

**Financial Statements and Related Announcement::Full Yearly Results****Issuer & Securities**

<b>Issuer/ Manager</b>	UPP HOLDINGS LIMITED
<b>Securities</b>	UPP HOLDINGS LIMITED - SG1K55001665 - U09
<b>Stapled Security</b>	No

**Announcement Details**

<b>Announcement Title</b>	Financial Statements and Related Announcement
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<b>Announcement Sub Title</b>	Full Yearly Results
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<b>Submitted By (Co./ Ind. Name)</b>	Koh Wan Kai
<b>Designation</b>	Executive Director
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	Please see the attachment.

**Additional Details**

<b>For Financial Period Ended</b>	31/12/2017
<b>Attachments</b>	<a href="#">U\UPP4QFY2017ResultsAnnouncement.pdf</a> Total size =326K



**Unaudited Financial Statement And Dividend Announcement for the Fourth Quarter and Full Year Ended 31 December 2017**

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

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

1(a)(i) Statement of comprehensive income for the fourth quarter and full year ended 31 December 2017

	Note	Group					
		4 <sup>th</sup> quarter ended 31 December 2017	4 <sup>th</sup> quarter ended 31 December 2016	Increase / (decrease)	Full year ended 31 December 2017*	Full year ended 31 December 2016	Increase / (decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	(a)	365,621	16,299	2,143	1,455,163	63,347	2,197
Cost of sales	(b)	(332,223)	(11,991)	2,671	(1,322,745)	(44,677)	2,861
<b>Gross profit</b>		33,398	4,308	675	132,418	18,670	609
Other (losses)/gains, net		(93)	3,655	nm	80	2,101	(96)
Distribution expenses		(6,432)	(356)	1,707	(23,484)	(1,675)	1,302
Selling and administrative expenses		(16,911)	(1,982)	753	(68,244)	(5,948)	1,047
Finance expenses		(3,214)	(1)	321,300	(15,622)	(4)	390,450
<b>Profit before income tax</b>		6,748	5,624	20	25,148	13,144	91
Income tax expense		(1,192)	(4)	29,700	(4,784)	(16)	29,800
<b>Net profit</b>	(c)	5,556	5,620	(1)	20,364	13,128	55
<b>Other comprehensive income/(loss):</b>							
<b>Items that may be reclassified subsequently to profit or loss:</b>							
Available-for-sale financial assets							
- Fair value changes		(249)	(154)	62	(191)	637	nm
Currency translation differences arising from consolidation							
- Gains/(losses)		1,337	1,261	6	(2,652)	(113)	2,247
<b>Other comprehensive income/(loss), net of tax</b>		1,088	1,107	(2)	(2,843)	524	nm
<b>Total comprehensive income</b>		6,644	6,727	(1)	17,521	13,652	28
<b>Profit attributable to:</b>							
Equity holders of the Company		3,137	5,464	(43)	16,340	12,563	30
Non-controlling interests		2,419	156	1,451	4,024	565	612
		5,556	5,620	(1)	20,364	13,128	55
<b>Total comprehensive income attributable to:</b>							
Equity holders of the Company		3,579	6,683	(46)	13,354	13,190	1
Non-controlling interests		3,065	44	6,866	4,167	462	802
		6,644	6,727	(1)	17,521	13,652	28

\* The results of 1Q2017, 2Q2017 and 3Q2017, collectively 9 months have been retrospectively adjusted to reflect the fair values of assets and liabilities of Taiga Building Products Ltd upon finalisation of the purchase price allocation ("PPA") exercise in January 2018.

**Footnotes:**

(a) Revenue comprises the following:

	Group					
	4 <sup>th</sup> quarter ended 31 December 2017	4 <sup>th</sup> quarter ended 31 December 2016	Increase / (decrease)	Full year ended 31 December 2017*	Full year ended 31 December 2016	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Sales of goods						
- Paper products	14,390	13,126	10	54,257	50,048	8
- Building products	348,719	-	nm	1,389,174	-	nm
Finance income	1,326	1,597	(17)	5,892	6,374	(8)
Operating and maintenance income	1,186	1,576	(25)	5,840	6,925	(16)
	365,621	16,299	2,143	1,455,163	63,347	2,197

(b) The cost of sales includes the following:

	Group					
	4 <sup>th</sup> quarter ended 31 December 2017	4 <sup>th</sup> quarter ended 31 December 2016	Increase / (decrease)	Full year ended 31 December 2017*	Full year ended 31 December 2016	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Cost of goods sold						
- Paper products	11,417	10,923	5	44,493	39,957	11
- Building products	319,794	-	nm	1,273,801	-	nm
Operating and maintenance fees	807	848	(5)	3,620	3,852	(6)
Others	205	220	(7)	831	868	(4)
	332,223	11,991	2,671	1,322,745	44,677	2,861

