



TA CORPORATION LTD
(Company Registration No. 201105512R)

Unaudited Second Quarter and Half Year Financial Statements and Dividend Announcement for the Period Ended 30.06.2019

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

1(a)(i) A Statement of Comprehensive Income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Notes	GROUP					
		3 months ended			6 months ended		
		30.06.2019 S\$'000	30.06.2018 S\$'000	Change %	30.06.2019 S\$'000	30.06.2018 S\$'000	Change %
Revenue		44,318	40,730	8.8	78,373	75,653	3.6
Cost of sales		(35,669)	(33,021)	8.0	(62,650)	(59,400)	5.5
Gross profit		8,649	7,709	12.2	15,723	16,253	(3.3)
Other income	1	842	832	1.2	1,583	1,799	(12.0)
Selling and distribution costs		(383)	(482)	(20.5)	(518)	(718)	(27.9)
General and administrative expenses		(5,467)	(4,908)	11.39	(10,734)	(9,755)	10.0
Other operating expenses		(2,191)	(2,381)	(8.0)	(4,397)	(5,039)	(12.7)
Share of (loss) profit, net of tax of associates and joint ventures		(117)	(194)	(39.7)	337	99	NM
Finance costs		(3,816)	(3,069)	24.3	(7,517)	(5,764)	30.4
Loss before income tax	2	(2,483)	(2,493)	(0.4)	(5,523)	(3,125)	76.7
Income tax expense	3	(240)	(62)	NM	(581)	(103)	NM
Loss after income tax		(2,723)	(2,555)	6.6	(6,104)	(3,228)	89.1
Other comprehensive loss:							
Items that may be reclassified subsequently to profit or loss							
Exchange differences on translation of foreign operations		294	292	0.7	614	446	37.7
Share of comprehensive (loss) income of associates and joint ventures		(134)	208	NM	(138)	30	NM
Total comprehensive loss for the period		(2,563)	(2,055)	24.7	(5,628)	(2,752)	NM
Loss attributable to :							
Owners of the Company		(3,328)	(2,631)	26.5	(7,597)	(3,659)	NM
Non-controlling interests		605	76	NM	1,493	431	NM
		(2,723)	(2,555)	6.6	(6,104)	(3,228)	89.1
Total comprehensive loss attributable to:							
Owners of the Company		(3,133)	(2,309)	35.7	(7,115)	(3,242)	NM
Non-controlling interests		570	254	NM	1,487	490	NM
		(2,563)	(2,055)	24.7	(5,628)	(2,752)	NM
NM = Not meaningful							

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

1. Other income

	Group			
	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Rental income	167	45	273	117
Management fee	120	139	276	277
Interest income	327	235	641	516
Gain on disposal of property, plant and equipment	3	-	3	35
Grant from government	-	15	22	243
Reversal of impairment loss on other non-current assets	-	7	-	10
Others	225	391	368	601
	842	832	1,583	1,799

2. Loss before income tax

	Group			
	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Loss before income tax for the period is stated after charging/ (crediting) the following:				
Loss allowance for doubtful receivables, net	3	498	59	985
Depreciation of property, plant and equipment	1,562	1,217	3,300	2,458
Depreciation of right-of-use assets	187	-	187	-
Fair value change in derivative financial instrument	-	3	-	4
Loss in fair value of investment properties	105	-	209	200
Gain on disposal of property, plant and equipment, net	(3)	-	(3)	(35)
Interest income	(327)	(235)	(641)	(516)
Impairment loss (Reversal of impairment loss) on other non-current assets	4	(7)	4	(10)

3. Included in income tax expense is the following:

	Group			
	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Provision for taxation				
-Tax provision for current year	(225)	(72)	(537)	(108)
-Under provision of tax for prior year	-	-	(4)	(2)
	(225)	(72)	(541)	(110)
Deferred tax	(15)	10	(40)	7
	(240)	(62)	(581)	(103)

