



## KSH Holdings Limited

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

### UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015**

- 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**

	<b>FIRST QUARTER ENDED</b>		
	<b>30.06.2015</b>	<b>30.06.2014</b>	increase/ (decrease)
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>REVENUE</b>			
Project revenue	60,240	60,906	(1.1)
Rental income from investment properties	1,610	1,553	3.7
	<b>61,850</b>	<b>62,459</b>	(1.0)
Other income	2,113	1,232	71.5
Cost of construction	(53,191)	(54,278)	(2.0)
Personnel expenses	(2,986)	(2,644)	12.9
Depreciation of property, plant and equipment	(475)	(464)	2.4
Finance costs	(1,524)	(1,473)	3.5
Other operating expenses	(1,602)	(1,264)	26.7
	(59,778)	(60,123)	(0.6)
<b>Profit from operations before share of results of associates and joint ventures</b>	<b>4,185</b>	<b>3,568</b>	17.3
Share of results of associates	7,158	6,824	4.9
Share of results of joint ventures	(342)	49	nm
<b>Profit before taxation</b>	<b>11,001</b>	<b>10,441</b>	5.4
Tax expense	(730)	(705)	3.5
<b>Net profit for the financial period</b>	<b>10,271</b>	<b>9,736</b>	5.5
<b>Attributable to:</b>			
- Owners of the Company	10,184	9,624	5.8
- Non-controlling interests	87	112	(22.3)
	<b>10,271</b>	<b>9,736</b>	5.5

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	FIRST QUARTER ENDED		
	30.06.2015	30.06.2014	increase/ (decrease)
	S\$'000	S\$'000	%
<b>Net profit for the financial period</b>	<b>10,271</b>	<b>9,736</b>	5.5
<b>Other comprehensive income:</b>			
- Foreign currency translation	(1,525)	(597)	nm
<b>Other comprehensive income for the financial period, net of tax</b>	<b>(1,525)</b>	<b>(597)</b>	nm
<b>Total comprehensive income for the financial period</b>	<b>8,746</b>	<b>9,139</b>	(4.3)
<b>Total comprehensive income attributable to:</b>			
- Owners of the Company	9,024	9,160	(1.5)
- Non-controlling interests	(278)	(21)	nm
	<b>8,746</b>	<b>9,139</b>	(4.3)

nm: not meaningful

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

	GROUP		
	FIRST QUARTER ENDED		increase/ (decrease) %
	30.06.2015 S\$'000	30.06.2014 S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:			
Interest income	1,603	822	nm
Write back/(allowance) for doubtful debts	70	(26)	nm
Amortisation of club membership	(1)	(1)	-
Amortisation of issuance costs on term notes	(125)	(125)	-
Fair value gain on structured deposits	5	-	nm
(Loss)/gain on sale of plant and equipment	(149)	1	nm
Foreign exchange gain, net	99	8	nm
Interest expense	(1,519)	(1,460)	4.0
Profit after taxation before non-controlling interests as a percentage of turnover	16.61%	15.59%	6.5
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 June 2015 and 30 June 2014	3.88%	4.25%	(8.7)
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	
	30.06.2015	31.03.2015	30.06.2015	31.03.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8,926	9,740	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	140,369	142,521	-	-
Interests in joint ventures	51,205	49,007	-	-
Investment properties	130,110	131,713	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,452	2,486	-	-
Amounts due from subsidiaries (non-trade)	-	-	136,032	137,094
Trade receivables	9,396	10,290	-	-
Other receivables	6,683	724	-	-
Club membership	41	42	-	-
Other investments	1	1	-	-
Structured deposits	992	987	-	-
	350,175	347,511	152,823	153,885
<b>Current assets</b>				
Inventory	2	2	-	-
Trade receivables	41,383	48,724	-	-
Other receivables and deposits	12,015	1,456	27	23
Prepayments	1,050	408	197	64
Construction work-in-progress in excess of progress billings	5,029	6,837	-	-
Fixed deposits	103,213	82,431	12,090	12,063
Cash and bank balances	43,346	12,693	864	742
	206,038	152,551	13,178	12,892
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	25,790	25,447	-	-
Other payables and accruals	67,040	61,165	3,408	4,402
Deferred income	409	306	-	-
Finance lease obligations	111	110	-	-
Provision for income tax	2,244	1,729	37	37
Progress billings in excess of construction work-in-progress	14,406	13,554	-	-
Term notes, unsecured	74,557	-	74,557	-
Bank term loans, secured	8,031	8,033	6,000	6,000
Bills payable to banks, secured	998	1,438	-	-
	193,586	111,782	84,002	10,439
<b>Net current assets/(liabilities)</b>	<b>12,452</b>	<b>40,769</b>	<b>(70,824)</b>	<b>2,453</b>