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

	Group					
	4 <sup>th</sup> quarter ended 31 December 2017	4 <sup>th</sup> quarter ended 31 December 2016	Increase / (decrease)	Full year ended 31 December 2017*	Full year ended 31 December 2016	Increase / (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(1,864)	(618)	202	(6,963)	(2,550)	173
Amortisation of intangible assets	(1,156)	-	nm	(4,252)	-	nm
Amortisation of deferred gain	100	-	nm	374	-	nm
Gain on extinguishment of subordinated notes	2,420	-	nm	2,420	-	nm
Gain/(loss) on disposal of property, plant and equipment	20	48	(58)	(61)	52	nm
Gain on disposal of asset held-for-sale	-	-	-	1,161	-	nm
Inventories written-down	(371)	-	nm	(1,170)	-	nm
Reversal of impairment of trade receivables	79	-	nm	143	67	113
Bad debts (written off)/recovered	(642)	15	nm	(783)	15	nm
Foreign exchange (loss)/gain, net	(2,383)	3,141	nm	(3,946)	1,145	nm
Dividend income from quoted equity security	98	115	(15)	194	115	69
Interest income	94	133	(29)	141	480	(71)
Interest expense	(3,214)	(1)	321,300	(15,622)	(4)	390,450
Net fair value gain on derivatives	208	-	nm	5	-	nm
Under provision of tax in respect of prior years	-	-	-	(238)	-	nm

nm - not meaningful

\* The results of 1Q2017, 2Q2017 and 3Q2017, collectively 9 months have been retrospectively adjusted to reflect the fair values of assets and liabilities of Taiga Building Products Ltd upon finalisation of the purchase price allocation ("PPA") exercise in January 2018.

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	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current Assets</b>				
Property, plant and equipment	92,069	47,195	8	77
Investments in subsidiary corporations	-	-	20,533	15,694
Available-for-sale financial assets	3,267	3,458	-	-
Service concession receivables**	28,608	38,109	-	-
Other receivables	-	-	16,713	22,609
Goodwill on consolidation	22,538	-	-	-
Intangible assets	27,125	-	-	-
Deferred income tax assets	184	-	-	-
<b>Total Non-current Assets</b>	<b>173,791</b>	<b>88,762</b>	<b>37,254</b>	<b>38,380</b>
<b>Current Assets</b>				
Inventories	138,171	5,282	-	-
Service concession receivables**	15,910	17,219	-	-
Trade receivables	126,953	12,211	176	113
Other receivables	1,366	787	91,719	53,511
Prepaid operating expenses	2,512	165	24	22
Cash and bank balances	38,701	57,184	25,100	51,473
	323,613	92,848	117,019	105,119
Assets held-for-sale	7,742	8,494	-	-
<b>Total Current Assets</b>	<b>331,355</b>	<b>101,342</b>	<b>117,019</b>	<b>105,119</b>
<b>Current Liabilities</b>				
Trade payables and accruals	(83,954)	(5,389)	(1,547)	(833)
Other payables	(225)	(288)	(79)	(78)
Derivatives	(38)	-	-	-
Revolving credit facility	(58,280)	-	-	-
Bank borrowings	(33,000)	-	-	-
Current portion of finance lease obligations	(2,490)	-	-	-
Current portion of long term debts	(1,086)	-	-	-
Income tax payables	(4,649)	-	-	-
<b>Total Current Liabilities</b>	<b>(183,722)</b>	<b>(5,677)</b>	<b>(1,626)</b>	<b>(911)</b>
<b>Net Current Assets</b>	<b>147,633</b>	<b>95,665</b>	<b>115,393</b>	<b>104,208</b>
<b>Non-current Liabilities</b>				
Bank borrowings	(10,500)	-	-	-
Finance lease obligations	(23,834)	-	-	-
Deferred gains	(3,303)	-	-	-
Provisions	(838)	-	-	-
Subordinated notes	(13,313)	-	-	-
Deferred income tax liabilities	(4,461)	(685)	-	-
<b>Total Non-current Liabilities</b>	<b>(56,249)</b>	<b>(685)</b>	<b>-</b>	<b>-</b>
<b>Net Assets</b>	<b>265,175</b>	<b>183,742</b>	<b>152,647</b>	<b>142,588</b>
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	150,519	140,578	150,519	140,578
Retained profits	62,742	55,168	2,054	1,936
Other reserves	(14,756)	(16,949)	74	74
	198,505	178,797	152,647	142,588
<b>Non-controlling interests</b>	66,670	4,945	-	-
<b>Total Equity</b>	<b>265,175</b>	<b>183,742</b>	<b>152,647</b>	<b>142,588</b>

\*\* The Group recognised service concession receivables as it has a contractual right under the concession agreement to receive a fixed and determinable amount of payments during the concession period irrespective of the usage of the plant. The service concession receivables are measured on initial recognition at its fair value. Subsequent to initial recognition, the service concession receivables are measured at amortised cost using the effective interest rate method.

