



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 2013

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) %
	30.09.2013 S\$'000	30.09.2012 S\$'000		30.09.2013 S\$'000	30.09.2012 S\$'000	
REVENUE						
Project revenue	76,911	51,582	49.1	148,563	99,473	49.4
Sales of development property	10,523	4,233	148.6	20,638	10,191	102.5
Rental income from investment properties	1,619	1,490	8.7	3,109	2,801	11.0
	89,053	57,305	55.4	172,310	112,465	53.2
Other income	1,311	862	52.1	3,071	2,354	30.5
Cost of construction	(79,906)	(43,837)	82.3	(157,031)	(91,972)	70.7
Personnel expenses	(3,289)	(2,433)	35.2	(4,364)	(4,333)	0.7
Depreciation of property, plant and equipment	(433)	(462)	(6.3)	(892)	(915)	(2.5)
Finance costs	(440)	(395)	11.4	(930)	(781)	19.1
Other operating expenses	(561)	(1,331)	(57.9)	(2,063)	(3,277)	(37.0)
	(84,629)	(48,458)	74.6	(165,280)	(101,278)	63.2
Profit from operations before share of results of associates	5,735	9,709	(40.9)	10,101	13,541	(25.4)
Share of results of associates	7,591	2,062	268.1	15,416	3,356	359.4
Profit before taxation	13,326	11,771	13.2	25,517	16,897	51.0
Tax expense	(1,054)	(1,879)	(43.9)	(1,749)	(2,532)	(30.9)
Net profit for the financial period	12,272	9,892	24.1	23,768	14,365	65.5
Attributable to:						
- Owners of the Company	12,159	9,840	23.6	23,579	14,155	66.6
- Non-controlling interests	113	52	117.3	189	210	(10.0)
	12,272	9,892	24.1	23,768	14,365	65.5

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease) %	HALF YEAR ENDED		increase/ (decrease) %
	30.09.2013	30.09.2012		30.09.2013	30.09.2012	
	S\$'000	S\$'000		S\$'000	S\$'000	
Net profit for the financial period	12,272	9,892	24.1	23,768	14,365	65.5
Other comprehensive income:						
- Foreign currency translation	(344)	1,047	nm	3,009	(2,283)	nm
Other comprehensive income for the financial period, net of tax	(344)	1,047	nm	3,009	(2,283)	nm
Total comprehensive income for the financial period	11,928	10,939	9.0	26,777	12,082	121.6
Total comprehensive income attributable to:						
- Owners of the Company	11,877	10,606	12.0	25,889	12,436	108.2
- Non-controlling interests	51	333	(84.7)	888	(354)	nm
	11,928	10,939	9.0	26,777	12,082	121.6

nm: not meaningful

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

	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease) %	HALF YEAR ENDED		increase/ (decrease) %
	30.09.2013 S\$'000	30.09.2012 S\$'000		30.09.2013 S\$'000	30.09.2012 S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	653	589	10.9	1,332	1,065	25.1
Allowance for doubtful debts	(13)	-	nm	(82)	(7)	nm
Write back of allowance/(allowance) for anticipated losses	525	(391)	nm	854	(1,112)	nm
Amortisation of club membership	-	-	-	(1)	(1)	-
Fair value loss on structured deposits	(44)	-	-	(44)	-	nm
Gain/(loss) on sale of plant and equipment	-	-	-	47	(1)	nm
(Loss)/gain on sale of investment properties	-	(1)	nm	-	751	nm
Foreign exchange (loss)/gain, net	(49)	139	nm	(22)	26	nm
Interest expense	(405)	(370)	9.5	(862)	(726)	18.7
Profit after taxation but before non-controlling interests as a percentage of turnover	13.78%	17.26%	(20.2)	13.79%	12.77%	8.0
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 2013 and 30 September 2012	6.04%	6.62%	(8.8)	11.71%	9.52%	23.0

