



FIGTREE HOLDINGS LIMITED

(Company Registration Number : 201315211G)

**Unaudited Financial Statement and Dividend Announcement
For the Three-Month Financial Period Ended 31 March 2019**

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

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Income Statement

	Note	Group		
		Three Months Ended		Change
		31 March 2019	31 March 2018	
		S\$	S\$	%
Revenue	8(a)(i)	1,636,791	523,695	NM
Cost of sales	8(a)(ii)	(1,563,071)	(51,854)	NM
Gross profit	8(a)(ii)	73,720	471,841	(84.4)
Other income	8(a)(iii)	61,456	175,457	(65.0)
General and administrative expenses	8(a)(iv)	(1,166,696)	(2,297,836)	(49.2)
Finance costs	8(a)(v)	(65,473)	(24,846)	163.5
Share of results of associates	8(a)(vi)	(902,562)	(609,364)	48.1
Loss before taxation		(1,999,555)	(2,284,748)	(12.5)
Tax credit	8(a)(vii)	295,037	33,392	NM
Loss for the period		(1,704,518)	(2,251,356)	(24.3)
Attributable to:				
Owners of the Company		(1,703,414)	(2,289,775)	(25.6)
Non-controlling interests		(1,104)	38,419	(102.9)
		(1,704,518)	(2,251,356)	(24.3)

NM – Not Meaningful

Consolidated Statement of Comprehensive Income

	Group		
	Three Months Ended		
	31 March 2019	31 March 2018	Change
	S\$	S\$	%
Loss for the period	(1,704,518)	(2,251,356)	(24.3)
Other comprehensive (loss)/income:			
Items that may be reclassified subsequently to profit or loss:			
- Exchange differences on translation of foreign operations	(421,860)	469,339	(189.9)
Other comprehensive (loss)/income for the period, net of tax	(421,860)	469,339	(189.9)
Total comprehensive loss for the period	(2,126,378)	(1,782,017)	19.3
Attributable to:			
Owners of the Company	(2,125,274)	(1,820,436)	16.7
Non-controlling interests	(1,104)	38,419	(102.9)
	(2,126,378)	(1,782,017)	19.3

NM – Not Meaningful

Notes to the Consolidated Income Statement

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

	Note	Group		
		Three Months Ended		
		31 March 2019	31 March 2018	Change
		S\$	S\$	%
Depreciation of property, plant and equipment		41,691	48,212	(13.5)
Foreign exchange (gain)/loss, net	8(a)(iv)	(395,939)	1,063,468	137.2
Interest income from loans to an associate	8(a)(iii)	(60,517)	(128,289)	(52.8)
Gain on disposal of property, plant and equipment		(750)	–	NM
Operating lease expense		27,854	25,181	10.6
Employee benefits expense	A	1,006,355	1,136,995	(11.5)

Note A: Employee benefits expense

Presented in the consolidated income statement as:

- Cost of sales	122,365	235,336	(48.0)
- General and administrative expenses	883,990	901,659	(2.0)
	1,006,355	1,136,995	(11.5)