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

**(a) Amount repayable in one year or less, or on demand**

<b>As at 31/12/2017</b>		<b>As at 31/12/2016</b>	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
61,856	33,000	-	-

**(b) Amount repayable after one year**

<b>As at 31/12/2017</b>		<b>As at 31/12/2016</b>	
S\$'000		S\$'000	
Secured	Unsecured	Secured	Unsecured
23,834	23,813	-	-

**(c) Details of any collaterals**

The Group's secured borrowings comprise revolving credit facility, long-term debt and finance leases.

The revolving credit facility is secured by a first perfected security interest in all personal property of the Taiga Building Products Ltd. ("Taiga") and certain of its subsidiary corporations.

The long-term debt is secured by the real estate property of one of the Group's subsidiary corporations in United States.

Finance lease liabilities of the Group are effectively secured over the leased property, plant and equipment as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liabilities.

1(c) **A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	4 <sup>th</sup> quarter ended 31 December 2017	4 <sup>th</sup> quarter ended 31 December 2016	Full year ended 31 December 2017*	Full year ended 31 December 2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	6,748	5,624	25,148	13,144
Adjustments for:				
Depreciation of property, plant and equipment	1,864	618	6,963	2,550
Amortisation of intangible assets	1,156	-	4,252	-
Amortisation of deferred gain	(100)	-	(374)	-
(Gain)/loss on disposal of property, plant and equipment	(20)	(48)	61	(52)
Gain on disposal of asset held-for-sale	-	-	(1,161)	-
Gain on extinguishment of subordinated notes	(2,420)	-	(2,420)	-
Provisions	(53)	-	(4)	-
Reversal of impairment of trade receivables	(79)	-	(143)	(67)
Dividend income from quoted equity security	(98)	(115)	(194)	(115)
Net fair value gain on derivatives	(208)	-	(5)	-
Finance income	(1,326)	(1,597)	(5,892)	(6,374)
Interest income	(94)	(133)	(141)	(480)
Interest expenses	3,214	1	15,622	4
Unrealised currency translation (gains)/losses	(2,150)	(3,240)	7,266	(1,558)
Operating cash flows before working capital changes	6,434	1,110	48,978	7,052
Changes in working capital, net of effects from acquisition of subsidiary corporation :				
Inventories	(2,991)	938	12,154	156
Service concession receivables	2,867	3,005	12,545	11,144
Trade receivables	46,167	(1,501)	(13,716)	(884)
Other receivables	38	(195)	1,759	(224)
Prepaid operating expenses	(449)	79	49	48
Trade payables and accruals	(20,299)	270	9,615	591
Other payables	56	226	(156)	237
Cash generated from operations	31,823	3,932	71,228	18,120
Interest received	94	90	141	309
Interest paid	(1,191)	(1)	(6,454)	(4)
Income tax paid	(685)	(4)	(6,828)	(16)
<b>Net cash provided by operating activities</b>	<b>30,041</b>	<b>4,017</b>	<b>58,087</b>	<b>18,409</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(327)	(197)	(3,546)	(1,173)
Proceeds from disposal of property, plant and equipment	3	51	758	55
Purchase of available-for-sale financial assets	-	-	-	(2,821)
Dividend income from quoted equity security	98	115	194	115
Proceeds from disposal of asset held-for-sale	-	-	1,896	-
Net cash outflow on acquisition of a subsidiary corporation ( <b>Note A</b> )	-	-	(87,184)	-
Acquisition of subordinated notes	-	-	(57,302)	-
<b>Net cash used in investing activities</b>	<b>(226)</b>	<b>(31)</b>	<b>(145,184)</b>	<b>(3,824)</b>
<b>Cash flows from financing activities</b>				
Acquisition of non-controlling interests	-	-	(4,862)	-
Net proceeds from shares placement	-	-	9,941	-
Repayment of obligations under finance leases	(368)	-	(2,007)	-
Repayment of long term debts	(66)	-	(270)	-
Proceeds from bank borrowings	20,000	-	55,000	-
Repayment of bank borrowings	(750)	-	(11,500)	-
Redemption of subordinated notes	(15,905)	-	(15,905)	-
Interest paid	(2,009)	-	(9,649)	-
Dividend paid to equity holders of the Company	-	-	(8,766)	(12,550)
Dividend paid by a subsidiary corporation to non-controlling interest	-	(396)	-	(794)
<b>Net cash provided by/(used in) financing activities</b>	<b>902</b>	<b>(396)</b>	<b>11,982</b>	<b>(13,344)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30,717</b>	<b>3,590</b>	<b>(75,115)</b>	<b>1,241</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>(51,743)</b>	<b>51,336</b>	<b>57,184</b>	<b>54,893</b>
<b>Effects of currency translation on cash and cash equivalents</b>	<b>1,447</b>	<b>2,258</b>	<b>(1,648)</b>	<b>1,050</b>
<b>Cash and cash equivalents at end of period/year</b>	<b>(19,579)</b>	<b>57,184</b>	<b>(19,579)</b>	<b>57,184</b>

