

**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

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 Catalyst.

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.

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**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.**

Statement of Comprehensive Income	Group		Change %
	1H FY2018 S\$'000	1H FY2017 S\$'000 Restated	
<b>Revenue</b>	30,728	42,545	(27.8)
Cost of works	(27,273)	(38,105)	(28.4)
<b>Gross profit</b>	<b>3,455</b>	<b>4,440</b>	<b>(22.2)</b>
Other income	586	223	162.8
Other losses	(3,420)	(242)	1,313.2
Fair value gain on investment properties <sup>#</sup>	3,568	-	NA
<b>Expenses</b>			
Distribution and marketing	(29)	(524)	(94.5)
Administrative	(3,394)	(3,215)	5.6
Finance	(268)	(111)	141.4
	(3,691)	(3,850)	(4.1)
<b>Profit before income tax</b>	<b>498</b>	<b>571</b>	<b>(12.8)</b>
Income tax expense	(95)	(192)	(50.5)
<b>Net profit</b>	<b>403</b>	<b>379</b>	<b>6.3</b>
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Currency translation differences arising from consolidation	2	(63)	(103.2)
<b>Total comprehensive income for the period</b>	<b>405</b>	<b>316</b>	<b>28.2</b>
<b>Net profit attributable to:</b>			
Equity holders	493	614	(19.7)
Non-controlling interests	(90)	(235)	(61.7)
	<b>403</b>	<b>379</b>	<b>6.3</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders	495	551	(10.2)
Non-controlling interests	(90)	(235)	(61.7)
	<b>405</b>	<b>316</b>	<b>28.2</b>

<sup>#</sup> Refer to Para 5 for Accounting for Investment Properties

**Notes to Consolidated Statement of Comprehensive Income**

The Group's profit or loss before tax is arrived at after charging / (crediting):	1H FY2018 S\$'000	1H FY2017 S\$'000 Restated	Change %
Equipment handling income	(92)	(94)	(2.1)
Dormitory income	(27)	-	NA
Rental income	(102)	(10)	920.0
Government grant and subsidy	(28)	(40)	(30.0)
Insurance compensation	(43)	(26)	65.4
Sale of scrap	(20)	(22)	(9.1)
Loss on disposal of property, plant and equipment	95	-	NA
Sponsorship received	-	(28)	NM
Development property write-down	3,325	-	NA
Depreciation of property, plant and equipment-cost of works	624	641	(2.7)
Depreciation of property, plant and equipment-administrative	397	371	7.0
Interest expense	268	111	141.4
Currency exchange (gain) / loss - net	(275)	242	(213.6)

NM denotes not meaningful

NA denotes not applicable

**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.**

Statement of Financial Position	Note	Group			Company	
		31-Dec-17 S\$'000	30-Jun-17 S\$'000 Restated	01-Jul-16 S\$'000	31-Dec-17 S\$'000	30-Jun-17 S\$'000
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		8,127	3,547	11,170	2,106	152
Trade and other receivables	<b>A</b>	37,732	30,840	27,261	9,643	8,551
Inventories		41	41	125	-	-
Construction contract work-in-progress		-	-	37	-	-
Development properties		26,193	42,007	35,871	-	-
Other current assets		1,351	746	1,148	23	4
<b>Total current assets</b>		<b>73,444</b>	<b>77,181</b>	<b>75,612</b>	<b>11,772</b>	<b>8,707</b>
<b>Non-current assets</b>						
Investment in subsidiary corporations		-	-	-	20,172	20,172
Property, plant and equipment		2,274	3,599	5,272	17	14
Investment properties <sup>#</sup>		18,754	580	580	-	-
<b>Total non-current assets</b>		<b>21,028</b>	<b>4,179</b>	<b>5,852</b>	<b>20,189</b>	<b>20,186</b>
<b>Total assets</b>		<b>94,472</b>	<b>81,360</b>	<b>81,464</b>	<b>31,961</b>	<b>28,893</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Trade and other payables	<b>B</b>	32,134	21,569	26,864	8,498	5,460
Borrowings		32,280	27,654	3,994	2,000	2,000
Current income tax liabilities		197	163	503	5	5
<b>Total current liabilities</b>		<b>64,611</b>	<b>49,386</b>	<b>31,361</b>	<b>10,503</b>	<b>7,465</b>
<b>Non-current liabilities</b>						
Borrowings		4,734	7,251	23,248	-	-
Deferred income tax liabilities		95	96	157	-	-
<b>Total non-current liabilities</b>		<b>4,829</b>	<b>7,347</b>	<b>23,405</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>69,440</b>	<b>56,733</b>	<b>54,766</b>	<b>10,503</b>	<b>7,465</b>
<b>NET ASSETS</b>		<b>25,032</b>	<b>24,627</b>	<b>26,698</b>	<b>21,458</b>	<b>21,428</b>
<b>Equity</b>						
Share capital		15,196	15,196	15,196	15,196	15,196
Retained profits		12,873	12,380	14,120	6,262	6,232
Currency translation reserve		(595)	(597)	(513)	-	-
Other reserve		(504)	305	305	-	-
Merger reserve		(2,014)	(2,014)	(2,014)	-	-
<b>Equity attributable to equity holders of the Company</b>		<b>24,956</b>	<b>25,270</b>	<b>27,094</b>	<b>21,458</b>	<b>21,428</b>
Non-controlling interests		76	(643)	(396)	-	-
<b>Total equity</b>		<b>25,032</b>	<b>24,627</b>	<b>26,698</b>	<b>21,458</b>	<b>21,428</b>

