



KSH Holdings Limited

(Company Registration Number: 200603337G)
(Incorporated in the Republic of Singapore on 9 March 2006)

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2011

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.

INCOME STATEMENT

	GROUP			GROUP		
	Second Quarter Ended		increase/ (decrease) %	Half Year Ended		increase/ (decrease) %
	30.09.2011	30.09.2010		30.09.2011	30.09.2010	
	S\$'000	S\$'000		S\$'000	S\$'000	
REVENUE	54,362	71,674	(24.2)	95,132	144,116	(34.0)
Other income	850	437	94.5	1,309	867	51.0
Cost of sales	(43,275)	(62,643)	(30.9)	(76,601)	(125,613)	(39.0)
Personnel expenses	(2,479)	(1,723)	43.9	(4,416)	(4,266)	3.5
Depreciation of property, plant and equipment	(434)	(465)	(6.7)	(866)	(916)	(5.5)
Finance costs	(376)	(550)	(31.6)	(805)	(1,175)	(31.5)
Other operating expenses	(1,099)	(1,523)	(27.8)	(1,997)	(2,655)	(24.8)
	(47,663)	(66,904)	(28.8)	(84,685)	(134,625)	(37.1)
Profit from operations before share of results of associates	7,549	5,207	45.0	11,756	10,358	13.5
Share of results of associates	(792)	(130)	509.2	(1,585)	(134)	nm
Profit before taxation	6,757	5,077	33.1	10,171	10,224	(0.5)
Tax expense	(1,420)	(845)	68.0	(2,158)	(1,716)	25.8
Net profit for the financial period	5,337	4,232	26.1	8,013	8,508	(5.8)
Attributable to:						
- Owners of the Company	5,183	4,176	24.1	7,782	8,401	(7.4)
- Non-controlling interests	154	56	175.0	231	107	115.9
	5,337	4,232	26.1	8,013	8,508	(5.8)

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	Second Quarter Ended		increase/ (decrease) %	Half Year Ended		increase/ (decrease) %
	30.09.2011	30.09.2010		30.09.2011	30.09.2010	
	S\$'000	S\$'000		S\$'000	S\$'000	
Net profit for the financial period	5,337	4,232	26.1	8,013	8,508	(5.8)
Other comprehensive income:						
- Foreign currency translation	5,249	(3,443)	252.5	4,272	(3,148)	235.7
Other comprehensive income for the financial period, net of tax	5,249	(3,443)	252.5	4,272	(3,148)	235.7
Total comprehensive income for the financial period	10,586	789	nm	12,285	5,360	129.2
Total comprehensive income attributable to:						
- Owners of the Company	9,153	1,558	487.5	11,008	6,004	83.3
- Non-controlling interests	1,433	(769)	286.3	1,277	(644)	298.3
	10,586	789	nm	12,285	5,360	129.2

nm: not meaningful

1 (a) (ii) NOTES TO THE INCOME STATEMENT

	GROUP			GROUP		
	Second Quarter Ended		increase/ (decrease) %	Half Year Ended		increase/ (decrease) %
	30.09.2011	30.09.2010		30.09.2011	30.09.2010	
	S\$'000	S\$'000		S\$'000	S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	424	227	86.8	731	446	63.9
Allowance for doubtful debts	(13)	(352)	(96.3)	(36)	(548)	(93.4)
Amortisation of club membership	-	-	-	(1)	(1)	-
Write back of provision for diminution on structured deposits	-	-	-	-	27	(100.0)
(Loss)/gain on sale of plant and equipment	(2)	25	(108.0)	(4)	24	(116.7)
Gain/(loss) on sale of investment properties	51	1	nm	51	(109)	146.8
Foreign exchange gain/(loss), net	37	(30)	223.3	34	(34)	200.0
Interest expense	(348)	(520)	(33.1)	(748)	(1,114)	(32.9)
Profit after taxation but before non-controlling interests as a percentage of turnover	9.82%	5.90%	66.3	8.42%	5.90%	42.7
Profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before non-controlling interests at 30 September 2011 and 30 September 2010	3.92%	3.65%	7.5	5.89%	7.34%	(19.8)

