



Design Studio Group Ltd

**(Incorporated in Singapore)
(Registration Number: 199401553D)**

1st Quarter Financial Statements And Dividend Announcement For The Period Ended 31 March 2019

Design Studio Group Ltd
(Registration Number: 199401553D)

1st Quarter Financial Statements and Dividend Announcement

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
 HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement

		Group		+ / (-) %
		3 Months ended		
		31.03.2019	31.03.2018	
		S\$'000	S\$'000	
Revenue		15,407	40,987	(62.4)
Other items of income				
Other income	1(a)(1)	123	49	>100
Interest Income	1(a)(2)	5	17	(70.6)
		<u>15,535</u>	<u>41,053</u>	<u>(62.2)</u>
Items of expenses				
Change in inventories of finished goods and work in progress		(525)	813	N.M.
Raw materials and consumables used		(2,111)	(7,086)	(70.2)
Subcontractors costs		(5,169)	(21,259)	(75.7)
Employee Benefits		(8,075)	(7,723)	4.6
Depreciation and amortisation expenses		(760)	(887)	(14.3)
Interest expenses		(38)	(27)	40.7
Impairment loss on contract assets		-	(34)	N.M.
Reversal of impairment loss on financial assets		-	10	N.M.
Other expenses		(4,785)	(3,889)	23.0
(Loss)/ Profit before tax		<u>(5,928)</u>	<u>971</u>	<u>N.M.</u>
Income tax expense	1(a)(3)	(265)	(649)	(59.2)
(Loss)/ Profit after tax		<u>(6,193)</u>	<u>322</u>	<u>N.M.</u>
(Loss)/ Profit attributable to:				
Owners of the Company		(6,208)	322	
Non-controlling interests		15	-	
		<u>(6,193)</u>	<u>322</u>	

N.M.: Not Meaningful

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Notes to Consolidated Income Statement

Note 1(a)(1) Other income

	Group		
	3 Months ended		
	31.03.2019	31.03.2018	+ / (-)
	S\$'000	S\$'000	%
Sundry income	123	49	>100

Note 1(a)(2) Interest income:

	Group		
	3 Months ended		
	31.03.2019	31.03.2018	+ / (-)
	S\$'000	S\$'000	%
Interest income			
- Cash and short-term deposits	5	17	(70.6)

Note 1(a)(3) Income tax expense:

	Group		
	3 Months ended		
	31.03.2019	31.03.2018	+ / (-)
	S\$'000	S\$'000	%
Income tax	252	606	(58.4)
Deferred tax	13	43	(69.8)
	265	649	(59.2)

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

Balance Sheets

	Note	Group		Company	
		31.03.2019 S\$'000	31.12.2018 S\$'000	31.03.2019 S\$'000	31.12.2018 S\$'000
Non-current assets					
Property, plant and equipment		16,804	14,109	3,731	3,321
Investment in subsidiaries		-	-	41,359	41,359
Intangible assets	1(b)(2)	2,759	2,762	30	33
Deferred tax assets		544	554	287	287
Trade and other receivables	1(b)(1)	6,924	7,277	-	-
Total non-current assets		27,031	24,702	45,407	45,000
Current assets					
Inventories	1(b)(3)	3,702	4,050	-	-
Contract assets	1(b)(4)	56,276	65,735	-	-
Trade and other receivables	1(b)(1)	47,508	51,427	3,585	3,413
Prepayments		479	709	91	69
Loans to subsidiaries		-	-	6,605	6,155
Tax recoverable		1,715	1,501	-	-
Cash and short-term deposits		11,704	11,805	57	365
Total current assets		121,384	135,227	10,338	10,002
Current liabilities					
Trade and other payables	1(b)(5)	65,376	80,689	1,733	1,463
Contract liabilities	1(b)(4)	15,006	8,490	-	-
Lease liabilities		1,019	-	92	-
Provisions		1,650	2,225	-	-
Borrowings		3,874	3,000	385	-
Provision for tax		223	186	-	-
Total current liabilities		87,148	94,590	2,210	1,463
Net current assets		34,236	40,637	8,128	8,539
Non-current liabilities					
Deferred tax liabilities		37	37	-	-
Lease liabilities		1,917	-	517	-
Total non-current liabilities		1,954	37	517	-
Net assets		59,313	65,302	53,018	53,539
Equity attributable to owners of the Company					
Share capital		32,732	32,732	32,732	32,732
Reserves		26,965	32,969	20,286	20,807
		59,697	65,701	53,018	53,539
Non-controlling interests		(384)	(399)	-	-
Total equity		59,313	65,302	53,018	53,539