1(c) **A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balance sheet amounts:

	4 <sup>th</sup> quarter ended 31 December 2017	4 <sup>th</sup> quarter ended 31 December 2016	Full year ended 31 December 2017	Full year ended 31 December 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	38,701	57,184	38,701	57,184
Revolving credit facility ( <b>Note B</b> )	(58,280)	-	(58,280)	-
	<u>(19,579)</u>	<u>57,184</u>	<u>(19,579)</u>	<u>57,184</u>

**Note A**

**Acquisition of Taiga Building Products Ltd. ("Taiga")**

On 31 January 2017, the Company through its wholly-owned subsidiary corporation, UPP Investments Canada Limited ("UPP Canada") acquired 58.34% interest in Taiga, a public company incorporated in Canada and listed on the Toronto Stock Exchange for a cash consideration of C\$18,908,208. Taiga is a wholesale distributor of building materials.

The purchase price allocation ("PPA") exercise in respect of the acquisition of Taiga has been carried out and finalised on 29 January 2018. At the date of acquisition, the Group recognised a goodwill of S\$22,919,000 (C\$21,163,000) based on fair value of assets and liabilities of Taiga. For 4Q2017, the goodwill was translated at the prevailing exchange rate which amounted to S\$22,538,000. The Group has elected to measure the non-controlling interest at the non-controlling interest's proportionate share of Taiga's net identifiable liabilities.

<u>Fair value of assets acquired and liabilities identified at the date of acquisition</u>	<u>S\$'000</u>
Current assets	258,799
Non-current assets	80,481
Current liabilities	(146,557)
Non-current liabilities	(196,910)
Total net identifiable liabilities at fair value	<u>(4,187)</u>
Non-controlling interest	1,745
	<u>(2,442)</u>
Goodwill	22,919
Consideration transferred for the business	<u>20,477</u>
<u>Net cash outflow arising from the acquisition</u>	<u>S\$'000</u>
Cash consideration paid	(20,477)
Add: Revolving credit facility which form part of cash and cash equivalents	(66,707)
Net cash outflow on acquisition	<u>(87,184)</u>

**Note B**

**Revolving credit facility**

The revolving credit facility consists of Taiga's cash on hand less cheques issued and the Taiga's outstanding revolving credit facility balance. Taiga's cash flow statement reflects the net change in its revolving credit facility. The revolving credit facility forms an integral part of Taiga's cash management and fluctuates directly as a result of its cash flows from operating, investing and financing activities.

On November 25, 2013, Taiga renewed its senior credit facility with a syndicate of lenders led by JPMorgan Chase Bank (the "Facility"). The Facility was increased from C\$200 million to C\$225 million, with an option to increase the limit by up to C\$50 million. The Facility continues to bear interest at variable rates plus variable margins, is secured by a first perfected security interest in all personal property of the Taiga Group of entities and will mature on November 25, 2018. Taiga's ability to borrow under the Facility is based upon a defined percentage of accounts receivables and inventories.

\* The results of 1Q2017, 2Q2017 and 3Q2017, collectively 9 months have been retrospectively adjusted to reflect the fair values of assets and liabilities of Taiga Building Products Ltd upon finalisation of the purchase price allocation ("PPA") exercise in January 2018.

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

THE GROUP

Consolidated statement of changes in equity for the year ended 31 December 2017

	Share capital	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>9M 2017</b>								
<b>Balance at 1 January 2017</b>	<b>140,578</b>	<b>55,168</b>	<b>712</b>	<b>(18,298)</b>	<b>637</b>	<b>(16,949)</b>	<b>4,945</b>	<b>183,742</b>
Profit for the period (as previously stated)	-	18,607	-	-	-	-	5,465	24,072
Effect of PPA adjustment *	-	(5,404)	-	-	-	-	(3,860)	(9,264)
Profit for the period (as restated)	-	13,203	-	-	-	-	1,605	14,808
Other comprehensive loss for the period (as previously stated)	-	-	-	(3,369)	58	(3,311)	(519)	(3,830)
Effect of PPA adjustment *	-	-	-	(117)	-	(117)	16	(101)
Other comprehensive loss for the period (as restated)	-	-	-	(3,486)	58	(3,428)	(503)	(3,931)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>13,203</b>	<b>-</b>	<b>(3,486)</b>	<b>58</b>	<b>(3,428)</b>	<b>1,102</b>	<b>10,877</b>
Share placement	10,000	-	-	-	-	-	-	10,000
Share placement expenses	(59)	-	-	-	-	-	-	(59)
Acquisition of a subsidiary corporation (as previously stated)	-	-	-	-	-	-	(17,857)	(17,857)
Effect of PPA adjustment *	-	-	-	-	-	-	16,113	16,113
Acquisition of a subsidiary corporation (as restated)	-	-	-	-	-	-	(1,744)	(1,744)
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	(4,897)	(4,897)
<b>Total transactions with owners, recognised directly in equity</b>	<b>9,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,641)</b>	<b>3,300</b>
Dividend relating to 2016 paid	-	(4,383)	-	-	-	-	-	(4,383)
Dividend relating to 2017 paid	-	(4,383)	-	-	-	-	-	(4,383)
<b>Balance at 30 September 2017 (as restated)</b>	<b>150,519</b>	<b>59,605</b>	<b>712</b>	<b>(21,784)</b>	<b>695</b>	<b>(20,377)</b>	<b>(594)</b>	<b>189,153</b>
<b>4Q 2017</b>								
Profit for the period	-	3,137	-	-	-	-	2,419	5,556
Other comprehensive income for the period	-	-	-	691	(249)	442	646	1,088
Total comprehensive income for the period	-	3,137	-	691	(249)	442	3,065	6,644
Acquisition of non-controlling interest without a change in control	-	-	35	-	-	35	-	35
Deemed disposal of non-controlling interests without a change in control	-	-	5,144	-	-	5,144	64,199	69,343
	-	-	5,179	-	-	5,179	64,199	69,378
<b>Balance at 31 December 2017</b>	<b>150,519</b>	<b>62,742</b>	<b>5,891</b>	<b>(21,093)</b>	<b>446</b>	<b>(14,756)</b>	<b>66,670</b>	<b>265,175</b>