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	
	30.09.2013	31.03.2013	30.09.2013	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	9,797	10,485	-	-
Investments in subsidiaries	-	-	57,516	57,516
Interests in associates	114,839	94,034	-	-
Investment properties	111,160	106,836	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,264	2,188	-	-
Amounts due from subsidiaries (non-trade)	-	-	14,785	8,470
Trade receivables	12,763	11,286	-	-
Other receivables	-	2,793	-	-
Club membership	45	47	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	1,058	1,102	-	-
	251,927	228,772	72,301	65,986
Current assets				
Development property	41,106	43,548	-	-
Inventory	2	1	-	-
Trade receivables	36,991	27,352	-	-
Other receivables and deposits	1,719	2,733	26	20
Prepayments	896	304	234	18
Amounts due from subsidiaries (non-trade)	-	-	6,277	6,011
Amounts due from associates (non-trade)	5,990	-	-	-
Construction work-in-progress in excess of progress billings	19,201	8,124	-	-
Fixed deposits	60,763	69,641	2,000	2,000
Cash and bank balances	15,453	11,758	923	1,916
	182,121	163,461	9,460	9,965
LIABILITIES				
Current liabilities				
Trade payables	23,300	21,089	-	-
Other payables and accruals	60,474	46,994	1,039	2,613
Deferred income	139	55	-	-
Amount due to a Director of a subsidiary	-	374	-	-
Finance lease obligations	5	18	-	-
Provision for income tax	2,985	3,796	-	-
Progress billings in excess of construction work-in-progress	11,008	8,613	-	-
Bank term loans, secured	29,180	7,881	6,000	6,000
Bills payable to banks, secured	49,760	41,959	-	-
	176,851	130,779	7,039	8,613
Net current assets	5,270	32,682	2,421	1,352

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.09.2013	31.03.2013	30.09.2013	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	5,373	3,885	-	-
Other payables and accruals	183	177	-	-
Amounts due to subsidiaries (non-trade)	-	-	13,008	-
Bank term loans, secured	11,579	38,037	-	-
Deferred tax liabilities	17,651	17,065	-	-
	<u>34,786</u>	<u>59,164</u>	<u>13,008</u>	<u>-</u>
NET ASSETS	<u>222,411</u>	<u>202,290</u>	<u>61,714</u>	<u>67,338</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Translation reserve	2,041	(269)	-	-
Accumulated profits	145,501	126,767	8,643	14,267
Other reserves	2,961	2,989	2,156	2,156
	<u>201,418</u>	<u>180,402</u>	<u>61,714</u>	<u>67,338</u>
Non-controlling interests	20,993	21,888	-	-
TOTAL EQUITY	<u>222,411</u>	<u>202,290</u>	<u>61,714</u>	<u>67,338</u>

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

The amount repayable in one year or less, or on demand			
At 30.09.2013		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
78,945	-	49,858	-

The amount repayable after one year			
At 30.09.2013		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
11,579	-	38,037	-

