騰龍國際集團

GLOBAL DRAGON LIMITED

(FORMERLY KNOWN AS TMC EDUCATION CORPORATION LTD.)

(Incorporated in the Republic of Singapore)
Co. Reg. No.200507226K

UNAUDITED HALF-YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2018 ("HY2019")

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2018 ("HY2019")

	The Group		
	Unaudited HY2019 S$'000	**Unaudited HY2018 S$'000 (Restated)**	**% Change Increase/ (Decrease)**
Continuing operations			
Revenue	**849**	**317**	N.M.
Other income	62	25	N.M.
Fair value (loss)/gain on investment properties	(220)	30	N.M.
Sales and marketing expenses	-	(1)	N.M.
General and administrative expenses	(1,277)	(1,925)	(34%)
Other expenses	(756)	-	N.M.
Finance costs	(224)	(63)	N.M.
Loss before tax from continuing operations	**(1,566)**	**(1,617)**	(3%)
Income tax expense	-	-	N.M.
Loss from continuing operations, net of tax	**(1,566)**	**(1,617)**	(3%)
Discontinued operations(1)			
Profit from discontinued operations, net of tax	**-**	**81**	N.M.
Loss for the period	**(1,566)**	**(1,536)**	(2%)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences - foreign operations, at nil tax	**2**	**(6)**	N.M.
Total comprehensive income for the period	**(1,564)**	**(1,542)**	(1%)
Attributable to:			
Owners of the Company			
- Loss from continuing operations, net of tax	(1,566)	(1,617)	(3%)
- Profit from discontinued operations, net of tax	-	81	N.M.
Loss for the period	**(1,566)**	**(1,536)**	(2%)
Attributable to:			
Owners of the Company			
- Total comprehensive income from continuing operations, net of tax	(1,564)	(1,623)	(4%)
- Total comprehensive income from discontinued operations, net of tax	-	81	N.M.
Total comprehensive income for the period	**(1,564)**	**(1,542)**	(1%)

** N.M. – not meaningful*

Note:
(1) *On 14 February 2018, the Company announced that it had completed the disposal of the entire issued and paid-up capital of its wholly owned subsidiary, TMC Academy Pte. Ltd..*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2018 ("HY2019")

Loss before income tax of the Group is arrived at after charging/(crediting) the following:

	Group		
	Unaudited HY2019 S$'000	Unaudited HY2018 S$'000	% Change Increase/ (Decrease)
Depreciation of plant and equipment	13	32	(59%)
Loss on disposal of investment properties	82	-	N.M.
Fair value loss/(gain) on investment properties	220	(30)	N.M.
Interest expense	239	143	67%
Interest income	(60)	-	N.M.

** N.M. – 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.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 December 2018

	Group		Company	
	Unaudited 31/12/2018 S$'000	Audited 30/06/2018 S$'000	Unaudited 31/12/2018 S$'000	Audited 30/06/2018 S$'000
ASSETS				
Non-current assets				
Plant and equipment	87	65	87	65
Investment properties	18,120	22,100	18,120	22,100
Investment in subsidiaries	-	-	4,000	4,000
	18,207	**22,165**	**22,207**	**26,165**
Current assets				
Trade and other receivables	423	280	354	253
Due from subsidiaries (non-trade)	-	-	18,488	12,558
Prepayments	22	2	22	1
Development properties	65,715	9,205	-	-
Investment properties held for sale	2,730	-	2,730	-
Cash and short-term deposits	5,946	23,328	4,442	16,049
	74,836	**32,815**	**26,036**	**28,861**
Total assets	**93,043**	**54,980**	**48,243**	**55,026**
LIABILITIES				
Current liabilities				
Trade and other payables	978	632	704	476
Due to subsidiaries (non-trade)	-	-	900	1,400
Provisions	15	15	15	15
Borrowings	47,021	6,204	796	4,884
	48,014	**6,851**	**2,415**	**6,775**
Net current assets	**26,822**	**25,964**	**23,621**	**22,086**
Non-current liabilities				
Borrowings	14,823	16,359	14,823	16,359
	14,823	**16,359**	**14,823**	**16,359**
Total liabilities	**62,837**	**23,210**	**17,238**	**23,134**
Net assets	**30,206**	**31,770**	**31,005**	**31,892**
EQUITY				
Equity attributable to owners of the Company				
Share capital	35,702	35,702	35,702	35,702
Reserves	(5,496)	(3,932)	(4,697)	(3,810)
Total equity	**30,206**	**31,770**	**31,005**	**31,892**
Total equity and liabilities	**93,043**	**54,980**	**48,243**	**55,026**

