

**Unaudited Half Year Financial Statement and Dividend Announcement  
For the Financial Period Ended 30 June 2018**

**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

Six months ended 30 June 2018 (“HY2018”) vs. six months ended 30 June 2017 (“HY2017”)

	Group (Unaudited)		Increase/ (Decrease) %
	HY2018 S\$'000	HY2017 S\$'000	
<b>Revenue</b>	13,334	19,343	(31.1)
Cost of works	(11,474)	(15,883)	(27.8)
<b>Gross profit</b>	<b>1,860</b>	<b>3,460</b>	<b>(46.2)</b>
Other losses-net	(405)	(1,376)	(70.6)
<b>Expenses:</b>			
- Administrative	(1,286)	(1,237)	4.0
- Finance	(147)	(245)	(40.0)
<b>Profit before income tax</b>	<b>22</b>	<b>602</b>	<b>(96.3)</b>
Income tax credit /(expense)	2	(92)	N.M
<b>Net profit for the period</b>	<b>24</b>	<b>510</b>	<b>(95.3)</b>
<b>Other comprehensive income:</b> Items that may be reclassified to profit or loss subsequently			
- Currency translation differences arising from consolidation	(3)	(10)	(70.0)
<b>Total comprehensive income for the period</b>	<b>21</b>	<b>500</b>	<b>(95.8)</b>
<b>Earnings per share attributable to equity holders of the Company</b>			
Basic (cents)	0.02	0.51	(96.1)
Diluted (cents)	0.02	0.51	(96.1)

N.M. -Not meaningful

The Group's profit before income tax is arrived at after crediting/ (charging):

	Group (Unaudited)		Increase/ (Decrease) %
	HY2018 S\$'000	HY2017 S\$'000	
Gain on foreign exchange	66	145	(54.5)
Gain / (Loss) on disposal of property, plant and equipment	31	(4)	N.M
Loss from sales of scrap materials	(604)	(1,637)	(63.1)
Government grants income	57	85	(32.9)
Interest income-bank deposit	3	5	(40.0)
Interest expense	(147)	(245)	(40.0)
Depreciation of property, plant and equipment	(92)	(92)	N.M
Professional fees	(285)	(180)	58.3

N.M. - Not meaningful

	Group (Unaudited)		Increase/ (Decrease) %
	HY2018 S\$'000	HY2017 S\$'000	
<b>Income Tax Credit /(Expense)</b>			
Tax expense attributable to profit is made up of			
-Current income tax			
Singapore	14	92	(84.8)
	14	92	(84.8)
Over provision in prior financial years	(16)	-	N.M
Income tax credit / (expense)	<b>(2)</b>	<b>92</b>	<b>N.M</b>

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**

	Group		Company	
	30 Jun 2018 Unaudited S\$'000	31 Dec 2017 Audited S\$'000	30 Jun 2018 Unaudited S\$'000	31 Dec 2017 Audited S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	1,981	2,848	59	109
Trade and other receivables (Note 1)	9,773	9,084	6,430	6,705
Construction contracts due from customers	42,725	46,702	-	-
Inventories	2,345	2,508	-	-
<b>Total current assets</b>	<b>56,824</b>	<b>61,142</b>	<b>6,489</b>	<b>6,814</b>
<b>Non-current assets</b>				
Property, plant and equipment	2,616	2,660	-	-
Investment in subsidiaries	-	-	26,070	26,070
<b>Total non-current assets</b>	<b>2,616</b>	<b>2,660</b>	<b>26,070</b>	<b>26,070</b>
<b>Total assets</b>	<b>59,440</b>	<b>63,802</b>	<b>32,559</b>	<b>32,884</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables (Note 2)	4,450	5,747	386	534
Construction contracts due to customers	101	84	-	-
Income tax payable	83	177	1	31
Borrowings	6,875	9,718	-	-
<b>Total current liabilities</b>	<b>11,509</b>	<b>15,726</b>	<b>387</b>	<b>565</b>
<b>Non-current liabilities</b>				
Borrowings	194	261	-	-
Deferred tax liabilities	13	13	-	-
<b>Total non-current liabilities</b>	<b>207</b>	<b>274</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>11,716</b>	<b>16,000</b>	<b>387</b>	<b>565</b>
<b>NET ASSETS</b>	<b>47,724</b>	<b>47,802</b>	<b>32,172</b>	<b>32,319</b>
<b>EQUITY</b>				
Share capital	32,291	32,291	32,291	32,291
Retained earnings / (accumulated losses)	41,080	41,155	(119)	28
Merger reserve	(25,628)	(25,628)	-	-
Currency translation reserve	(19)	(16)	-	-
<b>Total equity</b>	<b>47,724</b>	<b>47,802</b>	<b>32,172</b>	<b>32,319</b>

