



FIGTREE HOLDINGS LIMITED

(Company Registration Number : 201315211G)

**Unaudited Financial Statement and Dividend Announcement
For the Three-Month and Nine-Month Financial Period
Ended 30 September 2019**

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

1(a)(i) 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

Consolidated Income Statement

	Note	Group Three Months Ended			Group Nine Months Ended		
		30 September 2019	30 September 2018	Change	30 September 2019	30 September 2018	Change
		S\$	S\$	%	S\$	S\$	%
Revenue	8(a)(i)	2,960,012	734,307	NM	7,720,367	1,437,580	NM
Cost of sales	8(a)(ii)	(2,756,157)	(1,132,834)	143.3	(7,375,015)	(1,435,613)	NM
Gross profit/(loss)	8(a)(ii)	203,855	(398,527)	151.2	345,352	1,967	NM
Other income	8(a)(iii)	49,285	144,878	(66.0)	6,527,659	1,635,367	NM
General and administrative expenses	8(a)(iv)	(1,348,524)	(1,679,251)	(19.7)	(4,337,226)	(4,852,416)	(10.6)
Finance costs	8(a)(v)	(34,819)	(48,253)	(27.8)	(139,816)	(101,454)	37.8
Share of results of associates	8(a)(vi)	(287,585)	(540,440)	(46.8)	(1,873,351)	(2,006,217)	(6.6)
(Loss)/profit before taxation		(1,417,788)	(2,521,593)	(43.8)	522,618	(5,322,753)	109.8
Tax credit/(expense)	8(a)(vii)	52,795	93,753	(43.7)	380,338	(23,301)	NM
(Loss)/profit for the period		(1,364,993)	(2,427,840)	(43.8)	902,956	(5,346,054)	116.9
Attributable to:							
Owners of the Company		(1,373,917)	(2,462,656)	(44.2)	922,312	(5,393,204)	117.1
Non-controlling interests		8,924	34,816	(74.4)	(19,356)	47,150	(141.1)
		(1,364,993)	(2,427,840)	(43.8)	902,956	(5,346,054)	116.9

NM – Not Meaningful

Consolidated Statement of Comprehensive Income

	Group			Group		
	Three Months Ended			Nine Months Ended		
	30 September 2019 S\$	30 September 2018 S\$	Change %	30 September 2019 S\$	30 September 2018 S\$	Change %
(Loss)/profit for the period	(1,364,993)	(2,427,840)	(43.8)	902,956	(5,346,054)	116.9
Other comprehensive income:						
Items that may be reclassified						
subsequently to profit or loss						
- Exchange differences on translation of foreign operations	664,637	(702,511)	194.6	(207,531)	(764,887)	(72.9)
Other comprehensive income for the period, net of tax	664,637	(702,511)	194.6	(207,531)	(764,887)	(72.9)
Total comprehensive income for the period	(700,356)	(3,130,351)	(77.6)	695,425	(6,110,941)	111.4
Attributable to:						
Owners of the Company	(709,280)	(3,165,167)	(77.6)	714,781	(6,158,091)	111.6
Non-controlling interests	8,924	34,816	(74.4)	(19,356)	47,150	(141.1)
	(700,356)	(3,130,351)	(77.6)	695,425	(6,110,941)	111.4

NM – Not Meaningful

Notes to the Consolidated Income Statement

The following items have been included in arriving at profit before taxation:

Note	Group Three Months Ended			Group Nine Months Ended		
	30 September 2019	30 September 2018	Change	30 September 2019	30 September 2018	Change
	S\$	S\$	%	S\$	S\$	%
Bad debts written off	-	-	NM	26,727	-	NM
Depreciation of property, plant and equipment	55,964	46,505	20.3	165,176	142,676	15.8
Foreign exchange loss, net	8(a)(iv) 76,185	596,847	(87.2)	226,818	1,336,463	(83.0)
Gain on disposal of assets held for sale	-	-	NM	(6,309,771)	-	NM
Gain on disposal of property, plant and equipment	-	-	NM	(750)	-	NM
Interest income from loans to associates	(50,387)	(103,882)	(51.5)	(160,743)	(355,015)	(54.7)
Operating lease expense	1,342	18,086	(92.6)	16,535	63,869	(74.1)
Write back of allowance for doubtful debts (trade)	-	-	NM	-	(1,125,000)	NM
Employee benefits expense	A 1,605,418	1,164,860	37.8	3,485,322	3,497,350	(0.3)
<i>Note A: Employee benefits expense Presented in the consolidated income statement as:</i>						
- Cost of sales	155,855	386,632	(59.7)	395,647	901,373	(56.1)
- General and administrative expenses	1,449,563	778,228	86.3	3,089,675	2,595,977	19.0
	1,605,418	1,164,860	37.8	3,485,322	3,497,350	(0.3)

NM – Not Meaningful

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

	Note	Group		Company	
		As at 30 September 2019 S\$	As at 31 December 2018 S\$	As at 30 September 2019 S\$	As at 31 December 2018 S\$
ASSETS					
Non-current assets					
Property, plant and equipment		3,314,919	3,273,984	-	-
Investments in subsidiaries		-	-	9,152,597	9,152,597
Interests in associates	8(b)(i)	10,897,650	11,065,065	-	-
Loans to associates	8(b)(ii)	-	4,992,266	-	-
Loans to a subsidiary		-	-	-	2,013,280
Total non-current assets		14,212,569	19,331,315	9,152,597	11,165,877
Current assets					
Capitalised contract costs	8(b)(iii)	579,504	412,254	-	-
Loans to associates	8(b)(ii)	21,579,518	16,329,152	-	-
Amounts due from subsidiaries		-	-	24,349,245	23,063,740
Amounts due from an associate		-	11,289	-	11,289
Prepayments		65,452	54,853	11,690	4,163
Contract assets	8(b)(iv)	5,070,031	4,596,710	-	-
Trade receivables	8(b)(v)	2,121,118	889,354	-	-
Other receivables	8(b)(vi)	609,261	273,082	-	-
Cash and short-term deposits	8(b)(vii)	15,699,933	468,702	346,288	9,688
		45,724,817	23,035,396	24,707,223	23,088,880
Assets of disposal group classified as held for sale	8(b)(viii)	-	41,689,441	-	-
Total current assets		45,724,817	64,724,837	24,707,223	23,088,880
Total assets		59,937,386	84,056,152	33,859,820	34,254,757
LIABILITIES					
Current liabilities					
Contract liabilities	8(b)(ix)	1,130,634	121,007	-	-
Trade and other payables	8(b)(x)	4,132,360	12,315,679	457,725	1,790,344
Bank borrowings	8(b)(xi)	3,200,000	3,700,000	-	-
Lease liabilities	8(b)(xii)	77,360	-	-	-
Provision for taxation		68,688	112,584	7,561	4,065
		8,609,042	16,249,270	465,286	1,794,409
Liabilities directly associated with disposal group classified as held for sale	8(b)(viii)	-	16,197,756	-	-
Total current liabilities		8,609,042	32,447,026	465,286	1,794,409
Net current assets		37,115,775	32,277,811	24,241,937	21,294,471
Non-current liabilities					
Deferred tax liabilities		294,630	723,849	79,130	72,704
Lease liabilities	8(b)(xii)	63,329	-	-	-
Total non-current liabilities		357,959	723,849	79,130	72,704
Total liabilities		8,967,001	33,170,875	544,416	1,867,113
Net assets		50,970,385	50,885,277	33,315,404	32,387,644