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

Amount repayable in one year or less, or on demand

31 December 2018		30 June 2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
47,021	-	1,719	4,485

Amount repayable after one year

31 December 2018		30 June 2018	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
14,823	-	16,359	-

Details of any collateral:

Secured borrowings

As at 31 December 2018 and 30 June 2018, the secured borrowings of the Group are secured by mortgages over certain development and investment properties held by the Group and the Company.

Unsecured borrowings

As at 31 December 2018, the Company does not have any unsecured borrowings.

As at 30 June 2018, the unsecured borrowings of the Company are interest-free borrowings from shareholders.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2018 ("HY2019")

	The Group	
	Unaudited HY2019 S$'000	Unaudited HY2018 S$'000
Operating Activities		
Loss before tax from continuing operations	(1,566)	(1,617)
Profit before tax from discontinued operations	-	81
Loss before tax, total	(1,566)	(1,536)
Adjustments for:		
Depreciation of plant and equipment	13	32
Loss on disposal of investment properties	82	-
Fair value loss/(gain) on investment properties	220	(30)
Interest expense	239	143
Interest income	(60)	-
Operating loss before working capital changes	**(1,072)**	**(1,391)**
Changes in working capital:		
Increase in trade and other receivables	(162)	(124)
Increase/(decrease) in trade and other payables	346	(150)
Increase in development properties	(56,510)	-
Cash used in operations	**(57,398)**	**(1,665)**
Income tax paid	-	-
Net cash flows used in operating activities	**(57,398)**	**(1,665)**
Investing Activities		
Interest received	60	-
Proceeds from disposal of investment properties	948	-
Acquisition of plant and equipment	(35)	(4)
Net cash flows from/(used in) investing activities	**973**	**(4)**
Financing Activities		
Interest paid	(224)	(143)
Decrease in fixed deposits pledged	1,000	-
Proceeds from shareholders' loans	-	800
Proceeds from third party loan	-	500
Proceeds from bank loans	44,904	-
Repayments of shareholders' loans	(4,500)	-
Repayments of bank loans	(1,137)	(825)
Net cash flows from financing activities	**40,043**	**332**
Net decrease in cash and cash equivalents	**(16,382)**	**(1,337)**
Cash and cash equivalents at beginning of the period	**21,328**	**1,670**
Effects of exchange rate changes on cash and cash equivalents	-	**(4)**
Cash and cash equivalents at end of the period	**4,946**	**329**
Note to the Consolidated Statement of Cash Flows		
Cash and cash equivalents	**4,946**	**329**
Fixed deposits pledged	**1,000**	**-**
Cash and short-term deposits	**5,946**	**329**

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.