\* Retrospective adjustment to reflect finalisation of PPA of Taiga in January 2018.



**THE GROUP**

**Consolidated statement of changes in equity for the year ended 31 December 2016**

	Share capital	Retained profits	Capital reserve	Foreign currency translation reserve	Fair value reserve	Total reserves	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>9M 2016</b>								
<b>Balance at 1 January 2016</b>	<b>140,578</b>	<b>55,155</b>	<b>712</b>	<b>(18,288)</b>	<b>-</b>	<b>(17,576)</b>	<b>5,277</b>	<b>183,434</b>
Profit for the period	-	7,099	-	-	-	-	409	7,508
Other comprehensive loss for the period	-	-	-	(1,383)	791	(592)	9	(583)
Total comprehensive income for the period	-	7,099	-	(1,383)	791	(592)	418	6,925
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(398)	(398)
Dividend relating to 2015 paid	-	(8,367)	-	-	-	-	-	(8,367)
Dividend relating to 2016 paid	-	(4,183)	-	-	-	-	-	(4,183)
<b>Balance at 30 September 2016</b>	<b>140,578</b>	<b>49,704</b>	<b>712</b>	<b>(19,671)</b>	<b>791</b>	<b>(18,168)</b>	<b>5,297</b>	<b>177,411</b>
<b>4Q 2016</b>								
Profit for the period	-	5,464	-	-	-	-	156	5,620
Other comprehensive income for the period	-	-	-	1,373	(154)	1,219	(112)	1,107
Total comprehensive income for the period	-	5,464	-	1,373	(154)	1,219	44	6,727
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(396)	(396)
<b>Balance at 31 December 2016</b>	<b>140,578</b>	<b>55,168</b>	<b>712</b>	<b>(18,298)</b>	<b>637</b>	<b>(16,949)</b>	<b>4,945</b>	<b>183,742</b>

## THE COMPANY

### Statement of changes in equity for the year ended 31 December 2017

	Share capital	Retained profits	Capital reserve	Total other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>9M 2017</b>					
<b>Balance at 1 January 2017</b>	<b>140,578</b>	<b>1,936</b>	<b>74</b>	<b>74</b>	<b>142,588</b>
Total comprehensive income for the period	-	312	-	-	312
Shares placement	10,000	-	-	-	10,000
Share placement expenses	(59)	-	-	-	(59)
Dividend relating to 2016 paid	-	(4,383)	-	-	(4,383)
Dividend relating to 2017 paid	-	(4,383)	-	-	(4,383)
<b>Balance at 30 September 2017</b>	<b>150,519</b>	<b>(6,518)</b>	<b>74</b>	<b>74</b>	<b>144,075</b>
<b>4Q 2017</b>					
Total comprehensive income for the period	-	8,572	-	-	8,572
<b>Balance at 31 December 2017</b>	<b>150,519</b>	<b>2,054</b>	<b>74</b>	<b>74</b>	<b>152,647</b>

### Statement of changes in equity for the year ended 31 December 2016

	Share capital	Retained profits	Capital reserve	Total other reserves	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>9M 2016</b>					
<b>Balance at 1 January 2016</b>	<b>140,578</b>	<b>5,759</b>	<b>74</b>	<b>74</b>	<b>146,411</b>
Total comprehensive loss for the period	-	(3,311)	-	-	(3,311)
Dividend relating to 2015 paid	-	(8,367)	-	-	(8,367)
Dividend relating to 2016 paid	-	(4,183)	-	-	(4,183)
<b>Balance at 30 September 2016</b>	<b>140,578</b>	<b>(10,102)</b>	<b>74</b>	<b>74</b>	<b>130,550</b>
<b>4Q 2016</b>					
Total comprehensive income for the period	-	12,038	-	-	12,038
<b>Balance at 31 December 2016</b>	<b>140,578</b>	<b>1,936</b>	<b>74</b>	<b>74</b>	<b>142,588</b>

- 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 immediate preceding financial year.**

There were no changes in the Company's share capital for the fourth quarter ended 31 December 2017.