	Group		Company	
	As at 30 September 2019 S\$	As at 31 December 2018 S\$	As at 30 September 2019 S\$	As at 31 December 2018 S\$
	<u>EQUITY</u>			
Equity attributable to owners of the Company				
Share capital	31,286,466	30,911,972	31,286,466	30,911,972
Accumulated profits	28,754,198	28,880,660	1,745,839	1,257,389
Merger deficit ⁽¹⁾	(8,152,595)	(8,152,595)	–	–
Share option reserve	283,099	218,283	283,099	218,283
Foreign currency translation reserve	(1,643,876)	(1,436,345)	–	–
Other reserves	488,000	488,000	–	–
	51,015,292	50,909,975	33,315,404	32,387,644
Non-controlling interests	(44,907)	(24,698)	–	–
Total equity	50,970,385	50,885,277	33,315,404	32,387,644

Note :

- (1) The difference between the consideration paid / transferred and the issued and paid up share capital of Figtree Projects Pte. Ltd. during the pre-IPO Restructuring Exercise is reflected as a Merger Deficit under the Equity of the Group.

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

Amount repayable in one year or less, or on demand

As at 30 September 2019		As at 31 December 2018	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
2,500,000	700,000	2,500,000	1,200,000

The Group's borrowings of S\$2.5 million are secured by legal mortgage on the Group's leasehold property located at 8 Jalan Kilang Barat, Singapore 159351 and a corporate guarantee provided by the Company.

Amount repayable after one year

As at 30 September 2019		As at 31 December 2018	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
–	–	–	–

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

	Group		Group	
	Three Months Ended		Nine Months Ended	
	30 September 2019	30 September 2018	30 September 2018	30 September 2018
	S\$	S\$	S\$	S\$
Cash flows from operating activities				
(Loss)/profit before taxation	(1,417,788)	(2,521,593)	522,618	(5,322,753)
Adjustments for:				
Depreciation of property, plant and equipment	55,964	46,505	165,176	142,676
Share of results of associates	287,585	540,440	1,873,351	2,006,217
Share-based expense	10,015	22,103	64,816	80,701
Gain on disposal of assets held for sale	–	–	(6,309,771)	–
Gain on disposal of property, plant and equipment	–	–	(750)	–
Bad debts written off	–	–	26,727	–
Write back of allowance for doubtful debts (trade)	–	–	–	(1,125,000)
Interest income	(110,062)	(143,438)	(276,238)	(498,448)
Finance costs	34,819	48,253	139,816	101,454
Unrealised exchange (gain)/loss	(2,038,004)	770,112	(2,010,695)	1,642,022
Operating cash flows before changes in working capital	(3,177,471)	(1,237,618)	(5,804,950)	(2,973,131)
(Increase)/decrease in:				
Development properties	–	(99,731)	–	(685,209)
Capitalised contract costs	(57,545)	(366,919)	(167,250)	(596,996)
Trade receivables and contract assets	(1,138,234)	2,413,979	(1,731,813)	6,950,136
Other receivables and prepayments	49,105	(21,944)	(1,567)	(111,309)
Amounts due from associates	11,289	–	11,289	(11,289)
Increase/(decrease) in:				
Contract liabilities	228,182	–	1,009,627	–
Trade and other payables	(504,371)	(1,762,008)	(8,183,320)	(2,543,097)
Cash flows (used in)/generated from operations	(4,589,045)	(1,074,241)	(14,867,984)	29,105
Income tax refunded/(paid)	79	(763,558)	(92,778)	(1,558,167)
Interest received/(paid)	59,675	(99,616)	115,495	4,261
Net cash flows used in operating activities	(4,529,291)	(1,937,415)	(14,845,267)	(1,524,801)
Cash flows from investing activities				
Purchases of property, plant and equipment	(5,147)	(1,772)	(18,702)	(10,405)
Proceeds from disposal of property, plant and equipment	–	–	750	–
Net proceeds from disposal of assets held for sale	–	–	31,801,456	–
Deposits paid to purchase properties	(345,210)	–	(345,210)	–
Net cash flows (used in)/generated from investing activities	(350,357)	(1,772)	31,438,294	(10,405)

