



TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited Second Quarter and Half Year Financial Statements and Dividend Announcement for the Period Ended 30.06.2018

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

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

	Notes	GROUP					
		3 months ended			6 months ended		
		30.06.2018 S\$'000	30.06.2017 S\$'000	Change %	30.06.2018 S\$'000	30.06.2017 S\$'000	Change %
Revenue		31,993	46,831	(31.7)	64,765	107,819	(39.9)
Cost of sales		(24,731)	(38,482)	(35.7)	(49,625)	(87,372)	(43.2)
Gross profit		7,262	8,349	(13.0)	15,140	20,447	(26.0)
Other income	1	832	1,101	(24.4)	1,799	1,827	(1.5)
Selling and distribution costs		(482)	(345)	39.7	(718)	(1,291)	(44.4)
General and administrative expenses		(4,908)	(4,961)	(1.1)	(9,755)	(9,143)	6.7
Other operating expenses		(2,381)	(19,141)	(87.6)	(5,039)	(22,009)	(77.1)
Share of (loss) profit, net of tax of associates and joint ventures		(194)	(271)	(28.4)	99	(118)	NM
Finance costs		(3,069)	(2,490)	23.3	(5,764)	(4,956)	16.3
Loss before income tax	2	(2,940)	(17,758)	(83.4)	(4,238)	(15,243)	(72.2)
Income tax expense		(62)	(211)	(70.6)	(103)	(414)	(75.1)
Loss after income tax		(3,002)	(17,969)	(83.3)	(4,341)	(15,657)	(72.3)
Other comprehensive loss:							
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translation of foreign operations		292	(371)	NM	446	(1,525)	NM
Share of comprehensive income (loss) of associates and joint ventures	3	208	75	177.3	30	(146)	NM
Total comprehensive loss for the period		(2,502)	(18,265)	(86.3)	(3,865)	(17,328)	(77.7)
Loss attributable to :							
Owners of the Company		(3,080)	(12,571)	(75.5)	(4,765)	(10,926)	(56.4)
Non-controlling interests		78	(5,398)	NM	424	(4,731)	NM
		(3,002)	(17,969)	(83.3)	(4,341)	(15,657)	(72.3)
Total comprehensive loss attributable to:							
Owners of the Company		(2,758)	(12,717)	(78.3)	(4,348)	(12,120)	(64.1)
Non-controlling interests		256	(5,548)	NM	483	(5,208)	NM
		(2,502)	(18,265)	(86.3)	(3,865)	(17,328)	(77.7)
NM = Not meaningful							

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

1. Other income

	Group			
	3 months ended		6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Rental income	45	314	117	416
Management fee	139	126	277	246
Interest income	235	253	516	456
Gain on disposal of property, plant and equipment	-	15	35	22
Grant from government	15	49	243	140
Reversal of impairment loss on other non-current assets	7	69	10	90
Others	391	275	601	457
	832	1,101	1,799	1,827

2. Loss before income tax

	Group			
	3 months ended		6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Loss before income tax for the period is stated after charging/ (crediting) the following:				
Allowance for doubtful receivables, net	498	1,691	985	2,179
Depreciation expense	1,217	1,091	2,458	2,179
Fair value change in derivative financial instrument	3	16	4	87
Loss in fair value of investment properties	-	15,170	200	15,170
Gain on disposal of property, plant and equipment, net	-	(15)	(35)	(22)
Interest income	(235)	(253)	(516)	(456)
Reversal of impairment loss on other non-current assets	(7)	(69)	(10)	(90)
Under (Over) provision of income tax in prior years	-	2	2	(46)

3. Share of comprehensive income of associates and joint ventures

There was a 177.3% improvement in the share of comprehensive income of associates and joint ventures which arose from exchange translation, due mainly to lower exchange rate of US\$ to S\$ for 2Q2018 compared to 2Q2017.