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.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.09.2011 S\$'000	31.03.2011 S\$'000	30.09.2011 S\$'000	31.03.2011 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	11,272	13,453	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associates	11,084	12,130	-	-
Investment properties	99,811	92,965	-	-
Amounts due from associates	46,010	43,349	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,247	2,130	-	-
Amounts due from subsidiaries (non-trade)	-	-	15,098	24,548
Trade receivables	5,660	4,248	-	-
Club membership	50	51	-	-
Other investments - quoted equity shares	1	1	-	-
	176,135	168,327	72,614	82,064
Current assets				
Development property	48,965	57,846	-	-
Trade receivables	22,537	28,569	-	-
Other receivables and deposits	1,870	2,089	-	-
Prepayments	2,068	608	53	79
Construction work-in-progress in excess of progress billings	7,662	10,841	-	-
Fixed deposits	49,784	69,090	-	-
Structured deposits	2,000	-	-	-
Cash and cash equivalents	13,436	22,367	656	314
	148,322	191,410	709	393
LIABILITIES				
Current liabilities				
Trade payables	18,783	23,015	-	-
Other payables and accruals	52,631	73,677	596	1,839
Amount due to a Director of a subsidiary	303	287	-	-
Amounts due to subsidiaries (non-trade)	-	-	-	18,000
Finance lease obligations	931	1,387	-	-
Provision for income tax	4,907	5,269	-	-
Progress billings in excess of construction work-in-progress	4,783	1,837	-	-
Bank term loans, secured	3,340	3,291	-	-
Bills payable to banks, secured	20,520	35,719	-	-
	106,198	144,482	596	19,839
Net current assets/(liabilities)	42,124	46,928	113	(19,446)

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.09.2011 S\$'000	31.03.2011 S\$'000	30.09.2011 S\$'000	31.03.2011 S\$'000
Non-current liabilities				
Trade payables	2,109	2,431	-	-
Other payables and accruals	154	141	-	-
Amounts due to subsidiaries (non-trade)	-	-	16,352	2,430
Finance lease obligations	135	582	-	-
Bank term loans, secured	47,638	53,487	-	-
Deferred tax liabilities	15,530	14,824	-	-
	<u>65,566</u>	<u>71,465</u>	<u>16,352</u>	<u>2,430</u>
NET ASSETS	<u>152,693</u>	<u>143,790</u>	<u>56,375</u>	<u>60,188</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	38,829	38,543	38,829	38,543
Treasury shares	(222)	-	(222)	-
Translation reserve	1,312	(1,914)	-	-
Accumulated profits	90,395	86,157	16,254	20,131
Other reserves	1,899	1,801	1,514	1,514
	<u>132,213</u>	<u>124,587</u>	<u>56,375</u>	<u>60,188</u>
Non-controlling interests	20,480	19,203	-	-
TOTAL EQUITY	<u>152,693</u>	<u>143,790</u>	<u>56,375</u>	<u>60,188</u>

1(b)(ii) GROUP'S BORROWINGS AND DEBT SECURITIES

The amount repayable in one year or less, or on demand			
At 30.09.2011		At 31.03.2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
24,791	-	40,397	-

The amount repayable after one year			
At 30.09.2011		At 31.03.2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
47,773	-	54,069	-

Details of any collaterals:

The Group's borrowings are secured by way of:

- 1) Assignment of progress payments from the developer for certain on-going construction projects;
- 2) Letters of assignment of certain progress payments and retention monies due to the Group;
- 3) Corporate guarantees issued by the Company;
- 4) First legal mortgage on the Group's investment properties and leasehold factory building;
- 5) Charge on fixed deposits and structured deposits;
- 6) First charge over the contract proceeds/project account arising from the construction project financed;
- 7) A first legal mortgage over the development property of a joint venture;
- 8) Legal assignment of sales proceeds from the development property of a joint venture;
- 9) Legal assignment of tenancy, rental, lease and licence agreements from development property of a joint venture;
- 10) Legal assignment of the construction contract(s) and performance bonds from development property of a joint venture;
- 11) Legal assignment of fire insurance policy from development property of a joint venture;
- 12) Corporate guarantees from all the shareholders of a joint venture in equal share ratio; and
- 13) Debenture over all present and future assets of a joint venture.

