



TA CORPORATION LTD  
(Company Registration No. 201105512R)

**Unaudited Second Quarter and Half Year Financial Statements and Dividend Announcement for the Period Ended 30.06.2016**

**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		
		30.06.2016 S\$'000	30.06.2015 S\$'000	Change %	30.06.2016 S\$'000	30.06.2015 S\$'000	Change %
<b>Revenue</b>		52,515	76,534	(31.4)	88,362	144,273	(38.8)
Cost of sales		(42,285)	(64,637)	(34.6)	(71,696)	(120,952)	(40.7)
<b>Gross profit</b>		10,230	11,897	(14.0)	16,666	23,321	(28.5)
Other income	1	821	1,137	(27.8)	2,081	2,766	(24.8)
Selling and distribution costs		(188)	(171)	9.9	(419)	(405)	3.5
General and administrative expenses		(5,123)	(4,103)	24.9	(9,677)	(7,749)	24.9
Other operating expenses	2	(8,014)	(14,728)	(45.6)	(6,275)	(20,874)	(69.9)
Share of profit, net of tax of associates and joint ventures	3	3,779	359	952.6	3,829	716	434.8
Finance costs		(3,275)	(1,542)	112.4	(5,700)	(2,915)	95.5
<b>Profit (Loss) before income tax</b>	4	(1,770)	(7,151)	(75.2)	505	(5,140)	NM
Income tax expense		(484)	(1,103)	(56.1)	(799)	(2,313)	(65.5)
<b>Profit (Loss) after income tax</b>		(2,254)	(8,254)	(72.7)	(294)	(7,453)	(96.1)
Other comprehensive loss:							
Exchange differences on translation of foreign operations		(418)	(1,481)	(71.8)	(1,708)	(224)	662.5
Loss in fair value on available-for-sale investments		-	(76)	(100.0)	-	(26)	(100.0)
<b>Total comprehensive loss for the period</b>		(2,672)	(9,811)	(72.8)	(2,002)	(7,703)	(74.0)
Profit (Loss) attributable to:							
Owners of the Company		(2,232)	(8,187)	(72.7)	166	(7,628)	NM
Non-controlling interests		(22)	(67)	(67.2)	(460)	175	NM
		(2,254)	(8,254)	(72.7)	(294)	(7,453)	(96.1)
Total comprehensive income (loss) attributable to:							
Owners of the Company		(2,182)	(9,660)	(77.4)	(866)	(7,963)	(89.1)
Non-controlling interests		(490)	(151)	224.5	(1,136)	260	NM
		(2,672)	(9,811)	(72.8)	(2,002)	(7,703)	(74.0)
NM = Not meaningful							

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

### 1. Other income

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Rental income	299	1,193
Gain on disposal of property, plant and equipment	-	11
Gain on sale of available-for-sale investments	-	32
Service fees income	240	458
Interest income	782	855
Reversal of allowance for doubtful trade receivable, net	113	-
Others	647	217
	<b>2,081</b>	<b>2,766</b>

### 2. Other operating expenses

Other operating expenses decreased by S\$14.6 million to S\$6.3 million for six months ended 30 June 2016 ("1H2016") compared to the same corresponding period ("1H2015"). These were mainly due to the absence of impairment loss on investment in associate and lower impairment of receivables due from associate compared to 1H2015 partially offset by the impairment loss on development properties.

### 3. Share of profit, net of tax of associates and joint ventures

The share of profit, net of tax of associates and joint ventures for 1H2016 comprises mainly the share of profit from associates in property development in Singapore and distribution business in Myanmar and their subsidiaries which are partially off-set by share of losses from other associates and joint ventures.