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	
	30.06.2018 S\$'000	31.12.2017 S\$'000	30.06.2018 S\$'000	31.12.2017 S\$'000
ASSETS				
Current assets				
Cash and bank balances	38,693	84,660	86	7,600
Trade and other receivables	71,842	95,071	1,012	26,579
Deposits and prepayments	2,766	2,630	6	7
Inventories	6,880	5,576	-	-
Development properties	212,023	185,057	-	-
Total current assets	332,204	372,994	1,104	34,186
Non-current assets				
Property, plant and equipment	55,817	55,678	-	-
Investment properties	236,175	236,375	-	-
Subsidiaries	-	-	91,965	91,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	16,329	16,199	-	-
Trade and other receivables	42,922	28,357	105,093	102,504
Other non-current assets	558	401	-	-
Derivative financial instrument	-	4	-	-
Total non-current assets	354,396	339,609	197,058	194,469
Total assets	686,600	712,603	198,162	228,655
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	96,524	161,224	5,000	5,000
Trade and other payables	124,757	120,754	18,906	5,757
Current portion of finance leases	364	405	-	-
Term notes	-	39,957	-	39,957
Income tax payable	1,309	1,476	-	-
Total current liabilities	222,954	323,816	23,906	50,714
Non-current liabilities				
Borrowings	250,153	171,289	17,500	20,000
Trade and other payables	38,457	37,174	-	-
Finance leases	309	523	-	-
Deferred tax liabilities	259	266	-	-
Total non-current liabilities	289,178	209,252	17,500	20,000
Capital, reserves and non-controlling interests				
Share capital	154,189	150,391	154,189	150,391
Reserves	675	675	31	31
Translation and other reserves	884	467	-	-
Retained earnings	27,012	36,777	2,536	7,519
Equity attributable to owners of the Company	182,760	188,310	156,756	157,941
Non-controlling interests	(8,292)	(8,775)	-	-
Total equity	174,468	179,535	156,756	157,941
Total liabilities and equity	686,600	712,603	198,162	228,655

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

	As at 30.06.2018		As at 31.12.2017	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	88,500	8,388	154,502	47,084
Amount repayable after one year	250,012	450	171,272	540
Total	338,512	8,838	325,774	47,624

Details of any collateral

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

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

	Group			
	3 months ended		6 months ended	
	30.06.2018 S\$'000	30.06.2017 S\$'000	30.06.2018 S\$'000	30.06.2017 S\$'000
Operating activities				
Loss before income tax	(2,940)	(17,758)	(4,238)	(15,243)
Adjustments for:				
Depreciation expense	1,217	1,091	2,458	2,179
Interest income	(235)	(253)	(516)	(456)
Interest expense	3,069	2,490	5,764	4,956
Fair value change in derivative financial instrument	3	16	4	87
Share of loss (profit) of associates and joint ventures	194	271	(99)	118
Gain on disposal of property, plant and equipment, net	-	(15)	(35)	(22)
Reversal of impairment loss on other non-current assets	(7)	(69)	(10)	(90)
Loss in fair value of investment properties	-	15,170	200	15,170
Allowance for doubtful receivables, net	498	1,691	985	2,179
Operating cash flows before movements in working capital	1,799	2,634	4,513	8,878
Trade and other receivables	3,398	(811)	23,535	(13,661)
Deposits and prepayments	1	178	(136)	1,207
Inventories	(1,333)	(148)	(1,304)	1,157
Development properties	(15,886)	(847)	(25,705)	17,004
Trade and other payables	(3,995)	1,521	(4,315)	(259)
Cash (used in) generated from operations	(16,016)	2,527	(3,412)	14,326
Income tax paid	(27)	(363)	(277)	(421)
Interest paid	(3,529)	(3,173)	(7,025)	(6,383)
Net cash (used in) from operating activities	(19,572)	(1,009)	(10,714)	7,522

	Group			
	3 months ended		6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Advances to associates and joint ventures	(14,370)	(1,997)	(15,555)	(3,289)
Additional investment in associates and joint ventures	-	(2,100)	-	(2,100)
Addition to investment properties	-	-	-	(8,800)
Interest received	235	253	516	456
Purchase of property, plant and equipment	457	(2,279)	(2,709)	(6,725)
Proceeds from disposal of property, plant and equipment	60	65	137	82
Net cash used in investing activities	(13,618)	(6,058)	(17,611)	(20,376)
Financing activities				
Advance from an associate	1,600	-	9,600	-
Proceeds from borrowings	20,510	15,576	53,676	25,673
Repayment of borrowings	(22,311)	(7,684)	(39,738)	(26,190)
Repayment of term notes	-	-	(40,000)	-
Repayment of obligations under finance leases	(153)	(113)	(255)	(217)
Proceeds from warrants issued, net	-	31	-	31
Pledged cash and fixed deposits	133	(1,191)	(99)	(1,160)
Distribution of funds to non-controlling shareholder on voluntary liquidation of a subsidiary	-	-	-	(307)
Dividends paid to non-controlling shareholders	-	(1)	-	(65)
Dividends paid	(1,202)	(589)	(1,202)	(589)
Net cash (used in) from financing activities	(1,423)	6,029	(18,018)	(2,824)
Decrease in cash and cash equivalents	(34,613)	(1,038)	(46,343)	(15,678)
Cash and cash equivalents at beginning of the period	67,301	72,654	79,092	87,110
Effect of exchange rate changes	69	(11)	8	173
Cash and cash equivalents at end of the period	32,757	71,605	32,757	71,605