	Group		Group	
	Three Months Ended		Nine Months Ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	S\$	S\$	S\$	S\$
Cash flows from financing activities				
Dividends paid on ordinary shares	(648,202)	(602,995)	(648,202)	(602,995)
Share issuance expense	(21,245)	(29,213)	(21,245)	(29,213)
Contributions from non-controlling interest for a subsidiary	-	30,497	-	30,497
Proceeds from bank borrowings	700,000	3,450,000	1,550,000	4,200,000
Repayment of bank borrowings	(600,000)	(800,000)	(2,050,000)	(2,600,000)
Repayment of lease liabilities	(19,066)	-	(52,533)	-
Interest paid	(34,819)	(48,253)	(139,816)	(101,454)
Net cash flows (used in)/generated from financing activities	(623,332)	2,000,036	(1,361,796)	896,835
Net (decrease)/increase in cash and cash equivalents	(5,502,980)	60,849	15,231,231	(638,371)
Cash and cash equivalents at the beginning of period	21,202,913	1,055,167	468,702	1,754,387
Cash and cash equivalents at the end of period	15,699,933	1,116,016	15,699,933	1,116,016

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

Group	Attributable to equity holders of the Company						Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$	
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves S\$				Total reserves S\$
Balance as at 1 July 2019 restated	30,911,972	31,172,056	(8,152,595)	273,084	(2,308,513)	488,000	21,472,032	52,384,004	(53,831)	52,330,173
Profit for the period	-	(1,373,917)	-	-	-	-	(1,373,917)	(1,373,917)	8,924	(1,364,993)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	664,637	-	664,637	664,637	-	664,637
Total comprehensive income for the period	-	(1,373,917)	-	-	664,637	-	(709,280)	(709,280)	8,924	(700,356)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	395,739	(1,043,941)	-	-	-	-	(1,043,941)	(648,202)	-	(648,202)
Share issuance expense	(21,245)	-	-	-	-	-	-	(21,245)	-	(21,245)
Share-based expense	-	-	-	10,015	-	-	10,015	10,015	-	10,015
Total contributions by and distributions to owners	374,494	(1,043,941)	-	10,015	-	-	(1,033,926)	(659,432)	-	(659,432)
Total transactions with owners in their capacity as owners	374,494	(1,043,941)	-	10,015	-	-	(1,033,926)	(659,432)	-	(659,432)
Balance as at 30 September 2019	31,286,466	28,754,198	(8,152,595)	283,099	(1,643,876)	488,000	19,728,826	51,015,292	(44,907)	50,970,385

Group	Attributable to equity holders of the Company							Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves	Total reserves S\$			
Balance as at 1 July 2018	29,418,521	28,674,900	(8,152,595)	168,779	(486,489)	488,000	20,692,595	50,111,116	(24,204)	50,086,912
Loss for the period	-	(2,462,656)	-	-	-	-	(2,462,656)	(2,462,656)	34,816	(2,427,840)
<u>Other comprehensive income</u>										
Foreign currency translation	-	-	-	-	(702,511)	-	(702,511)	(702,511)	-	(702,511)
Total comprehensive income for the period	-	(2,462,656)	-	-	(702,511)	-	(3,165,167)	(3,165,167)	34,816	(3,130,351)
<u>Contributions by and distributions to owners</u>										
Dividends on ordinary shares	1,522,664	(2,125,659)	-	-	-	-	(2,125,659)	(602,995)	-	(602,995)
Share issuance expense	(29,213)	-	-	-	-	-	-	(29,213)	-	(29,213)
Share-based expense	-	-	-	22,103	-	-	22,103	22,103	-	22,103
Total contributions by and distributions to owners	1,493,451	(2,125,659)	-	22,103	-	-	(2,103,556)	(610,105)	-	(610,105)
<u>Changes in ownership interests in subsidiaries</u>										
Contributions from non-controlling interest for a subsidiary	-	-	-	-	-	-	-	-	30,497	30,497
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	30,497	30,497
Total transactions with owners in their capacity as owners	1,493,451	(2,125,659)	-	22,103	-	-	(2,103,556)	(610,105)	30,497	(579,608)
Balance as at 30 September 2018	30,911,972	24,086,585	(8,152,595)	190,882	(1,189,000)	488,000	15,423,872	46,335,844	41,109	46,376,953

