

FIRST 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.

	1 ST quarter ended 31.03.2019	1 ST quarter ended 31.03.2018 (Restated)	Increase/ (decrease)
	S\$'000	S\$'000	%
Revenue	52,891	16,616	218.3%
Cost of sales	(34,293)	(10,719)	219.9%
Gross profit	18,598	5,897	215.4%
Other income	1,248	756	65.1%
Administrative expenses	(1,163)	(688)	69.0%
Sales and marketing expenses	(644)	(499)	29.1%
Other operating expenses	(259)	(383)	(32.4%)
Finance costs	(1,522)	(1,708)	(10.9%)
Profit before tax	16,258	3,375	381.7%
Income tax expense	(2,736)	(528)	418.2%
Profit for the period	13,522	2,847	375.0%
Attributable to:			
Shareholders of the Company	9,939	2,447	306.2%
Non-controlling interests	3,583	400	795.8%
	13,522	2,847	375.0%

Statement of Comprehensive Income

	1 ST quarter ended 31.03.2019	1 ST quarter ended 31.03.2018 (Restated)
	S\$'000	S\$'000
Profit for the period	13,522	2,847
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Net fair value gain on equity instruments at fair value through other comprehensive income (FVOCI)	285	56
Items that may be reclassified subsequently to profit or loss		
Foreign currency translation	112	(1,768)
Total comprehensive income for the period	13,919	1,135
Total comprehensive income attributable to:		
Shareholders of the Company	10,336	735
Non-controlling interests	3,583	400
	13,919	1,135

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

	1ST quarter ended 31.03.2019	1ST quarter ended 31.03.2018 (Restated)	Increase/ (decrease)
	S\$'000	S\$'000	%
Interest income	417	324	28.7%
Dividend income from held for trading investment securities	70	50	40.0%
Rental income from investment property	1,884	2,035	(7.4%)
Rental income and property management fee from completed properties	302	297	1.7%
Gain on sale of held for trading investment securities	-	52	(100.0%)
Fair value gain/(loss) on held for trading investment securities	474	(84)	(664.3%)
Foreign exchange loss	(19)	(79)	(75.9%)
Depreciation of property, plant and equipment	(44)	(45)	(2.2%)

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 31.03.2019	As at 31.12.2018	As at 31.03.2019	As at 31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	115	159	115	159
Investment property	105,831	105,666	-	-
Investment in subsidiaries and trusts	-	-	48,376	46,900
Investment securities	4,410	4,125	4,410	4,125
Loans to subsidiaries	-	-	112,421	112,009
	110,356	109,950	165,322	163,193
Current assets				
Development property	286,952	305,166	-	-
Completed properties	23,675	23,675	23,675	23,675
Investment securities	5,677	5,203	5,677	5,203
Trade receivables	6,733	14,486	7	7
Deposits and other receivables	10,083	237	112	140
Prepayments	124	68	20	16
Advance to non-controlling shareholder of a subsidiary	1,140	1,140	-	-
Amounts due from subsidiaries	-	-	8,138	7,163
Cash and cash equivalents	81,879	87,896	64,442	67,264
	416,263	437,871	102,071	103,468
Current liabilities				
Trade and other payables	15,972	9,428	1,800	1,419
Contract liabilities	4,820	36,206	-	-
Advance from a subsidiary	-	-	2,735	4,681
Provision for taxation	230	625	-	-
	21,022	46,259	4,535	6,100
Net current assets	395,241	391,612	97,536	97,368
Non-current liabilities				
Trade and other payables	4,738	3,449	95	164
Interest-bearing bank loans	187,037	200,839	-	-
Loans from non-controlling shareholder of a subsidiary	30,445	30,324	-	-
Deferred tax liabilities	5,168	2,660	-	-
	227,388	237,272	95	164
Net assets	278,209	264,290	262,763	260,397
Equity attributable to shareholders of the Company				
Share capital	104,951	104,951	104,951	104,951
Reserves	161,927	151,591	157,812	155,446
	266,878	256,542	262,763	260,397
Non-controlling interests	11,331	7,748	-	-
Total equity	278,209	264,290	262,763	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 31.03.2019		As at 31.12.2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year

As at 31.03.2019		As at 31.12.2018	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
187,037 ⁽ⁱ⁾	30,445 ⁽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.

	1ST quarter ended 31.03.2019	1ST quarter ended 31.03.2018 (Restated)
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax	16,258	3,375
Adjustments for:		
Depreciation of property, plant and equipment	44	45
Fair value (gain)/loss on held for trading investment securities	(474)	84
Gain on sale of held for trading investment securities	-	(52)
Interest expense	1,522	1,708
Interest income	(417)	(324)
Dividend income from held for trading investment securities	(70)	(50)
Foreign exchange loss	19	79
Operating cash flows before changes in working capital	16,882	4,865
Changes in working capital:		
Development property	18,214	3,893
Trade receivables	7,753	20,305
Deposits and other receivables	(9,877)	5
Prepayments	(56)	2
Trade and other payables	7,193	(12,447)
Contract liabilities	(31,386)	6,722
Net cash generated from operations	8,723	23,345
Interest received	448	392
Interest paid	(1,393)	(1,597)
Tax paid	-	(8)
Net cash flows generated from operating activities	7,778	22,132
Cash flows from investing activities		
Purchase of held for trading investment securities	-	(2,504)
Dividends received	70	50
Proceeds from sale of held for trading investment securities	-	1,549
Net cash flows generated from/(used in) investing activities	70	(905)
Cash flows from financing activities		
Repayment of bank loans	(13,870)	(9,300)
Net cash flows used in financing activities	(13,870)	(9,300)
Net (decrease)/increase in cash and cash equivalents	(6,022)	11,927
Cash and cash equivalents at beginning of the period	87,896	108,828
Effect of exchange rates changes on cash and cash equivalents	5	(27)
Cash and cash equivalents at end of the period	81,879	120,728