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

Cash and bank balances	33,097	60,965	33,097	60,965
Fixed deposits	5,596	16,228	5,596	16,228
	38,693	77,193	38,693	77,193
Less: pledged cash and fixed deposits	(5,667)	(5,588)	(5,667)	(5,588)
Less: bank overdraft	(269)	-	(269)	-
Cash and cash equivalents at end of the period	32,757	71,605	32,757	71,605

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

Group (\$S'000)	Share capital	Reserves	Translation and other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at January 1, 2017	146,157	644	2,179	61,041	210,021	611	210,632
<i>Total comprehensive loss for the year</i>							
Loss for the year	-	-	-	(19,441)	(19,441)	(8,318)	(27,759)
Other comprehensive loss for the year	-	-	(1,712)	-	(1,712)	(690)	(2,402)
Total	-	-	(1,712)	(19,441)	(21,153)	(9,008)	(30,161)
<i>Transactions with owners, recognised directly in equity</i>							
Effect of liquidation of a subsidiary to non-controlling interest	-	-	-	-	-	(307)	(307)
Issue of warrants	-	362	-	-	362	-	362
Warrants issue expenses	-	(331)	-	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	-	4,234	-	4,234
Dividends paid							
- in cash	-	-	-	(589)	(589)	-	(589)
- in scrip	-	-	-	(4,234)	(4,234)	-	(4,234)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(71)	(71)
Total	4,234	31	-	(4,823)	(558)	(378)	(936)
Balance at December 31, 2017	150,391	675	467	36,777	188,310	(8,775)	179,535
<i>Total comprehensive loss for the period</i>							
Loss for the period	-	-	-	(4,765)	(4,765)	424	(4,341)
Other comprehensive income for the period	-	-	417	-	417	59	476
Total	-	-	417	(4,765)	(4,348)	483	(3,865)
<i>Transactions with owners, recognised directly in equity</i>							
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	-	3,798	-	3,798
Dividends paid							
- in cash	-	-	-	(1,202)	(1,202)	-	(1,202)
- in scrip	-	-	-	(3,798)	(3,798)	-	(3,798)
Total	3,798	-	-	(5,000)	(1,202)	-	(1,202)
Balance at June 30, 2018	154,189	675	884	27,012	182,760	(8,292)	174,468

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2017	146,157	-	5,596	151,753
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	6,746	6,746
<i>Transactions with owners, recognised directly in equity</i>				
Issue of warrants	-	362	-	362
Warrants issue expenses	-	(331)	-	(331)
Issue of shares pursuant to scrip dividend scheme	4,234	-	-	4,234
Dividends paid				
- in cash	-	-	(589)	(589)
- in scrip	-	-	(4,234)	(4,234)
	4,234	31	(4,823)	(558)
Balance at December 31, 2017	150,391	31	7,519	157,941
<i>Total comprehensive income for the period</i>				
Profit for the period, representing total comprehensive income for the period	-	-	17	17
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	3,798
Dividends paid				
- in cash	-	-	(1,202)	(1,202)
- in scrip	-	-	(3,798)	(3,798)
	3,798	-	(5,000)	(1,202)
Balance at June 30, 2018	154,189	31	2,536	156,756

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

	1H2018		1H2017	
	No of shares	S\$'000	No of shares	S\$'000
Issue and paid up capital				
As at beginning of financial period	499,983,810	150,391	482,270,359	146,157
Issue of shares pursuant to scrip dividend scheme	18,084,410	3,798	17,713,451	4,234
At 30 June	518,068,220	154,189	499,983,810	150,391

The total number of outstanding warrants as at 30 June 2018 was 120,567,589 (30 June 2017: 120,567,589).

As at the end of 30 June 2018, the Company does not have any outstanding treasury shares (30 June 2017: Nil).

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

The total number of shares at 30 June 2018 was 518,068,220 (31 December 2017: 499,983,810). The Company has no treasury shares.

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

Not applicable.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 December 2017.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effects of, the change.