	Equity attributable to owners of the Company				
Unaudited Group	**Share capital $'000**	**Exchange fluctuation reserve $'000**	**Share option reserve[1] $'000**	**Accumulated losses $'000**	**Total equity $'000**
At 1 July 2018	**35,702**	**173**	**498**	**(4,603)**	**31,770**
Loss for the period	-	-	-	(1,566)	**(1,566)**
Other comprehensive income					
- Foreign currency translation differences	-	2	-	-	**2**
Total comprehensive income for the period	**-**	**2**	**-**	**(1,566)**	**(1,564)**
At 31 December 2018	**35,702**	**175**	**498**	**(6,169)**	**30,206**

	Equity attributable to owners of the Company				
Unaudited Group	**Share capital $'000**	**Exchange fluctuation reserve $'000**	**Share option reserve[1] $'000**	**Accumulated losses $'000**	**Total equity $'000**
At 1 July 2017	**11,477**	**202**	**498**	**(4,633)**	**7,544**
Loss for the period	-	-	-	(1,536)	**(1,536)**
Other comprehensive expense					
- Foreign currency translation differences	-	(6)	-	-	**(6)**
Total comprehensive income for the period	**-**	**(6)**	**-**	**(1,536)**	**(1,542)**
At 31 December 2017	**11,477**	**196**	**498**	**(6,169)**	**6,002**

Note:

(1) No new ordinary share was issued under the TMC Share Award Scheme during HY2019 (HY2018: Nil).

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.

Unaudited Company	Share capital $'000	Share option reserve[(1)] $'000	Accumulated losses $'000	Total equity $'000
At 1 July 2018	**35,702**	**498**	**(4,308)**	**31,892**
Loss for the period	-	-	(887)	**(887)**
Total comprehensive income for the period	**-**	**-**	**(887)**	**(887)**
At 31 December 2018	**35,702**	**498**	**(5,195)**	**31,005**

Unaudited Company	Share capital $'000	Share option reserve[(1)] $'000	Accumulated losses $'000	Total equity $'000
At 1 July 2017	**11,477**	**498**	**(4,925)**	**7,050**
Loss for the period	-	-	(1,477)	**(1,477)**
Total comprehensive income for the period	**-**	**-**	**(1,477)**	**(1,477)**
At 31 December 2017	**11,477**	**498**	**(6,402)**	**5,573**

Note:

(1) No new ordinary share was issued under the TMC Share Award Scheme during HY2019 (HY2018: Nil).

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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.

The Company's issued and fully paid share capital and number of ordinary shares were $35,701,629 and 526,307,806 shares respectively as at 31 December 2018 and 30 June 2018.

	Number of ordinary shares	Share capital $
Issued and fullly paid:		
As at 31 December 2018 and 30 June 2018	526,307,806	35,701,629

As at 31 December 2018, the number of outstanding and unexercised options granted under the TMC Share Options Scheme was nil (31 December 2017: 284,000). The decrease in the number of outstanding and unexercised options was due to the expiry and cancellation of outstanding options in FY2018.

The Company did not hold any treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

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

The total number of issued shares (excluding treasury shares) as at 31 December 2018 and 30 June 2018 was 526,307,806 shares.

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

Not applicable. The Company did not have any treasury shares for the six-month financial period ended and as at 31 December 2018.

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 did not have any subsidiary holdings for the six-month financial period ended and as at 31 December 2018.

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

The 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 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 and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements for the financial year ended 30 June 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.

For annual financial periods beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards. Except for the adoption of the new and revised SFRS(I) and interpretation of SFRS(I) applicable for the financial year beginning on or after 1 July 2018, the same accounting policies and methods of computation have been applied. The adoption of the new and revised SFRS(I) did not have any effect on the financial performance or position of the Group and the Company.

6. Earnings/(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.

	The Group	
	Unaudited HY2019	**Unaudited HY2018**
(Loss)/earnings per ordinary share		
(Loss)/earnings per ordinary share of the Group for the financial period based on net (loss)/profit attributable to equity holders of the Company on weighted average number of ordinary shares in issue (basic) (cents) and fully diluted basis (cents)		
- From continuing operations	(0.30)	(0.97)
- From discontinued operations	-	0.05
Weighted average number of shares in issue during the period	526,307,806	167,397,677

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share 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**
The total number of issued shares at the end of the:		
(a) current financial period reported as at 31 December 2018	526,307,806	526,307,806
(b) immediately preceding financial year as at 30 June 2018	526,307,806	526,307,806
Net asset value per issued ordinary share (cents):		
(a) as at 31 December 2018 (unaudited)	5.74	5.89
(b) as at 30 June 2018 (unaudited)	6.04	6.06

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.