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Notes:

- (1) The Group's trade and other receivables as at the end of respective financial periods comprised the following:

	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Trade receivables - non-related parties	2,091	1,716
Retention receivables	7,045	6,641
Other receivables	207	198
Deposits	408	456
Prepayments	22	73
<b>Total</b>	<b>9,773</b>	<b>9,084</b>

- (2) The Group's trade and other payables as at the end of respective financial periods comprised the following:

	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Trade payables	2,230	3,432
Other payables	1,442	1,361
Accrued operating expenses	778	954
<b>Total</b>	<b>4,450</b>	<b>5,747</b>

**1(b) (ii) Aggregate amount of group's borrowings and debt securities  
Amount repayable in one year or less**

	<b>As at 30 Jun 2018</b>		<b>As at 31 Dec 2017</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Finance lease liabilities	132	-	130	-
Bank loans	1,000	5,743	1,000	8,588

**Amount repayable after one year**

	<b>As at 30 Jun 2018</b>		<b>As at 31 Dec 2017</b>	
	<b>(Unaudited)</b>		<b>(Audited)</b>	
	<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Finance lease liabilities	194	-	261	-

**Details of any collateral:**

Finance leases as at 30 June 2018 are secured by the leased assets (motor vehicle, office equipment & plant and machineries).

Bank loans of S\$1.0 million as at 30 June 2018 are secured by fixed deposit of S\$1.0 million pledged to the bank.

**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**

	<b>HY2018 (Unaudited) S\$'000</b>	<b>HY2017 (Unaudited) S\$'000</b>
<b>Operating activities</b>		
Net profit for the period	24	510
Adjustments for:		
Income tax (credit) / expense	(2)	92
(Gain) / Loss on disposal of property, plant and equipment	(31)	4
Depreciation	92	92
Interest income - bank deposit	(3)	(5)
Interest expense	147	245
Gain on unrealised currency translation	(59)	-
Operating cash flows before changes in working capital	168	938
<b>Changes in working capital</b>		
Trade and other receivables	(690)	3,880
Construction contracts due from customers	3,977	1,187
Trade and other payables	(1,298)	(5,503)
Construction contracts due to customers	18	75
Inventories	163	1,710
Cash generated from operations	2,338	2,287
Income tax paid	(92)	(277)
<b>Net cash from operating activities</b>	<b>2,246</b>	<b>2,010</b>
<b>Cash flows from investing activities</b>		
Interest received	3	5
Additions of property, plant and equipment	-	(116)
Proceeds from disposals of property, plant and equipment	39	-
<b>Net cash from / (used in) investing activities</b>	<b>42</b>	<b>(111)</b>
<b>Cash flows from financing activities</b>		
Dividend paid to shareholders	(99)	(99)
Interest paid	(147)	(251)
Bank deposit pledged	(3)	(5)
Proceeds from bank borrowings	2,623	4,647
Repayment of finance leases liabilities	(65)	(66)
Repayment of bank borrowings	(5,468)	(5,416)
<b>Net cash used in financing activities</b>	<b>(3,159)</b>	<b>(1,190)</b>
Net (decrease) / increase in cash and cash equivalents	(871)	709
Cash and cash equivalents at the beginning of the financial period	1,826	1,939
<b>Cash and cash equivalents at end of the financial period</b>	<b>955</b>	<b>2,648</b>

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Note:

(1) Cash and cash equivalents at the end of the financial period comprise the following:

	<b>HY2018 (Unaudited) S\$'000</b>	<b>HY2017 (Unaudited) S\$'000</b>
Cash at bank and on hand	955	2,648
Short-term bank deposits	1,026	1,019
Cash and bank balances per consolidated statement of financial position	1,981	3,667
Less: short-term bank deposit pledged	(1,026)	(1,019)
<b>Cash and cash equivalents per consolidated cash flow statement</b>	<b>955</b>	<b>2,648</b>