The Group has adopted a new financial reporting framework - Singapore Financial Reporting Standards (International) ("SFRS(I)"), that is identical to the International Financial Reporting Standards with effect from 1 January 2018. Changes to the Group's accounting policies have been made as required, in accordance with the respective SFRS(I) and SFRS(I) INT.

The adoption of SFRS(I) and SFRS(I) INT does not result in changes to the Group's and Company's current accounting policies and no material adjustments on the initial transition to the new framework. The adoption of new SFRS(I)s effective for annual periods beginning on or after 1 January 2018 has no material effect on the amounts reported for the current period or prior years.

6 Loss per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3 months ended		6 months ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
(i) Loss per ordinary share based on weighted average number of shares (in cents)	(0.6)	(2.6)	(0.9)	(2.3)
(ii) Loss per ordinary share based on a fully diluted basis (in cents)	(0.6)	(2.6)	(0.9)	(2.3)
Weighted average number of ordinary shares (in millions)	506.0	488.2	503.0	485.2

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

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

	Group		Company	
	30.06.2018	31.12.2017	30.06.2018	31.12.2017
Net asset value per ordinary share issued (in cents)	35.3	37.7	30.3	31.6
Total number of issued shares at end of the financial period (in millions)	518.1	500.0	518.1	500.0

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

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

Review of Group performance

2Q2018 vs 2Q2017

For the quarter under review, the Group's revenue has decreased by 31.7% from S\$46.8 million in 2Q2017 to S\$32.0 million in 2Q2018. The decrease in revenue was due mainly to lower revenue contributions by the real estate development segment from S\$5.1 million to S\$0.4 million and construction segment from S\$31.9 million to S\$21.0 million, partially offset by higher revenue contributed by the real estate investment segment from S\$3.9 million to S\$4.7 million. In line with lower revenue, the gross profit decreased by 13.0% from S\$8.3 million in 2Q2017 to S\$7.3 million in 2Q2018.

Selling and distribution costs increased by S\$0.2 million to S\$0.5 million for 2Q2018 compared to S\$0.3 million for 2Q2017 due to higher costs incurred for marketing.

Other operating expenses decreased by S\$16.7 million to S\$2.4 million for 2Q2018 compared to S\$19.1 million for 2Q2017. These were due mainly to the absence of loss in fair value of investment property, Tuas South dormitory and lower allowance for doubtful receivables.

The share of loss, net of tax of associates and joint ventures of S\$0.2 million for 2Q2018 compared to S\$0.3 million for 2Q2017 was due mainly to lower share of loss from its joint ventures' distribution of lubricants, tyres and commercial vehicles business in Myanmar.

Finance costs increased by S\$0.6 million to S\$3.1 million for 2Q2018 compared to S\$2.5 million in 2Q2017 due mainly to increase in interest rates on borrowings and lower interest costs capitalised upon completion of construction of development properties.

The Group reported a loss before income tax of S\$2.9 million in 2Q2018, a decrease of S\$14.9 million compared to S\$17.8 million in 2Q2017 mainly due to lower loss in fair value of investment properties of S\$0.2 million in 2Q2018 compared to S\$15.2 million in 2Q2017.

1H2018 vs 1H2017

The Group's revenue for 1H2018 was S\$64.8 million, a decrease of S\$43.0 million compared to S\$107.8 million in 1H2017.

Real estate development segment recorded S\$0.4 million in revenue for 1H2018, a decrease of S\$23.3 million compared to S\$23.7 million for 1H2017. The decrease was due mainly to the absence of sales of development units in Singapore and the lower revenue from project in Thailand compared to corresponding period.

Real estate investment segment recorded S\$9.1 million in revenue for 1H2018, an increase of S\$1.5 million compared to S\$7.6 million for 1H2017 mainly due to higher occupancy rate from Tuas South Dormitory compared to 1H2017.

Construction segment recorded revenue of S\$43.1 million for 1H2018, a decrease of S\$20.4 million compared to S\$63.5 million for 1H2017 due to lower revenue recognition from progressive construction work for projects.

Distribution of lubricants and tyres generated S\$12.2 million revenue for 1H2018, a decrease of S\$0.8 million from S\$13.0 million in 1H2017. The decrease was mainly due to lower revenue contribution from our lubricants business in Singapore and Myanmar.

In line with lower revenue, gross profit decreased by 26.0% to S\$15.1 million for current period compared to S\$20.4 million in 1H2017.