### 4. Profit (Loss) before income tax

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Profit (Loss) before income tax for the period is stated after charging/ (crediting) the following:		
(Reversal of)/ Allowance for doubtful trade and other receivables, net	(113)	12,021
Reversal of impairment on other non-current assets	(17)	-
Depreciation expense	2,402	2,423
Fair value change in derivative financial instrument	652	-
Gain on disposals of property, plant and equipment, net	-	(11)
Gain on sale of available-for-sale investments	-	(32)
Loss in fair value of investment properties	100	460
Impairment loss on development properties, net	1,400	-
Impairment loss on investment in associate	-	4,811
Interest income	(782)	(855)
Under (Over) provision of income tax in prior years	98	(55)

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2016</b> <b>S\$'000</b>	<b>31.12.2015</b> <b>S\$'000</b>	<b>30.06.2016</b> <b>S\$'000</b>	<b>31.12.2015</b> <b>S\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	100,074	78,886	34,541	666
Trade and other receivables	103,653	137,012	4,812	9,732
Deposits and prepayments	4,300	4,059	13	20
Inventories	6,685	5,763	-	-
Development properties	167,249	165,034	-	-
<b>Total current assets</b>	<b>381,961</b>	<b>390,754</b>	<b>39,366</b>	<b>10,418</b>
<b>Non-current assets</b>				
Property, plant and equipment	41,998	40,185	-	-
Investment properties	273,505	269,275	-	-
Subsidiaries	-	-	116,965	116,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	14,716	9,719	-	-
Other receivables	69,314	67,261	105,485	95,903
Other non-current assets	335	318	-	-
Derivative financial instrument	130	783	-	-
<b>Total non-current assets</b>	<b>402,593</b>	<b>390,136</b>	<b>222,450</b>	<b>212,868</b>
<b>Total assets</b>	<b>784,554</b>	<b>780,890</b>	<b>261,816</b>	<b>223,286</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Borrowings	45,376	82,014	-	-
Term notes	74,091	74,588	74,091	74,588
Trade and other payables	112,114	128,617	1,578	973
Current portion of finance leases	204	295	-	-
Income tax payable	4,868	8,523	-	-
<b>Total current liabilities</b>	<b>236,653</b>	<b>294,037</b>	<b>75,669</b>	<b>75,561</b>
<b>Non-current liabilities</b>				
Borrowings	247,468	229,230	-	-
Finance leases	371	431	-	-
Term notes	39,689	-	39,689	-
Trade and other payables	37,633	32,035	-	-
Deferred tax liabilities	299	300	-	-
<b>Total non-current liabilities</b>	<b>325,460</b>	<b>261,996</b>	<b>39,689</b>	<b>-</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	146,157	142,185	146,157	142,185
Capital reserve	644	644	-	-
Translation and other reserves	163	1,195	-	-
Retained earnings	67,875	72,295	301	5,540
Equity attributable to owners of the Company	214,839	216,319	146,458	147,725
Non-controlling interests	7,602	8,538	-	-
<b>Total equity</b>	<b>222,441</b>	<b>224,857</b>	<b>146,458</b>	<b>147,725</b>
<b>Total liabilities and equity</b>	<b>784,554</b>	<b>780,890</b>	<b>261,816</b>	<b>223,286</b>

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

	As at 30.06.2016		As at 31.12.2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	35,580	84,091	68,490	88,407
Amount repayable after one year	247,839	39,689	229,661	-
Total	283,419	123,780	298,151	88,407