NM – Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

ASSETS	Note	Group		Company	
		As at 31 March 2019 S\$	As at 31 December 2018 S\$	As at 31 March 2019 S\$	As at 31 December 2018 S\$
Non-current assets					
Property, plant and equipment		3,234,787	3,273,984	–	–
Investments in subsidiaries		–	–	9,152,597	9,152,597
Interests in associates	8(b)(i)	9,750,014	11,065,065	–	–
Loans to an associate	8(b)(ii)	–	4,992,266	–	–
Loans to a subsidiary		–	–	2,034,962	2,013,280
Total non-current assets		12,984,801	19,331,315	11,187,559	11,165,877
Current assets					
Capitalised contract costs	8(b)(iii)	467,080	412,254	–	–
Loans to an associate	8(b)(ii)	21,400,634	16,329,152	–	–
Amounts due from subsidiaries		–	–	23,161,870	23,063,740
Amounts due from an associate		11,289	11,289	11,289	11,289
Prepayments		73,061	54,853	15,941	4,163
Contract assets	8(b)(iv)	4,578,139	4,596,710	–	–
Trade receivables	8(b)(v)	951,137	889,354	–	–
Other receivables	8(b)(vi)	190,894	273,082	–	–
Cash and short-term deposits	8(b)(vii)	619,789	468,702	123	9,688
		28,292,023	23,035,396	23,189,223	23,088,880
Assets of disposal group classified as held for sale	8(b)(viii)	42,182,260	41,689,441	–	–
Total current assets		70,474,283	64,724,837	23,189,223	23,088,880
Total assets		83,459,084	84,056,152	34,376,782	34,254,757
LIABILITIES					
Current liabilities					
Contract liabilities	8(b)(ix)	775,271	121,007	–	–
Trade and other payables	8(b)(x)	13,105,779	12,315,679	1,957,103	1,790,344
Bank borrowings	8(b)(xi)	3,950,000	3,700,000	–	–
Provision for taxation		75,231	112,584	4,946	4,065
		17,906,281	16,249,270	1,962,049	1,794,409
Liabilities directly associated with disposal group classified as held for sale	8(b)(viii)	16,342,357	16,197,756	–	–
Total current liabilities		34,248,638	32,447,026	1,962,049	1,794,409
Net current assets		36,225,645	32,277,811	21,227,174	21,294,471
Non-current liability					
Deferred tax liabilities		424,147	723,849	76,796	72,704
Total non-current liabilities		424,147	723,849	76,796	72,704
Total liabilities		34,672,785	33,170,875	2,038,845	1,867,113
Net assets		48,786,299	50,885,277	32,337,937	32,387,644

	Group		Company	
	As at 31 March 2019 S\$	As at 31 December 2018 S\$	As at 31 March 2019 S\$	As at 31 December 2018 S\$
<u>EQUITY</u>				
Equity attributable to owners of the Company				
Share capital	30,911,972	30,911,972	30,911,972	30,911,972
Accumulated profits	27,177,246	28,880,660	1,180,282	1,257,389
Merger deficit ⁽¹⁾	(8,152,595)	(8,152,595)	–	–
Share option reserve	245,683	218,283	245,683	218,283
Foreign currency translation reserve	(1,858,205)	(1,436,345)	–	–
Other reserves	488,000	488,000	–	–
	48,812,101	50,909,975	32,337,937	32,387,644
Non-controlling interests	(25,802)	(24,698)	–	–
Total equity	48,786,299	50,885,277	32,337,937	32,387,644

Note:

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

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

Amount repayable in one year or less, or on demand

As at 31 March 2019		As at 31 December 2018	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
2,500,000	1,450,000	2,500,000	1,200,000

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

Amount repayable after one year

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

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Three Months Ended	
	31 March 2019	31 March 2018
	S\$	S\$
Cash flows from operating activities		
Loss before taxation	(1,999,555)	(2,284,748)
Adjustments for:		
Depreciation of property, plant and equipment	41,691	48,212
Share of results of an associate	902,562	609,364
Share-based expense	27,400	29,299
Gain on disposal of property, plant and equipment	(750)	–
Interest income	(60,706)	(174,365)
Finance costs	65,473	24,846
Unrealised exchange (gain)/loss	(372,246)	1,345,832
Operating cash flows before changes in working capital	(1,395,381)	(401,560)
(Increase)/decrease in:		
Development properties	–	(219,481)
Capitalised contract costs	(54,826)	(68,617)
Trade receivables and contract assets	(43,212)	1,232,991
Other receivables and prepayments	63,981	(148,555)
Increase/(decrease) in:		
Contract liabilities	654,264	–
Trade and other payables	757,458	(375,567)
Cash flows (used in)/generated from operations	(17,716)	19,211
Income tax paid	(42,018)	(21,054)
Interest received	188	46,076
Net cash flows (used in)/generated from operating activities	(59,546)	44,233
Cash flows from investing activities		
Purchases of property, plant and equipment	–	(1,281)
Proceeds from disposal of property, plant and equipment	750	–
Net cash flows generated from/(used in) investing activities	750	(1,281)
Cash flows from financing activities		
Proceeds from bank borrowing	250,000	–
Repayment of bank borrowing	–	(1,300,000)
Interest paid	(40,117)	(24,846)
Net cash flows generated from/(used in) financing activities	209,883	(1,324,846)
Net increase/(decrease) in cash and cash equivalents	151,087	(1,281,894)
Cash and cash equivalents at the beginning of period	468,702	1,754,387
Cash and cash equivalents at the end of period	619,789	472,493