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) A first legal mortgage on the Group's investment properties and leasehold factory building;
- 4) Charge on fixed deposits and structured deposits;
- 5) First charge over the contract proceeds/project account arising from the construction project financed;
- 6) A first legal mortgage over the development property of a joint venture;
- 7) Legal assignment of sales proceeds from the development property of a joint venture;
- 8) Legal assignment of tenancy, rental, lease and licence agreements from development property of a joint venture;
- 9) Legal assignment of the construction contract(s) and performance bonds from development property of a joint venture;
- 10) Legal assignment of fire insurance policy from development property of a joint venture;
- 11) Corporate guarantees from all the shareholders of a joint venture in equal share ratio; and
- 12) 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	
	SECOND QUARTER ENDED		HALF YEAR ENDED	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation	13,326	11,771	25,517	16,897
Adjustments:				
Depreciation of property, plant and equipment	433	462	892	915
Amortisation of club membership	-	-	1	1
(Gain)/loss on sale of plant and equipment	-	-	(47)	1
Loss/(gain) on sale of investment properties	-	1	-	(751)
Fair value loss on structured deposits	44	-	44	-
Allowance for doubtful debts	13	-	82	7
Interest expense	405	370	862	726
Interest income	(653)	(589)	(1,332)	(1,065)
Share of results of associates	(7,591)	(2,062)	(15,416)	(3,356)
Operating cash flows before changes in working capital	5,977	9,953	10,603	13,375
Decrease/(increase) in:				
Development property	72	1,830	2,442	658
Inventory	(1)	1	(1)	1
Trade and other receivables, deposits and prepayments	(2,249)	(5,305)	(10,751)	(10,738)
Construction work-in-progress, net	(11,746)	108	(8,682)	(1,270)
Increase/(decrease) in:				
Trade and other payables	8,839	(3,535)	16,804	(536)
Deferred income	21	-	84	-
Cash flows generated from operations	913	3,052	10,499	1,490
Income taxes paid	(1,884)	(2,136)	(2,467)	(2,257)
Interest income received	653	589	1,332	1,065
Exchange differences	658	(63)	140	88
Net cash flows generated from operating activities	340	1,442	9,504	386
Investing activities				
Purchase of plant and equipment	(114)	(251)	(214)	(935)
Purchase of investment properties	(653)	(127)	(922)	(253)
Proceeds from sale of plant and equipment	-	-	60	1
Proceeds from sale of investment properties	-	(4)	-	3,395
Investments in associates	-	(720)	(150)	(720)
Loans due from associates, net	(3,470)	(5,162)	(8,438)	(14,902)
Decrease in structured deposits	-	-	-	2,000
Net cash flows used in investing activities	(4,237)	(6,264)	(9,664)	(11,414)
Financing activities				
Dividends paid	(4,765)	(2,324)	(4,765)	(2,324)
Acquisition of non-controlling interests	-	-	(1,890)	-
Issuance of new shares	-	-	-	96
Purchase of treasury shares	-	(864)	-	(1,207)
Proceeds from bank term loans	814	2,121	1,161	2,241
Repayment of bank term loans	(2,613)	(2,813)	(6,589)	(6,469)
Proceeds from bills payable to banks	301	6,008	7,801	12,540
Interest paid	(405)	(370)	(862)	(726)
Repayment of lease obligations	(4)	(203)	(13)	(443)
Decrease/(increase) in pledged fixed deposits	1,379	(16)	(26)	(2,037)
Net cash flows (used in)/generated from financing activities	(5,293)	1,539	(5,183)	1,671
Net decrease in cash and cash equivalents	(9,190)	(3,283)	(5,343)	(9,357)
Effect of exchange rate changes on cash and cash equivalents	2	39	134	(108)
Cash and cash equivalents at beginning of financial year	69,433	37,400	65,454	43,621
Cash and cash equivalents at end of financial period (Note A)	60,245	34,156	60,245	34,156

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

	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	15,453	16,294	15,453	16,294
Fixed deposits	60,763	33,792	60,763	33,792
	76,216	50,086	76,216	50,086
Less: Pledged fixed deposits	(15,971)	(15,930)	(15,971)	(15,930)
Cash and cash equivalents	60,245	34,156	60,245	34,156

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 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	Equity attributable to Owners of the Company, total S\$'000			
At 1 April 2012	39,483	(222)	123	97,678	2,044	139,106	21,231	160,337	
Net profit for the financial period	-	-	-	14,155	-	14,155	210	14,365	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(1,719)	-	-	(1,719)	(564)	(2,283)	
Other comprehensive income for the financial period	-	-	(1,719)	-	-	(1,719)	(564)	(2,283)	
Total comprehensive income for the financial period	-	-	(1,719)	14,155	-	12,436	(354)	12,082	
<u>Contributions by and distributions to owners</u>									
Conversion to shares by warrant holders	96	-	-	-	-	96	-	96	
Purchase of treasury shares	-	(1,207)	-	-	-	(1,207)	-	(1,207)	
Final tax-exempt dividends on ordinary shares	-	-	-	(1,741)	-	(1,741)	-	(1,741)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	(583)	(583)	
Transfer to other reserves	-	-	-	(225)	225	-	-	-	
Total contributions by and distributions to owners	96	(1,207)	-	(1,966)	225	(2,852)	(583)	(3,435)	
At 30 September 2012	39,579	(1,429)	(1,596)	109,867	2,269	148,690	20,294	168,984	
At 1 April 2013	50,915	-	(269)	126,767	2,989	180,402	21,888	202,290	
Net profit for the financial period	-	-	-	23,579	-	23,579	189	23,768	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	2,310	(1)	-	2,309	699	3,008	
Other comprehensive income for the financial period	-	-	2,310	(1)	-	2,309	699	3,008	
Total comprehensive income for the financial period	-	-	2,310	23,578	-	25,888	888	26,776	
<u>Contributions by and distributions to owners</u>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	(107)	(107)	(1,783)	(1,890)	
Final tax-exempt dividends on ordinary shares	-	-	-	(4,765)	-	(4,765)	-	(4,765)	
Transfer to other reserves	-	-	-	(79)	79	-	-	-	
Total contributions by and distributions to owners	-	-	-	(4,844)	(28)	(4,872)	(1,783)	(6,655)	
At 30 September 2013	50,915	-	2,041	145,501	2,961	201,418	20,993	222,411	