On 14 February 2018, the Company announced that it had completed the disposal of the entire issued and paid-up capital of its wholly owned subsidiary, TMC Academy Pte. Ltd. ("**TMC Academy**"). Accordingly, the tertiary education business was discontinued and disclosed as discontinued operations. The Group has changed its core business to real estate development, investment and related activities in March 2018.

8.1 Income statement review

Review for the performance of the Group for the six-month financial period ended 31 December 2018 ("**HY2019**") as compared to the six-month financial period ended 31 December 2017 ("**HY2018**").

In HY2019, the Group has increased its negative total comprehensive income for the period amounting to S$1.57 million from S$1.54 million in HY2018, resulting in a basic loss per share from continuing operations of 0.30 cents and basic earnings from discontinued operations of nil cents respectively (HY2018: Basic loss per share from continuing operations of 0.97 cents and basic earnings per share from discontinued operations of 0.05 cents).

In HY2019, the Group has recorded a debit of S$2,000 (HY2018: Credit balance of S$6,000) in the currency translation differences - foreign operations.

8.1.1 Revenue, other income and fair value adjustment on/ disposal of investment properties

Revenue
The increase in the Group's revenue of S$532,000 to S$849,000 in HY2019 (HY2018: S$317,000) was attributable mainly to the increase in rental income from office units and campus.

Other income
The Group's other income increased by S$37,000 to S$62,000 in HY2019 (HY2018: S$25,000) due mainly to the increase in interest income from fixed deposits.

Fair value (loss)/gain on investment properties
The Group has recorded fair value loss on investment properties of S$220,000 in HY2019 (HY2018: fair value gain on investment properties of S$30,000).

8.1.2 Operating expenses

The Group's operating expenses which comprises sales and marketing expenses and general and administrative expenses decreased significantly due mainly to cost savings arising from reduction of the corporate office operations after the disposal of TMC Academy.

No sales and marketing expenses has been recorded in HY2019 (HY2018: S$1,000). General and administrative expenses reduced by S$648,000 (or 34%) to S$1.28 million in HY2019 (HY2018: S$1.93 million) due mainly to:

(a) the decrease in staff costs of S$528,000 (or 57%) resulting from the reduction in staff headcount in February 2018;
(b) the decrease in plant and equipment, investment properties and related expenses (e.g., maintenance fee) of S$13,000 (or 9%) which was in line with the disposal of plant and equipment in relation to the disposal of TMC Academy;
(c) the decrease in professional fee, compliance expenses and listing expenses by S$94,000 (or 52%) due to one-off expenses incurred in relation to the disposal of TMC Academy and striking off of dormant subsidiaries during HY2018; and

(d) the decrease in other administrative expenses of S$111,000 (or 183%) due to the effect of cost savings arising from consolidation of corporate functions carried out in HY2018.

The decrease was partially offset by the following expense items:-

(a) the increase in operating lease expenses of S$98,000 (or 18%) for corporate office rental expense; and
(b) the increase in other expenses of S$756,000 due to realised foreign exchange loss of S$674,000 arising from foreign exchange options in Australian Dollars ("AUD") and loss on disposal of investment properties of S$82,000.

8.1.3 Finance costs

Finance costs increased by S$161,000 to S$224,000 in HY2019 (HY2018: S$63,000) mainly attributable to an increase in interest expense of S$209,000 (HY2018: S$63,000) and the fair value adjustment on interest free loan from shareholders amounting to S$15,000 (HY2018: S$ nil).

8.2 Balance Sheet Review

The comparative performance for both the assets and liabilities are based on the Group's consolidated financial statements as at 31 December 2018 and 30 June 2018.