Company	Share capital S\$	Accumulated profits S\$	Share option reserve S\$	Total S\$
Balance as at 1 July 2019	30,911,972	1,065,950	273,084	32,251,006
Loss, representing total comprehensive income, for the period	-	1,723,830	-	1,723,830
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	395,739	(1,043,941)	-	(648,202)
Share issuance expense	(21,245)	-	-	(21,245)
Share-based expense	-	-	10,015	10,015
Total contributions by and distributions to owners	374,494	(1,043,941)	10,015	(659,432)
Total transactions with owners in their capacity as owners	374,494	(1,043,941)	10,015	(659,432)
Balance as at 30 September 2019	31,286,466	1,745,839	283,099	33,315,404
Balance as at 1 July 2018	29,418,521	2,564,460	168,779	32,151,760
Loss, representing total comprehensive income, for the period	-	(86,713)	-	(86,713)
<u>Contributions by and distributions to owners</u>				
Dividends on ordinary shares	1,522,664	(2,125,659)	-	(602,995)
Share issuance expense	(29,213)	-	-	(29,213)
Share-based expense	-	-	22,103	22,103
Total contributions by and distributions to owners	1,493,451	(2,125,659)	22,103	(610,105)
Total transactions with owners in their capacity as owners	1,493,451	(2,125,659)	22,103	(610,105)
Balance as at 30 September 2018	30,911,972	352,088	190,882	31,454,942

1(d)(ii) Details of any changes in the company's share capital arising from right 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 and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	Company	
	Number of shares	Issued and paid-up share capital (S\$)
As at 30 June 2019	347,980,292	30,911,972
Issuance of ordinary shares as scrip dividend	3,233,156	395,739
Share issuance expense	-	(21,245)
As at 30 September 2019	351,213,448	31,286,466

Figtree Employee Share Option Scheme (the "ESOS")

The movement in ESOS during the period was as follows:

	2019 Number of share options	2018 Number of share options
Outstanding as at 1 July	7,755,000	5,525,000
Cancelled during the period	(430,000)	-
Outstanding as at 30 September	7,325,000	5,525,000

The outstanding share options of 7,325,000 as at 30 September 2019 (30 September 2018: 5,525,000) are convertible into 7,325,000 (30 September 2018: 5,525,000) ordinary shares of the Company. The number of issued shares as at 30 September 2019 was 351,213,448 shares (30 September 2018: 347,980,292 shares).

Other than the unexercised share options under the ESOS as stated above, the Company had no other outstanding convertibles, subsidiary holdings or treasury shares as at 30 September 2019 and 30 September 2018.

1(d)(iii) To show the 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

	Company	
	As at 30 September 2019	As at 31 December 2018
Total number of issued shares excluding treasury shares	351,213,448	347,980,292

The Company did not have any treasury shares as at 30 September 2019 and 31 December 2018.

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

Not applicable. The Company does not have any treasury shares during and as at the end of the current financial period reported on.

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. The Company does not have any subsidiary holdings during and 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

These figures have not been audited or reviewed by the Company's 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

Save as disclosed on 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 reporting period as compared with the audited financial statements for the financial 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

The Group has applied the new SFRS(I)16: Leases, which is applicable for the financial period beginning 1 January 2019. SFRS(I)16 introduces a single, on-balance sheet lease accounting model for lessees. The adoption of this standard results in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Exceptions to this standard are short-term and low-value leases. The accounting for lessors was not changed significantly.

Under the new standard, a right of use asset ("ROU" asset) and a lease liability to pay rentals are recognised in the statement of financial position and depreciation charge on the ROU assets and interest expenses on the lease liabilities are recognised in the income statement. Lease liabilities are included as part of net debt and are taken into consideration when deriving the net debt equity ratio.