<sup>#</sup> Refer to Para 5 for Accounting for Investment Properties

Note A: Trade and other receivables	Group		Company	
	31-Dec-17 S\$'000	30-Jun-17 S\$'000	31-Dec-17 S\$'000	30-Jun-17 S\$'000
Trade receivables				
Non-related parties	7,005	5,357	-	-
Subsidiary corporations	-	-	4,244	3,152
	<b>7,005</b>	<b>5,357</b>	<b>4,244</b>	<b>3,152</b>
Construction contracts:				
Due from customers	28,584	23,106	-	-
Retentions	2,139	2,359	-	-
Non-trade receivables:				
Non-related parties	2	2	-	-
Subsidiary corporations	-	-	5,399	5,399
Staff advances	2	16	-	-
	<b>37,732</b>	<b>30,840</b>	<b>9,643</b>	<b>8,551</b>

Note B: Trade and other payables	Group		Company	
	31-Dec-17 S\$'000	30-Jun-17 S\$'000	31-Dec-17 S\$'000	30-Jun-17 S\$'000
Trade payables				
Non-related parties	10,943	7,152	128	43
Non-controlling interests	-	559	-	-
Construction contracts:				
Due to customers	1,008	557	-	-
Non-trade payables:				
Non-related parties	1	1	-	-
Directors	2,242	2,242	240	240
Non-controlling interests	-	-	-	-
Subsidiary corporations	-	-	5,972	4,922
Deposits	4,454	936	1,970	-
Accrued operating expenses	13,486	10,122	188	255
	<b>32,134</b>	<b>21,569</b>	<b>8,498</b>	<b>5,460</b>

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

	31-Dec-2017		30-Jun-2017	
	Secured	Unsecured	Secured	Unsecured
Repayable in one year or less, or on demand (S\$'000)	32,280	-	27,654	-
Repayable after one year (S\$'000)	4,734	-	7,251	-

**Details of any collateral**

The Group's existing borrowings were secured by, amongst others, deed of charge over contract proceeds and receivables and mortgages over the Group's properties. Finance lease liabilities of the Group are effectively secured over the leased machinery.

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	1H FY2018 S\$'000	1H FY2017 S\$'000 Restated
<b>Cash flows from operating activities</b>		
Net profit	403	379
<u>Adjustments for:</u>		
Income tax expense	95	192
Depreciation	1,021	1,012
Loss on disposal of property, plant and equipment	95	-
Interest expense	268	111
Development property write-down	3,325	-
Unrealised currency translation differences	(254)	293
Fair value gain on investment properties <sup>#</sup>	(3,568)	-
	<b>1,385</b>	<b>1,987</b>
<b>Changes in working capital</b>		
Trade and other receivables	(6,874)	(5,073)
Other current assets	(603)	(812)
Trade and other payables	10,569	(2,692)
Inventories	-	(124)
Development properties	(1,657)	(4,164)
<b>Cash provided by / (used in) operations</b>	<b>2,820</b>	<b>(10,878)</b>
Income tax paid	(61)	(265)
<b>Net cash provided by / (used in) operating activities</b>	<b>2,759</b>	<b>(11,143)</b>
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(40)	(143)
Acquisition of additional equity interest in subsidiary corporation	*	-
Proceeds from disposal of property, plant and equipment	270	-
<b>Net cash provided by / (used in) investing activities</b>	<b>230</b>	<b>(143)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	-	(680)
Repayment of finance leases	(175)	(163)
Proceeds from borrowings	2,456	6,000
Repayment of borrowings	(425)	(833)
Interest paid	(268)	(111)
<b>Net cash provided by financing activities</b>	<b>1,588</b>	<b>4,213</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4,577</b>	<b>(7,073)</b>
<b>Cash and cash equivalents</b>		
Beginning of the financial period	3,547	11,170
Effect of currency translation on cash and cash equivalents	3	(23)
<b>End of the financial period</b>	<b>8,127</b>	<b>4,074</b>