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.

STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation	6,757	5,077	10,171	10,224
Adjustments:				
Depreciation of property, plant and equipment	434	465	866	916
Amortisation of club membership	-	-	1	1
Loss/(gain) on sale of plant and equipment	2	(25)	4	(24)
(Gain)/loss on sale of investment property	(51)	(1)	(51)	109
Write back of provision for diminution on structured deposits	-	-	-	(27)
Allowance for doubtful debts	13	352	36	548
Interest expense	348	520	748	1,114
Interest income	(424)	(227)	(731)	(446)
Share of results of associates	792	130	1,585	134
Operating cash flows before changes in working capital	7,871	6,291	12,629	12,549
Decrease/(increase) in:				
Development property	7,564	158	8,881	480
Trade and other receivables, deposits and prepayments	893	833	3,379	(55)
Construction work-in-progress, net	(4,865)	(8,720)	6,125	651
(Decrease)/increase in:				
Trade and other payables	(13,147)	7,622	(25,609)	(3,855)
Cash flows (used in)/generated from operations	(1,684)	6,184	5,405	9,770
Income taxes paid	(2,391)	(1,874)	(2,511)	(2,361)
Interest income received	424	227	731	446
Exchange differences	(181)	181	(134)	160
Net cash flows (used in)/generated from operating activities	(3,832)	4,718	3,491	8,015
Investing activities				
Purchase of plant and equipment	(153)	(962)	(272)	(1,105)
Purchase of investment properties	(532)	-	(779)	-
Proceeds from sale of plant and equipment	1	13	2	24
Proceeds from sale of investment property	370	2	370	263
Investment in associates	-	(450)	-	(450)
Amounts due from associates	1,217	(560)	(2,661)	(1,260)
(Increase)/decrease in structured deposits	-	-	(2,000)	1,000
Net cash flows generated from/(used in) investing activities	903	(1,957)	(5,340)	(1,528)
Financing activities				
Dividends paid	(3,405)	(3,539)	(3,405)	(3,539)
Issuance of new shares	145	3,312	245	3,368
Purchase of treasury shares	(222)	-	(222)	-
Proceeds from bank term loans	693	-	934	-
Repayment of bank term loans	(6,879)	(357)	(7,249)	(709)
Repayment of bills payable to banks	(3,278)	(7,867)	(15,199)	(14,305)
Interest paid	(348)	(520)	(748)	(1,114)
Repayment of lease obligations	(385)	(571)	(903)	(1,140)
(Increase)/decrease in pledged fixed deposits	(17)	(2,014)	1,979	(3,021)
Net cash flows used in financing activities	(13,696)	(11,556)	(24,568)	(20,460)
Net decrease in cash and cash equivalents	(16,625)	(8,795)	(26,417)	(13,973)
Effect of exchange rate changes on cash and cash equivalents	209	(129)	158	(113)
Cash and cash equivalents at beginning of financial year	66,691	78,122	76,534	83,284
Cash and cash equivalents at end of financial period (Note A)	50,275	69,198	50,275	69,198

Note A: Cash and cash equivalents at end of financial period comprise:

	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	13,436	54,515	13,436	54,515
Fixed deposits	49,784	28,594	49,784	28,594
	63,220	83,109	63,220	83,109
Less: Pledged fixed deposits	(12,945)	(13,911)	(12,945)	(13,911)
Cash and cash equivalents	50,275	69,198	50,275	69,198