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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 2012	39,483	(222)	22,204	1,514	62,979
Net loss for the financial period	-	-	(510)	-	(510)
Total comprehensive income for the financial period	-	-	(510)	-	(510)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	96	-	-	-	96
Purchase of treasury shares	-	(1,207)	-	-	(1,207)
Final tax-exempt dividends on ordinary shares	-	-	(1,741)	-	(1,741)
Total contributions by and distributions to owners	96	(1,207)	(1,741)	-	(2,852)
At 30 September 2012	39,579	(1,429)	19,953	1,514	59,617
At 1 April 2013	50,915	-	14,267	2,156	67,338
Net loss for the financial period	-	-	(859)	-	(859)
Total comprehensive income for the financial period	-	-	(859)	-	(859)
<u>Contributions by and distributions to owners</u>					
Final tax-exempt dividends on ordinary shares	-	-	(4,765)	-	(4,765)
Total contributions by and distributions to owners	-	-	(4,765)	-	(4,765)
At 30 September 2013	50,915	-	8,643	2,156	61,714

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 have expired at 5.00 pm on 2 April 2012.

As at 2 April 2012, 952,282 warrants were converted to 952,282 new ordinary shares of the Company, thus bringing the company's total issued share capital to 351,220,223 ordinary shares excluding treasury shares (as at 31 March 2012: 350,267,941 ordinary shares).

As at 2 April 2012, 425,229 outstanding warrants, which have not been exercised, have lapsed, and these warrants have ceased to be valid at 5.00 pm on 2 April 2012.

On 6 August 2012, the Company allotted and issued 35,223,084 bonus shares (comprising 34,823,084 new shares and 400,000 treasury shares) pursuant to the Bonus Issue.

During FY2013, the Company acquired 6,690,000 (FY2012: 1,011,000) ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares.

On 2 October 2012, the Company cancelled 4,000,000 treasury shares to enhance shareholders' value.

In March 2013, the Company entered into a placement agreement, by way of issuance of 30,899,000 new shares and transfer of 4,101,000 existing issued shares in the capital of the Company which were held as treasury shares at an issue price of S\$0.408 per placement share.

The total number of issued shares as at 30 September 2013 were 414,353,307 shares (as at 30 September 2012: 380,838,307 shares excluding 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 31 March 2012 and 1 April 2012	
- Ordinary Shares	350,267,941
- Warrants	1,377,511
during the 1st quarter FY2013	
Issuance of new shares upon exercising of warrants	
- Ordinary Shares	952,282
- Warrants	(952,282)
Purchase of treasury shares	
- Ordinary Shares	(1,489,000)
during the 2nd quarter FY2013	
Purchase of treasury shares	
- Ordinary Shares	(3,716,000)
Bonus shares issued on 6 August 2012	
- Ordinary Shares to public shareholders	35,223,084
- Ordinary Shares as treasury shares	(400,000)
during the 3rd quarter FY2013	
Purchase of treasury shares	
- Ordinary Shares	(1,485,000)
during the 4th quarter FY2013	
Issuance of new shares pursuant to placement agreement	
- Ordinary Shares	35,000,000
Balance as at 31 March 2013 and 30 September 2013	
- Ordinary Shares	414,353,307

The total number of treasury shares held by the Company as at 30 September 2013 was nil (as at 30 September 2012: 6,616,000).

SHARE CAPITAL

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

	No. of treasury shares Half Year Ended 30.09.2013
Balance as at 31 March 2012 and 1 April 2012	1,011,000
Purchase of treasury shares	6,690,000
Bonus shares issued on 6 August 2012 as treasury shares	400,000
Cancellation of shares held in treasury	(4,000,000)
Disposal of treasury shares	(4,101,000)
Balance as at 31 March 2013 and 30 September 2013	-

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 financial statements for the audited financial year ended 31 March 2013.