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.06.2015	31.03.2015	30.06.2015	31.03.2015
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current liabilities</b>				
Trade payables	4,198	3,628	-	-
Other payables and accruals	336	339	-	-
Amounts due to subsidiaries (non-trade)	-	-	4,810	4,444
Finance lease obligations	407	434	-	-
Bank term loans, secured	51,554	11,796	-	-
Term notes, unsecured	-	74,432	-	74,432
Deferred tax liabilities	20,425	20,690	-	-
	76,920	111,319	4,810	78,876
<b>NET ASSETS</b>	<b>285,707</b>	<b>276,961</b>	<b>77,189</b>	<b>77,462</b>
<b>EQUITY</b>				
<b>Equity attributable to Owners of the Company</b>				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	(851)	(851)	(851)	(851)
Translation reserve	8,220	9,500	-	-
Accumulated profits	200,830	190,686	24,969	25,242
Other reserves	3,192	3,032	2,156	2,156
	262,306	253,282	77,189	77,462
Non-controlling interests	23,401	23,679	-	-
<b>TOTAL EQUITY</b>	<b>285,707</b>	<b>276,961</b>	<b>77,189</b>	<b>77,462</b>

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

The amount repayable in one year or less, or on demand			
At 30.06.2015		At 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
9,140	74,557	9,581	-

The amount repayable after one year			
At 30.06.2015		At 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
51,961	-	12,230	74,432

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) 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 period.

**STATEMENT OF CASH FLOWS**

	<b>GROUP</b>	
	<b>FIRST QUARTER ENDED</b>	
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before taxation	11,001	10,441
<b>Adjustments:</b>		
Depreciation of property, plant and equipment	475	464
Amortisation of club membership	1	1
Amortisation of issuance costs on term notes	125	125
Loss/(gain) on sale of plant and equipment	149	(1)
Fair value gain on structured deposits	(5)	-
(Write back)/allowance for doubtful debts	(70)	26
Interest expense	1,519	1,460
Interest income	(1,603)	(822)
Share of results of associates	(7,158)	(6,824)
Share of results of joint ventures	342	(49)
<b>Operating cash flows before changes in working capital</b>	<b>4,776</b>	<b>4,821</b>
(Increase)/decrease in:		
Trade and other receivables, deposits and prepayments	(2,910)	(4,770)
Construction work-in-progress, net	2,661	1,091
Increase/(decrease) in:		
Trade and other payables and accruals	6,801	1,326
Deferred income	102	(5)
<b>Cash flows generated from operations</b>	<b>11,430</b>	<b>2,463</b>
Income taxes paid	(247)	(345)
Interest income received	1,603	822
Exchange differences	(156)	30
<b>Net cash flows generated from operating activities</b>	<b>12,630</b>	<b>2,970</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(241)	(255)
Purchase of investment properties	-	(2,788)
Proceeds from sale of plant and equipment	430	1
Loans due from associates, net	(1,199)	(22,567)
Decrease in interests in an associate for share of dividends declared	10,500	-
Loans due from joint ventures, net	(2,540)	-
Loan due from an investee companies	(5,959)	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>991</b>	<b>(25,609)</b>
<b>Financing activities</b>		
Proceeds from bank term loans	40,000	1,734
Repayment of bank term loans	(143)	(2,170)
Repayment of bills payable to banks	(440)	(9,480)
Interest paid	(1,519)	(1,460)
Proceeds from lease obligations	-	90
Repayment of lease obligations	(27)	-
Increase in pledged fixed deposits	(3,712)	(6)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>34,159</b>	<b>(11,292)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>47,780</b>	<b>(33,931)</b>
Effect of exchange rate changes on cash and cash equivalents	(57)	(47)
<b>Cash and cash equivalents at beginning of financial year</b>	<b>79,052</b>	<b>122,457</b>
<b>Cash and cash equivalents at end of financial period (Note A)</b>	<b>126,775</b>	<b>88,479</b>
<b>Note A: Cash and cash equivalents at end of financial period comprise:</b>		
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances**	43,346	51,957
Fixed deposits	103,213	52,542
	146,559	104,499
Less: Pledged fixed deposits	(19,784)	(16,020)
Cash and cash equivalents	126,775	88,479

\*\* The Group's cash and bank balances earn interest at floating rates based on daily bank deposit rates.