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	
	30.06.2019 S\$'000	31.12.2018 S\$'000	30.06.2019 S\$'000	31.12.2018 S\$'000
ASSETS				
Current assets				
Cash and bank balances	24,840	41,213	484	3,565
Trade and other receivables	47,895	38,220	24,032	23,342
Deposits and prepayments	4,625	4,551	1	8
Inventories	6,927	7,040	-	-
Contract assets	36,620	26,908	-	-
Development properties	243,271	233,061	-	-
Total current assets	364,178	350,993	24,517	26,915
Non-current assets				
Property, plant and equipment	54,968	55,462	-	-
Investment properties	235,840	235,943	-	-
Subsidiaries	-	-	91,965	91,965
Goodwill	2,595	2,595	-	-
Associates and joint ventures	17,037	16,838	-	-
Trade and other receivables	50,701	47,104	104,242	102,129
Right-of-use assets	2,113	-	-	-
Other non-current assets	392	396	-	-
Total non-current assets	363,646	358,338	196,207	194,094
Total assets	727,824	709,331	220,724	221,009
LIABILITIES AND EQUITY				
Current liabilities				
Borrowings	147,869	132,860	5,000	20,000
Trade and other payables	93,259	83,007	21,565	16,924
Lease liabilities	1,119	316	-	-
Contract liabilities	53,870	46,189	-	-
Income tax payable	735	314	-	-
Total current liabilities	296,852	262,686	26,565	36,924
Non-current liabilities				
Borrowings	198,995	212,765	10,000	-
Trade and other payables	43,164	40,834	-	-
Lease liabilities	1,639	307	-	-
Term notes	26,907	26,884	26,907	26,884
Deferred tax liabilities	320	280	-	-
Total non-current liabilities	271,025	281,070	36,907	26,884
Capital, reserves and non-controlling interests				
Share capital	154,189	154,189	154,189	154,189
Reserves	675	675	31	31
Translation reserves	(288)	(770)	-	-
Retained earnings	10,692	18,289	3,032	2,981
Equity attributable to owners of the Company	165,268	172,383	157,252	157,201
Non-controlling interests	(5,321)	(6,808)	-	-
Total equity	159,947	165,575	157,252	157,201
Total liabilities and equity	727,824	709,331	220,724	221,009

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

	As at 30.06.2019		As at 31.12.2018	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	145,788	3,200	122,757	10,419
Amount repayable after one year	200,364	27,177	212,712	27,244
Total	346,152	30,377	335,469	37,663

Details of any collateral

Collateral for the above secured borrowings include mortgages over the Group's investment properties, development properties, leasehold properties, certain property, plant and equipment and fixed deposits and legal assignment of sales proceeds from the development properties. Certain bank facilities are also secured by corporate guarantees from the Company and guarantees from certain minority shareholders of partially-owned subsidiaries. Included in secured borrowings are current lease liabilities of S\$1.1 million and non-current lease liabilities of S\$1.6 million which are secured over the right-of-use assets of S\$2.1 million.

1(c) A Consolidated Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3 months ended		6 months ended	
	30.06.2019 S\$'000	30.06.2018 S\$'000	30.06.2019 S\$'000	30.06.2018 S\$'000
Operating activities				
Loss before income tax	(2,483)	(2,493)	(5,523)	(3,125)
Adjustments for:				
Depreciation of property, plant and equipment	1,562	1,217	3,300	2,458
Depreciation of right-of-use assets	187	-	187	-
Interest income	(327)	(235)	(641)	(516)
Interest expense	3,816	3,069	7,517	5,764
Fair value change in derivative financial instrument	-	3	-	4
Share of loss (profit) of associates and joint ventures	117	194	(337)	(99)
Gain on disposal of property, plant and equipment, net	(3)	-	(3)	(35)
Impairment loss (Reversal of impairment loss) on other non-current assets	4	(7)	4	(10)
Loss in fair value of investment properties	105	-	209	200
Loss allowance for doubtful receivables, net	3	498	59	985
Operating cash flows before movements in working capital	2,981	2,246	4,772	5,626
Trade and other receivables	(7,602)	4,164	(9,531)	17,036
Contract assets	(8,007)	(2,888)	(9,712)	2,783
Contract liabilities	4,024	2,209	7,681	7,005
Deposits and prepayments	(494)	1	(74)	(136)
Inventories	621	(1,333)	113	(1,304)
Development properties	(6,918)	(18,064)	(9,496)	(25,998)
Trade and other payables	13,433	(2,351)	9,082	(8,424)
Cash used in operations	(1,962)	(16,016)	(7,165)	(3,412)
Income tax paid	(17)	(27)	(120)	(277)
Interest paid	(3,817)	(3,529)	(7,958)	(7,025)
Net cash used in operating activities	(5,796)	(19,572)	(15,243)	(10,714)