Bonus warrants (the "Warrant") were issued by the Company on 16 February 2017 and the number of shares that may be issued on their conversion were 836,667,121 (31 December 2016: Nil).

The Company did not hold any treasury shares and no subsidiary holdings as at 31 December 2017 and 31 December 2016.

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

	<b>Company</b>	
	<u>31.12.2017</u>	<u>31.12.2016</u>
Number of issued shares	876,667,121	836,667,121

The Company did not hold any treasury shares as at 31 December 2017 and 31 December 2016.

- 1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury share 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 auditors.

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

Not applicable.

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

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017.

The adoption of the new and revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior period.

**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.**

		<b>Group</b>				
		4 <sup>th</sup> quarter ended 31 December 2017	4 <sup>th</sup> quarter ended 31 December 2016	Full year ended 31 December 2017	Full year ended 31 December 2016	
Earnings per ordinary share for the period based on profit attributable to equity holders of the Company						
(i)	Based on weighted average number of ordinary shares on issue	S\$ cents	0.36	0.65	1.88	1.50
(ii)	On a fully diluted basis	S\$ cents	0.36	0.65	1.88	1.50

The above earnings per share is calculated based on the weighted average number of ordinary shares in issue during the period of 867,352,053 (2016: 836,667,121) shares after accounting for new shares issued during the periods.

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

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

		31 December 2017	31 December 2016
The Group	S\$ cents	22.64	21.37
The Company	S\$ cents	17.41	17.04

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

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

(a) **Review of Statement of comprehensive income**

4<sup>th</sup> quarter ended 31 December 2017 ("4Q2017") Vs 4<sup>th</sup> quarter ended 31 December 2016 ("4Q2016")

The Group reported revenue of S\$365.6 million for 4Q2017 as compared to S\$16.3 million for 4Q2016. Gross profit increased by S\$29.1 million or 675% from S\$4.3 million in 4Q2016 to S\$33.4 million in 4Q2017. The significant increase in revenue and gross profit was primarily due to contributions from Taiga Building Products Ltd and its subsidiary companies ("Taiga"), following completion of the acquisition of a substantial stake in Taiga on 31 January 2017.

Revenue from the paper mill business in the current quarter increased 10% to S\$14.4 million as compared with 4Q2016. Gross profit margin for the current quarter increased from 16.8% to 20.7% on a year-on-year basis. The improvement was mainly due to higher selling prices of paper mill products while higher raw material costs were passed on to customers.

The decrease in operating and maintenance income of the power plant business was mainly due to a decline in variation income caused by lower electricity generated and sold to Electric Power Generation Enterprise ("EPGE") in the current quarter as compared to 4Q2016.

The Group's results included a currency exchange loss of S\$2.4 million (4Q2016: gain of S\$3.1 million) classified under "Other gains/(losses), net" that arose mainly from the translation of intercompany receivables denominated in Canadian Dollar ("CAD"). The losses were offset by a one-off gain on extinguishment of subordinated notes amounted to S\$2.4 million recognised in the current quarter.

Total distribution, selling and administrative and finance expenses amounted to S\$26.5 million in 4Q2017, an increase of S\$24.2 million from S\$2.3 million for 4Q2016. The increase was largely attributed to consolidation of Taiga's accounts and amortisation of intangible assets of S\$1.1 million in the current quarter.

The Group's net profit decreased marginally from S\$5.6 million for 4Q2016 to S\$5.5 million for 4Q2017. Excluding the effects of foreign exchange loss of S\$2.4 million (4Q2016: gain of S\$3.1 million) the Group's net profit would have increased by S\$5.5 million or 220%, mainly due to contributions from Taiga.

12 months ended 31 December 2017 ("12M2017") Vs 12 months ended 31 December 2016 ("12M2016")

The results of full year FY2017 have been retrospectively adjusted to reflect the fair values of assets and liabilities of Taiga Building Products Ltd upon finalisation of the purchase price allocation ("PPA") exercise in January 2018.

The Group reported revenue of S\$1.45 billion for 12M2017 as compared to S\$63.3 million for 12M2016. Gross profit increased by S\$113.7 million or 609% from S\$18.7 million for 12M2016 to S\$132.4 million for 12M2017. The significant increase in the revenue and gross profit was primarily due to contributions from Taiga, following the completion of the acquisition of a substantial stake in Taiga on 31 January 2017.

Revenue from the paper mill business for 12M2017 increased marginally while gross profit margin decreased from 20.2% to 18.0% on a year-on-year basis, due to higher raw material costs.

The decrease in operating and maintenance income of the power plant business was mainly due to a decline in variation income due to lower electricity generated and sold to Electric Power Generation Enterprise ("EPGE").

