increase in finance costs	(1,248)	(2,427)
Decrease in income tax expense	174	346
Decrease in profit attributable to shareholders of the Company	(591)	(1,180)
Decrease in profit attributable to non-controlling interests	(363)	(731)

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.**

	2nd quarter ended 30.06.2019	2nd quarter ended 30.06.2018 (Restated)	Half year ended 30.06.2019	Half year ended 30.06.2018 (Restated)
(i) Based on weighted average number of ordinary shares in issue	2.31 cts	0.78 cts	4.78 cts	1.39 cts
- Weighted average number of shares ('000)	400,995	400,995	400,995	400,995
(ii) Based on fully diluted basis	2.31 cts	0.78 cts	4.78 cts	1.39 cts
- Weighted average number of shares ('000)	400,995	400,995	400,995	400,995

Note

Earnings per share is calculated based on the profit after tax attributable to shareholders of the Company divided by the weighted average number of shares.

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

	As at 30.06.2019	As at 31.12.2018
Group	67.36 cts	63.98 cts
Company	64.48 cts	64.94 cts

Note

Net asset value per ordinary share has been computed based on the shareholders' equity excluding non-controlling interests divided by 400,994,652 (31 December 2018: 400,994,652) shares.



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

The Group recorded a profit attributable to shareholders of S\$9.2 million for the quarter ended 30 June 2019 (2Q2019). Revenue for the quarter comprised recognition of sales proceeds from development property and rental income from lease of an investment property. Revenue from development property was recognised progressively over time based on construction progress.

Other income arose mainly from rental income from completed properties, interest income, dividend income and fair value gain on held for trading investment securities; the increase was due to the fair value gain on securities. Administrative expenses increased due to higher staff costs and accrual for performance bonus. Decrease in sales and marketing expenses was attributable to a reduction in advertising cost for the development property. Other operating expenses dropped due mainly to fair value loss on held for trading investment securities recorded in the preceding year. Finance costs decreased as a result of repayment of loans. Higher tax expense was provided on profit from sales of development property.

For the half year ended 30 June 2019, the Group recorded a profit attributable to shareholders of S\$19.2 million. Revenue for the half year rose due to higher recognition of sales proceeds from development property, resulting in an increase in gross profit of S\$22.1 million. Other income increased due to fair value gain on held for trading investment securities. These increases were partially offset by higher tax expense provided on profit from sale of development property. Total expenses, as a whole, decreased slightly and significant variance in individual expense items are as explained above for 2Q2019.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Equity attributable to shareholders of the Company increased by S\$13.6 million as a result of profit reported for the half year, partly offset by foreign currency translation loss recorded and payment of dividends in respect of the preceding financial year.

Development property decreased due to the transfer of development expenditure to cost of sales in conjunction with recognition of revenue. Trade receivables dropped due to collection of progress billings outstanding as at 31 December 2018. Contract assets relate to unbilled receivables from purchasers of development property. Trade and other payables (current) rose due mainly to higher development expenditure payable as at end of 2Q2019 and more option fees received from sales of development property. Contract liabilities dropped due to the transfer of progress billings received to revenue as construction progressed. Trade and other payables (non-current) increased as a result of more retention sums withheld from contractors. Interest-bearing bank loans dropped due to repayment of loans during the half year. Additional deferred tax was provided on profit from sales of development property.

The Group's net cash inflows from operating activities arose mainly from collection of progress billings from sales of its development property, partly offset by further payments of development expenditure and bank interest. The Group also made repayment of bank loans and dividend payment during the quarter. As at end of 2Q2019, the Group's cash and cash equivalents stood at S\$42.6 million, a decrease of S\$39.2 million and S\$45.2 million as compared to end of 1Q2019 and FY2018 respectively.



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

No forecast or prospect statement has been issued 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.**

Based on the Urban Redevelopment Authority's ("URA") real estate statistics, overall prices of non-landed private residential properties improved by 2.0% in 2Q2019 over the previous quarter (1Q2019: decrease of 1.1%). The same price index for Outside Central Region, where the Group's project at Fernvale Road is situated, registered a marginal growth of 0.4% in 2Q2019 (1Q2019: increase of 0.2%). As at end of 2Q2019, the supply of uncompleted private residential units with planning approvals stood at 53,696 (1Q2019: 56,803) including 3,022 (1Q2019: 3,519) executive condominium units

The Group has an ongoing private condominium development at Fernvale Road known as Parc Botannia. As at the date of this announcement, approximately 88% of the units have been issued options to purchase, amounting to sales value of about S\$635.2 million. Revenue from sales will continue to be recognised progressively over time based on construction progress. This project is undertaken by a 70:30 joint venture between the Group and Wee Hur Development Pte. Ltd.

The Group owns 43 strata units with a saleable area of 44,275 square feet in an industrial building, BizTech Centre. Of this, approximately 89% is tenanted.

The Group also owns a hospitality asset in Melbourne, Australia known as Travelodge Docklands. This is a limited service hotel and average occupancy rate has been above 90%. Income from the hotel provides a stable stream of recurring income to the Group. Faced with keen competition from new hotels and those in the supply pipeline, as well as more listings on Airbnb, the revenue per available room is expected to decline slightly due to drop in occupancy rates.

In view of heightened uncertainties in the global economy and the cut in Singapore's economic growth forecast with possible further downgrade, the Group is exercising due care in its business operations. Whilst it is actively exploring opportunities for land replenishment, management will remain watchful of developments both within and outside Singapore, and be disciplined in its land bids.

- 11. Dividend**

- (a) Current Financial Period Reported On**

Any dividend recommended for the current financial period reported on?

No.

- (b) Corresponding Period of the Immediately Preceding Financial Year**

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

No.

- (c) Date payable**

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared / recommended for the current financial period as the Company does not have a policy of interim dividend payment.

13. If the Group has obtained a 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 does not have a general mandate from shareholders for Interested Person Transactions.

14. Undertakings from Directors and Executive Officers

The Company has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 of the Listing Manual.

**BY ORDER OF THE BOARD
SING HOLDINGS LIMITED**

Lee Sze Hao
Chief Executive Officer
6 August 2019

CONFIRMATION BY THE BOARD

We, LEE SZE HAO and TAN TONG GUAN, being two Directors of Sing Holdings Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for 2Q2019 and 1H2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

LEE SZE HAO
Chief Executive Officer

TAN TONG GUAN
Chairman, Audit Committee

Singapore, 6 August 2019