	Group			
	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Investing activities				
Advances to associates and joint ventures	(1,290)	(14,370)	(3,180)	(15,555)
Interest received	327	235	641	516
Purchase of property, plant and equipment	(929)	457	(2,698)	(2,709)
Proceeds from disposal of property, plant and equipment	3	60	3	137
Net cash used in investing activities	(1,889)	(13,618)	(5,234)	(17,611)
Financing activities				
Advance from an associate	3,500	1,600	3,500	9,600
Proceeds from borrowings	13,046	20,510	27,376	53,676
Repayment of borrowings	(15,407)	(22,311)	(26,918)	(39,738)
Repayment of term notes	-	-	-	(40,000)
Repayment of principal portion of lease liabilities	(514)	(153)	(612)	(255)
Pledged cash and fixed deposits	(2,723)	133	(2,180)	(99)
Dividends paid	-	(1,202)	-	(1,202)
Net cash (used in) generated from financing activities	(2,098)	(1,423)	1,166	(18,018)
Decrease in cash and cash equivalents	(9,783)	(34,613)	(19,311)	(46,343)
Cash and cash equivalents at beginning of the period	24,153	67,301	33,781	79,092
Effect of exchange rate changes	77	69	(23)	8
Cash and cash equivalents at end of the period	14,447	32,757	14,447	32,757

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

Cash and bank balances	17,904	33,097	17,904	33,097
Fixed deposits	6,936	5,596	6,936	5,596
	24,840	38,693	24,840	38,693
Less: pledged cash and fixed deposits	(9,612)	(5,667)	(9,612)	(5,667)
Less: bank overdraft	(781)	(269)	(781)	(269)
Cash and cash equivalents at end of the period	14,447	32,757	14,447	32,757

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

<u>Group (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Translation reserves</u>	<u>Retained earnings</u>	<u>Equity attributable to owners of the Company</u>	<u>Non-controlling interests</u>	<u>Total equity</u>
Balance at January 1, 2018	150,391	675	467	38,208	189,741	(8,786)	180,955
<i>Total comprehensive loss for the year</i>							
Loss for the year	-	-	-	(14,919)	(14,919)	1,841	(13,078)
Other comprehensive income for the year	-	-	(1,237)	-	(1,237)	24	(1,213)
Total	-	-	(1,237)	(14,919)	(16,156)	1,865	(14,291)
<i>Transactions with owners, recognised directly in equity</i>							
Proceeds from issue of shares to non-controlling shareholders	-	-	-	-	-	200	200
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	-	3,798	-	3,798
Dividends paid							
- in cash	-	-	-	(1,202)	(1,202)	-	(1,202)
- in scrip	-	-	-	(3,798)	(3,798)	-	(3,798)
Dividends paid to non-controlling shareholders	-	-	-	-	-	(87)	(87)
Total	3,798	-	-	(5,000)	(1,202)	113	(1,089)
Balance at December 31, 2018	154,189	675	(770)	18,289	172,383	(6,808)	165,575
<i>Total comprehensive loss for the period</i>							
Loss for the period	-	-	-	(7,597)	(7,597)	1,493	(6,104)
Other comprehensive income for the period	-	-	482	-	482	(6)	476
Total	-	-	482	(7,597)	(7,115)	1,487	(5,628)
Balance at June 30, 2019	154,189	675	(288)	10,692	165,268	(5,321)	159,947