<sup>#</sup> Refer to Para 5 for Accounting for Investment Properties

<sup>\*</sup> Denotes amount less than S\$1,000.00

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.

Statement of Changes in Equity	Share capital	Retained profits	Currency translation reserve	Merger reserve	Other reserve	Equity attributable to equity holders of the Company	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
As at 1 July 2017	15,196	12,380	(597)	(2,014)	305	25,270	(643)	24,627
Acquisition of additional equity interest in subsidiary corporation	-	-	-	-	(809)	(809)	809	-
Total comprehensive income for the period	-	493	2	-	-	495	(90)	405
<b>As at 31 December 2017</b>	<b>15,196</b>	<b>12,873</b>	<b>(595)</b>	<b>(2,014)</b>	<b>(504)</b>	<b>24,956</b>	<b>76</b>	<b>25,032</b>
As at 1 July 2016	15,196	14,120	(513)	(2,014)	305	27,094	(396)	26,698
Effect of the change in accounting policy <sup>#</sup>	-	3	-	-	-	3	-	3
Dividend relating to 2015	-	(680)	-	-	-	(680)	-	(680)
Total comprehensive income for the period	-	614	(63)	-	-	551	(235)	316
<b>As restated at 31 December 2016</b>	<b>15,196</b>	<b>14,057</b>	<b>(576)</b>	<b>(2,014)</b>	<b>305</b>	<b>26,968</b>	<b>(631)</b>	<b>26,337</b>
As at 1 July 2015	15,196	13,384	(315)	(2,014)	-	26,251	(285)	25,966
Effect of the change in accounting policy <sup>#</sup>	-	-	-	-	357	357	-	357
Dividend relating to 2015	-	(1,360)	-	-	-	(1,360)	-	(1,360)
Acquisition of additional equity interest in subsidiary corporation	-	-	-	-	(52)	(52)	22	(30)
Total comprehensive income for the year	-	2,096	(198)	-	-	1,898	(133)	1,765
<b>As restated at 30 June 2016</b>	<b>15,196</b>	<b>14,120</b>	<b>(513)</b>	<b>(2,014)</b>	<b>305</b>	<b>27,094</b>	<b>(396)</b>	<b>26,698</b>
<b>The Company</b>								
As at 1 July 2017	15,196	6,232	-	-	-	21,428	-	21,428
Total comprehensive income for the period	-	30	-	-	-	30	-	30
<b>As at 31 December 2017</b>	<b>15,196</b>	<b>6,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,458</b>	<b>-</b>	<b>21,458</b>
As at 1 July 2016	15,196	6,287	-	-	-	21,483	-	21,483
Dividend relating to 2016	-	(680)	-	-	-	(680)	-	(680)
Total comprehensive income for the period	-	756	-	-	-	756	-	756
<b>As restated at 31 December 2016</b>	<b>15,196</b>	<b>6,363</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,559</b>	<b>-</b>	<b>21,559</b>

<sup>#</sup> Refer to Para 5 for Accounting for Investment Properties

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, if any, against the total number of issued shares excluding treasury shares and subsidiary holding 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.

There was no change in the Company's share capital since the end of the previous financial period reported on.

The Company did not have any outstanding options, convertibles or treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2016.

Subsequent to 31 December 2017, the Company had on 11 January 2018, completed the issuance and allotment of 15,625,000 new ordinary shares of the Company in relation to the placement as announced on 18 December 2017. Following the completion of the placement, the Company's issued and paid-up share capital had increased to 185,625,000 shares.

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.

170,000,000 ordinary shares were issued as at 31 December 2017 and 30 June 2017.

There were no treasury shares as at the end of the current financial year and as at the end of the immediately preceding financial year.

**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 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 did not have any subsidiary holdings during and as at the end of 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 auditors of the Company.