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 SECOND QUARTER ENDED		GROUP HALF YEAR ENDED	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	2.93	2.73	5.69	3.93
b) On a fully diluted basis	2.93	2.73	5.69	3.93
	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	12,159	9,840	23,579	14,155
Group's adjusted profit for the financial period attributable to Owners of the Company used in the computation of diluted EPS	12,159	9,840	23,579	14,155
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS	414,353,307	359,935,728	414,353,307	359,935,728
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS	414,353,307	359,935,728	414,353,307	359,935,728

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 30.09.2013	as at 31.03.2013	as at 30.09.2013	as at 31.03.2013
Net asset value per ordinary share (cents)	48.61	43.54	14.89	16.25
Issue share capital excluding treasury shares at the end of the period/year	414,353,307	414,353,307	414,353,307	414,353,307

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

2QFY2014 vs 2QFY2013

Revenue

The Group had a total revenue of S\$89.1 million for the second quarter ended 30 September 2013 ("2QFY2014"), an increase of S\$31.8 million or 55.4% compared to S\$57.3 million registered in the corresponding financial period ended 30 September 2012 ("2QFY2013"). The increase was mainly due to the increase in revenue from the construction business of S\$25.3 million or 49.1% from S\$51.6 million in 2QFY2013 to S\$76.9 million in 2QFY2014. Revenue from sales of development property increased by S\$6.3 million or 148.6% from S\$4.2 million in 2QFY2013 to S\$10.5 million in 2QFY2014.

Other income

Other income increased by S\$0.4 million or 52.1% from S\$0.9 million in 2QFY2013 to S\$1.3 million in 2QFY2014, mainly due to the increase in foreign exchange gain, management fees and interest income from associates which was partially offset by the decrease in gain on the sale of investment properties.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

Operating expenses

Cost of construction increased by S\$36.1 million or 82.3% from S\$43.8 million in 2QFY2013 to S\$79.9 million in 2QFY2014 in line with the increase in revenue for both the construction and development property business.

Personnel expenses increased by S\$0.9 million or 35.2% from S\$2.4 million in 2QFY2013 to S\$3.3 million in 2QFY2014 mainly due to the increase in salaries and wages for staff and workers and provision of bonuses for Management and staff.

There were no significant differences in depreciation of property, plant and equipment and finance costs between 2QFY2014 and 2QFY2013.

Other operating expenses decreased by S\$0.7 million from S\$1.3 million in 2QFY2013 to S\$0.6 million in 2QFY2014. The decrease was mainly due to a write back of allowance for anticipated losses of construction projects of S\$0.5 million which has been realised in 2QFY2014 as cost of construction compared to the allowance made of S\$0.4 million in 2QFY2013, offset by a S\$0.2 million provision made in 2QFY2014 for legal fees in respect of a litigation case concerning claim of defects on a completed construction project.

Share of results of associates increased by S\$5.5 million from a profit of S\$2.1 million in 2QFY2013 to S\$7.6 million in 2QFY2014 mainly due to the contribution from property development projects in Singapore.

Tax expenses decreased in 2QFY2014 as compared to 2QFY2013 due to the decrease in profit from operations before share of results of associates.

As a result of the above, the Group registered an increase of net profit attributable to Owners of the company of S\$2.4 million or 23.6% from S\$9.8 million in 2QFY2013 to S\$12.2 million in 2QFY2014.

1HFY2014 vs 1HFY2013

Revenue

The Group had a total revenue of S\$172.3 million for the half year ended 30 September 2013 ("1HFY2014"), an increase of S\$59.8 million or 53.2% compared to S\$112.5 million registered in the corresponding half year period ended 30 September 2012 ("1HFY2013"). The increase was mainly due to the increase in revenue from the construction business of S\$49.1 million or 49.4% from S\$99.5 million in 1HFY2013 to S\$148.6 million in 1HFY2014. Revenue from sales of development property increased by S\$10.4 million or 102.5% from S\$10.2 million in 1HFY2013 to S\$20.6 million in 1HFY2014.

Other income

Other income increased by S\$0.7 million or 30.5% from S\$2.4 million in 1HFY2013 to S\$3.1 million in 1HFY2014. The increase was mainly due to the increase in management fees from associates of S\$0.5 million, the increase in foreign exchange gain of S\$0.4 million, the increase in interest income of S\$0.2 million and the increase in other income collections from the construction business and property management business of S\$0.3 million. The increase was offset by the decrease in gain on sale of investment properties in the People's Republic of China ("PRC") of S\$0.8 million.