**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. The bank facilities are also secured by corporate guarantees from the Company and certain of these facilities are also secured by 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	
	6 months ended	
	30.06.2016 S\$'000	30.06.2015 S\$'000
<b>Operating activities</b>		
Profit (Loss) before income tax	505	(5,140)
Adjustments for :		
Depreciation expense	2,402	2,423
Interest income	(782)	(855)
Interest expense	5,700	2,915
Fair value change in derivative financial instrument	652	-
Share of profit of associates and joint ventures	(3,829)	(716)
Gain on disposals of property, plant and equipment, net	-	(11)
Gain on sale of available-for-sale investments	-	(32)
Impairment loss on investment in associate	-	4,811
Reversal of impairment loss on other non-current assets	(17)	-
Loss in fair value of investment properties	100	460
Impairment loss on development properties, net	1,400	-
(Reversal of)/ Allowance for doubtful trade and other receivables, net	(113)	12,021
Operating cash flows before movements in working capital	6,018	15,876
Trade and other receivables	35,902	(14,305)
Deposits and prepayments	(241)	(60)
Inventories	(922)	240
Development properties	(2,396)	26,132
Trade and other payables	(10,904)	5,028
Cash generated from operations	27,457	32,911
Income tax paid	(4,455)	(2,646)
Interest paid	(7,669)	(6,129)
Net cash from operating activities	15,333	24,136

**Investing activities**

Interest received	782	855
Purchase of property, plant and equipment	(4,287)	(5,391)
Proceeds from disposal of property, plant and equipment	1	17
Investment properties	(3,580)	(38,100)
Investment in associates and joint ventures	(1,261)	(8,467)
Advance to associates and joint ventures	(5,813)	(11,000)
Proceed from sale of available-for-sale investments	-	4,007
<b>Net cash used in investing activities</b>	<b>(14,158)</b>	<b>(58,079)</b>
<b>Financing activities</b>		
Proceeds from term notes, net	39,645	-
Proceeds from borrowings	36,049	32,668
Repayment of borrowings	(54,901)	(35,720)
Repayment of obligations under finance leases	(151)	(219)
Proceeds from issue of shares in subsidiaries to non-controlling shareholders	264	296
Pledged fixed deposits	(1,467)	(1,320)
Dividends paid to non-controlling shareholders	-	(1,714)
Dividends paid	(678)	(4,650)
<b>Net cash from (used in) financing activities</b>	<b>18,761</b>	<b>(10,659)</b>
Increase (Decrease) in cash and cash equivalents	19,936	(44,602)
Cash and cash equivalents at beginning of the period	75,796	115,711
Effect of exchange rate changes	(215)	535
<b>Cash and cash equivalents at end of the period</b>	<b>95,517</b>	<b>71,644</b>

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

Cash and bank balances	60,803	47,417
Fixed deposits	39,271	26,639
	<u>100,074</u>	<u>74,056</u>
Less: pledged fixed deposits	(4,557)	(2,412)
<b>Cash and cash equivalents at end of the period</b>	<b><u>95,517</u></b>	<b><u>71,644</u></b>

**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.**

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Capital reserve</u>	<u>Translation and other reserves</u>	<u>Retained earnings</u>	<u>Equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2015	142,185	644	761	100,798	244,388	9,557	253,945
<i>Total comprehensive income (loss) for the year</i>							
Loss for the year	-	-	-	(23,853)	(23,853)	(112)	(23,965)
Other comprehensive income for the year	-	-	434	-	434	284	718
Total	-	-	434	(23,853)	(23,419)	172	(23,247)
<i>Transactions with owners, recognised directly in equity</i>							
Proceed from issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	455	455
Effect of acquiring non-controlling interest in a subsidiary	-	-	-	-	-	4	4
Dividends paid	-	-	-	(4,650)	(4,650)	-	(4,650)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(1,650)	(1,650)
Total	-	-	-	(4,650)	(4,650)	(1,191)	(5,841)
Balance at December 31, 2015	142,185	644	1,195	72,295	216,319	8,538	224,857
<i>Total comprehensive income (loss) for the period</i>							
Profit (Loss) for the period	-	-	-	166	166	(460)	(294)
Other comprehensive loss for the period	-	-	(1,032)	-	(1,032)	(676)	(1,708)
Total	-	-	(1,032)	166	(866)	(1,136)	(2,002)
<i>Transactions with owners, recognised directly in equity</i>							
Proceed from issue of shares in subsidiaries to non-controlling shareholders	-	-	-	-	-	264	264
Effect of deemed disposal to non-controlling interest in a subsidiary	-	-	-	64	64	(64)	-
Issue of shares pursuant to scrip dividend scheme	3,972	-	-	-	3,972	-	3,972
Dividends paid							
- in cash	-	-	-	(678)	(678)	-	(678)
- in scrip	-	-	-	(3,972)	(3,972)	-	(3,972)
Total	3,972	-	-	(4,586)	(614)	200	(414)
Balance at June 30, 2016	146,157	644	163	67,875	214,839	7,602	222,441