The Group applied SFRS(I)16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I)16 is recognised as an adjustment to the opening balance of accumulated profits at 1 January 2019, with no restatement of comparative information. This adjustment is applied to lease contracts entered before 1 January 2019 and are identified as leases in accordance with SFRS(I)16.

The adoption of SFRS(I)16 resulted in adjustments to the balance sheet of the Group as at 1 January 2019. As of 1 January 2019, the Group has recognised a ROU asset of S\$38,529 and a lease liability of S\$44,213 for its leases previously classified as operating leases, with a corresponding decrease in opening accumulated profits of S\$4,831 and a corresponding decrease in opening non-controlling interests of S\$853.

Other than the effects of the matter as described in the paragraphs above, the Group has adopted certain Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 January 2019. The adoption of these FRS and INT FRS has no significant impact on the financial position or performance of the Group for the current financial period reported on.

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

	Group Three Months Ended		Group Nine Months Ended	
	30 September 2019 S\$	30 September 2018 S\$	30 September 2019 S\$	30 September 2018 S\$
(Loss)/profit attributable to owners of the Company	(1,373,917)	(2,462,656)	922,312	(5,393,204)
Weighted average number of ordinary shares for basic earnings per share computation	348,750,935	339,927,978	348,750,935	339,927,978
Effects of dilution:				
- Share options	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	348,750,935	339,927,978	348,750,935	339,927,978
Basic earnings/(loss) per share (cents)	(0.39)	(0.72)	0.26	(1.59)
Diluted earnings/(loss) per share (cents) ⁽¹⁾	(0.39)	(0.72)	0.26	(1.59)

Note:

(1) The basic and diluted earnings/(loss) per share for the three months and nine months ended 30 September 2019 and 30 September 2018 were the same as the potential ordinary shares to be exercised from the outstanding share options are anti-dilutive.

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 financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
Net asset value per ordinary share based on issued share capital (cents)	14.53	14.63	9.49	9.31
Number of issued ordinary shares	351,213,448	347,980,292	351,213,448	347,980,292

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 the Consolidated Income Statement

Financial period from 1 July 2019 to 30 September 2019 ("3Q2019") vs 1 July 2018 to 30 September 2018 ("3Q2018")

- (i) The increase in the Group's revenue is mainly attributable to Tiong Lian Food Pte Ltd ("TLF") project, which commenced construction in the third quarter of the financial year ended 31 December 2018 ("FY2018").
- (ii) The increase in cost of sales and corresponding increase in gross profit is in tandem with the increase in revenue.
- (iii) The decrease in other income is mainly due to lower deemed interest recognised from loans to an associate.
- (iv) The decrease in the Group's general and administrative expenses is mainly due to lower unrealised foreign exchange losses resulting from the repayment of intercompany loans during the period.
- (v) The decrease in finance costs is mainly due to the repayment of short term bank borrowings and other borrowings.
- (vi) The decrease in losses incurred by associates is mainly due to the reduction of operating expenses from associates following the disposal of two associates.
- (vii) The tax credit is due to deferred tax assets arising from unutilised tax losses which have been offset with the deferred tax liabilities during the period.

(b) Review of the Financial Position of the Group

- (i) The decrease in interests in associates arose from the Group's share of associates' losses for the period as well as the Group's share of the foreign currency translation reserve of associates.

- (ii) Total loans to an associate as at 30 September 2019 and 31 December 2018 :

	Group	
	As at 30 September 2019 S\$	As at 31 December 2018 S\$
Non-current	–	4,992,266
Current	21,579,518	16,329,152
Total loans to an associate	21,579,518	21,321,418

The marginal increase in total loans to an associate was due to the translation of United States Dollar loan balances during the period.

