



KSH Holdings Limited

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

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31ST DECEMBER 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		
	Third Quarter Ended		increase/ (decrease) %	Nine Months Ended		increase/ (decrease) %
	31.12.2011	31.12.2010		31.12.2011	31.12.2010	
	S\$'000	S\$'000		S\$'000	S\$'000	
REVENUE	30,490	62,675	(51.4)	125,622	206,791	(39.3)
Other income	1,361	514	164.8	2,670	1,381	93.3
Cost of sales	(21,878)	(48,531)	(54.9)	(98,479)	(174,144)	(43.4)
Personnel expenses	(2,189)	(3,556)	(38.4)	(6,605)	(7,822)	(15.6)
Depreciation of property, plant and equipment	(435)	(459)	(5.2)	(1,301)	(1,375)	(5.4)
Finance costs	(369)	(454)	(18.7)	(1,174)	(1,629)	(27.9)
Other operating expenses	(2,211)	(1,021)	116.6	(4,208)	(3,676)	14.5
	(27,082)	(54,021)	(49.9)	(111,767)	(188,646)	(40.8)
Profit from operations before share of results of associates	4,769	9,168	(48.0)	16,525	19,526	(15.4)
Share of results of associates	(485)	(241)	101.2	(2,070)	(375)	nm
Profit before taxation	4,284	8,927	(52.0)	14,455	19,151	(24.5)
Tax expense	(1,170)	(726)	61.2	(3,328)	(2,442)	36.3
Net profit for the financial period	3,114	8,201	(62.0)	11,127	16,709	(33.4)
Attributable to:						
- Owners of the Company	2,911	8,089	(64.0)	10,693	16,490	(35.2)
- Non-controlling interests	203	112	81.3	434	219	98.2
	3,114	8,201	(62.0)	11,127	16,709	(33.4)

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	Third Quarter Ended		increase/ (decrease)	Nine Months Ended		increase/ (decrease)
	31.12.2011	31.12.2010		31.12.2011	31.12.2010	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit for the financial period	3,114	8,201	(62.0)	11,127	16,709	(33.4)
Other comprehensive income:						
- Foreign currency translation	738	(528)	nm	5,010	(3,676)	nm
Other comprehensive income for the financial period, net of tax	738	(528)	nm	5,010	(3,676)	nm
Total comprehensive income for the financial period	3,852	7,673	(49.8)	16,137	13,033	23.8
Total comprehensive income attributable to:						
- Owners of the Company	3,397	7,681	(55.8)	14,405	13,685	5.3
- Non-controlling interests	455	(8)	nm	1,732	(652)	nm
	3,852	7,673	(49.8)	16,137	13,033	23.8

nm: not meaningful

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

	GROUP			GROUP		
	Third Quarter Ended		increase/ (decrease) %	Nine Months Ended		increase/ (decrease) %
	31.12.2011	31.12.2010		31.12.2011	31.12.2010	
	S\$'000	S\$'000		S\$'000	S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	381	238	60.1	1,112	684	62.6
Allowance for doubtful debts	(38)	(209)	(81.8)	(74)	(757)	(90.2)
Amortisation of club membership	-	-	-	(1)	(1)	-
Write back of provision for diminution on structured deposits	-	55	(100.0)	-	82	(100.0)
Gain/(loss) on sale of plant and equipment	16	(5)	nm	12	19	(36.8)
Gain/(loss) on sale of investment properties	1	54	(98.1)	52	(55)	nm
Foreign exchange gain/(loss), net	44	(3)	nm	78	(37)	nm
Interest expense	(340)	(424)	(19.8)	(1,088)	(1,538)	(29.3)
Profit after taxation but before non-controlling interests as a percentage of turnover	10.21%	13.08%	(21.9)	8.86%	8.08%	9.6
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 31 December 2011 and 31 December 2010	2.20%	6.73%	(67.3)	8.08%	13.72%	(41.1)

