



# **KSH Holdings Limited**

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

## **UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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		
	THIRD QUARTER ENDED		increase/ (decrease) %	NINE MONTHS ENDED		increase/ (decrease) %
	31.12.2013 S\$'000	31.12.2012 S\$'000		31.12.2013 S\$'000	31.12.2012 S\$'000	
<b>REVENUE</b>						
Project revenue	82,021	48,864	67.9	230,584	148,337	55.4
Sales of development property	9,558	2,149	344.8	30,196	12,340	144.7
Rental income from investment properties	1,600	1,232	29.9	4,709	4,033	16.8
	<b>93,179</b>	<b>52,245</b>	78.4	<b>265,489</b>	<b>164,710</b>	61.2
Other income	1,479	994	48.8	4,550	3,348	35.9
Cost of construction	(82,147)	(41,046)	100.1	(239,178)	(133,018)	79.8
Personnel expenses	(3,722)	(5,315)	(30.0)	(8,086)	(9,648)	(16.2)
Depreciation of property, plant and equipment	(433)	(454)	(4.6)	(1,325)	(1,369)	(3.2)
Finance costs	(917)	(416)	120.4	(1,847)	(1,197)	54.3
Other operating expenses	(1,059)	(1,805)	(41.3)	(3,122)	(5,082)	(38.6)
	(88,278)	(49,036)	80.0	(253,558)	(150,314)	68.7
<b>Profit from operations before share of results of associates</b>	<b>6,380</b>	<b>4,203</b>	51.8	<b>16,481</b>	<b>17,744</b>	(7.1)
Share of results of associates	4,667	4,727	(1.3)	20,083	8,083	148.5
<b>Profit before taxation</b>	<b>11,047</b>	<b>8,930</b>	23.7	<b>36,564</b>	<b>25,827</b>	41.6
Tax expense	(1,078)	(640)	68.4	(2,827)	(3,172)	(10.9)
<b>Net profit for the financial period</b>	<b>9,969</b>	<b>8,290</b>	20.3	<b>33,737</b>	<b>22,655</b>	48.9
<b>Attributable to:</b>						
- Owners of the Company	9,906	8,121	22.0	33,485	22,276	50.3
- Non-controlling interests	63	169	(62.7)	252	379	(33.5)
	<b>9,969</b>	<b>8,290</b>	20.3	<b>33,737</b>	<b>22,655</b>	48.9

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease) %	NINE MONTHS ENDED		increase/ (decrease) %
	31.12.2013	31.12.2012		31.12.2013	31.12.2012	
	S\$'000	S\$'000		S\$'000	S\$'000	
<b>Net profit for the financial period</b>	<b>9,969</b>	<b>8,290</b>	20.3	<b>33,737</b>	<b>22,655</b>	48.9
<b>Other comprehensive income:</b>						
- Foreign currency translation	1,266	173	631.8	4,275	(2,111)	nm
<b>Other comprehensive income for the financial period, net of tax</b>	<b>1,266</b>	<b>173</b>	631.8	<b>4,275</b>	<b>(2,111)</b>	nm
<b>Total comprehensive income for the financial period</b>	<b>11,235</b>	<b>8,463</b>	32.8	<b>38,012</b>	<b>20,544</b>	85.0
<b>Total comprehensive income attributable to:</b>						
- Owners of the Company	10,895	8,254	32.0	36,784	20,689	77.8
- Non-controlling interests	340	209	62.7	1,228	(145)	nm
	<b>11,235</b>	<b>8,463</b>	32.8	<b>38,012</b>	<b>20,544</b>	85.0

nm: not meaningful

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

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease) %	NINE MONTHS ENDED		increase/ (decrease) %
	31.12.2013	31.12.2012		31.12.2013	31.12.2012	
	S\$'000	S\$'000		S\$'000	S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	687	659	4.2	2,019	1,724	17.1
Allowance for doubtful debts	(14)	(22)	(36.4)	(96)	(29)	231.0
Write back of allowance/(allowance) for anticipated losses	625	(433)	nm	1,479	(1,545)	nm
Amortisation of club membership	-	-	-	(1)	(1)	-
Amortisation of issuance costs on term notes	(57)	-	nm	(57)	-	nm
Fair value loss on structured deposits	(2)	-	nm	(46)	-	nm
(Loss)/gain on sale of plant and equipment	(1)	(7)	(85.7)	46	(8)	nm
Gain on dilution of interest in a subsidiary	-	7	nm	-	7	nm
(Loss)/gain on sale of investment properties	-	(3)	nm	-	748	nm
Foreign exchange gain/(loss), net	107	(134)	nm	85	(108)	nm
Interest expense	(892)	(389)	129.3	(1,754)	(1,115)	57.3
Profit after taxation but before non-controlling interests as a percentage of turnover	10.70%	15.87%	(32.6)	12.71%	13.75%	(7.6)
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 2013 and 31 December 2012	4.78%	5.37%	(10.9)	16.17%	14.72%	9.8