- (iii) Capitalised contract costs increased mainly due to initial costs incurred for a project that has not commenced.
- (iv) Contract assets as at 30 September 2019 and 31 December 2018 comprised the following :

	Group	
	As at 30 September 2019 S\$	As at 31 December 2018 S\$
Accrued receivables	1,926,224	1,636,292
Retention receivables	3,143,807	2,960,418
Total contract assets	5,070,031	4,596,710

Contract assets increased mainly due to accrued receivables and retention receivables relating to the TLF project.

- (v) Trade receivables increased mainly due to billings relating to the TLF project.
- (vi) Other receivables as at 30 September 2019 and 31 December 2018 comprised the following :

	Group	
	As at 30 September 2019 S\$	As at 31 December 2018 S\$
Refundable deposits	34,275	95,718
GST receivables	174,152	8,954
Sundry receivables	400,834	168,410
Total other receivables	609,261	273,082

Other receivables increased mainly due to deposits paid to purchase a property located at 1-3 Minna Street, Blackburn, Victoria, Australia ("Blackburn Property") of approximately S\$0.35 million.

- (vii) Cash and short term deposits increased mainly due to proceeds received from the completion of the sale of the development project, 303 La Trobe ("303 La Trobe"), located at 293-303 La Trobe Street, Melbourne, Australia, on 15 April 2019.
- (viii) Disposal group classified as held for sale as at 30 September 2019 and 31 December 2018 comprised the following :

	Group	
	As at 30 September 2019 S\$	As at 31 December 2018 S\$
Assets :		
Development properties	-	28,702,621
Deposits held in trust	-	12,986,820
Assets of disposal group classified as held for sale	-	41,689,441
Liabilities :		
Deposits received from customers	-	12,698,518
Accrued operating expenses	-	3,499,238
Liabilities directly associated with disposal group classified as held for sale	-	16,197,756
Net assets directly associated with disposal group classified as held for sale	-	25,491,685

Net assets directly associated with disposal group classified as held for sale was recorded at nil as at 30 September 2019 due to the completion of the sale of 303 La Trobe.

- (ix) Contract liabilities increased mainly due to the TLF project which commenced construction in the third quarter of FY2018.
- (x) Trade and other payables as at 30 September 2019 and 31 December 2018 comprised the following :

	Group	
	As at 30 September 2019 S\$	As at 31 December 2018 S\$
Trade payables	1,029,686	2,544,896
Accrued subcontractors' costs	1,898,258	3,877,115
Accrued operating expenses	909,350	2,952,186
Sundry payables	295,066	195,172
Other borrowings	-	2,746,310
Total trade and other payables	4,132,360	12,315,679

Total trade and other payables decreased mainly due to the payment of trade payables, accrued subcontractors' costs and accrued operating expenses, coupled with the repayment of other borrowings.

- (xi) The decrease in bank borrowings is due to partial repayment of loans during the period.

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- (xii) As mentioned in section 5 of this announcement, the Group had adopted SFRS(I)16: Leases for the first time and as a result, the Group had recognised ROU assets and lease liabilities relating to the present value of future operating lease payments for the duration of the operating leases.

(c) **Review of the Cash Flow Statement of the Group**

In 3Q2019, the Group recorded a net cash outflow from operating activities of S\$4.53 million, which was a result of negative operating cash flows before changes in working capital of S\$3.18 million, adjusted for working capital outflows of S\$1.41 million and interest received of S\$0.06 million. Working capital outflows were mainly due to an increase in capitalised contract costs of S\$0.06 million, an increase in trade receivables and contract assets of S\$1.14 million, and a decrease in trade and other payables of S\$0.50 million. This was partially offset by a decrease in other receivables and prepayments of S\$0.05 million, a decrease in amounts due from associates of S\$0.01 million, and an increase in contract liabilities of S\$0.23 million.

Net cash used in investing activities amounted to S\$0.35 million mainly due to deposits paid to purchase the Blackburn Property.

Net cash used in financing activities amounted to S\$0.62 million mainly due to dividends paid on ordinary shares of S\$0.65 million, share issuance expenses of S\$0.02 million, repayment of bank borrowings of S\$0.60 million, repayment of lease liabilities of S\$0.02 million, and interest paid of S\$0.03 million. This was partially offset by proceeds from bank borrowings of S\$0.70 million.