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Notes to Balance Sheets

Note 1(b)(1) Trade and other receivables

	<u>Group</u>		<u>Company</u>	
	31.03.2019 S\$'000	31.12.2018 S\$'000	31.03.2019 S\$'000	31.12.2018 S\$'000
Trade and other receivables (non-current):				
<u>Trade receivables: Retention monies</u>				
Third parties	5,713	6,056	-	-
Immediate holding company	1,229	1,239	-	-
	<u>6,942</u>	<u>7,295</u>	<u>-</u>	<u>-</u>
Less: Loss allowance	(18)	(18)	-	-
	<u>6,924</u>	<u>7,277</u>	<u>-</u>	<u>-</u>
Trade and other receivables (current):				
Trade receivables	34,749	41,266	665	666
Other receivables and deposits	12,759	10,161	2,920	2,747
	<u>47,508</u>	<u>51,427</u>	<u>3,585</u>	<u>3,413</u>
Trade receivables (current):				
<u>Retention monies</u>				
- Third parties	9,152	9,371	-	-
<u>Trade receivables</u>				
- Third parties	22,655	29,666	-	1
- Immediate holding company	3,239	2,516	-	-
- Subsidiaries	-	-	665	665
- Related companies	518	522	-	-
	<u>35,564</u>	<u>42,075</u>	<u>665</u>	<u>666</u>
Less: Impairment loss	(815)	(809)	-	-
	<u>34,749</u>	<u>41,266</u>	<u>665</u>	<u>666</u>
<u>Movement in allowance accounts:</u>				
At beginning of the year	827	1,486	-	-
Charge for the year	-	716	-	-
Write-back during the year	-	(1,070)	-	-
Write-off during the year	-	(273)	-	-
Currency translation difference	6	(32)	-	-
At end of the year	<u>833</u>	<u>827</u>	<u>-</u>	<u>-</u>
Other receivables and deposits:				
Other receivables	1,392	606	-	-
Deposits	11,330	9,518	63	69
	<u>12,722</u>	<u>10,124</u>	<u>63</u>	<u>69</u>
Amount due from a related party	37	37	28	28
Amount due from subsidiaries (non-trade)	-	-	2,829	2,650
	<u>12,759</u>	<u>10,161</u>	<u>2,920</u>	<u>2,747</u>

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Note 1(b)(2) Intangible assets

	Group		Company	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Club membership	128	128	128	128
Less: Accumulated amortisation	(98)	(95)	(98)	(95)
	30	33	30	33
Goodwill	2,729	2,729	-	-
	<u>2,759</u>	<u>2,762</u>	<u>30</u>	<u>33</u>

Note 1(b)(3) Inventories

	Group		Company	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Raw materials, at cost	2,564	2,369	-	-
Work-in-progress, at cost	179	576	-	-
Finished goods, at cost	959	1,105	-	-
	<u>3,702</u>	<u>4,050</u>	<u>-</u>	<u>-</u>

Note 1(b)(4) Contract assets and contract liabilities

	Group		Company	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Contract assets</i>				
- Contract revenue	56,448	65,907	-	-
Less: Loss allowance	(172)	(172)	-	-
Total contract assets	<u>56,276</u>	<u>65,735</u>	<u>-</u>	<u>-</u>
<i>Contract liabilities</i>				
- Contract revenue	1,003	1,146	-	-
- Advance payment from customers	14,003	7,344	-	-
Total contract liabilities	<u>15,006</u>	<u>8,490</u>	<u>-</u>	<u>-</u>

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Note 1(b)(5) Trade and other payables

	Group		Company	
	31.03.2019 S\$'000	31.12.2018 S\$'000	31.03.2019 S\$'000	31.12.2018 S\$'000
Trade payables:				
Amount due to third parties	14,821	19,799	-	-
Amount due to subsidiaries	-	-	28	28
Amount due to related companies	58	58	-	-
Amount due to immediate holding company	2,985	1,866	-	-
Retention payables	9,042	8,396	-	-
Accrued contract cost	33,019	44,997	-	-
	<u>59,925</u>	<u>75,116</u>	<u>28</u>	<u>28</u>
Other payables				
Amount due to a subsidiary	2,452	2,230	28	80
Amount due to a related company	-	-	7	7
Accrued operating expenses	1,431	1,165	1,388	1,122
	<u>1,568</u>	<u>2,178</u>	<u>282</u>	<u>226</u>
	<u>65,376</u>	<u>80,689</u>	<u>1,733</u>	<u>1,463</u>

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

Amount repayable in one year or less, or on demand

As at 31.03.2019		As at 31.12.2018	
S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
-	3,874	-	3,000

Amount repayable after one year

As at 31.03.2019		As at 31.12.2018	
S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
-	-	-	-

Details of any collateral

As at 31 March 2019, the Group's bank facilities were secured by the corporate guarantees provided by the Company.