Operating expenses

Cost of construction increased by S\$65.0 million or 70.7% from S\$92.0 million in 1HFY2013 to S\$157.0 million in 1HFY2014 mainly due to the increase in revenue for construction business, and the increase in revenue recognised from development property business.

There were no significant differences in personnel expenses and depreciation of property, plant and equipment between 1HFY2014 and 1HFY2013.

Finance costs increased slightly in 1HFY2014 compared to 1HFY2013 due to higher gearing and interest rates.

Other operating expenses decreased by S\$1.2 million or 37.0% from S\$3.3 million in 1HFY2013 to S\$2.1 million in 1HFY2014 mainly due to a write back of allowance for anticipated losses of construction projects of S\$0.9 million which has been realised in 1HFY2014 as cost of construction compared to the allowance made of S\$1.1 million in 1HFY2013 and the decrease in sales tax of S\$0.2 million as there were no sale tax from the sale of investment properties in PRC in 1HFY2014 as compared to 1HFY2013. The decrease was offset by the increase in foreign exchange loss of S\$0.5 million, the increase in building maintenance expenses of S\$0.3 million and the increase in provision made of S\$0.2 million in 1HFY2014 for legal fees in respect of a litigation case concerning claim of defects on a completed construction project.

REVIEW OF THE PERFORMANCE OF THE GROUP

Share of results of associates increased by S\$12.0 million or 359.4% from S\$3.4 million in 1HFY2013 to S\$15.4 million in 1HFY2014 mainly due to the contribution from property development projects in Singapore.

Tax expenses decreased in 1HFY2014 as compared to 1HFY2013 due to the decrease in profit from operations before share of results of associates.

As a result of the above, the Group registered an increase of net profit attributable to Owners of the company of S\$9.4 million or 66.6% from S\$14.2 million in 1HFY2013 to S\$23.6 million in 1HFY2014.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment ("PPE") decreased by S\$0.7 million from S\$10.5 million as at 31 March 2013 ("FY2013") to S\$9.8 million as at 30 September 2013 ("1HFY2014") due to depreciation which was partially offset by new purchases of plant and equipment during 1HFY2014.

Interests in associates increased by S\$20.8 million from S\$94.0 million in FY2013 to S\$114.8 million in 1HFY2014 due to the share of results of associates, additional investments in associates and additional loans to finance the property development projects, which was partially offset by foreign exchange translation.

Investment properties increased by S\$4.4 million from S\$106.8 million in FY2013 to S\$111.2 million in 1HFY2014 mainly due to additional cost paid for the investment properties under construction in Singapore as well as foreign exchange translation.

Trade receivables under non-current assets increased by S\$1.5 million from S\$11.3 million in FY2013 to S\$12.8 million in 1HFY2014. This is mainly due to additional retention sum receivables from on-going construction projects.

Other receivables of S\$2.8 million in FY2013 for the deposits placed for acquisition of shares in an associate has decreased to nil in 1HFY2014 as the acquisition was completed and shares were allotted during 1HFY2014.

Current assets

Development property decreased by S\$2.4 million from S\$43.5 million in FY2013 to S\$41.1 million in 1HFY2014 as the increase in cost incurred for the development during 1HFY2014 was less than the increase in progress billing from sales.

Trade receivables under current assets increased by S\$9.6 million from S\$27.4 million in FY2013 to S\$37.0 million in 1HFY2014 mainly due to the increase in construction projects in progress.

Other receivables and deposits decreased by S\$1.0 million from S\$2.7 million in FY2013 to S\$1.7 million in 1HFY2014 mainly due to the decrease in deposits placed for share acquisition of a subsidiary of S\$0.9 million.

Amounts due from associates of S\$6.0 million for financing property development projects will be re-paid by associates within the next 12 months period.

With an increase in construction business and based on the progress of construction projects in 1HFY2014 as compared to FY2013, the construction work-in-progress in excess of progress billings increased by S\$11.1 million from S\$8.1 million to S\$19.2 million in 1HFY2014.