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	
	31.12.2011 S\$'000	31.03.2011 S\$'000	31.12.2011 S\$'000	31.03.2011 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	10,933	13,453	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associates	11,251	12,130	-	-
Investment properties	100,547	92,965	-	-
Amounts due from associates	48,544	43,349	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,265	2,130	-	-
Amounts due from subsidiaries (non-trade)	-	-	14,129	24,548
Trade receivables	4,853	4,248	-	-
Club membership	50	51	-	-
Other investments - quoted equity shares	1	1	-	-
	178,444	168,327	71,645	82,064
Current assets				
Development property	49,827	57,846	-	-
Trade receivables	18,677	28,569	-	-
Other receivables and deposits	1,930	2,089	2	-
Prepayments	357	608	31	79
Construction work-in-progress in excess of progress billings	5,894	10,841	-	-
Fixed deposits	44,913	69,090	2,000	-
Structured deposits	2,000	-	-	-
Cash and cash equivalents	13,436	22,367	762	314
	137,034	191,410	2,795	393
LIABILITIES				
Current liabilities				
Trade payables	18,203	23,015	-	-
Other payables and accruals	46,124	73,677	569	1,839
Amount due to a Director of a subsidiary	304	287	-	-
Amounts due to subsidiaries (non-trade)	-	-	-	18,000
Finance lease obligations	793	1,387	-	-
Provision for income tax	3,488	5,269	-	-
Progress billings in excess of construction work-in-progress	1,243	1,837	-	-
Short-term bank loan, secured	4,000	-	4,000	-
Bank term loans, secured	3,329	3,291	-	-
Bills payable to banks, secured	19,607	35,719	-	-
	97,091	144,482	4,569	19,839
Net current assets/(liabilities)	39,943	46,928	(1,774)	(19,446)

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2011 S\$'000	31.03.2011 S\$'000	31.12.2011 S\$'000	31.03.2011 S\$'000
Non-current liabilities				
Trade payables	2,248	2,431	-	-
Other payables and accruals	155	141	-	-
Amounts due to subsidiaries (non-trade)	-	-	16,786	2,430
Finance lease obligations	33	582	-	-
Bank term loans, secured	47,333	53,487	-	-
Deferred tax liabilities	15,630	14,824	-	-
	<u>65,399</u>	<u>71,465</u>	<u>16,786</u>	<u>2,430</u>
NET ASSETS	<u>152,988</u>	<u>143,790</u>	<u>53,085</u>	<u>60,188</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	39,102	38,543	39,102	38,543
Treasury shares	(222)	-	(222)	-
Translation reserve	1,797	(1,914)	-	-
Accumulated profits	89,738	86,157	12,691	20,131
Other reserves	2,004	1,801	1,514	1,514
	<u>132,419</u>	<u>124,587</u>	<u>53,085</u>	<u>60,188</u>
Non-controlling interests	20,569	19,203	-	-
TOTAL EQUITY	<u>152,988</u>	<u>143,790</u>	<u>53,085</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 31.12.2011		At 31.03.2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27,729	-	40,397	-