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2015	142,185	5,461	147,646
Total comprehensive income for the year	-	4,726	4,726
Dividends paid	-	(4,650)	(4,650)
Balance at December 31, 2015	142,185	5,540	147,725
Total comprehensive loss for the period	-	(589)	(589)
Issue of shares pursuant to scrip dividend scheme	3,972	-	3,972
Dividends paid			
- in cash	-	(678)	(678)
- in scrip	-	(3,972)	(3,972)
Balance at June 30, 2016	146,157	301	146,458

**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.**

The changes in the Company's issued share capital for the 3 months ended 30 June 2016 were as follows:

	Number of ordinary shares
Issued share capital as at 1 April 2016	465,000,000
Issue of ordinary shares pursuant to TA Corporation Ltd. Scrip Dividend Scheme	<u>17,270,359</u>
Issued share capital as at 30 June 2016	<u>482,270,359</u>

As at the end of 30 June 2016, the Company does not have any outstanding convertibles or treasury shares (31 December 2015: 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 2016 was 482,270,359 (31 December 2015: 465,000,000). 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.**

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 2015.

**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.**

Not applicable.

**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.**

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30.06.2016</b>	<b>30.06.2015</b>
(i) Earning (Loss) per ordinary share based on weighted average number of shares (in cents)	0.04	(1.6)
(ii) Earning (Loss) per ordinary share based on a fully diluted basis (in cents)	0.04	(1.6)
Weighted average number of ordinary shares (in millions)	467.9	465.0

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.**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.2016</b>	<b>31.12.2015</b>	<b>30.06.2016</b>	<b>31.12.2015</b>
Net asset value per ordinary share issued (in cents)	44.5	46.5	30.4	31.8
Total number of issued shares at end of the financial period (in millions)	482.3	465.0	482.3	465.0

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**

The Group's revenue for 1H2016 was S\$88.4 million, a decrease of S\$55.9 million compared to S\$144.3 million for the corresponding period in 1H2015. The decrease was due mainly to lower revenue for the real estate development and construction segments partially offset by higher revenue from the distribution segment.



Real estate development segment recorded S\$14.0 million revenue for 1H2016, a decrease of 66.2% compared to S\$41.4 million for 1H2015. The decrease was mainly due to the absence of revenue contribution from a project which achieved TOP in December 2015 and lower contribution from on-going projects. Overseas development projects contributed revenue of S\$7.9 million in 1H2016 upon the completion and handover of sold units to buyers.

Construction segment recorded revenue of S\$62.6 million for 1H2016, a decrease of 33.8% compared to S\$94.6 million for 1H2015 due to lower progressive construction work completed for on-going projects.

Distribution of lubricants and tyres generated S\$11.8 million revenue for 1H2016, an increase of 42.2% from S\$8.3 million in 1H2015. The increase was mainly due to higher contribution from our distribution business in Myanmar.

In line with lower revenue, gross profit decreased by 28.5% to S\$16.7 million for current period compared to S\$23.3 million for 1H2015.

Other income decreased by S\$0.7 million to S\$2.1 million for 1H2016 compared to S\$2.8 million for 1H2015. The decrease was mainly due to classification of investment property rental income to revenue in current period compared to 1H2015.

General and administrative expenses increased by S\$1.9 million to S\$9.7 million mainly due to cost incurred for operating the Tuas South dormitory which commenced operations in 1H2016, higher personnel cost for real estate and air-conditioning and mechanical ventilation system business in Cambodia; and travelling cost for business development.