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	
	31.12.2013	31.03.2013	31.12.2013	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9,685	10,485	-	-
Investments in subsidiaries	-	-	57,516	57,516
Interests in associates	125,102	94,034	-	-
Investment properties	113,142	106,836	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,295	2,188	-	-
Amounts due from subsidiaries (non-trade)	-	-	92,560	8,470
Trade receivables	11,661	11,286	-	-
Other receivables	-	2,793	-	-
Club membership	45	47	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	1,056	1,102	-	-
	262,987	228,772	150,076	65,986
<b>Current assets</b>				
Development property	42,543	43,548	-	-
Inventory	1	1	-	-
Trade receivables	43,656	27,352	-	-
Other receivables and deposits	1,732	2,733	83	20
Prepayments	1,064	304	28	18
Amounts due from subsidiaries (non-trade)	-	-	2,635	6,011
Construction work-in-progress in excess of progress billings	14,991	8,124	-	-
Fixed deposits	123,123	69,641	32,028	2,000
Cash and bank balances	21,486	11,758	665	1,916
	248,596	163,461	35,439	9,965
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	24,060	21,089	-	-
Other payables and accruals	69,822	46,994	2,437	2,613
Deferred income	196	55	-	-
Amount due to a Director of a subsidiary	-	374	-	-
Finance lease obligations	2	18	-	-
Provision for income tax	2,365	3,796	-	-
Progress billings in excess of construction work-in-progress	11,114	8,613	-	-
Bank term loans, secured	29,200	7,881	6,000	6,000
Bills payable to banks, secured	37,311	41,959	-	-
	174,070	130,779	8,437	8,613
<b>Net current assets</b>	<b>74,526</b>	<b>32,682</b>	<b>27,002</b>	<b>1,352</b>

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2013	31.03.2013	31.12.2013	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current liabilities</b>				
Trade payables	5,473	3,885	-	-
Other payables and accruals	185	177	-	-
Amounts due to subsidiaries (non-trade)	-	-	18,178	-
Bank term loans, secured	12,140	38,037	-	-
Term notes	73,806	-	73,806	-
Deferred tax liabilities	17,839	17,065	-	-
	<u>109,443</u>	<u>59,164</u>	<u>91,984</u>	<u>-</u>
<b>NET ASSETS</b>	<b><u>228,070</u></b>	<b><u>202,290</u></b>	<b><u>85,094</u></b>	<b><u>67,338</u></b>
<b>EQUITY</b>				
<b>Equity attributable to Owners of the Company</b>				
Share capital	50,915	50,915	50,915	50,915
Translation reserve	3,030	(269)	-	-
Accumulated profits	150,187	126,767	32,023	14,267
Other reserves	3,002	2,989	2,156	2,156
	<u>207,134</u>	<u>180,402</u>	<u>85,094</u>	<u>67,338</u>
Non-controlling interests	20,936	21,888	-	-
<b>TOTAL EQUITY</b>	<b><u>228,070</u></b>	<b><u>202,290</u></b>	<b><u>85,094</u></b>	<b><u>67,338</u></b>

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

The amount repayable in one year or less, or on demand			
At 31.12.2013		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
66,513	-	49,858	-

The amount repayable after one year			
At 31.12.2013		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
12,140	73,806	38,037	-

**Details of any collaterals:**

The Group's borrowings are secured by inter alia:

- 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	
	THIRD QUARTER ENDED		NINE MONTHS ENDED	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before taxation	11,047	8,930	36,564	25,827
<b>Adjustments:</b>				
Depreciation of property, plant and equipment	433	454	1,325	1,369
Amortisation of club membership	-	-	1	1
Amortisation of issuance costs on term notes	57	-	57	-
Loss/(gain) on sale of plant and equipment	1	7	(46)	8
Loss/(gain) on sale of investment properties	-	3	-	(748)
Fair value loss on structured deposits	2	-	46	-
Gain on dilution of interest in a subsidiary	-	(7)	-	(7)
Allowance for doubtful debts	14	22	96	29
Interest expense	892	389	1,754	1,115
Interest income	(687)	(659)	(2,019)	(1,724)
Share of results of associates	(4,667)	(4,727)	(20,083)	(8,083)
<b>Operating cash flows before changes in working capital</b>	<b>7,092</b>	<b>4,412</b>	<b>17,695</b>	<b>17,787</b>
(Increase)/decrease in:				
Development property	(1,437)	3,893	1,005	4,551
Inventory	1	-	-	1
Trade and other receivables, deposits and prepayments	(5,745)	6,938	(16,496)	(3,800)
Construction work-in-progress, net	4,316	1,666	(4,366)	396
Increase in:				
Trade and other payables	10,198	881	27,002	345
Deferred income	57	-	141	-
<b>Cash flows generated from operations</b>	<b>14,482</b>	<b>17,790</b>	<b>24,981</b>	<b>19,280</b>
Income taxes paid	(1,709)	(781)	(4,176)	(3,038)
Interest income received	687	659	2,019	1,724
Exchange differences	526	101	666	190
<b>Net cash flows generated from operating activities</b>	<b>13,986</b>	<b>17,769</b>	<b>23,490</b>	<b>18,156</b>
<b>Investing activities</b>				
Purchase of plant and equipment	(320)	(73)	(534)	(1,008)
Purchase of investment properties	(617)	(127)	(1,539)	(380)
Proceeds from sale of plant and equipment	-	4	60	5
Proceeds from sale of investment properties	-	(13)	-	3,382
Investments in associates	-	(454)	(150)	(1,174)
Loans due from associates, net	396	3,503	(8,042)	(11,399)
Decrease in structured deposits	-	-	-	2,000
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(541)</b>	<b>2,840</b>	<b>(10,205)</b>	<b>(8,574)</b>
<b>Financing activities</b>				
Dividends paid	(5,577)	(5,122)	(10,342)	(7,446)
Acquisition of non-controlling interests	-	-	(1,890)	-
Issuance of new shares	-	-	-	96
Proceeds from term notes	73,749	-	73,749	-
Purchase of treasury shares	-	(487)	-	(1,694)
Proceeds from bank term loans	601	447	1,762	2,361
Repayment of bank term loans	(129)	-	(6,718)	(6,142)
Proceeds from bills payable to banks	-	1,608	-	14,148
Repayment of bills payable to banks	(12,449)	-	(4,648)	-
Interest paid	(892)	(389)	(1,754)	(1,115)
Repayment of lease obligations	(3)	(101)	(16)	(544)
Increase in pledged fixed deposits	(31)	(3)	(57)	(2,040)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>55,269</b>	<b>(4,047)</b>	<b>50,086</b>	<b>(2,376)</b>
<b>Net increase in cash and cash equivalents</b>	<b>68,714</b>	<b>16,562</b>	<b>63,371</b>	<b>7,206</b>
Effect of exchange rate changes on cash and cash equivalents	(351)	18	(217)	(90)
<b>Cash and cash equivalents at beginning of financial year</b>	<b>60,245</b>	<b>34,156</b>	<b>65,454</b>	<b>43,620</b>
<b>Cash and cash equivalents at end of financial period (Note A)</b>	<b>128,608</b>	<b>50,736</b>	<b>128,608</b>	<b>50,736</b>

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

	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	21,486	18,570	21,486	18,570
Fixed deposits	123,123	48,099	123,123	48,099
	144,609	66,669	144,609	66,669
Less: Pledged fixed deposits	(16,001)	(15,933)	(16,001)	(15,933)
<b>Cash and cash equivalents</b>	<b>128,608</b>	<b>50,736</b>	<b>128,608</b>	<b>50,736</b>