**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015**

**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			
<b>At 1 April 2014</b>	<b>50,915</b>	<b>-</b>	<b>1,848</b>	<b>161,461</b>	<b>3,033</b>	<b>217,257</b>	<b>21,519</b>	<b>238,776</b>
<b>Net profit for the financial period</b>	-	-	-	9,624	-	9,624	112	9,736
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(464)	-	-	(464)	(133)	(597)
Other comprehensive income for the financial period	-	-	(464)	-	-	(464)	(133)	(597)
Total comprehensive income for the financial period	-	-	(464)	9,624	-	9,160	(21)	9,139
<u>Contributions by and distributions to owners</u>								
Transfer to other reserves	-	-	-	(40)	40	-	-	-
Total contributions by and distributions to owners	-	-	-	(40)	40	-	-	-
<b>At 30 June 2014</b>	<b>50,915</b>	<b>-</b>	<b>1,384</b>	<b>171,045</b>	<b>3,073</b>	<b>226,417</b>	<b>21,498</b>	<b>247,915</b>
<b>At 1 April 2015</b>	<b>50,915</b>	<b>(851)</b>	<b>9,500</b>	<b>190,686</b>	<b>3,032</b>	<b>253,282</b>	<b>23,679</b>	<b>276,961</b>
<b>Net profit for the financial period</b>	-	-	-	10,184	-	10,184	87	10,271
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(1,280)	-	120	(1,160)	(365)	(1,525)
Other comprehensive income for the financial period	-	-	(1,280)	-	120	(1,160)	(365)	(1,525)
Total comprehensive income for the financial period	-	-	(1,280)	10,184	120	9,024	(278)	8,746
<u>Contributions by and distributions to owners</u>								
Transfer to other reserves	-	-	-	(40)	40	-	-	-
Total contributions by and distributions to owners	-	-	-	(40)	40	-	-	-
<b>At 30 June 2015</b>	<b>50,915</b>	<b>(851)</b>	<b>8,220</b>	<b>200,830</b>	<b>3,192</b>	<b>262,306</b>	<b>23,401</b>	<b>285,707</b>

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**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2015**

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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 period.

**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 2014</b>	<b>50,915</b>	<b>-</b>	<b>32,747</b>	<b>2,156</b>	<b>85,818</b>
<b>Net profit for the financial period</b>	-	-	(1,095)	-	(1,095)
Total comprehensive income for the financial period	-	-	(1,095)	-	(1,095)
<b>At 30 June 2014</b>	<b>50,915</b>	<b>-</b>	<b>31,652</b>	<b>2,156</b>	<b>84,723</b>
<b>At 1 April 2015</b>	<b>50,915</b>	<b>(851)</b>	<b>25,242</b>	<b>2,156</b>	<b>77,462</b>
<b>Net profit for the financial period</b>	-	-	(273)	-	(273)
Total comprehensive income for the financial period	-	-	(273)	-	(273)
<b>At 30 June 2015</b>	<b>50,915</b>	<b>(851)</b>	<b>24,969</b>	<b>2,156</b>	<b>77,189</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.**

During FY2015, the Company acquired 1,637,000 (FY2014: nil) ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares.

The total number of issued shares as at 30 June 2015 was 412,716,307 shares excluding treasury shares (as at 30 June 2014 was 414,353,307 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.**

<b>Total number of issued shares excluding treasury shares:</b>	<u>Number of shares</u>
<b>Balance as at 31 March 2014 and 30 June 2014</b>	
- Ordinary Shares	414,353,307
during the 3rd quarter FY2015	
Purchase of treasury shares	
- Ordinary Shares	(1,448,000)
during the 4th quarter FY2015	
Purchase of treasury shares	
- Ordinary Shares	(189,000)
<b>Balance as at 31 March 2015 and 30 June 2015</b>	
- Ordinary Shares	412,716,307

The total number of treasury shares held by the Company as at 30 June 2015 was 1,637,000 (as at 30 June 2014: nil).