The Group's results included a currency exchange loss of S\$3.9 million (12M2016: gain of S\$1.1 million) classified under "Other gains/(losses), net" that arose mainly from the translation of intercompany receivables and bank balances denominated in CAD and United States Dollar ("USD"). The losses were offset by gain on disposal of assets held-for-sale which amounted to S\$1.2 million and one-off gain on extinguishment of subordinated notes amounting to S\$2.4 million recognised in the current year.

Total distribution, selling and administrative and finance expenses were S\$107.3 million for 12M2017, an increase of S\$99.7 million from S\$7.6 million for 12M2016. The increase was largely attributed to consolidation of Taiga's accounts and amortisation of intangible assets of S\$4.2 million in the current quarter.

The Group's net profit increased from S\$13.1 million for 12M2016 to S\$20.4 million for 12M2017, representing an increase of 55%. Excluding the effects of foreign exchange loss of S\$3.9 million (12M2016: gain of S\$1.1 million), the Group's net profit would have increased by S\$12.3 million or 103%.

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

The aggregate consideration for the acquisition of 58.3% interest in Taiga and C\$46.0 million principal amount of 14% subordinated notes issued by Taiga were funded through the Group's internal resources of S\$50.3 million and external bank borrowings of S\$27.5 million.

The Group's total assets increased from S\$190.1 million as at 31 December 2016 to S\$505.1 million as at 31 December 2017. The increase of S\$315.0 million was primarily due to consolidation of the total assets of Taiga, goodwill arising from consolidation of S\$22.5 million and intangible assets of S\$27.1 million resulting from the acquisition of Taiga in January 2017.

Total liabilities of the Group amounted to S\$240.0 million as at 31 December 2017, representing an increase of S\$233.6 million from the financial year ended 31 December 2016. The increase mainly arose due to bank borrowings of S\$43.5 million and consolidation of Taiga's liabilities totaling S\$186.4 million, comprising bank borrowings, accounts payable and accrued liabilities, finance lease obligations, deferred gain, provision, income taxes payable and outstanding newly issued 5 years notes. In addition, there was additional deferred tax liability of S\$3.5 million recognised from fair value adjustments made in the purchase price allocation exercise of Taiga.

The Group's working capital as at 31 December 2017 increased to S\$147.6 million from S\$95.6 million as at 31 December 2016.

The Group's total equity as at 31 December 2017 amounted to S\$265.2 million (31 December 2016: S\$183.7 million). During the period under review, approximately of S\$9.9 million net proceeds were raised through the issuance of 40,000,000 new subscription shares of the Company. The increase in total equity of the Group is mainly due to de-leveraging of the Taiga's balance sheet following the completion of restructuring of its 14% subordinated notes in November 2017.

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

For the 4<sup>th</sup> quarter ended 31 December 2017, the net increase in cash and cash equivalents was S\$30.7 million. The increase was mainly due to net cash provided by operating activities of S\$30.0 million.

As at 31 December 2017, the Group's outstanding revolving credit facility ("RCF") which form part of cash and cash equivalents, net of cash and bank balances, was S\$19.6 million.

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

No forecast was previously provided.

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

**Outlook**

The year 2017 was a transformative one for the Group. The acquisition of a substantial stake in Taiga has significantly elevated the Group's scale of operations and earnings base. Despite an exceptional fair value accounting charge of S\$8.5 million relating to the acquisition exercise, the Group achieved its highest level of profitability in 2017, with pre-tax profit of S\$25.1 million while revenue rose to a significant S\$1.45 billion.

The Group completed the acquisition of a 58.3% stake in Taiga's ordinary shares and C\$46 million worth of subordinated loan notes in January 2017. In November 2017, the Group converted its loan notes into new ordinary Taiga shares issued pursuant to a loan notes restructuring exercise initiated by the latter. Following the exercise, the Group now holds a 49% interest in the enlarged Taiga.

The acquisition of Taiga has been earnings-accretive for the Group, and has broadened its income base. However, the increased geographical diversity of the Group's assets will also subject it to higher currency volatility when earnings are translated back into SGD. Included in the results was a currency translation loss of S\$3.9 million for 2017, compared with a gain of S\$1.1 million in 2016.

Going forward, the Group will identify strategies for further growth as well as improvements in operational efficiency for its portfolio of businesses. The Group will also continue to seek opportunities to further enhance shareholder value.

a) Building products business

Taiga's financial performance is primarily dependent on the residential construction, renovation and repairs markets in North America. These markets are affected by the strength or weakness in the general economy and as such are influenced by interest rates and other general market indicators.

Taiga's primary market is Canada and secondary market, the United States. The Canada Mortgage and Housing Corporation Housing Market Outlook, Canadian Edition for the fourth quarter 2017, forecasts Canada housing starts to range from 192,200 to 203,000 units in 2018. In the United States, the National Association of Home Builders reported in December 2017 that housing starts are forecasted to total 1,248,000 units in 2018.