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

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			
<b>At 1 April 2012</b>	39,483	(222)	123	97,678	2,044	139,106	21,231	160,337	
<b>Net profit for the financial period</b>	-	-	-	22,276	-	22,276	379	22,655	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(1,586)	-	-	(1,586)	(524)	(2,110)	
Other comprehensive income for the financial period	-	-	(1,586)	-	-	(1,586)	(524)	(2,110)	
Total comprehensive income for the financial period	-	-	(1,586)	22,276	-	20,690	(145)	20,545	
<u>Contributions by and distributions to owners</u>									
Conversion to shares by warrant holders	96	-	-	-	-	96	-	96	
Purchase of treasury shares	-	(1,695)	-	-	-	(1,695)	-	(1,695)	
Final & interim tax-exempt dividends on ordinary shares	-	-	-	(6,862)	-	(6,862)	-	(6,862)	
Dividends paid to non-controlling interests	-	-	-	-	-	-	(583)	(583)	
Cancellation of shares held in treasury	(886)	886	-	-	-	-	-	-	
Transfer to other reserves	-	-	-	(256)	256	-	-	-	
Total contributions by and distributions to owners	(790)	(809)	-	(7,118)	256	(8,461)	(583)	(9,044)	
<b>At 31 December 2012</b>	<b>38,693</b>	<b>(1,031)</b>	<b>(1,463)</b>	<b>112,836</b>	<b>2,300</b>	<b>151,335</b>	<b>20,503</b>	<b>171,838</b>	
<b>At 1 April 2013</b>	50,915	-	(269)	126,767	2,989	180,402	21,888	202,290	
<b>Net profit for the financial period</b>	-	-	-	33,485	-	33,485	252	33,737	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	3,299	(1)	-	3,298	976	4,274	
Other comprehensive income for the financial period	-	-	3,299	(1)	-	3,298	976	4,274	
Total comprehensive income for the financial period	-	-	3,299	33,484	-	36,783	1,228	38,011	
<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 & interim tax-exempt dividends on ordinary shares	-	-	-	(9,944)	-	(9,944)	(397)	(10,341)	
Transfer to other reserves	-	-	-	(120)	120	-	-	-	
Total contributions by and distributions to owners	-	-	-	(10,064)	13	(10,051)	(2,180)	(12,231)	
<b>At 31 December 2013</b>	<b>50,915</b>	<b>-</b>	<b>3,030</b>	<b>150,187</b>	<b>3,002</b>	<b>207,134</b>	<b>20,936</b>	<b>228,070</b>	

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

<b>COMPANY</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Other reserves S\$'000</b>	<b>Total equity S\$'000</b>
<b>At 1 April 2012</b>	39,483	(222)	22,204	1,514	62,979
Net loss for the financial period	-	-	(1,306)	-	(1,306)
Total comprehensive income for the financial period	-	-	(1,306)	-	(1,306)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	96	-	-	-	96
Purchase of treasury shares	-	(1,695)	-	-	(1,695)
Cancellation of shares held in treasury	(886)	886	-	-	-
Final & interim tax-exempt dividends on ordinary shares	-	-	(6,862)	-	(6,862)
Total contributions by and distributions to owners	(790)	(809)	(6,862)	-	(8,461)
<b>At 31 December 2012</b>	<b>38,693</b>	<b>(1,031)</b>	<b>14,036</b>	<b>1,514</b>	<b>53,212</b>
<b>At 1 April 2013</b>	50,915	-	14,267	2,156	67,338
Net profit for the financial period	-	-	27,700	-	27,700
Total comprehensive income for the financial period	-	-	27,700	-	27,700
<u>Contributions by and distributions to owners</u>					
Final & interim tax-exempt dividends on ordinary shares	-	-	(9,944)	-	(9,944)
Total contributions by and distributions to owners	-	-	(9,944)	-	(9,944)
<b>At 31 December 2013</b>	<b>50,915</b>	<b>-</b>	<b>32,023</b>	<b>2,156</b>	<b>85,094</b>

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 which were then 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, pursuant to which there was an 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 31 December 2013 was 414,353,307 shares excluding treasury shares (as at 31 December 2012: 379,353,307 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>
<b>Balance as at 31 March 2012 and 1 April 2012</b>	
- 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
 <b>Balance as at 31 March 2013 and 31 December 2013</b>	
- Ordinary Shares	414,353,307

The total number of treasury shares held by the Company as at 31 December 2013 was nil (as at 31 December 2012: 4,101,000).