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 period

Group (Unaudited)	Share capital S\$'000	Retained earnings S\$'000	Merger Reserve S\$'000	Currency translation reserve S\$'000	Total S\$'000
<b>Balance as at 1 January 2018</b>	32,291	41,155	(25,628)	(16)	47,802
Total comprehensive income for the financial period	-	24	-	(3)	21
Dividend paid for FY2017	-	(99)	-	-	(99)
<b>Balance as at 30 June 2018</b>	<b>32,291</b>	<b>41,080</b>	<b>(25,628)</b>	<b>(19)</b>	<b>47,724</b>
<b>Balance as at 1 January 2017</b>	32,291	40,525	(25,628)	1	47,189
Total comprehensive income for the financial period	-	510	-	(10)	500
Dividend paid for FY2016	-	(99)	-	-	(99)
<b>Balance as at 30 June 2017</b>	<b>32,291</b>	<b>40,936</b>	<b>(25,628)</b>	<b>(9)</b>	<b>47,590</b>

Company (Unaudited)	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
<b>Balance as at 1 January 2018</b>	32,291	28	32,319
Total comprehensive income for the financial period	-	(48)	(48)
Dividend paid for FY2017	-	(99)	(99)
<b>Balance as at 30 June 2018</b>	<b>32,291</b>	<b>(119)</b>	<b>32,172</b>
<b>Balance as at 1 January 2017</b>	32,291	(852)	31,439
Total comprehensive income for the financial period	-	(380)	(380)
Dividend paid for FY2016	-	(99)	(99)
<b>Balance as at 30 June 2017</b>	<b>32,291</b>	<b>(1,331)</b>	<b>30,960</b>

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 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.

	Number of Shares	Share capital (S\$)
As at 31 December 2017 and 30 June 2018	99,200,000	32,269,650

#### The Convertible Bond

As at 31 December 2016, the Company had an existing unsecured 3-year, 5% convertible bond issued to Keong Hong Holdings Limited with a principal amount of S\$5 million (the "**Convertible Bond**"). The Convertible Bond was convertible into 11,904,000 shares at a conversion price of S\$0.42 per share, representing approximately 10.7% of the total number of issued shares. The maturity date of the Convertible Bond was extended to 5 September 2017 by way of an amendment agreement on 30 June 2016.

The Company had fully redeemed the principal amount of the bond on 5 September 2017.

Save for the aforementioned, the Company did not have any other outstanding convertibles, subsidiary holdings or treasury shares as at 30 June 2018 and 30 June 2017.

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 June 2018	Company As at 31 December 2017
Total number of issued shares excluding treasury shares	99,200,000	99,200,000

The Company did not have any treasury shares as at 30 June 2018 and 31 December 2017.



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**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 did 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, disposals, 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 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**

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**

The Group's financial statements for the current reporting period have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") including related Interpretations of FRS.

Other than the adoption of various revisions to the FRS, which became effective during the current financial period and adoption of the new financial reporting framework Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 January 2018 (including the application of all the mandatory exceptions), there was no change in accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the financial year ended 31 December 2017.

On the adoption of SFRS(I)s on 1 January 2018, the Group has assessed that there is no material impact on the financial statements for the current financial period.

**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**

Save as disclosed in paragraph 4 above, the adoption of the new FRSs and Amendments to FRSs did not result in any substantial change to the Group and the Company's accounting policies and methods of computation, nor had any material impact on the financial statements of the Group.

**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 (Unaudited)	
	HY2018	HY2017
Net profit attributable to equity holders of the Company (S\$'000)	24	510
Basic earnings per share (EPS) in Singapore cents <sup>(1)</sup>	0.02	0.51
Diluted EPS in Singapore cents	0.02 <sup>(1)</sup>	0.51 <sup>(2)</sup>

Notes:

- (1) The basic EPS for HY2018 and HY2017 and the diluted EPS for HY2018 were calculated based on the weighted average number of ordinary shares in issue during HY2018 and HY2017 of 99,200,000 shares.
- (2) The convertible bond, which was redeemed on 5 September 2017, was not included in the calculation of diluted EPS for HY2017 because it was anti-dilutive for HY2017.

**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	
	30 Jun 2018 Unaudited	31 Dec 2017 Audited	30 Jun 2018 Unaudited	31 Dec 2017 Audited
Net asset value (S\$'000)	47,724	47,802	32,172	32,319
Number of issued shares ('000)	99,200	99,200	99,200	99,200
Net asset value per ordinary share based on issued share capital (S\$)	0.48	0.48	0.32	0.33

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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.**

### **Review of the Income Statement of the Group**

#### **HY2018 vs. HY2017**

##### **Revenue**

Our total revenue decreased by approximately S\$6.0 million or 31.1% from S\$19.3 million in HY2017 to S\$13.3 million in HY2018. Revenue derived from the structural steelworks services segment (the "**Steelworks Segment**") accounted for approximately 79.6% of our Group's total revenue.