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

GROUP	Attributable to Owners of the Company						Non-controlling interests	Total equity
	Share capital	Treasury shares	Translation reserve	Accumulated profits	Other reserves	Equity attributable to Owners of the Company, total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2010	33,732	-	1,630	71,430	1,636	108,428	19,212	127,640
Net profit for the financial period	-	-	-	8,401	-	8,401	107	8,508
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(2,397)	-	-	(2,397)	(751)	(3,148)
Other comprehensive income for the financial period	-	-	(2,397)	-	-	(2,397)	(751)	(3,148)
Total comprehensive income for the financial period	-	-	(2,397)	8,401	-	6,004	(644)	5,360
<u>Contributions by and distributions to owners</u>								
Conversion to shares by warrant holders	3,368	-	-	-	-	3,368	-	3,368
Final tax-exempt dividends relating to FY2010	-	-	-	(3,276)	-	(3,276)	-	(3,276)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(263)	(263)
Transfer to other reserves	-	-	-	(71)	71	-	-	-
Total contributions by and distributions to owners	3,368	-	-	(3,347)	71	92	(263)	(171)
At 30 September 2010	37,100	-	(767)	76,484	1,707	114,524	18,305	132,829
At 1 April 2011	38,543	-	(1,914)	86,157	1,801	124,587	19,203	143,790
Net profit for the financial period	-	-	-	7,782	-	7,782	231	8,013
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	3,226	-	-	3,226	1,046	4,272
Other comprehensive income for the financial period	-	-	3,226	-	-	3,226	1,046	4,272
Total comprehensive income for the financial period	-	-	3,226	7,782	-	11,008	1,277	12,285
<u>Contributions by and distributions to owners</u>								
Conversion to shares by warrant holders	245	-	-	-	-	245	-	245
Purchase of treasury shares	-	(222)	-	-	-	(222)	-	(222)
Final tax-exempt dividends relating to FY2011	-	-	-	(3,405)	-	(3,405)	-	(3,405)
- Cash	-	-	-	(41)	-	(41)	-	(41)
- Share	41	-	-	-	-	41	-	41
Issuance of new shares pursuant to scrip dividend scheme	-	-	-	(98)	98	-	-	-
Transfer to other reserves	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	286	(222)	-	(3,544)	98	(3,382)	-	(3,382)
At 30 September 2011	38,829	(222)	1,312	90,395	1,899	132,213	20,480	152,693

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2011

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

COMPANY	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Other reserves S\$'000	Total equity S\$'000
At 1 April 2010	33,732	-	7,504	1,514	42,750
Net profit for the financial period	-	-	465	-	465
Total comprehensive income for the financial period	-	-	465	-	465
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	3,368	-	-	-	3,368
Final tax-exempt dividends relating to FY2010	-	-	(3,276)	-	(3,276)
Total contributions by and distributions to owners	3,368	-	(3,276)	-	92
At 30 September 2010	37,100	-	4,693	1,514	43,307
At 1 April 2011	38,543	-	20,131	1,514	60,188
Net profit for the financial period	-	-	(431)	-	(431)
Total comprehensive income for the financial period	-	-	(431)	-	(431)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	245	-	-	-	245
Purchase of treasury shares	-	(222)	-	-	(222)
Final tax-exempt dividends relating to FY2011	-	-	(3,405)	-	(3,405)
- Cash	-	-	(41)	-	(41)
- Share	41	-	-	-	41
Issuance of new shares pursuant to scrip dividend scheme	-	-	-	-	-
Total contributions by and distributions to owners	286	(222)	(3,446)	-	(3,382)
At 30 September 2011	38,829	(222)	16,254	1,514	56,375

SHARE CAPITAL

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.

On 3 April 2009, the Company issued 176,245,000 warrants at an issue price of S\$0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.10 for each new share on the basis of one warrant for every one existing ordinary share in the capital of the Company. The exercise price and the number of warrants held by each warrant holder may be adjusted under certain terms and conditions being met. The warrants will expire on 2 April 2012.

On 23 September 2011, 166,452 new shares were issued under the Company's Scrip Dividend Scheme in respect of a final tax exempted one-tier dividend of 1.0 cent per ordinary share.

As at 30 September 2011, there were 7,924,532 outstanding warrants for which shares may be issued.

During 1HFY2012, the Company acquired 1,011,000 (1HFY2011: nil) ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares.

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.