**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.

	<b>No. of treasury shares NINE MONTHS ENDED</b>
	<u>31.12.2013</u>
<b>Balance as at 31 March 2012 and 1 April 2012</b>	<b>1,011,000</b>
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)
<b>Balance as at 31 March 2013 and 31 December 2013</b>	<u><u>-</u></u>

**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:

	<b>GROUP</b>		<b>GROUP</b>	
	<b>THIRD QUARTER ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<u>31.12.2013</u>	<u>31.12.2012</u>	<u>31.12.2013</u>	<u>31.12.2012</u>
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	2.39	2.22	8.08	6.08
b) On a fully diluted basis	2.39	2.22	8.08	6.08
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Group's profit for the financial period attributable to Owners of the Company used in the computation of basic EPS	<u>9,906</u>	<u>8,121</u>	<u>33,485</u>	<u>22,276</u>
Group's adjusted profit for the financial period attributable to Owners of the Company used in the computation of diluted EPS	<u>9,906</u>	<u>8,121</u>	<u>33,485</u>	<u>22,276</u>
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS	414,353,307	366,471,664	414,353,307	366,471,664
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS	<u>414,353,307</u>	<u>366,471,664</u>	<u>414,353,307</u>	<u>366,471,664</u>

**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 taking 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 taking 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 31.12.2013	as at 31.03.2013	as at 31.12.2013	as at 31.03.2013
Net asset value per ordinary share (cents)	49.99	43.54	20.54	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**

**3QFY2014 vs 3QFY2013**

**Revenue**

The Group had a total revenue of S\$93.2 million for the third quarter ended 31 December 2013 ("3QFY2014"), an increase of S\$41.0 million or 78.4% compared to S\$52.2 million registered in the corresponding financial period ended 31 December 2012 ("3QFY2013"). This increase was mainly due to the increase in revenue from the construction business of S\$33.1 million or 67.9% from S\$48.9 million in 3QFY2013 to S\$82.0 million in 3QFY2014. In addition, revenue from sales of development property increased by S\$7.5 million or 344.8% from S\$2.1 million in 3QFY2013 to S\$9.6 million in 3QFY2014. While revenue from rental income from investment properties increased by S\$0.4 million or 29.9% from S\$1.2 million in 3QFY2013 to S\$1.6 million in 3QFY2014.

**Other income**

Other income increased by S\$0.5 million or 48.8% from S\$1.0 million in 3QFY2013 to S\$1.5 million in 3QFY2014, mainly due to the increase in foreign exchange gain, management fees and interest income from associates.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### INCOME STATEMENT

#### Operating expenses

Cost of construction increased by S\$41.1 million or 100.1% from S\$41.0 million in 3QFY2013 to S\$82.1 million in 3QFY2014 in line with the increase in revenue for both the construction and development property business.

Personnel expenses decreased by S\$1.6 million or 30.0% from S\$5.3 million in 3QFY2013 to S\$3.7 million in 3QFY2014 mainly due to the decrease in provision of bonuses for staff and workers.

There were no significant differences in depreciation of property, plant and equipment between 3QFY2014 and 3QFY2013.

Finance costs increased by S\$0.5 million or 120.4% from S\$0.4 million in 3QFY2013 to S\$0.9 million in 3QFY2014 due to the increase in the Group's borrowings and interest rates.

Other operating expenses decreased by S\$0.7 million or 41.3% from S\$1.8 million in 3QFY2013 to S\$1.1 million in 3QFY2014. This decrease was mainly due to a write back of allowance for anticipated losses of construction projects of S\$0.6 million which has been realised in 3QFY2014 as cost of construction compared to the allowance made of S\$0.4 million in 3QFY2013, offset by the increase in building maintenance expenses for investment properties of S\$0.1 million and the increase of foreign exchange loss of S\$0.2 million.

There were no significant differences in share of results of associates between 3QFY2014 and 3QFY2013 as the profit recognised from additional sales and construction progress of property development projects by the Group's associates in Singapore is offset by the increase in marketing and selling expenses for the newly launched property development projects by the Group's associates in Singapore before any recognition of profit.

Tax expenses increased in 3QFY2014 as compared to 3QFY2013 due to the increase in profit from operations before share of results of associates and the increase in expenses that are not tax deduction.

As a result of the above, the Group registered an increase of net profit attributable to Owners of the company of S\$1.8 million or 22.0% from S\$8.1 million in 3QFY2013 to S\$9.9 million in 3QFY2014.