Other operating expenses decreased by S\$14.6 million to S\$6.3 million for 1H2016 compared to S\$20.9 million for 1H2015. These were mainly due to the absence of impairment loss on investment in associate and lower impairment of receivables due from associate compared to 1H2015 partially offset by the impairment loss on development properties.

Finance cost increased by S\$2.8 million to S\$5.7 million for 1H2016 compared to 1H2015 mainly due to interest accrued on the Series 2 term notes issued and lower interest being capitalised upon TOP of the development projects.

The Group recorded a profit before tax of S\$0.5 million in 1H2016 compared to loss before income tax of S\$5.1 million in 1H2015. Income tax expense is higher than the statutory tax rate as the impairment of S\$1.5 million on the development and investment properties and certain expenses are not tax deductible.

### **Review of working capital, assets and liabilities**

The changes in assets and liabilities are as follows:

- i) decrease in trade and other receivables by S\$33.4 million was mainly due to collection from customers.
- ii) increase in associates and joint ventures by S\$5.0 million as a result of additional investment in its joint ventures and share of profit in the current period.
- iii) decrease in borrowings by S\$18.4 million mainly to repayment of borrowings as and when it falls due.
- iv) increase in term notes by S\$39.7 million arose from issue of principal amount of S\$40.0 million Series 2 term notes due in March 2018 with coupon of 5.50% under the S\$300 million multi-currency medium term notes programme net of issue costs.

Cash and cash equivalents increased by S\$19.9 million in 1H2016 mainly from the following items: cash flow from operating activities was S\$15.7 million deriving from collection of progress billings on properties sold. S\$14.5 million was spent on investing activities mainly on investment in the construction cost of the Tuas South dormitory project, purchase of property, plant and equipment and investment and advance to associates and joint ventures. S\$18.8 million of net cash inflows from financing activities resulted mainly from net proceeds from the Series 2 term notes of S\$39.7 million, repayment of bank loans net of additional bank loans of S\$18.9 million and cash dividend paid to shareholders of S\$0.7 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 2016 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 2<sup>nd</sup> Quarter 2016 real estate statistics dated 22 July 2016 that prices of private residential properties decreased by 0.4% in 2Q2016, compared to the 0.7% price decline in the previous quarter 1Q2016. The weak sentiment for the Singapore private residential property market is expected to persist.

The construction sector for private residential construction continues to be challenging in the light of reduced demand arising from the weak private residential market sentiment in Singapore. Despite the current challenging conditions, the Group remains confident of its construction segment’s performance underpinned by our order book of S\$226 million as at 30 June 2016, to be delivered progressively over the next two years as well as continued efforts to increase productivity and manage costs.

The Group will continue to remain focused and cautious while on the lookout for business opportunities both locally and overseas.

**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 2016	6 months ended 30 June 2016	3 months ended 30 June 2016	6 months ended 30 June 2016
	S\$'000	S\$'000	S\$'000	S\$'000
Liong Kiam Teck (Note 1)	686	686	N.A.	N.A.
Prestige Resources Pte Ltd	75	150	N.A.	N.A.
Edgewell Investments Pte. Ltd.	58	119	N.A.	N.A.

Note 1:

On 22 January 2014, a subsidiary entered into a cost-plus contract with Mr Liong Kiam Teck, the Executive Chairman of the Company, for the erection of three 3-storey strata bungalows. Under the contract, estimated cost of S\$4 million plus a 5% mark up on cost incurred shall be billed progressively according to work done. For the six months ended 30 June 2016, billing of S\$686,261 was rendered. As at 30 June 2016, cumulative billing of S\$4,654,314 has been rendered based on certified work done. The project achieved TOP in the 4<sup>th</sup> quarter 2015.

**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 2016 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

10 August 2016