Current liabilities

Trade payables under current liabilities increased by S\$2.2 million from S\$21.1 million in FY2013 to S\$23.3 million in 1HFY2014. The increase was due mainly to the increase in billings from suppliers and subcontractors for construction projects which will be due for release of payments in the next 12 months as the construction business has increased.

Other payables and accruals increased by S\$13.5 million from S\$47.0 million in FY2013 to S\$60.5 million in 1HFY2014. The increase was mainly due to the increase in accruals made for unbilled construction costs.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Current liabilities

With the increase in the construction business and based on the progress of construction projects in 1HFY2014 as compared to FY2013, the progress billings in excess of the construction work-in-progress increased by S\$2.4 million from S\$8.6 million to S\$11.0 million in 1HFY2014.

Non-current liabilities

Trade payables under non-current liabilities increased by S\$1.5 million from S\$3.9 million in FY2013 to S\$5.4 million in 1HFY2014. The increase was mainly due to the increase in retention sum from subcontractors for construction projects as construction activities have increased.

Total Group's borrowings

Total borrowings increased by S\$2.6 million from S\$87.9 million in FY2013 to S\$90.5 million in 1HFY2014, mainly due to the increase in use of bills payable to banks of S\$7.8 million. This was partially offset by the decrease in net bank term loans of S\$5.4 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$9.5 million during 1HFY2014 arose mainly from operating cash flows before changes in working capital of S\$10.6 million and interest income received of S\$1.3 million, offset by the increase in working capital of S\$0.1 million and payment made for income taxes of S\$2.5 million.

Net cash flows used in investing activities of S\$9.7 million during 1HFY2014 arose mainly from the increases in loans due from associates, net of S\$8.4 million, additional investments in associates of S\$0.2 million, purchase of investment properties of S\$0.9 million and purchase of plant and equipment of S\$0.2 million.

Net cash flows used in financing activities of S\$5.2 million during 1HFY2014 arose mainly from net repayment of bank term loans of S\$5.4 million, dividends payment of S\$4.8 million, acquisition of non-controlling interests of S\$1.9 million, and interest payment of S\$0.9 million, offset by the increase in use of bills payable to banks of S\$7.8 million.

As a result of the above-mentioned, net decrease in cash and cash equivalents during 1HFY2014 was S\$5.3 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. The actual results in 1HFY2014 is in line with the commentary made on 12 August 2013 in paragraph 10 of the three months period results announcement for 1QFY2014.

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.

According to the Ministry of Trade and Industry ("MTI"), Singapore's economy grew 5.1% year-on-year in the third quarter of 2013. In addition, the Monetary Authority of Singapore ("MAS") has indicated its expectation that Singapore economy would continue to expand for the rest of 2013 and into 2014, although some volatility in growth rate is likely. Barring a significant deterioration in global demand conditions, the labour market will remain tight and inflation could rise.

The construction sector grew 3.6% year-on-year, slower than the 6.9% growth in the preceding quarter. The sector contracted 8.8% quarter-on-quarter, a sharp contrast from the 20.9% growth in the previous quarter. The construction sector in Singapore continues to face challenges such as shortage of labour and equipments; rising competition; uncertainties of material prices; rising costs of operation; increase in workers' levy and potential increase in financing cost. However, the outlook of the construction sector in Singapore remains positive due to the strong demand in both public and private sectors.

REVIEW OF THE PERFORMANCE OF THE GROUP

10 Following the implementation of various measures to curb speculation, property volume and prices of property transactions in Singapore have been subdued in the third quarter of the year compared to the previous quarter. Nevertheless, the outlook remains positive with expected prices and sales volumes of residential property continuing to moderate from the anti-speculation measures in the next few months as the economy of Singapore remains healthy and demand remains strong.

The Group has an order book on construction projects of more than S\$405.0 million as at 30 September 2013 and launched property development projects under the Group has so far either met or exceeded expectations in both sales volumes and prices.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2014.

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	1.25 cents 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	21.12.2012
Dividend Type	Cash
Dividend Rate	1.35 cents per ordinary share

(c) Date payable

The interim dividend will be payable on or about 29 November 2013.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and the Register of Members of the Company will be closed from 5.00 pm on 20 November 2013 for the purpose of determining shareholders' entitlement to the interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00 pm on 20 November 2013 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 20 November 2013 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 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 financial year ended 30 September 2013 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

12 November 2013