### 9MFY2014 vs 9MFY2013

#### Revenue

The Group had a total revenue of S\$265.5 million for the nine-month period ended 31 December 2013 ("9MFY2014"), an increase of S\$100.8 million or 61.2% compared to S\$164.7 million registered in the corresponding nine-month period ended 31 December 2012 ("9MFY2013"). This increase was mainly due to the increase in revenue from the construction business of S\$82.3 million or 55.4% from S\$148.3 million in 9MFY2013 to S\$230.6 million in 9MFY2014. In addition, revenue from sales of development property increased by S\$17.9 million or 144.7% from S\$12.3 million in 9MFY2013 to S\$30.2 million in 9MFY2014. While revenue from rental income from investment properties increased by S\$0.7 million or 16.8% from S\$4.0 million in 9MFY2013 to S\$4.7 million in 9MFY2014.

#### Other income

Other income increased by S\$1.3 million or 35.9% from S\$3.3 million in 9MFY2013 to S\$4.6 million in 9MFY2014. The increase was mainly due to the increase in foreign exchange gain of S\$0.8 million, the increase in management fees from associates of S\$0.6 million, the increase in interest income of S\$0.3 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\$106.2 million or 79.8% from S\$133.0 million in 9MFY2013 to S\$239.2 million in 9MFY2014 mainly due to the increase in revenue for the construction business, and the increase in revenue recognised from the development property business.

Personnel expenses decreased by S\$1.5 million or 16.2% from S\$9.6 million in 9MFY2013 to S\$8.1 million in 9MFY2014 mainly due to the decrease in provision of bonuses for staff and workers.

There were no significant differences in depreciation of property, plant and equipment between 9MFY2014 and 9MFY2013.

Finance costs increased by S\$0.6 million or 54.3% from S\$1.2 million in 9MFY2013 to S\$1.8 million in 9MFY2014 due to the increase in the Group's borrowings and interest rates.

## **REVIEW OF THE PERFORMANCE OF THE GROUP**

Other operating expenses decreased by S\$2.0 million or 38.6% from S\$5.1 million in 9MFY2013 to S\$3.1 million in 9MFY2014 mainly due to a write back of allowance for anticipated losses of construction projects of S\$1.5 million which has been realised in 9MFY2014 as cost of construction compared to the allowance made of S\$1.5 million in 9MFY2013 and the decrease in sales tax of S\$0.3 million as there were no sales tax from the sale of investment properties in the PRC in 9MFY2014 as compared to 9MFY2013. The decrease was offset by the increase in foreign exchange loss of S\$0.6 million, the increase in building maintenance expenses of S\$0.5 million and the increase in provision made of S\$0.2 million in 9MFY2014 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\$12.0 million or 148.5% from S\$8.1 million in 9MFY2013 to S\$20.1 million in 9MFY2014 mainly due to the contribution from property development projects in Singapore.

Tax expenses decreased in 9MFY2014 as compared to 9MFY2013 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\$11.2 million or 50.3% from S\$22.3 million in 9MFY2013 to S\$33.5 million in 9MFY2014.

## **STATEMENT OF FINANCIAL POSITION**

Property, plant and equipment ("PPE") decreased by S\$0.8 million from S\$10.5 million as at 31 March 2013 ("FY2013") to S\$9.7 million as at 31 December 2013 ("9MFY2014") due to depreciation which was partially offset by new purchases of plant and equipment during 9MFY2014.

Interests in associates increased by S\$31.1 million from S\$94.0 million in FY2013 to S\$125.1 million in 9MFY2014 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\$6.3 million from S\$106.8 million in FY2013 to S\$113.1 million in 9MFY2014 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\$0.4 million from S\$11.3 million in FY2013 to S\$11.7 million in 9MFY2014. This was 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 decreased to nil in 9MFY2014 as the acquisition has been completed and shares were allotted during 9MFY2014.

### **Current assets**

Development property decreased by S\$1.0 million from S\$43.5 million in FY2013 to S\$42.5 million in 9MFY2014 as the increase in cost incurred for the development during 9MFY2014 was less than the increase in progress billing from sales.

Trade receivables under current assets increased by S\$16.3 million from S\$27.4 million in FY2013 to S\$43.7 million in 9MFY2014 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 9MFY2014 mainly due to the decrease in deposits placed for share acquisition of a subsidiary of S\$0.9 million.

Prepayments increased by S\$0.8 million from S\$0.3 million to S\$1.1 million in 9MFY2014 mainly due to the advance to suppliers for the construction of workers' dormitory.