**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.**  
Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared to the most recently audited financial statements for the financial year ended 30 June 2017.

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

The Group has adopted all new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the financial year beginning on or after 1 July 2017, where applicable. The adoption of these new and revised standards from the effective date did not result in any material impact to the financial statements of the Group for the current financial period reported on, except as explained below for Accounting for Investment Properties.

**# Accounting for Investment Properties**

With effect from 1 July 2017 and for the financial year ending 30 June 2018, the Group changed its accounting policy with respect to the subsequent measurement of investment properties from cost to fair value model, and the changes in fair values were recognised in the statement of comprehensive income. This change aligns the Group's accounting policy with industry practice in view of the reclassification of certain investment properties from development properties arising from a change in use. The change in accounting policy was applied retrospectively and accordingly, the comparative financial statements were restated. The effects of the change on the Group's financial statements are as follows:

<b>Balance sheet</b>	<b>Investment properties</b> S\$000	<b>Retained profits</b> S\$000	<b>Other reserve</b> S\$000
Balance as reported on 1 July 2016	223	14,120	(52)
Effect of valuation on 1 July 2016	357	-	357
<b>Restated balance on 1 July 2016</b>	<b>580</b>	<b>14,120</b>	<b>305</b>
Balance as reported on 30 June 2017	217	12,374	(52)
Effect of valuation on 1 July 2016	357	-	357
Effect of depreciation reversal	6	6	-
<b>Restated balance on 30 June 2017</b>	<b>580</b>	<b>12,380</b>	<b>305</b>

<b>Statement of Comprehensive Income</b>	<b>1H FY2018</b> S\$000	<b>1H FY2017</b> S\$000
Change in fair value of investment properties	3,568	-
Depreciation	-	3
<b>Increase in net profit</b>	<b>3,568</b>	<b>3</b>

<b>Earnings per ordinary share ("EPS")</b>	<b>1H FY2018</b>	<b>1H FY2017</b>
	Singapore cents	Singapore cents
Basic EPS	0.021	NM
Diluted EPS	0.021	NM

*NM denotes not meaningful*

**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.**

<b>Earnings per ordinary share</b>	<b>Group</b>	
	<b>1H FY2018</b>	<b>1H FY2017</b> Restated
Profit attributable to equity holders of the Company (S\$'000)	493	614
Weighted average number of ordinary shares used in the computation of basic and diluted EPS ('000)	170,000	170,000
Basic and fully diluted earnings per share (Singapore cents)	0.29	0.36

The diluted and basic EPS are the same for 1H FY2018 and 1H FY2017 as there were no potentially dilutive ordinary shares as at 31 December 2017 and 31 December 2016.

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.**

Net Asset Value per ordinary share <sup>1</sup>	Group		Company	
	31-Dec-17 Singapore Cents	30-Jun-17 Singapore Cents Restated	31-Dec-17 Singapore Cents	30-Jun-17 Singapore Cents
Net asset value per ordinary share based on issued share capital	14.72	14.49	12.62	12.60

<sup>1</sup> The net asset value per ordinary share for the Group and the Company as at 31 December 2017 and 30 June 2017 is computed based on the share capital of the Company of 170,000,000 shares.

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 FINANCIAL PERFORMANCE**

##### **Revenue**

Our revenue decreased by approximately S\$11.8 million or 27.8% from approximately S\$42.5 million in 1H FY2017 to approximately S\$30.7 million in 1H FY2018. The decrease in revenue was mainly due to substantial completion of certain projects such as new building works and design and build of upgrading works.

##### **Cost of works, gross profit and gross profit margin**

Our cost of works decreased by approximately S\$10.8 million or 28.4% from approximately S\$38.1 million in 1H FY2017 to approximately S\$27.3 million in 1H FY2018. The decrease in cost of works was mainly attributable to lower cost incurred for materials, subcontracting and projects overheads which was largely in line with the decrease in work done for our projects. Our gross profit margin rose by approximately 0.8 percentage points from 10.4% in 1H FY2017 to 11.2% in 1H FY2018 mainly due to higher margin achieved on certain projects and recognition of certain variation orders relating to design and build of upgrading and additions and alterations works.

##### **Other income**

Our other income increased by approximately S\$0.4 million or 162.8%, from approximately S\$0.2 million in 1H FY2017 to approximately S\$0.6 million in 1H FY2018. This was mainly due to the increase in rental income and currency exchange gain.