8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to S$30.21 million as at 31 December 2018 (30 June 2018: S$31.77 million). The decrease was due to the net loss for the period under review.

8.2.2 Non-Current Assets

Non-current assets amounted to S$18.21 million as at 31 December 2018 (30 June 2018: S$22.17 million), in which the investment properties was valued at S$18.12 million for 21 office units as at 31 December 2018 (30 June 2018: S$22.10 million for 25 office units). The decrease in non-current assets of S$3.96 million was due mainly to the recognition of fair value loss on investment properties of S$220,000, disposal of investment properties of S$1.03 million for 1 office unit, and reclassification of certain investment properties as held for sale of S$2.73 million for 3 office units under current assets.

The decrease was partially offset by the increase in plant and equipment by S$22,000 to S$87,000 as at 31 December 2018 (30 June 2018: S$65,000) attributable to the addition of plant and equipment of S$35,000 during HY2019. The increase was partially offset by the depreciation charges of S$13,000 during HY2019.

8.2.3 Current Assets

The increase in current assets by S$42.02 million to S$74.84 million as at 31 December 2018 (30 June 2018: S$32.82 million) was due mainly to:-

(a) the increase in development properties by S$56.51 million for the development projects at East Coast properties, Mydin properties and Telok Blangah properties;
(b) the increase in investment properties held for sale by S$2.73 million for 3 office units;
(c) the increase in prepayments by S$20,000; and
(d) the increase in trade and other receivables by S$143,000 due mainly to the deposit received under escrow account for the disposal of investment properties, which was classified as investment properties held for sale as at 31 December 2018.

The increase was partially offset by the decrease in cash and short-term deposits by S$17.38 million to S$5.95 million as at 31 December 2018 (30 June 2018: S$23.33 million).

8.2.4 Current Liabilities

Current liabilities amounted to S$48.01 million as at 31 December 2018 (30 June 2018: S$6.85 million). The increase in current liabilities by S$41.16 million as at 31 December 2018 was due mainly to the increase in current borrowings by S$40.82 million and trade and other payables by S$346,000.

The increase in trade and other payables by S$346,000 was due mainly to:-

(a) the increase in accrued operating expenses by S$59,000;
(b) the increase in deposits received by S$137,000 for deposits relating to the investment properties;
(c) the increase in retention sum by S$33,000 relating to the construction of development properties;
(d) the increase in net GST payable by S$74,000 during the financial period under review; and
(e) the increase was partially offset by the decrease in trade and other payables by S$43,000.

Total current and non-current borrowings have increased by S$39.28 million to S$61.84 million as at 31 December 2018 (30 June 2018: S$22.56 million) to fund the Group's existing and future property development projects as well as the Group's working capital requirements.

Net Current Assets

Net current assets increased by S$860,000 to S$26.82 million as at 31 December 2018 (30 June 2018: S$25.96 million), mainly due to the classification of certain investment properties amounting to S$2.73 million as held for sale. The Group targets to complete the disposal in February 2019.

8.2.5 Non-Current Liabilities

Non-current liabilities decreased by S$1.54 million to S$14.82 million as at 31 December 2018 (30 June 2018: S$16.36 million). For the analysis of the total current and non-current borrowings, please refer to Paragraph 8.2.4 above for details.

8.3 Cash Flow Review

Cash and short-term deposits decreased by S$17.38 million to S$5.95 million as at 31 December 2018, which comprised cash and cash equivalents of S$4.95 million and fixed deposits pledged of S$1.0 million. The decrease in cash and short-term deposits was mainly contributed by the purchases of development properties.

The Group had recorded net cash used in operating activities of S$57.40 million in HY2019 due mainly to an operating loss before working capital changes of S$1.07 million and S$56.33 million cash used for working capital.

The net cash from investing activities amounted to S$973,000 in HY2019 due mainly to the proceeds from disposal of investment properties of S$948,000 and interest received of S$60,000. The increase was partially offset by the acquisition of plant and equipment of S$35,000.