With an increase in construction business and based on the progress of construction projects in 9MFY2014 as compared to FY2013, the construction work-in-progress in excess of progress billings increased by S\$6.9 million from S\$8.1 million to S\$15.0 million in 9MFY2014.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### STATEMENT OF FINANCIAL POSITION

#### Current liabilities

Trade payables under current liabilities increased by S\$3.0 million from S\$21.1 million in FY2013 to S\$24.1 million in 9MFY2014. This 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\$22.8 million from S\$47.0 million in FY2013 to S\$69.8 million in 9MFY2014. This increase was mainly due to the increase in accruals made for unbilled construction costs.

With the increase in the construction business and based on the progress of construction projects in 9MFY2014 as compared to FY2013, the progress billings in excess of the construction work-in-progress increased by S\$2.5 million from S\$8.6 million to S\$11.1 million in 9MFY2014.

#### Non-current liabilities

Trade payables under non-current liabilities increased by S\$1.6 million from S\$3.9 million in FY2013 to S\$5.5 million in 9MFY2014. This increase was mainly due to the increase in retention sums from subcontractors for construction projects as construction activities have increased.

#### Total Group's borrowings

Total borrowings increased by S\$64.6 million from S\$87.9 million in FY2013 to S\$152.5 million in 9MFY2014, mainly due to the increase in term notes of S\$73.8 million. This was partially offset by the decrease in use of bills payable to banks of S\$4.6 million and the decrease in net bank term loans of S\$5.0 million.

### STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$23.5 million during 9MFY2014 arose mainly from operating cash flows before changes in working capital of S\$17.7 million, decrease in working capital of S\$7.3 million, and interest income received of S\$2.0 million, offset by payment made for income taxes of S\$4.2 million.

Net cash flows used in investing activities of S\$10.2 million during 9MFY2014 arose mainly from the increases in loans due from associates, net of S\$8.0 million, additional investments in associates of S\$0.2 million, purchase of investment properties of S\$1.5 million and purchase of plant and equipment of S\$0.5 million.

Net cash flows generated from financing activities of S\$50.1 million during 9MFY2014 arose mainly from net proceeds from issuance of term notes of S\$73.7 million, offset by net of repayment of bank term loans of S\$5.0 million, dividends payment of S\$10.3 million, acquisition of non-controlling interests of S\$1.9 million, repayment of bills payable to banks of S\$4.6 million and interest payment of S\$1.8 million.

As a result of the above-mentioned, net increase in cash and cash equivalents during 9MFY2014 was S\$63.4 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 3QFY2014 is in line with the commentary made on 12 November 2013 in paragraph 10 of the second quarter and half year results announcement for 2QFY2014.

#### **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 advance estimates from the Ministry of Trade and Industry ("MTI"), Singapore's economy grew 4.4% year-on-year in the fourth quarter of 2013, down from 5.9% in the previous quarter. Singapore's economy outlook in 2014 remains positive and healthy with good fundamentals, benefiting from economic recovery in United States, Europe and the PRC in 2014.



## REVIEW OF THE PERFORMANCE OF THE GROUP

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The Building and Construction Authority ("BCA") forecasts that total construction demand in 2014 is likely to be between S\$31 billion and \$38 billion. The boost to the overall demand is likely to come from the expansion in the public sector demand as well as stronger institutional and civil engineering construction works. By contrast, construction demand from the private sector is projected to be softer. Private residential construction demand in 2014 will be weighed down by anticipated reduction in residential construction demand amid the subdued property market sentiments since the second half of 2013 as a result of various market cooling measures implemented by the Government, the substantial supply of completed housing units coming on-stream over the next few years as well as the scaling back of new Government land sales for the first half of 2014. Given the significant increase in completed commercial spaces and hotel rooms as well as substantial pipeline supply from on-going projects, total commercial construction demand is also projected to reduce in 2014.

Construction costs are likely to continue the uptrend as a result of rising cost pressures due to progressive tightening of manpower policies, increase of construction material costs and hikes in other operating costs.

The transaction volumes and prices in Singapore's property market has continued to moderate down in general as the cooling measures implemented remain in place to limit the ability to gain financed by the local potential buyers; interest rates are anticipated to increase; increase in private property supply in 2014 compared to 2013 and increasing recognition of alternative markets in the region.

The Group has an order book on construction projects in Singapore of more than S\$385.0 million as at 31 December 2013. In addition, launched property development projects under the Group has so far either met or exceeded expectations in both sales volumes and prices.

In view of the above and 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? **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.

No dividend has been declared/recommended during the financial period.

- 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-month period 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-month financial period ended 31 December 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

11 February 2014