##### **Steelworks Segment**

The decrease in revenue from our Steelworks Segment by approximately 36.1% from S\$16.6 million in HY2017 to S\$10.6 million in HY2018 was mainly due to the decrease in work done as several projects which were reaching completion in HY2018. The decrease in revenue was partially offset by higher revenue contributed from Tanah Merah Station Project, Maxwell Station Project, Bedok South Station Project and newly commenced projects, namely Prince Edward Station Project, Siglap Station Project, Mount Sinai Lane Project and Tekka Place Project.

##### **Tunneling Segment**

Revenue from the tunneling service segment (the "**Tunneling Segment**") maintained at approximately S\$2.7 million in HY2017 and HY2018.

##### **Cost of works**

Our cost of works decreased by approximately S\$4.4 million or 27.8% from S\$15.9 million in HY2017 to S\$11.5 million in HY2018, primarily due to the decrease in cost of works for the Steelworks Segment of approximately S\$4.7 million.

##### **Steelworks Segment**

Our cost of works for the Steelworks Segment decreased by 33.6% from approximately S\$14.0 million in HY2017 to S\$9.3 million in HY2018 mainly due to decrease in employee compensation of S\$1.6 million, materials cost of S\$2.1 million and rental expenses of S\$0.7 million, in line with the decrease in revenue from our Steelworks Segment.

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## Tunneling Segment

Our cost of works for Tunneling Segment increased by 15.8% from approximately S\$1.9 million in HY2017 to S\$2.2 million in HY2018 mainly due to increase in employee compensation of S\$0.3 million. The increase in employee compensation was due to increase in headcount to support the group's operations.

### Gross profit

In view of the abovementioned, our Group's gross profit decreased by 46.2% from S\$3.5 million in HY2017 to S\$1.9 million in HY2018. Our gross profit margin decreased from 17.9% in HY2017 to 13.9% in HY2018.

### Other losses - net

Our Group recognized other losses of S\$0.4 million in HY2018 as compared to other losses of S\$1.4 million in HY2017. This was mainly due to decrease in loss of approximately S\$1.0 million arising from the sale of scrap materials during HY2018.

### Professional fees

Professional fees increased by S\$0.1 million from S\$0.2 million in HY2017 to S\$0.3 million in HY2018. This was mainly due to the increase in consultation fees and legal fees of approximately S\$0.1 million.

### Interest expense

Interest expense decreased by S\$0.1 million from S\$0.25 million in HY2017 to S\$0.15 million in HY2018 mainly due to the absence of the interest on convertible bond of S\$0.13 million offset by increase in utilisation of bank borrowings and finance leases which amounting to an aggregate of approximately S\$0.03 million in HY2018.

### Profit before income tax

In view of the foregoing, the Group recorded a profit before tax of S\$0.022 million in HY2018, a decrease of S\$0.58 million as compared to the profit before tax of S\$0.602 million in HY2017, mainly due to the above-mentioned factors.

### Income tax expense

Income tax credit of approximately S\$0.002 million was recorded in HY2018 as compared to income tax expense of approximately S\$0.092 million in HY2017. The decrease in income tax expense is in line with the decrease in revenue, partially offset by over-provision of taxes in prior year.

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## **Review of the Financial Position of the Group**

### **Current assets**

Our current assets decreased by approximately S\$4.3 million to S\$56.8 million as at 30 June 2018 mainly due to:

- (i) a decrease in construction contracts due from customers of approximately S\$4.0 million which was in line with the decrease in revenue;
- (ii) a decrease in inventories by approximately S\$0.2 million mainly because the Group had utilised materials for certain projects;
- (iii) a decrease in cash and bank balances by approximately S\$0.8 million; and offset by
- (iv) an increase in trade and other receivables by approximately S\$0.7 million, mainly due to
  - increase in trade receivables of approximately S\$0.4 million due to the increase in amount due from customers which relates to work done but not settled by customers; and
  - increase in retention sum receivables of approximately S\$0.4 million.