- 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		Non-controlling interests	Total equity
	Share capital	Fair value adjustment reserve	Foreign currency translation reserve	Revenue reserve	Total		
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	-	-	-	9,939	9,939	3,583	13,522
<u>Other comprehensive income for the period</u>							
Net fair value gain on equity instruments at FVOCI	-	285	-	-	285	-	285
Foreign currency translation	-	-	112	-	112	-	112
Total comprehensive income for the period	-	285	112	9,939	10,336	3,583	13,919
At 31 March 2019	104,951	1,329	(5,742)	166,340	266,878	11,331	278,209
At 1 January 2018	104,951	1,329	(788)	149,257	254,749	5,097	259,846
Profit for the period	-	-	-	2,447	2,447	400	2,847
<u>Other comprehensive income for the period</u>							
Net fair value gain on equity instruments at FVOCI	-	56	-	-	56	-	56
Foreign currency translation	-	-	(1,768)	-	(1,768)	-	(1,768)
Total comprehensive income for the period	-	56	(1,768)	2,447	735	400	1,135
At 31 March 2018	104,951	1,385	(2,556)	151,704	255,484	5,497	260,981

(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	-	-	2,081	2,081
<u>Other comprehensive income for the period</u>				
Net fair value gain on equity instruments at FVOCI	-	285	-	285
Total comprehensive income for the period	-	285	2,081	2,366
At 31 March 2019	104,951	1,329	156,483	262,763
At 1 January 2018	104,951	1,329	148,629	254,909
Profit for the period	-	-	814	814
<u>Other comprehensive income for the period</u>				
Net fair value gain on equity instruments at FVOCI	-	56	-	56
Total comprehensive income for the period	-	56	814	870
At 31 March 2018	104,951	1,385	149,443	255,779



- 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 year.

- 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 31 March 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, disposal, 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 31 March 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:

Income statement	1ST quarter ended 31.03.2018 (Restated)
	S\$’000
Decrease in cost of sales	50
Increase in finance costs	(1,179)
Decrease in income tax expense	172
Decrease in profit attributable to shareholders of the Company	(589)
Decrease in profit attributable to non-controlling interests	(368)

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.

	1ST quarter ended 31.03.2019	1ST quarter ended 31.03.2018 (Restated)
(i) Based on weighted average number of ordinary shares in issue	2.48 cts	0.61 cts
- Weighted average number of shares ('000)	400,995	400,995
(ii) Based on fully diluted basis	2.48 cts	0.61 cts
- Weighted average number of shares ('000)	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 issued share capital of the company at the end of the: -
(a) current financial period reported on; and
(b) immediately preceding financial year.**

	As at 31.03.2019	As at 31.12.2018
Group	66.55 cts	63.98 cts
Company	65.53 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\$9.9 million for the quarter ended 31 March 2019. 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 and fair value gain on held for trading investment securities. Administrative expenses increased due to higher staff costs and accrual for performance bonus. Increase in sales and marketing expenses was largely attributable to advertising expenses, showflat-related costs and other sales and marketing expenses incurred in marketing development property. Other operating expenses dropped due mainly to higher foreign exchange loss and fair value loss on held for trading investment securities recorded in the preceding year, partially offset by higher repair and maintenance expenses incurred on investment property during the quarter. Finance costs decreased as a result of repayment of loans. Higher tax expense was provided on profit from sales of development property.

(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\$10.3 million as a result of profit reported for the quarter, fair value gain on equity securities at FVOCI and foreign currency translation gain recorded for the quarter.

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. Increase in deposits and other receivables was attributable to a deposit placed for tender of a land parcel. Trade and other payables (current) rose due mainly to higher development expenditure and commission payable as at end of 1Q2019 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 quarter. 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 a deposit placed for land tender. The Group also made repayment of bank loans during the quarter. As at end of 1Q2019, the Group's cash and cash equivalents stood at S\$81.9 million, a decrease of S\$6.0 million as compared to end of FY2018.

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 private residential properties declined by 0.7% in 1Q2019 over the previous quarter (4Q2018: decrease of 0.1%). The price index for non-landed private residential properties in the Outside Central Region, where the Group's project at Fernvale Road is situated, remained relatively unchanged with a marginal growth of 0.2% in 1Q2019 (4Q2018: increase of 0.7%). The URA's report also indicated a total supply of 53,284 uncompleted private residential units (excluding executive condominiums) in the pipeline as at end of 1Q2019.

The Group has an ongoing private condominium development at Fernvale Road known as Parc Botannia. As at the date of this announcement, approximately 81% of the units have been issued options to purchase, amounting to sales value of about S\$568.3 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 87% 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 consistently 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, the revenue per available room is expected to decline slightly.

The Group is actively exploring opportunities for land replenishment. In view of the global economic uncertainties and the huge impending supply of residential developments, management will stay watchful and remain balanced in its land evaluation.

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/recommended, a statement to that effect.

No dividend has been declared / recommended.

- 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
7 May 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 1Q2019 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, 7 May 2019