<u>Company (S\$'000)</u>	<u>Share capital</u>	<u>Reserves</u>	<u>Retained earnings</u>	<u>Total equity</u>
Balance at January 1, 2018	150,391	31	7,519	157,941
<i>Total comprehensive income for the year</i>				
Profit for the year, representing total comprehensive income for the year	-	-	462	462
<i>Transactions with owners, recognised directly in equity</i>				
Issue of shares pursuant to scrip dividend scheme	3,798	-	-	3,798
Dividends paid				
- in cash	-	-	(1,202)	(1,202)
- in scrip	-	-	(3,798)	(3,798)
Total	3,798	-	(5,000)	(1,202)
Balance at December 31, 2018	154,189	31	2,981	157,201
<i>Total comprehensive income for the period</i>				
Profit for the period, representing total comprehensive income for the period	-	-	51	51
Balance at June 30, 2019	154,189	31	3,032	157,252

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since 31 December 2018, there has been no change to the total number of issued share of the Company.

The total number of outstanding warrants as at 30 June 2019 was 120,567,589 (30 June 2018: 120,567,589).

As at the end of 30 June 2019, the Company does not have any outstanding treasury shares (30 June 2018: Nil).

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

The total number of shares at 30 June 2019 was 518,068,220 (31 December 2018: 518,068,220). The Company has no treasury shares.

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

Not applicable.

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

The figures have not been audited nor reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with those used in the audited financial statements for the year ended 31 December 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 effects of, the change.

(i) SFRS(I) 16 Leases

The Group has adopted SFRS(I) 16 *Leases* with effect from 1 January 2019. The Group has applied the simplified transition approach and has not restated the comparative for the 2018 reporting period as permitted under the specific transition provision in the standard. On adoption of SFRS(I) 16 *Leases*, the Group recognised right-of-use ("ROU") assets and lease liabilities of S\$2.5 million on 1 January 2019.

The Group applied the practical expedient under SFRS(I) 16 not to reassess whether a contract is, or contain, a lease at the date of initial application by applying this standard to contracts that were previously identified as leases applying FRS17 *Leases* and INT FRS 104 *Determining whether an Arrangement contains a Lease*. ROU asset that meets the definition of investment property is presented within investment properties.

6 Loss per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3 months ended		6 months ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
(i) Loss per ordinary share based on weighted average number of shares (in cents)	(0.6)	(0.5)	(1.5)	(0.7)
(ii) Loss per ordinary share based on a fully diluted basis (in cents)	(0.6)	(0.5)	(1.5)	(0.7)
Weighted average number of ordinary shares (in millions)	518.1	506.0	518.1	503.0

As there were no outstanding potentially dilutive ordinary shares, the diluted earnings per ordinary shares were the same as the earnings per ordinary shares based on the weighted average number of shares for the respective periods.

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

	Group		Company	
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
Net asset value per ordinary share issued (in cents)	31.9	33.3	30.4	30.3
Total number of issued shares at end of the financial period (in millions)	518.1	518.1	518.1	518.1

There were no treasury shares at the end of the respective financial periods.

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group performance

2Q2019 vs 2Q2018

For the quarter under review, the Group's revenue has increased by 8.8% from S\$40.7 million in 2Q2018 to S\$44.3 million in 2Q2019. The increase in revenue was due mainly to higher revenue contributions by construction segment from S\$29.8 million to S\$32.8 million and the real estate investment segment from S\$4.7 million to S\$5.5 million. The gross profit increased by 12.2% from S\$7.7 million in 2Q2018 to S\$8.6 million in 2Q2019.