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to equity holders of the Company							Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves	Total reserves S\$			
Balance at 1 January 2019	30,911,972	28,880,660	(8,152,595)	218,283	(1,436,345)	488,000	19,998,003	50,909,975	(24,698)	50,885,277
Loss for the period	–	(1,703,414)	–	–	–	–	(1,703,414)	(1,703,414)	(1,104)	(1,704,518)
<u>Other comprehensive income</u>										
Foreign currency translation	–	–	–	–	(421,860)	–	(421,860)	(421,860)	–	(421,860)
Total comprehensive income for the period	–	(1,703,414)	–	–	(421,860)	–	(2,125,274)	(2,125,274)	(1,104)	(2,126,378)
<u>Contributions by and distributions to owners</u>										
Share-based staff costs	–	–	–	27,400	–	–	27,400	27,400	–	27,400
Total contributions by and distributions to owners	–	–	–	27,400	–	–	27,400	27,400	–	27,400
Total transactions with owners in their capacity as owners	–	–	–	27,400	–	–	27,400	27,400	–	27,400
Balance at 31 March 2019	30,911,972	27,177,246	(8,152,595)	245,683	(1,858,205)	488,000	17,900,129	48,812,101	(25,802)	48,786,299

Group	Attributable to equity holders of the Company							Total equity attributable to owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Accumulated profits S\$	Merger deficit S\$	Share option reserve S\$	Foreign currency translation reserve S\$	Other reserves	Total reserves S\$			
Balance at 1 January 2018	29,418,521	31,605,446	(8,152,595)	110,181	(424,113)	488,000	23,626,919	53,045,440	(36,537)	53,008,903
(Loss)/profit for the period	–	(2,289,775)	–	–	–	–	(2,289,775)	(2,289,775)	38,419	(2,251,356)
<u>Other comprehensive income</u>										
Foreign currency translation	–	–	–	–	469,339	–	469,339	469,339	–	469,339
Total comprehensive income for the period	–	(2,289,775)	–	–	469,339	–	(1,820,436)	(1,820,436)	38,419	(1,782,017)
<u>Contributions by and distributions to owners</u>										
Share-based staff costs	–	–	–	29,299	–	–	29,299	29,299	–	29,299
Total contributions by and distributions to owners	–	–	–	29,299	–	–	29,299	29,299	–	29,299
Total transactions with owners in their capacity as owners	–	–	–	29,299	–	–	29,299	29,299	–	29,299
Balance at 31 March 2018	29,418,521	29,315,671	(8,152,595)	139,480	45,226	488,000	21,835,782	51,254,303	1,882	51,256,185