- 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.**

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the period ended 30 June 2015.

## 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 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2015.

- 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.**

Not applicable.

## 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 FIRST QUARTER ENDED	
	30.06.2015	30.06.2014
	(cents)	(cents)
a) On a basic basis	2.47	2.32
b) On a fully diluted basis	2.47	2.32
	<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 and diluted EPS	10,184	9,624
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	412,716,307	414,353,307

## 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 30.06.2015	as at 31.03.2015	as at 30.06.2015	as at 31.03.2015
Net asset value per ordinary share (cents)	63.56	61.37	18.70	18.77
Issue share capital excluding treasury shares at the end of the period/year	412,716,307	412,716,307	412,716,307	412,716,307

## 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

#### 1QFY2016 vs 1QFY2015

#### Revenue

The Group has a total revenue of S\$61.9 million for the first quarter three months ended 30 June 2015 ("1QFY2016"), a decrease of S\$0.6 million or 1.0% compared to S\$62.5 million registered in the corresponding period ended 30 June 2014 ("1QFY2015"). The decrease was mainly due to the decrease in revenue from the construction business of S\$0.7 million or 1.1% from S\$60.9 million in 1QFY2015 to S\$60.2 million in 1QFY2016.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### INCOME STATEMENT

#### 1QFY2016 vs 1QFY2015

##### Other income

Other income increased by S\$0.9 million or 71.5% from S\$1.2 million in 1QFY2015 to S\$2.1 million in 1QFY2016. The increase was mainly due to the increase in interest income of S\$0.8 million.

##### Operating expenses

Cost of construction decreased by S\$1.1 million or 2.0% from S\$54.3 million in 1QFY2015 to S\$53.2 million in 1QFY2016. The decrease was in line with the decrease in revenue for construction business.

Personnel expenses increased by S\$0.3 million or 12.9% from S\$2.6 million in 1QFY2015 to S\$2.9 million in 1QFY2016 mainly due to the increase in salaries and provision for bonuses for staff and workers.

There were no significant differences in depreciation of property, plant and equipment between 1QFY2016 and 1QFY2015.

Finance costs increased slightly in 1QFY2016 as compared to 1QFY2015 mainly due to the increase in interest rates.

Other operating expenses increased by S\$0.3 million or 26.7% from S\$1.3 million in 1QFY2015 to S\$1.6 million in 1QFY2016, due to loss on sale of plant and equipment of S\$0.2 million.

Share of results of associates increased by S\$0.3 million or 4.9% from S\$6.8 million in 1QFY2015 to S\$7.2 million in 1QFY2016, mainly due to the increase in percentage of completion recognised on the development property projects in Singapore. Loss from share of results of joint ventures increased by S\$0.4 million in 1QFY2016 as compared to 1QFY2015, mainly due to selling expenses incurred prior to the launch of the residential development project.

Tax expense increased slightly in 1QFY2016 as compared to 1QFY2015, mainly due to the increase in profit from operations before share of results of associates and joint ventures.

As a result of the above, the Group registered an increase in net profit attributable to Owners of the company of S\$0.6 million or 5.8% from S\$9.6 million in 1QFY2015 to S\$10.2 million in 1QFY2016.

### STATEMENT OF FINANCIAL POSITION

#### Non-current assets

Property, plant and equipment ("PPE") decreased by S\$0.8 million from S\$9.7 million as at 31 March 2015 ("FY2015") as compared to S\$8.9 million as at 30 June 2015 ("1QFY2016") due to depreciation and disposal of plant and equipment during the 1QFY2016.

Interests in associates decreased by S\$2.1 million from S\$142.5 million in FY2015 to S\$140.4 million in 1QFY2016 mainly due to dividends receivables from an associate, offset by share of results of associates and additional loans to associates to finance the development property projects.

Interests in joint ventures increased by S\$2.2 million from S\$49.0 million in FY2015 to S\$51.2 million in 1QFY2016 due to additional loans to joint ventures to finance the development property project, offset by share of results of joint ventures.