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

Consolidated Statement of Cash Flows

	Group	
	3 Months ended	
	31.03.2019	31.03.2018
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss)/ Profit before tax	(5,928)	971
Adjustments for:		
Depreciation of property, plant and equipment	757	886
Gain on disposal of property, plant and equipment	-	(118)
Interest income	(5)	(17)
Interest expenses	38	27
Impairment loss on contract assets	-	34
Reversal of impairment loss on financial assets	-	(10)
Amortisation of club membership	3	1
Operating (loss)/ profit before working capital changes	(5,135)	1,774
Decrease/ (increase) in inventories	394	(127)
Decrease/ (increase) in contract assets and liabilities	16,271	(21,375)
Decrease in trade and other receivables	4,673	6,029
Decrease/ (increase) in prepayments	237	(910)
(Increase)/ decrease in trade and other payables	(16,383)	10,094
Cash flows generated from/ (used in) operations	57	(4,515)
Interest expenses paid	(38)	(27)
Income taxes paid	(415)	(283)
Net cash flows used in operating activities	(396)	(4,825)
Cash flows from investing activities		
Costs incurred for construction-in-progress	-	(12)
Interest income received	5	17
Proceeds from sale of property, plant and equipment	-	128
Purchase of property, plant and equipment	(403)	(262)
Net cash flows used in investing activities	(398)	(129)
Cash flows from financing activities		
Decrease in cash and short-term deposits pledged	-	977
Repayment of finance lease liabilities	-	(25)
Increase in bank borrowings	489	-
Increase in finance liabilities due to adoption of SFRS(1) 16	(239)	-
Net cash flows from financing activities	250	952
Net decrease in cash and cash equivalents	(544)	(4,002)
Effect of exchange rate changes on cash and cash equivalents	58	30
Cash and cash equivalents at beginning of the period	11,805	27,918
Cash and cash equivalents at end of the period (Note A)	11,319	23,946

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Notes to Consolidated Statement of Cash Flows

A. Cash and cash equivalents

	Group	
	31.03.2019	31.03.2018
	S\$'000	S\$'000
Cash at banks and on hand	11,704	21,260
Fixed deposits	-	2,732
Cash and short-term deposits	<u>11,704</u>	<u>23,992</u>
Less: Bank overdraft	(385)	-
Less: Cash and short-term deposits pledged	-	(46)
Cash and cash equivalents	<u><u>11,319</u></u>	<u><u>23,946</u></u>

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(A) Consolidated Statement of Comprehensive Income

	Group		
	3 Months ended		
	31.03.2019	31.03.2018	+ / (-)
	S\$'000	S\$'000	%
(Loss)/ Profit after tax	(6,193)	322	N.M.
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	454	1,091	>100
Total comprehensive (loss)/ income	<u>(5,739)</u>	<u>1,413</u>	<u>N.M.</u>
Total comprehensive (loss) income attributable to:			
Owners of the Company	(5,739)	1,413	
Non-controlling interests	-	-	
	<u>(5,739)</u>	<u>1,413</u>	

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(B) Statements of Changes in Equity

<u>Group</u>	Attributable to owners of the Company				Non-controlling interests S\$'000	Total Equity S\$'000
	Share capital S\$'000	Revenue reserve S\$'000	Other reserve S\$'000	Total S\$'000		
2019						
Balance at 31 December 2018	32,732	34,692	(1,723)	65,701	(399)	65,302
Adoption of SFRS(I) 16	-	(250)	-	(250)	-	(250)
Balance at 1 January 2019, after adoption of SFRS(I)	32,732	34,442	(1,723)	65,451	(399)	65,052
Loss after tax	-	(6,208)	-	(6,208)	15	(6,193)
Other comprehensive loss for the period	-	-	454	454	-	454
Total comprehensive loss for the period	-	(6,208)	454	(5,754)	15	(5,739)
Balance at 31 March 2019	32,732	28,234	(1,269)	59,697	(384)	59,313
2018						
Balance at 31 December 2017	32,732	61,488	(959)	93,261	(459)	92,802
Adoption of SFRS(I) 15	-	(47)	(9)	(56)	-	(56)
Adoption of SFRS(I) 9	-	(303)	-	(303)	-	(303)
Balance at 1 January 2018, after adoption of SFRS(I)	32,732	61,138	(968)	92,902	(456)	92,443
Loss after tax	-	(26,446)	-	(26,446)	60	(26,386)
Other comprehensive loss for the year	-	-	(755)	(755)	-	(755)
Total comprehensive loss for the year	-	(26,446)	(755)	(27,201)	60	(27,141)
Balance at 31 December 2018	32,732	34,692	(1,723)	65,701	(399)	65,302