Selling and distribution costs decreased by S\$0.1 million to S\$0.4 million for 2Q2019 compared to S\$0.5 million for 2Q2018 due to lower costs incurred for marketing.

General and administrative expenses increased by S\$0.6 million to S\$5.5 million for 2Q2019 compared to S\$4.9 million for 2Q2018 was mainly due to higher utilities cost, staff costs which resulted from higher headcount in the construction segment and salaries increment.

The share of loss, net of tax of associates and joint ventures of S\$0.1 million for 2Q2019 compared to S\$0.2 million for 2Q2018 was due mainly to lower share of loss from its joint ventures in Myanmar.

Finance costs increased by S\$0.7 million to S\$3.8 million for 2Q2019 compared to S\$3.1 million in 2Q2018 due mainly to increase in interest rates on borrowings and lower interest costs capitalised upon completion of construction of development properties.

1H2019 vs 1H2018

The Group's revenue for 1H2019 was S\$78.4 million, an increase of S\$2.7 million compared to S\$75.7 million in 1H2018.

Real estate development segment recorded S\$1.3 million in revenue for 1H2019, an increase of S\$0.9 million compared to S\$0.4 million for 1H2018. The increase was mainly contributed by rental income from its service apartment in Thailand, which commenced operation in 4Q2018.

Real estate investment segment recorded S\$10.8 million in revenue for 1H2019, an increase of S\$1.7 million compared to S\$9.1 million for 1H2018 mainly due to increase in bed rate and higher occupancy rate from Tuas South Dormitory.

Construction segment recorded revenue of S\$54.8 million for 1H2019, an increase of S\$0.8 million compared to S\$54.0 million for 1H2018 due to higher revenue recognition from progressive construction work for projects.

Distribution of lubricants generated S\$11.5 million revenue for 1H2019, a decrease of S\$0.7 million from S\$12.2 million in 1H2018. The decrease was mainly due to lower revenue contribution from our lubricants business in Singapore and Myanmar.

Selling and distribution costs decreased by S\$0.2 million to S\$0.5 million for 1H2019 compared to S\$0.7 million in 1H2018 due to lower costs incurred for marketing.

General and administrative expenses increased by S\$0.9 million to S\$10.7 million for 1H2019 compared to S\$9.8 million for 1H2018 due mainly to higher utilities cost, staff costs which resulted from higher headcount in the construction segment and salaries increment.

Other operating expenses decreased by S\$0.6 million to S\$4.4 million for 1H2019 compared to S\$5.0 million for 1H2018. These were due mainly to lower loss allowance for doubtful receivables, rental of office premises and loss in foreign exchange.

Finance costs increased by S\$1.7 million to S\$7.5 million for 1H2019 compared to S\$5.8 million in 1H2018 due mainly to increase in interest rates on borrowings and lower interest costs capitalised upon completion of construction of development properties.

As a result of the above, the Group recorded a loss before income tax of S\$5.5 million in 1H2019, an increase of S\$2.4 million compared to S\$3.1 million in 1H2018.

Review of working capital, assets and liabilities

The changes in assets and liabilities are as follows:

- i) increase in current trade and other receivables by S\$9.7 million was mainly due to higher contract work billed for construction projects and higher prepayments for the Group's real estate development project in Cambodia.
- ii) increase in contract assets by S\$9.7 million was mainly due to increase in accrued income arising from timing difference between revenue recognized and progress billings from construction contracts and retention receivables due from contract customers.
- iii) increase in development properties by S\$10.2 million was mainly due to development cost incurred for on-going projects.
- iv) increase in non-current trade and other receivables by S\$3.6 million was mainly due to working capital advances provided to a joint venture undertaking a property development project at Mattar Road.
- v) The Group has presented ROU asset that meet the definition of investment property within investment properties. The initial recognition of the ROU within investment properties was S\$0.15 million and the net carrying value of the ROU within investment properties was S\$0.1 million.
- vi) ROU assets from the adoption of SFRS (I) 16 on 1 January 2019 was S\$2.5 million. The net carrying value of ROU was S\$2.1 million as at 30 June 2019.
- vii) increase in current borrowings by S\$15.0 million was mainly due to reclassification of borrowings due within 12 months and additional loans obtained for construction projects financing purposes.
- viii) increase in current trade and other payables by S\$10.3 million was mainly due to higher billing from subcontractors and suppliers resulting from higher construction progress works, increase in progress payments received from buyers of sold units of development project in Cambodia where the revenue is recognised on completion of contract basis and increase in payables to associate.
- ix) lease liabilities increased mainly due to recognition of lease obligations amounting to S\$2.5 million upon adoption of SFRS (I) 16 *Leases* on 1 January 2019.
- x) decrease in non-current borrowings by S\$13.8 million was due to reclassification of borrowings due within 12 months to current borrowings.

Cash and cash equivalents decreased by S\$19.3 million in 1H2019 mainly due to the following items:

- i) net cash used in operating activities of S\$15.2 million was mainly attributable to interest payment of S\$8.0 million, development cost incurred for on-going projects of S\$9.5 million.
- ii) net cash used in investing activities of S\$5.2 million was mainly due to advances of S\$3.2 million provided to associates and joint ventures (“JV”) for their working capital and S\$2.7 million for purchase of property, plant and equipment.

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

The Company has not made any forecast or prospect statement for the period ended 30 June 2019 previously.

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

The Urban Redevelopment Authority (“URA”) reported in its 2nd Quarter 2019 real estate statistics dated 26 July 2019 that prices of private residential properties increased by 1.5% in 2nd Quarter 2019 compared with the 0.7% decrease in the previous quarter.

Notwithstanding this small price increase, the Singapore private residential property market is expected to remain dampened by the property cooling measures introduced by the Singapore government.

Based on the latest Building and Construction Authority’s (“BCA”) news release on 14 January 2019, construction demand forecast for private sector for 2019 is expected at S\$10.5 billion to S\$12.5 billion compared to about S\$12.1 billion for 2018 on a preliminary basis.

The Group remains focused on executing its order book of S\$552.8 million as at 30 June 2019 to be delivered progressively over next three years while continue to exercise financial prudence to pursue strategic business opportunities locally and overseas.

The Group will also continue to expand its network of distributorships to grow our distribution business.

11 Dividend

(a) Current Financial Period Reported On

- (i) Any dividend declared for the current financial period reported on? No.
- (ii) Any dividend recommended for the current financial period reported on? No.

(b) Corresponding period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

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

It is not the Company's practice to declare interim dividend.

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

The Group has not obtained a general mandate for interested person transactions. During the period, the following interested person transactions were entered into by the Group:

Name of Interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920)		Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Listing Manual Rule 920 (excluding transactions less than S\$100,000)	
	3 months ended 30 June 2019	6 months ended 30 June 2019	3 months ended 30 June 2019	6 months ended 30 June 2019
	S\$'000	S\$'000	S\$'000	S\$'000
Prestige Resources Pte Ltd	80	168	N.A.	N.A.
Tac Alliance Pte. Ltd.	58	116	N.A.	N.A.
Matsushita Greatwall Corporation Private Limited	-	434	N.A.	N.A.

14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual

We confirm that the Company has procured undertakings from all its directors and the executive officer based on the latest revised format set out in Appendix 7.7.

15 Confirmation pursuant to Rule 705(5) of the Listing Manual

We confirm on behalf of the Board of Directors, that, to the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited second quarter financial results of the Group and the Company for the period ended 30 June 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Liong Kiam Teck
Executive Chairman

Neo Tiam Boon
Chief Executive Officer and Director

BY ORDER OF THE BOARD

Foo Soon Soo/ Yap Ming Choo

Company Secretaries
14 August 2019