The amount repayable after one year			
At 31.12.2011		At 31.03.2011	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
47,366	-	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	
	Third Quarter Ended		Nine Months Ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation	4,284	8,927	14,455	19,151
Adjustments:				
Depreciation of property, plant and equipment	435	459	1,301	1,375
Amortisation of club membership	-	-	1	1
(Gain)/loss on sale of plant and equipment	(16)	5	(12)	(19)
(Gain)/loss on sale of investment property	(1)	(54)	(52)	55
Write back of provision for diminution on structured deposits	-	(55)	-	(82)
Allowance for doubtful debts	38	209	74	757
Interest expense	340	424	1,088	1,538
Interest income	(381)	(238)	(1,112)	(684)
Share of results of associates	485	241	2,070	375
Operating cash flows before changes in working capital	5,184	9,918	17,813	22,467
(Increase)/decrease in:				
Development property	(862)	214	8,019	694
Trade and other receivables, deposits and prepayments	6,283	(6,293)	9,662	(6,348)
Construction work-in-progress, net	(1,772)	3,658	4,353	4,309
Decrease in:				
Trade and other payables	(6,948)	(839)	(32,557)	(4,695)
Cash flows generated from operations	1,885	6,658	7,290	16,427
Income taxes paid	(2,605)	(1,208)	(5,116)	(3,569)
Interest income received	381	238	1,112	684
Exchange differences	95	11	(39)	172
Net cash flows (used in)/generated from operating activities	(244)	5,699	3,247	13,714
Investing activities				
Purchase of plant and equipment	(95)	(261)	(367)	(1,366)
Purchase of investment properties	(4)	-	(783)	-
Proceeds from sale of plant and equipment	16	1	18	25
Proceeds from sale of investment property	7	404	377	667
Investment in associates	(600)	-	(600)	(450)
Amounts due from associates	(2,534)	(865)	(5,195)	(2,125)
Decrease/(increase) in structured deposits	-	1,000	(2,000)	2,000
Net cash flows (used in)/generated from investing activities	(3,210)	279	(8,550)	(1,249)
Financing activities				
Dividends paid	(3,830)	(3,420)	(7,235)	(6,959)
Issuance of new shares	273	1,439	518	4,807
Purchase of treasury shares	-	-	(222)	-
Proceeds from bank term loans	-	-	934	-
Repayment of bank term loans	(394)	(360)	(7,643)	(1,069)
Proceeds from short-term bank loan	4,000	-	4,000	-
Proceeds from bills payable to banks	-	4,174	-	-
Repayment of bills payable to banks	(913)	-	(16,112)	(10,131)
Interest paid	(340)	(424)	(1,088)	(1,538)
Repayment of lease obligations	(240)	(531)	(1,143)	(1,671)
Increase pledged fixed deposits	(2,002)	(1,002)	(23)	(4,023)
Net cash flows used in financing activities	(3,446)	(124)	(28,014)	(20,584)
Net decrease in cash and cash equivalents	(6,900)	5,854	(33,317)	(8,119)
Effect of exchange rate changes on cash and cash equivalents	28	(40)	186	(153)
Cash and cash equivalents at beginning of financial year	50,275	69,198	76,534	83,284
Cash and cash equivalents at end of financial period (Note A)	43,403	75,012	43,403	75,012

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

	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	13,436	60,341	13,436	60,341
Fixed deposits	44,913	29,584	44,913	29,584
	58,349	89,925	58,349	89,925
Less: Pledged fixed deposits	(14,946)	(14,913)	(14,946)	(14,913)
Cash and cash equivalents	43,403	75,012	43,403	75,012

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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

GROUP	Attributable to Owners of the Company					Equity attributable to Owners of the Company, total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Other reserves 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	-	-	-	16,490	-	16,490	219	16,709
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(2,805)	-	-	(2,805)	(871)	(3,676)
Other comprehensive income for the financial period	-	-	(2,805)	-	-	(2,805)	(871)	(3,676)
Total comprehensive income for the financial period	-	-	(2,805)	16,490	-	13,685	(652)	13,033
<u>Contributions by and distributions to owners</u>								
Conversion to shares by warrant holders	4,807	-	-	-	-	4,807	-	4,807
Final tax-exempt dividends relating to FY2010	-	-	-	(6,696)	-	(6,696)	-	(6,696)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(263)	(263)
Transfer to other reserves	-	-	-	(129)	129	-	-	-
Total contributions by and distributions to owners	4,807	-	-	(6,825)	129	(1,889)	(263)	(2,152)
At 31 December 2010	38,539	-	(1,175)	81,095	1,765	120,224	18,297	138,521
At 1 April 2011	38,543	-	(1,914)	86,157	1,801	124,587	19,203	143,790
Net profit for the financial period	-	-	-	10,693	-	10,693	434	11,127
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	3,711	1	-	3,712	1,298	5,010
Other comprehensive income for the financial period	-	-	3,711	1	-	3,712	1,298	5,010
Total comprehensive income for the financial period	-	-	3,711	10,694	-	14,405	1,732	16,137
<u>Contributions by and distributions to owners</u>								
Conversion to shares by warrant holders	518	-	-	-	-	518	-	518
Purchase of treasury shares	-	(222)	-	-	-	(222)	-	(222)
Final & Interim tax-exempt dividends relating to FY2011 /FY2012								
- Cash	-	-	-	(6,869)	-	(6,869)	-	(6,869)
- Share	-	-	-	(41)	-	(41)	-	(41)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(366)	(366)
Issuance of new shares pursuant to scrip dividend scheme	41	-	-	-	-	41	-	41
Transfer to other reserves	-	-	-	(203)	203	-	-	-
Total contributions by and distributions to owners	559	(222)	-	(7,113)	203	(6,573)	(366)	(6,939)
At 31 December 2011	39,102	(222)	1,797	89,738	2,004	132,419	20,569	152,988

UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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	-	-	(109)	-	(109)
Total comprehensive income for the financial period	-	-	(109)	-	(109)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	4,807	-	-	-	4,807
Final tax-exempt dividends relating to FY2010	-	-	(6,696)	-	(6,696)
Total contributions by and distributions to owners	4,807	-	(6,696)	-	(1,889)
At 31 December 2010	38,539	-	699	1,514	40,752
At 1 April 2011	38,543	-	20,131	1,514	60,188
Net profit for the financial period	-	-	(530)	-	(530)
Total comprehensive income for the financial period	-	-	(530)	-	(530)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	518	-	-	-	518
Purchase of treasury shares	-	(222)	-	-	(222)
Final & Interim tax-exempt dividends relating to FY2011 /FY2012					
- Cash	-	-	(6,869)	-	(6,869)
- Share	-	-	(41)	-	(41)
Issuance of new shares pursuant to scrip dividend scheme	41	-	-	-	41
Total contributions by and distributions to owners	559	(222)	(6,910)	-	(6,573)
At 31 December 2011	39,102	(222)	12,691	1,514	53,085

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.

As at 31 December 2011, 2,736,000 warrants were converted to 2,736,000 new ordinary shares of the Company, this bringing total of issued share capital to 346,456,920 ordinary shares excluding treasury shares (as at 31 December 2010: 342,074,168 ordinary shares).

As at 31 December 2011, there were 5,188,532 outstanding warrants for which ordinary shares may be issued.

During 3QFY2012, the Company did not acquire any treasury shares. As at 31 December 2011, 1,011,000 treasury shares were held by the Company (3QFY2011: 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 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)
during the 3rd quarter FY2012	
Issue of new shares upon exercising of warrants	
- Ordinary Shares	2,736,000
- Warrants	(2,736,000)
Balance as at 31 December 2011	
- Ordinary Shares	346,456,920
- Warrants	5,188,532

The total number of treasury shares held by the Company as at 31 December 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 31 December 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	
	Third Quarter Ended	Third Quarter Ended	Nine Months Ended	Nine Months Ended
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	0.84	2.42	3.11	5.25
b) On a fully diluted basis	0.84	2.37	3.08	5.14
	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	2,911	8,089	10,693	16,490
Group's adjusted profit for the financial period attributable to Owners of the Company used in the computation of diluted EPS	2,911	8,089	10,693	16,490
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS	345,206,746	334,921,430	344,026,741	314,140,173
Effect of dilution from warrants	2,718,751	6,425,331	2,954,350	6,450,862
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS	347,925,497	341,346,761	346,981,091	320,591,035

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 31.12.2011	as at 31.03.2011	as at 31.12.2011	as at 31.03.2011
Net asset value per ordinary share (cents)	38.22	36.42	15.32	17.59
Issue share capital excluding treasury shares at the end of the period/year	346,456,920	342,119,468	346,456,920	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

3QFY2012 vs 3QFY2011

Revenue

The Group has a total revenue of S\$30.5 million for the third quarter ended 31 December 2011 ("3QFY2012"), a decrease of S\$32.2 million or 51.4% compared to S\$62.7 million registered in the corresponding financial period ended 31 December 2010 ("3QFY2011"). The decrease was mainly due to the decrease in revenue from the construction business of S\$32.2 million or 52.5% from S\$61.3 million in 3QFY2011 to S\$29.1 million in 3QFY2012.