<u>Company</u>	Share capital S\$'000	Revenue reserve S\$'000	Total S\$'000
2019			
Balance at 31 December 2018	32,732	20,807	53,539
Adoption of SFRS(I) 16	-	(206)	(206)
Balance at 1 January 2019, after adoption of SFRS(I)	32,732	20,601	53,333
Loss after tax, representing total comprehensive loss for the period	-	(315)	(315)
Balance at 31 March 2019	32,732	20,286	53,018
2018			
Balance at 1 January 2018	32,732	24,832	57,564
Loss after tax, representing total comprehensive loss for the year	-	(4,025)	(4,025)
Balance at 31 December 2018	32,732	20,807	53,539

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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 the number of shares that may be issued on conversion of all the outstanding convertibles if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	Share capital in S\$'000
Issued and fully paid ordinary shares:		
At 31 December 2018 and 31 March 2019	260,264,171	32,732

There were no changes in the share capital of the Company in the 1st quarter of 2019.

There were no outstanding convertible securities as at 31 December 2018 and 31 March 2019.

There were no treasury shares and subsidiary holdings as at 31 March 2018 and 31 March 2019.

The Company had adopted an employee share option scheme and performance share plan known as the Design Studio’s Employee Share Option Scheme and the Design Studio’s Performance Share Plan respectively, approved by the shareholders in an Extraordinary General Meeting held on 25 January 2013.

As of 31 March 2019, no options or shares have been granted to employees or directors.

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 year.

	31.03.2019	31.12.2018
Total number of shares (excluding treasury shares)	260,264,171	260,264,171

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.

There were no sales, transfers, cancellation and/or use of treasury shares as at 31 March 2019 as the Company does not have any treasury shares.

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.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 March 2019.

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- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed.

- 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.**

Except as disclosed in Note 5 below, the Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 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 applied the same accounting policies and methods of computation in the preparation of the financial information for the current period as compared with the audited financial statements as at 31 December 2018 except for the adoption of SFRS(I) 16, *Leases*.

SFRS(I) 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The Group has applied the standard from its mandatory adoption date of 1 January 2019. The Group has applied the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases have been measured on transition as if the new rules had always been applied. All other right-of-use assets have been measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The impact of adoption of SFRS(I) equivalent of IFRS 16 has been disclosed in the Statements of Changes in Equity.

- 6. (Loss) 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: -**

- (a) Based on weighted average number of ordinary shares on issue**
(b) Based on fully diluted basis (detailing any adjustments made to the earnings)

	Group	
	3 Months ended	
	31.03.2019	31.03.2018
(a) Based on weighted average number of ordinary shares in issue	(2.38) cents	0.12 cents
(b) On fully diluted basis	(2.38) cents	0.12 cents

The basic loss per ordinary share for the first quarter ended 31 March 2019 is calculated by dividing the 1st quarter loss attributable to shareholders of S\$6.2 million (31 March 2018: profit attributable to shareholders of S\$0.3 million) by the weighted average number of 260,264,171 (31 March 2018: 260,264,171) shares in issue during the financial period.