Total number of issued shares excluding treasury shares:	<u>Number of shares</u>
Balance as at 1 April 2010	
- Ordinary Shares	294,009,700
- Warrants	58,480,300
Issue of new shares upon exercising of warrants during the financial year ended 31 March 2011 (FY2011)	
- Ordinary Shares	48,109,768
- Warrants	(48,109,768)
Balance as at 31 March 2011 and 1 April 2011	
- Ordinary Shares	342,119,468
- Warrants	10,370,532
during the 1st quarter FY2012	
Issue of new shares upon exercising of warrants	
- Ordinary Shares	1,004,000
- Warrants	(1,004,000)
during the 2nd quarter FY2012	
Issue of new shares upon exercising of warrants	
- Ordinary Shares	1,442,000
- Warrants	(1,442,000)
Issue of new shares pursuant to scrip dividend scheme	
- Ordinary Shares	166,452
Purchase of treasury shares	
- Ordinary Shares	(1,011,000)
Balance as at 30 September 2011	
- Ordinary Shares	343,720,920
- Warrants	7,924,532

The total of number of treasury shares held by the Company as at 30 September 2011 was 1,011,000 (as at 31 March 2011: nil).

SHARE CAPITAL

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.

As at 30 September 2011, there was no movement for the use of treasury shares.

AUDIT

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

The figures have not been audited or reviewed by the Company's auditors.

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

Not applicable.

ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial year ended 31 March 2011.

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 adoption of the new/revised FRS and INT FRS is currently assessed to have no significant impact on the financial position and the results of the current year and prior year of the Group.

EARNINGS PER SHARE

6 Earnings 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		GROUP	
	Second Quarter Ended		Half Year Ended	
	30.09.2011	30.09.2010 (re-stated)	30.09.2011	30.09.2010 (re-stated)
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	1.51	1.33	2.27	2.77
b) On a fully diluted basis	1.49	1.27	2.24	2.63
	S\$'000	S\$'000	S\$'000	S\$'000
Group's profit for the financial period attributable to Owners of the Company used in the computation of basic EPS	5,183	4,176	7,782	8,401
Group's adjusted profit for the financial period attributable to Owners of the Company used in the computation of diluted EPS	5,183	4,176	7,782	8,401
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS	344,160,409	313,015,449	343,433,515	303,692,765
Effect of dilution from warrants	4,534,358	15,379,154	4,665,217	15,394,118
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS	348,694,767	328,394,603	348,098,732	319,086,883

EARNINGS PER SHARE

- 6 Basic earnings per share ("EPS") amounts are calculated by dividing the Group's profit after taxation attributable to Owners of the Company by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the financial period.

Diluted EPS is calculated based on the Group's profit for the financial period attributable to Owners of the Company divided by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the financial period in issue adjusted for the effects of all the dilutive potential ordinary shares, being the outstanding warrants.

NET ASSET VALUE 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 30.09.2011	as at 31.03.2011	as at 30.09.2011	as at 31.03.2011
Net asset value per ordinary share (cents)	38.47	36.42	16.40	17.59
Issue share capital excluding treasury shares at the end of the period/year	343,720,920	342,119,468	343,720,920	342,119,468

REVIEW OF THE PERFORMANCE OF THE GROUP

- 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.

INCOME STATEMENT

2QFY2012 vs 2QFY2011

Revenue

The Group has a total revenue of S\$54.4 million for the second quarter ended 30 September 2011 ("2QFY2012"), a decrease of S\$17.3 million or 24.2% compared to S\$71.7 million registered in the corresponding financial period ended 30 September 2010 ("2QFY2011"). The decrease was mainly due to the decrease in revenue from the construction business of S\$37.0 million or 52.6% from S\$70.3 million in 2QFY2011 to S\$33.3 million in 2QFY2012. The decrease in revenue from construction business was offset by an increase in revenue recognised from sale of development property of S\$19.8 million in 2QFY2012 compared to none in 2QFY2011.

Cost of sales decreased by S\$19.3 million or 30.9% from S\$62.6 million in 2QFY2011 to S\$43.3 million in 2QFY2012 mainly due to decrease in cost of construction of S\$39.6 million or 63.3% from S\$62.6 million in 2QFY2011 to S\$23.0 million in 2QFY2012 with the decrease in construction business. The decrease in cost of construction was offset by an increase in cost recognised from sale of development property of S\$20.2 million in 2QFY2012 compared to none in 2QFY2011.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

Operating expenses

Personnel expenses increased by S\$0.8 million or 43.9% from S\$1.7 million in 2QFY2011 to S\$2.5 million in 2QFY2012. This was mainly due to provision for staff and workers bonuses, increase in salaries of staff and workers, and increase in accommodation expenses for workers.