Cost of sales decreased by S\$26.6 million or 54.9% from S\$48.5 million in 3QFY2011 to S\$21.9 million in 3QFY2012 mainly due to decrease in construction business.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

Operating expenses

Personnel expenses decreased by S\$1.4 million or 38.4% from S\$3.6 million in 3QFY2011 to S\$2.2 million in 3QFY2012. This was mainly due to decrease in provision of bonuses for management, staffs and workers.

There was a slight decrease in finance costs due to lesser borrowings and lower interest rate.

Other operating expenses increased by S\$1.2 million from S\$1.0 million in 3QFY2011 to S\$2.2 million in 3QFY2012. The increase was mainly due to increase in provision for anticipated losses on construction projects.

There was no significant differences in depreciation between 3QFY2012 and 3QFY2011.

The loss of S\$0.5 million in share of results of associates in 3QFY2012 was mainly due to the recognition of selling and marketing related expenses incurred by associates for the launches of the development property projects.

9MFY2012 vs 9MFY2011

The Group has a total revenue of S\$125.6 million for the nine months ended 31 December 2011 ("9MFY2012"), a decrease of S\$81.2 million or 39.3% compared to S\$206.8 million registered in the corresponding financial period ended 31 December 2010 ("9MFY2011"). The decrease was mainly due to the decrease in revenue from the construction business of S\$100.8 million or 49.7% from S\$202.6 million in 9MFY2011 to S\$101.8 million in 9MFY2012. 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 9MFY2012 compared to none in 9MFY2011.

Cost of sales decreased by S\$75.6 million or 43.4% from S\$174.1 million in 9MFY2011 to S\$98.5 million in 9MFY2012 was mainly due to decrease in cost of construction of S\$95.8 million or 55.0% from S\$174.1 million in 9MFY2011 to S\$78.3 million in 9MFY2012 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 9MFY2012 compared to none in 9MFY2011.

Personnel expenses decreased by S\$1.2 million or 15.6% from S\$7.8 million in 9MFY2011 to S\$6.6 million in 9MFY2012. This was mainly due to decrease in provision of bonuses for management, staffs and workers of S\$1.8 million. The decrease was offset by the increase in salaries paid to staffs and workers of S\$0.3 million and workers' accommodation expenses of S\$0.3 million.

Finance costs decreased by S\$0.4 million or 27.9% from S\$1.6 million in 9MFY2011 to S\$1.2 million in 9MFY2012. This was mainly due to lesser borrowings and lower interest rate.

Other operating expenses increased by S\$0.5 million from S\$3.7 million in 9MFY2011 to S\$4.2 million in 9MFY2012. The increase was mainly due to increase in provision for anticipated losses on construction projects, and this was partly offset by the decrease in allowance for doubtful debts in 9MFY2012 as compared to 9MFY2011.

The loss of S\$2.1 million in share of results of associates in 9MFY2012 was mainly due to the recognition of selling and marketing related expenses incurred by associates for the launches of the development property projects. The revenue and cost of sales of the development property projects launched by associates, these have not been recognised in the books as construction of these projects have just begun and have not reached the stage for the recognition of revenue and cost of sales.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") decreased by S\$2.6 million from S\$13.5 million as at 31 March 2011 ("FY2011") to S\$10.9 million as at 31 December 2011 ("9MFY2012"). The decrease was mainly due to the depreciation of S\$1.3 million and S\$1.6 million of investment properties under construction previously recorded in PPE was re-classified as investment properties in 9MFY2012.

Investment in associates decreased by approximately S\$0.8 million from S\$12.1 million in FY2011 to S\$11.3 million in 9MFY2012 due to share of results of associates offset by additional investments made in associates and foreign exchange translation gain.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Non-current assets

The increase of S\$7.5 million in investment properties from S\$93.0 million in FY2011 to S\$100.5 million in 9MFY2012 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\$5.5 million in RMB exchange rate used on the investment property in Tianjin, the People's Republic of China.