Company	Share capital S\$	Accumulated profits S\$	Share option reserve S\$	Total S\$
Balance as at 1 January 2019	30,911,972	1,257,389	218,283	32,387,644
Profit, representing total comprehensive income, for the period	–	(77,107)	–	(77,107)
<u>Contributions by and distributions to owners</u>				
Share-based staff costs	–	–	27,400	27,400
Total transactions with owners in their capacity as owners	–	–	27,400	27,400
Balance as at 31 March 2019	30,911,972	1,180,282	245,683	32,337,937
Balance as at 1 January 2018	29,418,521	2,525,948	110,181	32,054,650
Profit, representing total comprehensive income, for the period	–	(50,666)	–	(50,666)
<u>Contributions by and distributions to owners</u>				
Share-based staff costs	–	–	29,299	29,299
Total transactions with owners in their capacity as owners	–	–	29,299	29,299
Balance as at 31 March 2018	29,418,521	2,475,282	139,480	32,033,283

- 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.**

	Company	
	Number of shares	Issued and paid-up share capital (\$)
As at 31 December 2018	347,980,292	30,911,972
As at 31 March 2019	347,980,292	30,911,972

Figtree Employee Share Option Scheme (the "ESOS")

The movement in share options during the period was as follows:

	2019 Number of share options	2018 Number of share options
Outstanding as at 1 January	7,755,000	5,525,000
Outstanding as at 31 March	7,755,000	5,525,000

The outstanding share options of 7,755,000 as at 31 March 2019 (31 March 2018: 5,525,000) are convertible into 7,755,000 (31 March 2018: 5,525,000) ordinary shares of the Company. The number of issued shares as at 31 March 2019 was 347,980,292 shares (31 March 2018: 337,406,232 shares).

Other than the unexercised share options under the ESOS as stated above, the Company had no other outstanding convertibles, subsidiary holdings or treasury shares as at 31 March 2019 and 31 March 2018.

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

	Company	
	As at 31 March 2019	As at 31 December 2018
Total number of issued shares excluding treasury shares	347,980,292	347,980,292

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

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

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not hold 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 matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Save as disclosed on Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 31 December 2018.

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

The Group has adopted certain Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are mandatory for the financial year beginning on or after 1 January 2019. The Group expects that the adoption of these FRS and INT FRS has no significant impact on the financial position or performance 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 Three Months Ended	
	31 March 2019	31 March 2018
	S\$	S\$
Loss attributable to owners of the Company	(1,703,414)	(2,289,775)
Weighted average number of ordinary shares for basic earnings per share computation	345,228,139	332,204,678
Effects of dilution:		
- Share options	-	-
Weighted average number of ordinary shares for diluted earnings per share computation	345,228,139	332,204,678
Basic loss per share (cents)	(0.49)	(0.69)
Diluted loss per share (cents) ⁽¹⁾	(0.49)	(0.69)

Note:

- (1) The basic and diluted loss per share for the three months ended 31 March 2019 and 31 March 2018 were the same as the potential ordinary shares to be exercised from the outstanding share options are anti-dilutive as the effect of the share conversions would be to decrease the loss per share.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	As at 31 March 2019	As at 31 December 2018	As at 31 March 2019	As at 31 December 2018
Net asset value per ordinary share based on issued share capital (cents)	14.03	14.63	9.29	9.31
Number of issued ordinary shares	347,980,292	347,980,292	347,980,292	347,980,292

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

(a) Review of the Consolidated Income Statement

Financial period from 1 January 2019 to 31 March 2019 ("1Q2019") vs 1 January 2018 to 31 March 2018 ("1Q2018")

- (i) The Group's revenue increased due to the project with Tiong Lian Food Pte Ltd ("TLF"), which commenced in the third quarter of the financial year ended 31 December 2018 ("FY2018").
- (ii) The increase in cost of sales is in line with the increase in revenue. The decrease in gross profit is mainly due to additional costs incurred for a project that was completed in prior years due to final settlement.
- (iii) The Group's other income decreased mainly due to no interest income earned from fixed deposits in 1Q2019 as compared to 1Q2018, coupled with lower deemed interest income recognised from loans to an associate.
- (iv) The Group's general and administrative expenses decreased mainly due to foreign exchange gains resulting from the stronger Australian Dollar against the Singapore Dollar in 1Q2019, compared to foreign exchange losses incurred in 1Q2018.
- (v) The increase in finance costs was mainly due to interest paid on short term bank borrowings and other borrowings.
- (vi) The increase in losses incurred by associates arose mainly due to operational costs from developments.
- (vii) The tax credit arose due to the write back of deferred tax liabilities due to losses incurred during the period.