##### **Other losses**

Our other losses increased by approximately S\$3.2 million or more than 14 times, from approximately S\$0.2 million in 1H FY2017 to approximately S\$3.4 million in 1H FY2018. This was due to the write-down on one of our development properties of approximately S\$3.3 million to its net realisable value vis-a-vis the total cost capitalised for that project.

##### **Fair value gain on investment properties**

The fair value gain on investment properties of S\$3.6 million was in relation to a parcel of land in Malaysia that was reclassified from development properties to investment properties as at 31 December 2017, arising from the a change in use from property development purpose to land held for long-term leasing and/or price appreciation. Please refer to Paragraph 5 of this announcement for further details.

##### **Distribution and marketing expenses**

Distribution and marketing expenses decreased by approximately S\$495,000 or 94.5%, from approximately S\$524,000 in 1H FY2017 to approximately S\$29,000 in 1H FY2018, mainly due to i) lower delivery charges incurred by our precast plant and ii) lower advertisement.

##### **Administrative expenses**

Our administrative expenses increased by approximately S\$0.2 million or approximately 5.6% from approximately S\$3.2 million in 1H FY2017 to S\$3.4 million in 1H FY2018. The increase was mainly due to higher payroll expenses mainly due to increase in headcount.

##### **Finance expenses**

The finance costs increased by approximately S\$157,000 or 141.4%, from approximately S\$111,000 in 1H FY2017 to approximately S\$268,000 in 1H FY2018, mainly due to higher interest payment on short-term loans that were drawn down during the financial period ended 31 December 2017 for working capital purpose.

##### **Income tax expense**

The overall effective tax rate was 19.1% and 33.6% for 1H FY2018 and 1H FY2017 respectively. The Singapore statutory corporate tax rate for both years of assessment remained at 17.0%. The increase in our effective tax rate for both financial periods was mainly due to losses incurred by one of our malaysia subsidiaries which were excluded for the group relief scheme due to cross border restriction.

##### **Net profit**

As a result of the above, our net profit increased by approximately S\$24,000 or approximately 6.3%, from approximately S\$379,000 in 1H FY2017 to approximately S\$403,000 in 1H FY2018.

## **REVIEW OF FINANCIAL POSITION**

### **Current assets**

The Group's current assets decreased by approximately S\$3.7 million or 4.8% from approximately S\$77.1 million as at 30 June 2017 to approximately S\$73.4 million as at 31 December 2017, mainly due to increase in trade and other receivables of approximately S\$6.9 million and decrease in development properties by approximately S\$15.8 million, offset by increase in cash and cash equivalents of approximately S\$4.6 million, higher prepayment and deposits placed for services in relation to our development properties and purchase of materials of approximately S\$0.6 million.

The decrease in development properties was mainly due to write down of our Singapore property of approximately S\$3.3 million and reclassification of certain parcel of land in Malaysia from development to investment property of approximately S\$12.5 million. The increase in trade and other receivables was mainly due to the increase in trade receivables by approximately S\$1.6 million due to higher volume of term contract works billed in December 2017, higher amount due from contract customers of approximately S\$5.5 million for project works performed and pending billing as at 31 December 2017, offset by a decrease in project retention sum of approximately S\$0.2 million.

### **Non-current assets**

Non-current assets increased by approximately S\$16.8 million from approximately S\$4.2 million as at 30 June 2017 to approximately S\$21.0 million as at 31 December 2017. The increase was mainly attributable to increase in investment properties of approximately S\$18.2 million, offset by decrease of property, plant and equipment (PPE) of approximately S\$1.3 million. The increase in investment properties was due to reclassification of certain land parcel of land from development properties in Malaysia and fair value gain of approximately S\$18.2 million. The decrease in PPE was mainly due to depreciation expenses of approximately S\$1.0 million and disposal of certain building equipment of approximately S\$0.3 million.

### **Current liabilities**

The Group's current liabilities increased by approximately S\$15.2 million or 30.8% from approximately S\$49.4 million as at 30 June 2017 to approximately S\$64.6 million as at 31 December 2017, due to increase in bank borrowings of approximately S\$4.6 million and an increase in trade and other payables of approximately S\$10.6 million. The increase in bank borrowings was mainly due to draw down of banking facilities to finance our working capital and reclassification of certain portion of our non-current borrowings to current.