Finance costs decreased by S\$0.2 million or 31.6% from S\$0.6 million in 2QFY2011 to S\$0.4 million in 2QFY2012. This was mainly due to lesser borrowings and lower interest rate.

Other operating expenses decreased by S\$0.4 million from S\$1.5 million in 2QFY2011 to S\$1.1 million in 2QFY2012. The decrease was mainly due to decrease in allowance for doubtful debts.

There was no significant differences in depreciation between 2QFY2012 and 2QFY2011.

The loss of S\$0.8 million in share of results of associates, mainly due to the recognition of selling and marketing related expenses incurred by associates for the launches of the development property projects.

1HFY2012 vs 1HFY2011

The Group has a total revenue of S\$95.1 million for the half year ended 30 September 2011 ("1HFY2012"), a decrease of S\$49.0 million or 34.0% compared to S\$144.1 million registered in the corresponding financial period ended 30 September 2010 ("1HFY2011"). The decrease was mainly due to the decrease in revenue from the construction business of S\$68.6 million or 48.5% from S\$141.3 million in 1HFY2011 to S\$72.7 million in 1HFY2012. The decrease in revenue from construction business was offset by an increase in revenue recognised from sale of development property of S\$19.8 million in 1HFY2012 compared to none in 1HFY2011.

Cost of sales decreased by S\$49.0 million or 39.0% from S\$125.6 million in 1HFY2011 to S\$76.6 million in 1HFY2012 mainly due to decrease in cost of construction of S\$69.2 million or 55.1% from S\$125.6 million in 1HFY2011 to S\$56.4 million in 1HFY2012 with the decrease in construction business. The decrease in cost of construction was offset by an increase in cost recognised from sale of development property of S\$20.2 million in 1HFY2012 compared to none in 1HFY2011.

Finance costs decreased by S\$0.4 million or 31.5% from S\$1.2 million in 1HFY2011 to S\$0.8 million in 1HFY2012. This was mainly due to lesser borrowings and lower interest rate.

Other operating expenses decreased by S\$0.7 million from S\$2.7 million in 1HFY2011 to S\$2.0 million in 1HFY2012. The decrease was mainly due to decrease in allowance for doubtful debts, building maintenance and loss on sale of investment properties.

The loss of S\$1.6 million in share of results of associates in 1HFY2012 was mainly due to the recognition of selling and marketing related expenses incurred by associates for the launches of the development property projects.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") decreased by S\$2.2 million from S\$13.5 million as at 31 March 2011 ("FY2011") to S\$11.3 million as at 30 September 2011 ("1HFY2012"). The decrease was mainly due to the depreciation of S\$0.9 million and S\$1.6 million of investment properties under construction previously recorded in PPE was re-classified as investment properties in 1HFY2012.

Investment in associates decreased by approximately S\$1.0 million from S\$12.1 million in FY2011 to S\$11.1 million in 1HFY2012 due to share of results of associates offset by foreign exchange gain.

The increase of S\$6.8 million in investment properties from S\$93.0 million in FY2011 to S\$99.8 million in 1HFY2012 was mainly due to the reclassification from PPE as mentioned above, S\$0.8 million purchase of investment properties under construction and the translation difference of S\$4.7 million in RMB exchange rate used on the investment property in Tianjin, the People's Republic of China.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Non-current assets

Amount due from associates increased by approximately S\$2.7 million mainly due to additional loans to finance the development property projects.

Trade receivables under non-current assets increased by approximately S\$1.5 million from S\$4.2 million in FY2011 to S\$5.7 million in 1HFY2012, was mainly due to additional retention sum receivables from on-going construction projects.

Development property

Development property decreased approximately by S\$8.8 million from S\$57.8 million in FY2011 to S\$49.0 million in 1HFY2012 as the increase in progress billings from sales was more than the increase in cost incurred for the development during 1HFY2012.

Trade receivables

Trade receivables under current assets decreased by approximately S\$6.1 million from S\$28.6 million in FY2011 to S\$22.5 million in 1HFY2012, mainly due to the decrease in construction projects in progress.

Structured deposits

Structured deposits of S\$2.0 million were placed with a local bank during 1HFY2012.