Taiga's loan notes restructuring exercise in November 2017 has deleveraged its balance sheet and placed it in a stronger position to capitalise on future growth opportunities.

b) Paper mill business

For the paper mill business, the plant is operating at close to full capacity due to strong demand for paper packaging products. The upward trend in both selling prices and waste paper costs is showing signs of moderation while China's action to limit imports of waste paper since September 2017 has eased the shortage of waste paper. The Group will monitor these developments, and will continue to strive to improve operational efficiency and mitigate the impact of higher operating costs.

c) Power plant business

Earnings for the power plant in Myanmar are backed by a 30-year power purchase agreement with the Electric Power Generation Enterprise (EPGE), under Myanmar's Ministry of Electricity and Energy. The Group is committed to meet the minimum off-take requirement of 350 million kWh per year.

**11. Dividend**

**(a) 4<sup>th</sup> Quarter ended 31 December 2017**

**Any dividend declared for the current financial year reported on?**

Name of dividend	Tax-exempt one tier
Dividend type	Final
Dividend amount per Share (in S\$ cents)	0.50 cents
Tax rate	-

**(b) 4<sup>th</sup> Quarter ended 31 December 2016**

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

Name of dividend	Tax-exempt one tier
Dividend type	Final
Dividend amount per Share (in S\$ cents)	0.50 cents
Tax rate	-

**(c) Date payable**

Payment of the proposed final tax-exempt one tier dividend, if approved by the members at the forthcoming Annual General Meeting, will be made on 25 May 2018.

**(d) Books closure date**

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 12 May 2018 for the purpose of determination of members' entitlements to the proposed dividend.

Duly completed registrable transfers received by the Company's Share Registrar, M&C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902 up to the close of business at 5.00 p.m. on 11 May 2018 will be registered to determine shareholders' entitlements to the proposed dividend.

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

Not applicable.

**PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

13. **Segmented revenue and results for operating 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**

	Paper Mill and Re-cycled Fibre		Building Products		Power Plant		Others		Total		Adjustments and Eliminations		Consolidated	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>														
External customers	54,257	50,048	1,389,174	-	11,732	13,299	-	-	1,455,163	63,347	-	-	1,455,163	63,347
Inter-segment sales	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>54,257</b>	<b>50,048</b>	<b>1,389,174</b>	<b>-</b>	<b>11,732</b>	<b>13,299</b>	<b>-</b>	<b>-</b>	<b>1,455,163</b>	<b>63,347</b>	<b>-</b>	<b>-</b>	<b>1,455,163</b>	<b>63,347</b>
<b>Results</b>														
Finance expenses	(4)	(4)	(15,045)	-	-	-	(573)	-	(15,622)	(4)	-	-	(15,622)	(4)
Interest income	120	96	-	-	-	-	21	384	141	480	-	-	141	480
Depreciation	(2,370)	(2,443)	(4,502)	-	(5)	(3)	(86)	(104)	(6,963)	(2,550)	-	-	(6,963)	(2,550)
Amortisation of intangible assets	-	-	(4,252)	-	-	-	-	-	(4,252)	-	-	-	(4,252)	-
<b>Segment profit before taxation</b>	<b>8,338</b>	<b>7,880</b>	<b>18,497</b>	<b>-</b>	<b>6,887</b>	<b>8,141</b>	<b>(8,574)</b>	<b>(2,877)</b>	<b>25,148</b>	<b>13,144</b>	<b>-</b>	<b>-</b>	<b>25,148</b>	<b>13,144</b>



**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments**

Please refer to item 8.

**15. A breakdown of sales**

	Group		
	Full year ended 31 December 2017	Full year ended 31 December 2016	Increase/ (decrease)
	S\$'000	S\$'000	%
(a) Turnover reported for first half year	642,220	32,212	1,894
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	3,548	4,008	(11)
(c) Turnover reported for second half year	812,943	31,135	2,511
(d) Operating profit after tax before deducting non-controlling interests reported for the second half year	16,816	9,120	84

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

	2017 (S\$'000)	2016 (S\$'000)
Ordinary		
- Interim	4,383	4,183
- Proposed final	4,383	4,383
Preference	-	-
<b>Total</b>	<b>8,766</b>	<b>8,566</b>

**17. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tong Ian	30	Son of Tong Kooi Ong (Executive Chairman, Chief Executive Officer and substantial shareholder)	Position: Director, Taiga Building Products Ltd. Duties: Non-executive director Date when position first held: 20 July 2012	Executive Director

**19. Negative assurance confirmation by the Board pursuant to Rule 705(5) of the Manual Listing**

The Board of Directors of the Company hereby confirm to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the fourth quarter and twelve months ended 31 December 2017 to be false or misleading in any material respect.

**20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**BY ORDER OF THE BOARD**

Tong Kooi Ong  
Executive Chairman

Koh Wan Kai  
Executive Director

24 February 2018