Selling and distribution costs decreased by S\$0.6 million to S\$0.7 million for 1H2018 compared to S\$1.3 million in 1H2017 due mainly to the absence of show-flat costs in 1H2018.

General and administrative expenses increased by S\$0.7 million to S\$9.8 million for 1H2018 compared to S\$9.1 million for 1H2017 due mainly to higher staff costs resulting from higher head count in the construction segment including for PPVC and precast business and salaries increment.

Other operating expenses decreased by S\$17.0 million to S\$5.0 million for 1H2018 compared to S\$22.0 million for 1H2017. These were due mainly to the absence of loss in fair value of investment property, Tuas South dormitory and lower allowance for doubtful receivables.

Finance costs increased by S\$0.8 million to S\$5.8 million for 1H2018 compared to S\$5.0 million in 1H2017 due mainly to increase in interest rates on borrowings and lower interest costs capitalised upon completion of construction of development properties.

As a result of the above, the Group recorded a loss before income tax of S\$4.2 million in 1H2018, a decrease of S\$11.0 million compared to S\$15.2 million in 1H2017.

Review of working capital, assets and liabilities

The changes in assets and liabilities are as follows:

- i) decrease in current trade and other receivables by S\$23.2 million was mainly due to collection from customers on property development and construction contract customers.
- ii) increase in inventories by S\$1.3 million was mainly due to higher inventory level held for lubricants business in Myanmar and raw materials for pre-cast production in Malaysia.
- iii) increase in development properties by S\$27.0 million was due mainly to development cost incurred for projects, 12 on Shan and The Gateway.
- iv) increase in non-current trade and other receivables by S\$14.6 million was due mainly to advances provided to a joint venture for purchase of land at Mattar road.
- v) decrease in current borrowings by S\$64.7 million was due mainly to reclassification of loans to non-current borrowings upon restructuring of the loans.
- vi) decrease in term notes by S\$40.0 million was due to repayment made upon due in March 2018.
- vii) increase in non-current borrowings by S\$78.9 million was due to reclassification of loan from current borrowings and additional loans obtained for working capital purpose.

Cash and cash equivalents decreased by S\$46.3 million in 1H2018 mainly from the following items: net cash used in operating activities of S\$10.7 million mainly on interest payment of S\$7.0 million. S\$17.6 million was from net cash outflow in investing activities mainly on advances to joint ventures for purchase of land at Mattar Road and for their working capital amounting to S\$15.6 million and net cash outflow in financing activities of S\$18.0 million resulting from repayment of term notes of S\$40.0 million, cash dividends paid to shareholders of S\$1.2 million, partially offset by net proceeds from borrowings of S\$13.9 million and advance from an associate of S\$9.6 million.

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

The Company has not made any forecast or prospect statement for the period ended 30 June 2018 previously.

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

The Urban Redevelopment Authority (“URA”) reported in its 2nd Quarter 2018 real estate statistics dated 27 July 2018 that prices of private residential properties increased by 3.4% in 2nd Quarter 2018, compared to the 3.9% increase in the previous quarter. The Singapore private residential property market is expected to be dampened by the recent property cooling measures introduced by the Singapore government. The Group will remain selective in land acquisition opportunities in Singapore and in the region.

The construction sector for private residential construction continues to be challenging. The Group remains confident of its construction segment’s performance underpinned by our order book of S\$218 million as at 30 June 2018, to be delivered progressively over the next two years.

The Group will continue to expand its network of distributorships and increase distributorships of new products regionally to grow our distribution business.

The Group will maintain its efforts to raise occupancy and rental rates of our dormitories despite the challenging market conditions.

11 Dividend

(a) Current Financial Period Reported On

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

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

(b) Corresponding period of the Immediately Preceding Financial Year

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

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

No dividend has been declared or recommended in the current financial period.

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

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

Name of Interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)	
	3 months ended 30 June 2018	6 months ended 30 June 2018	3 months ended 30 June 2018	6 months ended 30 June 2018
	S\$'000	S\$'000	S\$'000	S\$'000
Prestige Resources Pte Ltd	80	160	N.A.	N.A.
Tac Alliance Pte. Ltd.	58	117	N.A.	N.A.
Sinotac Group Pte Ltd	3,380	3,380	N.A.	N.A.

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

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

15 Confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited second quarter financial results of the Group and the Company for the period ended 30 June 2018 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Liong Kiam Teck
Executive Chairman

Neo Tiam Boon
Chief Executive Officer and Director

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo
Company Secretaries

13 August 2018