(b) Review of the Financial Position of the Group

- (i) The decrease in interests in associates arose from the Group's share of associates' losses for the period as well as the Group's share of the foreign currency translation reserve of associates.
- (ii) Total loans to an associate as at 31 March 2019 and 31 December 2018 :

	Group	
	As at 31 March 2019 S\$	As at 31 December 2018 S\$
Non-current	–	4,992,266
Current	21,400,634	16,329,152
Total loans to an associate	21,400,634	21,321,418

(iii) Capitalised contract costs increased mainly due to initial costs incurred for a project that has not commenced.

(iv) Contract assets as at 31 March 2019 and 31 December 2018 comprised the following :

	Group	
	As at 31 March 2019 S\$	As at 31 December 2018 S\$
Accrued receivables	1,581,341	1,636,292
Retention receivables	2,996,798	2,960,418
Total contract assets	4,578,139	4,596,710

(v) Trade receivables increased mainly due to billings relating to the TLF project.

(vi) Other receivables as at 31 March 2019 and 31 December 2018 comprised the following :

	Group	
	As at 31 March 2019 S\$	As at 31 December 2018 S\$
Refundable deposits	70,874	95,718
GST receivables	–	8,954
Sundry receivables	120,020	168,410
Total other receivables	190,894	273,082

(vii) Cash and short term deposits increased mainly due to proceeds received from bank borrowings of \$0.25 million.

- (viii) Disposal group classified as held for sale as at 31 March 2019 and 31 December 2018 comprised the following :

	Group	
	As at 31 March 2019 S\$	As at 31 December 2018 S\$
Assets :		
Development properties	29,065,558	28,702,621
Deposits held in trust	13,116,702	12,986,820
Assets of disposal group classified as held for sale	42,182,260	41,689,441
Liabilities :		
Deposits received from customers	12,825,516	12,698,518
Accrued operating expenses	3,516,841	3,499,238
Liabilities directly associated with disposal group classified as held for sale	16,342,357	16,197,756
Net assets directly associated with disposal group classified as held for sale	25,839,903	25,491,685

Net assets directly associated with disposal group classified as held for sale increased mainly due to the stronger Australian Dollar against the Singapore Dollar during the quarter.

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

	Group	
	As at 31 March 2019 S\$	As at 31 December 2018 S\$
Trade payables	3,116,887	2,544,896
Accrued subcontractors' costs	3,859,906	3,877,115
Accrued operating expenses	3,192,220	2,952,186
GST payables	1,919	–
Sundry payables	164,183	195,172
Other borrowings	2,770,664	2,746,310
Total trade and other payables	13,105,779	12,315,679

Total trade and other payables increased mainly due to the increase in trade payables arising from billings relating to the TLF project.

- (xi) The increase in bank borrowings due to proceeds received of \$0.25 million.

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

In 1Q2019, the Group recorded a net cash outflow from operating activities of S\$0.06 million, which was a result of operating cash flows before changes in working capital of S\$1.40 million, adjusted for working capital inflows of S\$1.38 million and income tax paid of S\$0.04 million. Working capital inflows were due to a decrease in other receivables and prepayments of S\$0.06 million, an increase in contract liabilities of S\$0.65 million and an increase in trade and other payables of S\$0.76 million. This was partially offset by an increase in capitalised contract costs of S\$0.05 million and an increase trade receivables and contract assets of S\$0.04 million.

Net cash generated from financing activities was mainly due to proceeds of bank borrowings of S\$0.25 million partially offset by interest paid of S\$0.04 million.