### **Non-current assets**

Our non-current assets decreased by approximately S\$0.04 million to S\$2.62 million as at 30 June 2018. The decrease was mainly due to disposal of site containers of approximately S\$0.01 million and the depreciation of property, plant and equipment of approximately S\$0.09 million offset by currency translation difference of approximately S\$0.06 million during HY2018.

### **Current liabilities**

Our current liabilities decreased by approximately S\$4.2 million to S\$11.5 million as at 30 June 2018, mainly due to:

- (i) a decrease in trade and other payables of approximately S\$1.3 million, as a result of:
  - decrease in trade payables of S\$1.2 million which was in line with a lower volume of work carried out for on-going projects;
  - decrease in accrued operating expenses of approximately S\$0.2 million due to lower accrued operating expenses related to projects cost in HY2018 as compared to FY2017;
  - decrease in other payables of approximately S\$0.1 million due to repayment of compensation amount payable for performance bond; and offset by
  - increase in other payables of approximately S\$0.2 million due to increase in advance payment received from a main contractor; and

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- (ii) a decrease in current borrowings by S\$2.9 million mainly due to the repayment of bank borrowings and finance lease obligations of approximately S\$5.5 million, partially offset by utilisation of short-term bank borrowings of approximately S\$2.6 million.

The management has obtained a waiver from the lending bank in relation to the technical lapse of non-compliance with certain financial covenants in respect of a 3-year term loan of S\$5 million drawn down in September 2017.

### Equity

As at 30 June 2018, our equity of approximately S\$47.7 million comprised mainly share capital of S\$32.3 million and net reserves of S\$15.4 million.

## **Review of the Cash Flow Statement of the Group**

### **Net cash from operating activities**

In HY2018, we recorded net cash inflow from operating activities of approximately S\$2.2 million, which was a result of operating cash flows before changes in working capital of approximately S\$0.1 million, adjusted for net working capital inflow of approximately S\$2.2 million as well as income tax paid of S\$0.1 million. Our working capital inflows were mainly due to a decrease in construction contracts due from customers and inventories of approximately S\$4.0 million and S\$0.2 million, partially offset by an increase in trade and other receivables of approximately S\$0.7 million and a decrease in trade and other payables of approximately S\$1.3 million.

### **Net cash from investing activities**

Net cash from investing activities amounted to approximately S\$0.04 million, which was mainly attributable to proceeds from disposal of property, plant and equipment.

### **Net cash used in financing activities**

Net cash used in financing activities amounted to approximately S\$3.2 million in HY2018, which was mainly due to dividend payment to shareholders, interest paid, repayment of bank borrowings and finance leases which amounting to an aggregate of S\$5.8 million, partially offset by proceeds from short-term bank borrowings of approximately S\$2.6 million.

As at 30 June 2018, our cash and cash equivalents were approximately S\$1.0 million.

## **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 issued to the shareholders for the current financial period reported on.

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**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 outlook for the Singapore construction industry for the next 12 months remains healthy. The Building and Construction Authority projected S\$16.0 billion to S\$19.0 billion and S\$16.0 billion to S\$20.0 billion of public sector projects in 2018 and 2019 respectively<sup>(1)</sup>.

Our established track record and strong technical expertise put us in a favourable position to benefit from the anticipated public sector projects likely to be awarded this year.

On the other hand, we expect pressure from the acute constraint of labour supply and increasing manpower costs in Singapore. Nevertheless, the Group will endeavour to manage its costs and overheads so as to preserve a healthy bottom-line.

Source:

(1) Building and Construction Authority. (11 January 2018). Public Sector Construction Demand Is Expected To Increase This Year. Retrieved from [https://www.bca.gov.sg/newsroom/others/PR\\_prospectseminar2018.pdf](https://www.bca.gov.sg/newsroom/others/PR_prospectseminar2018.pdf)

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend recommended or declared 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 for HY2018.

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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.**

Not applicable. The Group does not have a general mandate for IPTs. There were no IPTs for HY2018.

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 undertakings have been procured from the Board of Directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

15. **Confirmation by The Board Pursuant To Rule 705(5)**

The Board of Directors (the “**Board**”) confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited HY2018 financial results for the Company and the Group set out above to be false or misleading in any material aspect.

#### **By Order of the Board**

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HOOI YU KOH  
Chairman and CEO  
14 August 2018

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*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**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**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 Keng Yeng Pheng, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: [sponsorship@ppcf.com.sg](mailto:sponsorship@ppcf.com.sg)).*

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