The increase in trade and other payables was mainly due to the increase in trade payables of approximately S\$3.2 million due to slower payment to subcontractors, higher amount due to contract customers of approximately S\$0.5 million, higher deposits collected from investors for our placement exercise and buyers for our Singapore development properties and higher accrued operating expenses of approximately S\$3.4 million due to work done for projects by not invoiced by

### **Non-current liabilities**

The decrease in non-current liabilities of approximately S\$2.5 million or 34.3% was mainly due to repayment of bank borrowings and finance lease liabilities and reclassification of certain portion of a term loan to current liabilities.

### **Shareholders' equity**

As at 31 December 2017, the shareholders' equity stood at approximately S\$25.0 million, as compared to approximately S\$24.6 million as at 30 June 2017. The increase of approximately S\$0.4 million was mainly attributable to current period net profit of approximately S\$0.4 million.

The Group recorded net current assets of approximately S\$8.8 million as at 31 December 2017.

## **REVIEW OF CASH POSITION**

Cash and cash equivalents stood at approximately S\$8.1 million as at 31 December 2017, representing an increase of approximately S\$4.6 million from approximately S\$3.5 million as at 30 June 2017.

In 1H FY2018, net cash provided by operating activities was approximately S\$2.8 million. This was mainly due to operating cash inflows before working capital changes of approximately S\$1.4 million, adjusted for net working capital inflows of approximately S\$1.4 million and income tax paid of approximately S\$0.1 million. The net working capital inflows was mainly due to an increase in trade and other payables of approximately S\$10.6 million, offset by an decrease in trade and other receivables of approximately S\$6.9 million, additions to development properties of approximately S\$1.7 million and an increase in other current assets of approximately S\$0.6 million.

Net cash provided by investing activities during 1H FY2018 was approximately S\$0.2 million, mainly due to proceeds from disposal of property, plant and equipment.

Net cash provided by financing activities during 1H FY2018 was approximately S\$1.6 million, mainly due to increase in net bank borrowings of approximately S\$1.9 million, mainly to finance our working capital during 1H FY2018, offset by interest paid on borrowings of approximately S\$0.3 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. The Company did not make any forecast or prospect statement.

**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 Building and Construction Authority (BCA) projects the value of construction contracts to be awarded in 2018 to range between \$26.0 billion and \$31.0 billion. The projected higher construction demand is due to an anticipated increase in public sector construction demand, which is expected to grow from the \$15.5 billion in 2017 to between \$16 billion and \$19 billion this year, contributing to about 60% of 2018's total projected demand. Public construction demand is expected to be boosted by an anticipated increase in demand for, amongst others, institutional and other buildings works and also a slate of smaller government projects that have been brought forward in response to the slowdown in the previous years<sup>1</sup>. With our established track record in the public sector domain, it bodes well for the Group. We will tender prudently and build-up our existing order book, which stood at approximately S\$107.8 million as at the date of this announcement. Our precast business is expected to remain operational and will be supplying building components for a public sector design and build project.

We have obtained the TOP for our freehold residential cluster houses in Singapore and also substantially completed the Phase 1 of our freehold medium industrial factories located at Senai Industrial Park, Johor, Malaysia. We will continue to focus our efforts on moving sales for these two projects.

<sup>1</sup> [https://www.bca.gov.sg/newsroom/others/PR\\_prospectsseminar2018.pdf](https://www.bca.gov.sg/newsroom/others/PR_prospectsseminar2018.pdf). Accessed on 5 February 2018.

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- 11 Dividend**  
**(a) Current Financial Period Reported On**  
No
- (b) 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 (recommended) for 1H FY2018.
- 13 If the Group has obtained a general mandate from shareholders for interested persons 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.**  
There were no IPT of S\$100,000 and above for the financial period ended 31 December 2017.  
The Group does not have a general mandate from shareholders for IPTs.
- 14 Confirmation by the Board of Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.**  
The Board of Directors of the Company (the "Board") confirms that to the best of their knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 31 December 2017 to be false or misleading in any material aspect.
- 15 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 hereby 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).
- 16 Use of Placement proceeds**  
Pursuant to the Placement mentioned in 1(d)(ii), the Company received net proceeds from the placement of approximately \$2.48 million which have been fully utilised as at the date of this announcement for payments made for trade payables of approximately S\$2.17 and employee salaries of approximately S\$0.31 million. The usage of the placement proceeds is in accordance with that announced on 18 December 2017.

**BY ORDER OF THE BOARD**

Phua Lam Soon  
Chief Executive Officer

**12 February 2018**