The Group had also received cash of S$40.04 million from its financing activities in HY2019. This comprised mainly proceeds from bank loans of S$44.90 million to finance the purchase of development properties and the decrease in fixed deposits pledged amounting to S$1.0 million. The proceeds from borrowings was partly offset by the interest expenses paid of S$224,000 and repayments of borrowings, comprising bank loans and shareholders' loans of S$5.64 million in HY2019.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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.

Private home prices in Singapore rose 7.9% in 2018, said the URA on 2 January 2019, a 6.8% increase from the year before. However, the growth appeared to have slowed significantly after the Government introduced measures in July 2018 to cool the market. Private home prices slowed to a 0.5% increase in the third quarter of 2018, and fell 0.1% in the fourth quarter of 2018, URA's estimates showed(1).

During the HY2019, the Group has completed the purchases of two property development sites located at East Coast Road ("**Project East Coast**") and Lorong Mydin ("**Project Mydin**"). In addition, the Group targets to complete the purchase of property development site at Telok Blangah ("**Project Telok Blangah**") during the second half of the financial year ending 30 June 2019 ("**FY2019**").

As of the date of this announcement, Project Demak is in the construction stage and Project East Coast and Project Mydin are in the midst of finalising their development plans. Barring any unforeseen circumstances, the Group targets to launch Project Demak, Project East Coast and Project Mydin during second half of FY2019.

The Group will remain proactive in exploring new property investment opportunities and continue to take a disciplined approach towards building its residential pipeline in Singapore.

Reference:
(1) *Extracted from Channel NewsAsia, which was published on 2 January 2019 (https://www.channelnewsasia.com/news/singapore/private-home-prices-2019-outlook-growth-2018-11079606).*

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend was declared for HY2019.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable. No dividend was declared for HY2018.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

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/recommended for HY2019 as the Group was in a loss-making position during the financial period under review.

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

The Group has not obtained a general mandate from shareholders in respect of any interested person transaction.

There were no interested person transactions above S$100,000 during the financial period under review.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

15. Confirmation pursuant to Rule 705(5) of the Catalist Rules.

We, Koh Kian Soo and Tan Chee Wee, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the board of directors which may render the unaudited financial statements for the six-month financial period ended 31 December 2018 to be false or misleading in any material aspect.

16. Use of net proceeds of rights issue

As at the date of this announcement, the utilisation of net proceeds is set out as follows:

Use of net proceeds	Allocation of net proceeds (As disclosed in the Offer Information Statement) (S$'million)	Amount re-allocated (As announced on 1 June 2018 (S$'million)	Revised allocation of net proceeds (S$'million)	Amount utilised as at 13 February 2019 (S$'million)	Amount unutilised as at 13 February 2019 (S$'million)
For changing the core business of the Company and expansion/growth of the New Business	13.63	8.00	21.63	(19.62)[(1)]	2.01
General working capital purposes	10.50	(8.00)	2.50	(2.15)[(2)]	0.35
Total	**24.13**	**-**	**24.13**	**(21.77)**	**2.36**

Notes:

(1) The amount was utilised to fund the acquisitions of Demak property, East Coast properties and Telok Blangah properties, which were disclosed in the announcements dated 26 March 2018, 6 April 2018, 15 May 2018, 1 June 2018 and 7 September 2018, as well as to fund the acquisition of Mydin properties, of which the purchase was completed in July 2018.

(2) The amount utilised for general working capital requirements comprised mainly payments for operating expenses, professional fees and loan interests.

Subsequent to the aforementioned, as at the date of this announcement, the Company has a remaining available balance of S$2.36 million from the net proceeds.

BY ORDER OF THE BOARD

Mr Koh Kian Soo
Executive Chairman

Mr Tan Chee Wee
Chief Operating Officer

13 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Alicia Sun (Tel: (65) 6232 3210) at 1 Robinson Road #21-00 AIA Tower, Singapore 048542.