Construction work-in-progress

Based on the progress of construction project in 1HFY2012 as compared to FY2011, progress billings in excess of construction work-in-progress increased by S\$3.0 million from S\$1.8 million in FY2011 to S\$4.8 million in 1HFY2012, while the construction work-in-progress in excess of progress billings decreased by S\$3.1 million from S\$10.8 million to S\$7.7 million in 1HFY2012.

Trade payables

Trade payables under current liabilities decreased by S\$4.2 million from S\$23.0 million in FY2011 to S\$18.8 million in 1HFY2012. The decrease was mainly from the decrease in billings from suppliers and subcontractors for construction projects which will be due for release of payments in the next 12 months.

Other payables and accruals

Other payables and accruals decreased by S\$21.1 million from S\$73.7 million in FY2011 to S\$52.6 million in 1HFY2012, mainly due to lesser accruals made for construction projects in progress.

Total borrowings

Total borrowings decreased by S\$21.9 million from S\$94.5 million in FY2011 to S\$72.6 million in 1HFY2012 mainly due to the decrease in use of bills payable to banks of S\$15.2 million; the repayment of finance lease obligations of S\$0.9 million, bank term loans of S\$6.3 million offset by the foreign exchange loss of S\$0.5 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$3.5 million during 1HFY2012 mainly from operating cash flows before changes in working capital of S\$12.6 million offset by an increase in working capital of S\$7.2 million and payment made for income taxes of S\$2.5 million.

Net cash flows used in investing activities of S\$5.3 million during 1HFY2012 mainly arose from amounts due from associates of S\$2.7 million, placing of structured deposits of S\$2.0 million, and purchase of investment properties of S\$0.8 million.

Net cash flows used in financing activities of S\$24.6 million during 1HFY2012 mainly due to repayment of bills payable to banks of S\$15.2 million, net repayment of bank term loans of S\$6.3 million and dividends payment of S\$3.4 million.

With the above mentioned, net decrease in cash and cash equivalents during 1HFY2012 was S\$26.4 million.

REVIEW OF THE PERFORMANCE OF THE GROUP

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

There was no forecast or any prospect statement previously disclosed to shareholders.

- 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 Monetary Authority of Singapore said on 27 October 2011 to expect weak growth over the next few quarters, before the Singapore economy makes a modest recovery in the second half of 2012 and added that the timing and extent of Singapore's recovery is uncertain, much depends on how events in the United States and Euro Zone unfold. As such, the Group remains cautious on the possible impacts that the uncertainties in the global and domestic economic conditions, more intense competition in the construction industry, government's policies and measures on the construction and properties related industries and the inflationary pressure on business operation.

As at 30 September 2011, the Group has an order book on construction projects of approximately S\$377.0 million with the projects from both public and private sectors.

In view of the above, the Group is cautiously optimistic on the outlook of its construction business in Singapore.

DIVIDENDS

- 11 (a) Current financial period reported on**

Any dividend declared for the current financial period reported on? **Yes**

	(Tax Exempt 1-Tier)
Name of Dividend	Interim Ordinary
Dividend Type	Cash
Dividend Rate	1.0 cent per ordinary share

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

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

	(Tax Exempt 1-Tier)
Name of Dividend	Interim Ordinary
Date of Payment	08.12.2010
Dividend Type	Cash
Dividend Rate	1.0 cent per ordinary share

- (c) Date payable**

The interim dividend will be payable on 1 December 2011.

- (d) Books closure date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and the Register of Members of the Company will be closed on 17 November 2011 for the purpose of determining shareholders' entitlements to the interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00 pm on 16 November 2011 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 16 November 2011 will be entitled to the interim dividend.

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

Not applicable.

13 If the group has obtained a 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 from shareholders for Interested Person Transactions (IPTs).

NEGATIVE ASSURANCE

14 Negative assurance confirmation on the second quarter and half year financial results pursuant to Rule 705(5) of the Listing Manual of SGX-ST.

On behalf of the Board of Directors of the Company, we, the undersigned, do hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the second quarter and half year ended 30 September 2011 to be false or misleading in any material aspect.

**For and on behalf of the Board of Directors,
By Order of the Board**

Choo Chee Onn
Executive Chairman and Managing Director

Lim Kee Seng
Executive Director

04 November 2011