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

(a) Current period reported on

	Group 31.03.2019	Company 31.03.2019
Net asset value per ordinary share for the period based on existing issued share capital as at 31 March 2019 of 260,264,171 ordinary shares	22.94 cents	20.37 cents

(b) Immediately preceding financial year

	Group 31.12.2018	Company 31.12.2018
Net asset value per ordinary share for the period based on existing issued share capital as at 31 December 2018 of 260,264,171 ordinary shares	25.24 cents	20.57 cents

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

1Q2019 vs 1Q2018

	1st Quarter ended		+ / (-) %
	31.03.2019 S\$'000	31.03.2018 S\$'000	
Singapore BU	6,962	17,073	(59.2)
Malaysia BU	2,614	18,311	(85.7)
International BU	4,791	2,552	87.7
Manufacture BU	1,040	3,051	(65.9)
Total	15,407	40,987	(62.4)

For 1Q2019, the Group's revenue has decreased by 62.4% to S\$15.4 million as compared with revenue for 1Q2018 due mainly from a reduction in Singapore, Malaysia and Manufacture BUs as the Group's focus intensified on international business. Whilst the International BU revenue increased, revenue generation from this BU was lower than anticipated due to some project delays in 1Q2019.

Raw materials and consumables used decreased from S\$7.1 million in 1Q2018 to S\$2.1 million in 1Q2019, mainly due to lower business activities.

Subcontractors' costs decreased from S\$21.3 million in 1Q2018 to S\$5.2 million in 1Q2019, in line with decreased in revenue.

Other expenses consist mainly of operating expenses, professional and legal expenses, repair and maintenance, utilities, transport, travelling expenses, freight and shipping charges. The increase of other expenses from S\$3.9 million in 1Q2018 to S\$4.8 million in 1Q2019 is due mainly to operating expenses for international operations that were re-established in the second half of 2018.

The Group incurred a loss before tax of S\$5.9 million for 1Q2019 as compared to a profit before tax of S\$1.0 million for 1Q2018. After taking into account tax expenses, the Group's net loss after tax was S\$6.2 million for 1Q2019.

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Balance Sheet (31 March 2019 vs 31 December 2018)

Property, plant and equipment increased by S\$2.7 million mainly due to capitalisation of right-of-use of assets arising from adoption of SFRS(I) 16 amounting to S\$3.2 million, additions of S\$0.3 million during the period, partially off-set by depreciation charges of S\$0.8 million.

Net contract assets decreased by S\$16.0 million to S\$41.3 million [Note 1(b)(4)] as at 31 March 2019 due to lower amount of work in progress which is related to the timing of project payment milestones and increases in advance payment from customers.

Current trade receivables decreased by S\$6.6 million to S\$34.7 million [Note 1(b)(1)] as at 31 March 2019. The decrease is mainly due to collections from customers in the current period.

Other receivables and deposits increased by S\$2.6 million to S\$12.8 million [Note 1(b)(1)]. The increase was mainly due to more deposits made to suppliers and subcontractors in the current period.

Trade and other payables decreased by S\$15.3 million to S\$65.4 million [Note 1(b)(5)]. The decrease was mainly due to lower project related costs in the current period.

Lease liabilities increased to S\$2.9 million arising from the adoption of SFRS(I) 16.

Borrowings increased by S\$0.9 million to S\$3.9 million due to financing for working capital requirements.

Provisions decreased by S\$0.6 million to S\$1.6 million through utilisation for restructuring and onerous contract costs.

Cash Flow

1Q2019 vs 1Q2018

For 1Q2019, there was net cash outflow of S\$0.5 million. There was a S\$0.4 million net outflow from operating activities, \$0.4 million outflow from investing activities and a net inflow of S\$0.3 million from financing activities.

In comparison 1Q2018 was a net cash outflow of S\$4.0 million. There was a S\$4.8 million net outflow from operating activities, S\$0.1 million outflow from financing activities and S\$1.0 million inflow from financing activities.

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 31 March 2019 previously.

10. A commentary at the date of the announcement of the 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 Group will continue to “right-size” the business, focus to tender and win projects with a cash backed profit and to execute them efficiently. The Group will continue to strive on improving the bottom line and do this through increasing efficiency and productivity. The order book as at 31 March 2019 was S\$185.2 million as compared to S\$149.5 million at 31 March 2018.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Nil.

Date payable

Not applicable.

Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to the effect.

No interim dividend has been declared/recommended for 1Q ended 31 March 2019 in view of the Group's loss for the period.

13. Aggregate value of transactions under Rule 920(1)(a)(ii) of the Listing Manual

Aggregate value of transactions conducted pursuant to the general mandate for interested person transactions for the three months period ended 31 March 2019 pursuant to Rule 920(1)(a)(ii) of the Listing Manual:

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Depa Interiors LLC & its associates	\$133,114	\$1,128,606

14. Confirmation under Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of Board of Directors

Name: Edgar Ramani
Director

Name: Dr Adelle Maree Howse
Director

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Hazel Chia
Company Secretary

Date: 8 May 2019