Investment properties decreased by S\$1.6 million from S\$131.7 million in FY2015 to S\$130.1 million in 1QFY2016 mainly due to foreign exchange differences from an investment property held in People's Republic of China ("PRC").

Trade receivables under non-current assets decreased by S\$0.9 million from S\$10.3 million in FY2015 to S\$9.4 million in 1QFY2016, mainly due to the decrease in retention sum receivables from ongoing and completed construction projects.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### STATEMENT OF FINANCIAL POSITION

#### Non-current assets

Other receivables under non-current assets increased by S\$6.0 million from S\$0.7 million in FY2015 to S\$6.7 million in 1QFY2016, mainly due to the increase in loan due from investee companies.

#### Current assets

Trade receivables under current assets decreased by S\$7.3 million from S\$48.7 million in FY2015 to S\$41.4 million in 1QFY2016 mainly due to the decrease in amount of progress claims certified for construction projects in progress.

Other receivables and deposits increased by S\$10.5 million from S\$1.5 million in FY2015 to S\$12.0 million in 1QFY2016 mainly due to dividends receivables of S\$10.5 million from an associate in Singapore.

Prepayments increased by S\$0.6 million from S\$0.4 million in FY2015 to S\$1.0 million in 1QFY2016 mainly due to an advance payment for purchase of motor vehicles.

Based on the progress of construction projects in 1QFY2016 as compared to FY2015, the construction work-in-progress in excess of progress billings decreased by S\$1.8 million from S\$6.8 million in FY2015 to S\$5.0 million in 1QFY2016.

#### Current liabilities

Trade payables under current liabilities increased by S\$0.4 million from S\$25.4 million in FY2015 to S\$25.8 million in 1QFY2016. The increase was mainly due to the increase in billings from suppliers and subcontractors which will be due for release of payments in the next 12 months for construction projects in progress.

Other payables and accruals under current liabilities increased by S\$5.8 million from S\$61.2 million in FY2015 to S\$67.0 million in 1QFY2016. The increase was mainly from increase in accruals made for on-going construction projects.

Based on the progress of construction projects in 1QFY2016 as compared to FY2015, the progress billings in excess of the construction work-in-progress increased by S\$0.8 million from S\$13.6 million in FY2015 to S\$14.4 million in 1QFY2016.

#### Non-current liabilities

Trade payables under non-current liabilities increased by S\$0.6 million from S\$3.6 million in FY2015 to S\$4.2 million in 1QFY2016. The increase was mainly from the increase in retention sums payable to subcontractors for completed construction projects.

#### Total Group's borrowings

Total borrowings increased by S\$39.5 million from S\$96.2 million in FY2015 to S\$135.7 million in 1QFY2016, mainly due to the increase in bank term loans, net of S\$39.9 million, partially offset by the decrease in bills payable of S\$0.4 million.

### STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$12.6 million during 1QFY2016 mainly arose from operating cash flows before changes in working capital of S\$4.8 million, the increase in working capital of S\$6.6 million and interest income received of S\$1.6 million, offset by payment made for income taxes of S\$0.2 million and exchange differences of S\$0.2 million.

Net cash flows generated from investing activities of S\$1.0 million during 1QFY2016 mainly arose from the decrease in interests in an associate of S\$10.5 million for share of dividends declared, offset by additional loans injected to investee companies, associates and joint ventures of S\$9.7 million.

Net cash flows generated from financing activities of S\$34.2 million during 1QFY2016 mainly arose from bank term loans proceeds of S\$40.0 million, offset by the increase in pledged fixed deposits of S\$3.7 million, interest payment of S\$1.5 million and repayment of bills payable to banks and bank term loans of S\$0.6 million.

With the above mentioned, net increase in cash and cash equivalents during 1QFY2016 was S\$47.8 million.

## REVIEW OF THE PERFORMANCE OF THE GROUP

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

There was no forecast or any prospect statement previously disclosed to shareholders. The actual results in 1QFY2016 is in line with the commentary made on 29 May 2015 in paragraph 10 of the full year results announcement for FY2015.

**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 Ministry of Trade and Industry Singapore ("MTI"), Singapore economy grew by 1.8% on a year-on-year basis in the second quarter of 2015, lower than the 2.8% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 4.0%, a reversal from the 4.1% expansion in the preceding quarter. Singapore economy is expected to grow at a modest pace in 2015 with a growth forecast of 2.0% to 2.5%.