As a result of the above, there was a net decrease of S\$5.50 million in the Group's cash and cash equivalents, from S\$21.20 million as at 30 June 2019 to S\$15.70 million as at 30 September 2019.

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 in relation to the financial performance or position of the Group has been previously disclosed to shareholders. The progress of the Group's projects are updated in Section 10 below.

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

Property Investment – China

Changshu Fervent High Tech Industrial Park, our 32%-owned project, continues to generate a stable and recurring income for the Group on the back of long-term leases to multinational corporations.

Property Development – China

In Chongqing, Vibrant Pucheng Logistics (Chongqing) Co., our 20%-owned associate, commenced Phase One construction of the Multi-Modal Logistics Distribution Centre on 18 June 2019 and is on track for completion by 4Q 2020.

The Group also continues to assess new developments of similar nature to Changshu Fervent High Tech Industrial Park in the provinces of Jiangsu and Zhejiang. We will make the necessary announcements as and when appropriate.

Property Development – Australia

The Group announced on 8 August 2019 that it has been awarded a contract to acquire a freehold property in Melbourne, Victoria, Australia located at 1-3 Minna Street, Blackburn, Victoria 3130 for A\$3.70 million (approximately S\$3.48 million), which it intends to develop into modern contemporary townhouses with attached car garages.

The Group has obtained the approval of the Foreign Investment Review Board in Australia for the proposed acquisition in September 2019 and the full settlement date is expected to be in February 2020. Subject to the

aforementioned, the Group expects to commence construction of the townhouses in mid-2020 and estimates completion to be in 2022.

At the same time, recent housing data in Sydney and Melbourne point to a recovery in Australia's property market, supported by low interest rates and relaxing lending rules. (Source: The Business Times, "Australia home prices keep rising as auctions heat up", 22 October 2019)

Design and Build – Singapore

On 19 August 2019, the Group announced that it has secured a S\$43.5 million design and build contract from OJJ Foods Pte. Ltd., one of the largest processors and distributors of chilled and frozen pork in Singapore.

The Group will construct a 6-storey food processing facility with a gross floor area of approximately 18,000 sqm located at Chin Bee Avenue, Singapore which will comprise a fully automated refrigerated ASRS warehouse, chiller and freezer cold rooms, central kitchen and other production and ancillary offices. The Group expects to commence construction of the facility in late 4Q2019 and complete in 3Q2021.

Meanwhile, the construction of the TLF food processing and distribution factory is progressing well and on track for completion by 2Q2020.

Outlook

Looking ahead, the Group will continue to explore investment and development opportunities to fuel its next phase of growth, while exploring divestment opportunities for its existing development projects with a view to unlock value for our shareholders.

In China, the Group is currently exploring suitable opportunities in greater Shanghai such as the provinces of Jiangsu and Zhejiang. The Group's Blackburn Property in Australia is well-placed to leverage on the property upswing as the market outlook remains largely positive for the remainder of 2019 and continuing on to 2020. As for Singapore, the Group continues to actively participate in tenders for industrial projects and will make the necessary announcements as and when appropriate.

11. Dividend

(a) Current Financial Period Reported On

Any interim (final) dividend declared (recommended) for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any interim (final) dividend declared (recommended) 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 and the reason(s) for the decision

No dividend has been declared or recommended for the third quarter and nine months ended 30 September 2019. The Company has been declaring and paying final dividends for the full financial year since its Initial Public Offering in 2013.

13. 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 Company does not have a general mandate pursuant to Rule 920 of the Catalist Listing Manual.

There were no IPTs of S\$100,000 or more for the financial period under review.

14. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the unaudited financial statements for the third quarter ended 30 September 2019 to be false or misleading in any material aspect.

15. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

By Order of the Board

Siaw Ken Ket @ Danny Siaw
Executive Chairman & Managing Director
14 November 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).