As a result of the above, there was a net increase of S\$0.15 million in the Group's cash and cash equivalents, from S\$0.47 million as at 31 December 2018 to S\$0.62 million as at 31 March 2019.

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

No forecast or prospect statement in relation to the financial performance or position of the Group has been previously disclosed to shareholders. The progress of the Group's projects are updated in Section 10 below.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Property Investment – China

Our 32%-interest in property investment project, the Changshu Fervent High Tech Industrial Park, continues to generate a stable and recurring income for the Group. Phase One was completed in 2015 and is fully-leased to multi-national corporations from the USA, Italy, France, Germany and Japan.

Phase Two comprises two customised Build-to-Suit ("BTS") factories. One BTS factory was completed in September 2018 and is currently leased to Ingevity Corporation for a period of 10 years. We are on track to complete the second BTS factory in 2Q2019, upon which it will be leased for Faurecia (Changshu) Automotive System Co., Ltd for seven years.

With the success of Phases 1 and 2, we are exploring and evaluating the development of Phase 3 to further strengthen our recurring income stream. We will make the necessary announcements as and when appropriate.

Property Development – China

In Chongqing, development of the Multi-Modal Logistics Distribution Centre ("DC"), a state-of-the-art hub by our 20%-owned associate, Vibrant Pucheng Logistics (Chongqing) Co. is progressing on schedule. Construction of Phase One is scheduled to commence in June 2019 and we expect to complete this by August 2020.

One of our largest projects, the DC is strategically located at Yufu Industrial Park in the Liang Jiang New Area and is positioned to benefit from the Belt and Road Initiative and the Chongqing Connectivity Initiative between Singapore and the PRC. The DC will integrate land, sea, rail and air logistics services across 217,788 square metres of land and comprises eight blocks of 2-storey ramped up warehouse facilities with one block of heavy vehicle parking complex, one block of 4-storey finance & IT Support Centre and General Administrative offices, as well as other amenities including central dining, retail, F&B outlets and workshops.

Design and Build – Singapore

Construction of the TLF food processing and distribution factory is progressing on schedule and we are on track to complete the project in 4Q2019. This design-and-build project comprises a 5-storey single user general industrial factory with fully automated refrigerated ASRS warehouse, fully automated refrigerated mini bin storage system,

chiller and freezer cold rooms, central kitchen and other production and ancillary offices spanning a gross floor area of over 12,000 sqm.

Property Development – Australia

In Australia, we completed the sale of 303 La Trobe, our mixed development project, on 15 April 2019.

Outlook

With the successful divestment / disposal of a number of its development projects over the past few months, the Group is well-placed to reinvest the capital in opportunities to drive its next phase of growth.

Looking ahead, we continue to explore suitable business opportunities in existing markets. We continue to see potential in China where we plan to focus on the development and management of industrial properties. Currently, we are evaluating several developments in the greater Shanghai area including Zhejiang and Wuxi. In Australia, we are keeping a lookout for value propositions in good locations against softening property prices in 2019. We continue to participate in tenders for industrial projects in Singapore. However, we have adopted a more prudent approach in view of the competitive industry landscape.

At the same time, together with our joint venture partners, we will continue to explore divestment opportunities in relation to our existing development projects, including those that are held by our associated companies, with a view to unlock value for the Group.

11. Dividend

(a) *Current Financial Period Reported On*

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

No

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any interim (final) dividend declared (recommended) for the corresponding period of the immediately preceding financial year?

No

(c) *Date payable:*

Not applicable.

(d) *Books closure date:*

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the three months ended 31 March 2019. The Company has been declaring and paying final dividends for the full financial year since its Initial Public Offering in 2013.

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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.**

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

There were no IPTs equal to and exceeding S\$100,000 entered into during the financial period under review.

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

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the unaudited financial statements for the three months ended 31 March 2019 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) of the Catalist Listing Manual**

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

By Order of the Board

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

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

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

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