Singapore construction sector expanded by 2.5% on a year-on-year basis in the second quarter, an improvement from the 1.1% growth recorded in the previous quarter. Growth was supported by stronger expansion in public sector construction activities. Singapore Building and Construction Authority ("BCA") estimates that the construction demand in 2015 to remain strong at between S\$29 billion and S\$36 billion.

Cost of construction and other operating costs are likely to continue the uptrend as a result of increasing manpower cost stemming from various foreign manpower tightening measures and labour shortage; higher cost on adoption of advanced systems and technologies as well as equipment; higher cost of regulatory compliance; hikes in financing cost and etc. However, the increase in cost is likely to be restrained by current stable prices of some key construction materials.

To ride on the promising outlook of the construction sector amid continual tightening of manpower supply, the Group shall continue to strive to raise productivity through technology adoption and innovative measures; training of workers and higher usage of equipment and tools with the assistance from Government grants.

Singapore residential property market outlook remain challenging. Although Urban Redevelopment Authority ("URA") reported that prices of Singapore private residential properties in the second fell by 0.9% from the previous quarter - the seventh consecutive quarter of decline, the Monetary Authority of Singapore ("MAS") has indicated that it is still premature to relax on the implemented cooling measures.

URA also reported that prices of office space rose 0.3% in the second quarter compared to the previous quarter, while prices of retail space fell 0.5%. The islandwide vacancy rate of office space at the end of second quarter fell to 9.8%, from 10.2% at the end of the first quarter and vacancy rate of retail space rose to 7.2%, up from 6.8% in the previous quarter. Although there is an increase in supply for office space, the demand for prime grade office space remains positive with positive economic growth in Singapore.

The Group has an order book on construction projects in Singapore of more than S\$400 million as at 7 July 2015.

## REVIEW OF THE PERFORMANCE OF THE GROUP

10 As at 30 June 2015, there are 13 projects launched by associates and joint ventures under the Group as set out below.

No.	Project Name	Group Stake	Type of Development	Revenue Recognition Method	% Units Sold
<b>Singapore</b>					
1	Lincoln Suites	25.00%	Residential	Percentage of Completion	93.7%
2	The Boutiq	35.00%	Residential	Percentage of Completion	94.6%
3	Palacio	32.00%	Residential	Percentage of Completion	100.0%
4	REZI26	45.00%	Residential	Percentage of Completion	100.0%
5	REZI3TWO	45.00%	Residential	Percentage of Completion	58.5%
6	Sky Green	25.00%	Residential	Percentage of Completion	97.7%
7	Cityscape@Farrer Park	35.00%	Residential	Percentage of Completion	90.4%
8	NEWest	12.25%	Residential and	Percentage of Completion	91.0%
9	KAP & KAP Residences	12.60%	Residential and	Percentage of Completion	99.6%
10	Floraville / Floraview / Floravista	12.25%	Residential and Commercial	Percentage of Completion	37.5%
11	Hexacube	30.00%	Commercial and Office	Completion	56.2%
12	Trio	35.00%	Commercial	Completion	32.6%
<b>Overseas</b>					
13	Liang Jing Ming Ju Phase 4 - Sequoia Mansion	45.00%	Residential ( <i>Commercial and Office excluded</i> )	Completion	79.9%

As at 30 June 2015, subject to cancellation of contracts, the Group has a balance amount of attributable progress billings to be recognised as sales revenue of approximately S\$199.5 million from the above projects, the profits of which will be progressively recognised by the associates and joint ventures and contribute to the Group's results after 1QFY2016.

High Park Residences, another residential development with some commercial units launched by an associate under the Group, had been sold more than 86% of all units at an average price achieved within expectation since its launch in July 2015.

The Group's joint venture investment in The Prudential Tower, a Grade A office building located at the Raffles Place precinct with almost full occupancy and good tenant mix given its prime location, will also continue to contribute positively to the results of the Group.

In view of the above and barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2016.



## REVIEW OF THE PERFORMANCE OF THE GROUP

### 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 first quarter and three 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 first quarter and three months ended 30 June 2015 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 August 2015