Amount due from associates increased by approximately S\$5.2 million was mainly due to additional loans to finance the development property projects.

Trade receivables under non-current assets increased by approximately S\$0.7 million from S\$4.2 million in FY2011 to S\$4.9 million in 9MFY2012 was mainly due to additional retention sum receivables from on-going construction projects.

Development property

Development property decreased approximately by S\$8.0 million from S\$57.8 million in FY2011 to S\$49.8 million in 9MFY2012 as the increase in progress billings from sales was more than the increase in cost incurred for the development during 9MFY2012.

Trade receivables

Trade receivables under current assets decreased by approximately S\$9.9 million from S\$28.6 million in FY2011 to S\$18.7 million in 9MFY2012, 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 9MFY2012.

Construction work-in-progress

With a decrease in construction business and based on the progress of construction project in 9MFY2012 as compared to FY2011, the construction work-in-progress in excess of progress billings decreased by S\$4.9 million from S\$10.8 million in FY2011 to S\$5.9 million in 9MFY2012, while progress billings in excess of the construction work-in-progress decreased by S\$0.6 million from S\$1.8 million to S\$1.2 million in 9MFY2012.

Trade payables

Trade payables under current liabilities decreased by S\$4.8 million from S\$23.0 million in FY2011 to S\$18.2 million in 9MFY2012. 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\$27.6 million from S\$73.7 million in FY2011 to S\$46.1 million in 9MFY2012, mainly due to lesser accruals made for construction projects in progress.

Total borrowings

Total borrowings decreased by S\$19.4 million from S\$94.5 million in FY2011 to S\$75.1 million in 9MFY2012, mainly due to the decrease in use of bills payable to banks of S\$16.1 million; the repayment of finance lease obligations of S\$1.1 million, and a decrease in net of bank term loans of S\$2.7 million, offset by the foreign exchange translation loss of S\$0.5 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$3.2 million during 9MFY2012 mainly from operating cash flows before changes in working capital of S\$17.8 million offset by an increase in working capital of S\$10.5 million and payment made for income taxes of S\$5.1 million.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF CASH FLOWS

Net cash flows used in investing activities of S\$8.6 million during 9MFY2012 mainly arose from increase in amounts due from associates of S\$5.2 million as well as investment in associates of S\$0.6 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\$28.0 million during 9MFY2012 mainly due to repayment of bills payable to banks of S\$16.1 million, dividends payment of S\$7.2 million, net repayment of bank term loans of S\$2.7 million, repayment of lease obligations of S\$1.1 million and interest payment of S\$1.1 million.

With the above mentioned, net decrease in cash and cash equivalents during 9MFY2012 was S\$33.3 million.

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.

As per announcement made by Building Construction Authority ("BCA") on 11 January 2012, the heightened uncertainty in global economic arena and the implications of the government's property cooling measures are likely to subject developers to a more cautious stance in terms of new construction investments. Nonetheless, the continued strong public sector construction demand particularly from public housing, institutional building and civil engineering projects is anticipated to soften the impact of the likely fall in private sector construction demand and provide support to maintain the overall construction demand at a more sustainable level in the year ahead. BCA projected the total Singapore construction demand in year 2012 to be between S\$21 billion and S\$27 billion, of which, about 60% is expected to come from the public sector.

BCA also had highlighted that although the inflationary pressures on global construction materials and base metals may appear to have eased due to the increasing downside risks to economic outlook in advanced countries, the industry generally views that construction costs may still move up due to anticipated higher labour and preliminaries costs. Tender prices are likely to remain competitive in the year ahead based on current market trends as well as against the backdrop of an anticipated softening in private sector construction demand.

As at 13 February 2012, the Group has an order book on construction projects of approximately S\$506.0 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? **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.

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 third quarter and nine months 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 third quarter and nine months ended 31 December 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

13 February 2012