



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 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			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease) %	NINE MONTHS ENDED		increase/ (decrease) %
	31.12.2015	31.12.2014		31.12.2015	31.12.2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
REVENUE						
Project revenue	52,927	58,159	(9.0)	173,627	180,247	(3.7)
Rental income from investment properties	1,157	1,581	(26.8)	4,397	4,617	(4.8)
	54,084	59,740	(9.5)	178,024	184,864	(3.7)
Other income	2,330	2,870	(18.8)	6,920	5,716	21.1
Cost of construction	(41,553)	(49,188)	(15.5)	(146,065)	(158,722)	(8.0)
Personnel expenses	(4,758)	(3,380)	40.8	(13,423)	(9,079)	47.8
Depreciation of property, plant and equipment	(520)	(476)	9.2	(1,513)	(1,397)	8.3
Finance costs	(1,746)	(1,593)	9.6	(5,005)	(4,596)	8.9
Other operating expenses	(1,823)	(2,132)	(14.5)	(5,565)	(5,379)	3.5
	(50,400)	(56,769)	(11.2)	(171,571)	(179,173)	(4.2)
Profit from operations before share of results of associates and joint ventures	6,014	5,841	3.0	13,373	11,407	17.2
Share of results of associates	8,833	7,020	25.8	38,207	19,245	98.5
Share of results of joint ventures	(110)	(109)	0.9	(545)	137	<i>nm</i>
Profit before taxation	14,737	12,752	15.6	51,035	30,789	65.8
Tax expense	(994)	(1,315)	(24.4)	(3,774)	(2,778)	35.9
Net profit for the financial period	13,743	11,437	20.2	47,261	28,011	68.7
Attributable to:						
- Owners of the Company	13,767	11,353	21.3	47,111	27,718	70.0
- Non-controlling interests	(24)	84	<i>nm</i>	150	293	(48.8)
	13,743	11,437	20.2	47,261	28,011	68.7

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease) %	NINE MONTHS ENDED		increase/ (decrease) %
	31.12.2015	31.12.2014		31.12.2015	31.12.2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
Net profit for the financial period	13,743	11,437	20.2	47,261	28,011	68.7
Other comprehensive income:						
- Foreign currency translation	(3,555)	4,078	<i>nm</i>	(3,486)	5,384	<i>nm</i>
Other comprehensive income for the financial period, net of tax	(3,555)	4,078	<i>nm</i>	(3,486)	5,384	<i>nm</i>
Total comprehensive income for the financial period	10,188	15,515	(34.3)	43,775	33,395	31.1
Total comprehensive income attributable to:						
- Owners of the Company	10,953	14,503	(24.5)	44,395	31,887	39.2
- Non-controlling interests	(765)	1,012	<i>nm</i>	(620)	1,508	<i>nm</i>
	10,188	15,515	(34.3)	43,775	33,395	31.1

nm: not meaningful

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

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease) %	NINE MONTHS ENDED		increase/ (decrease) %
	31.12.2015	31.12.2014		31.12.2015	31.12.2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	2,006	1,693	18.5	5,408	3,342	61.8
Write back/(allowance) for doubtful debts	93	-	<i>nm</i>	106	(27)	<i>nm</i>
Amortisation of club membership	(1)	(1)	-	(2)	(2)	-
Amortisation of issuance costs on term notes	(125)	(125)	-	(375)	(375)	-
Fair value gain/(loss) on structured deposits	10	17	(41.2)	(15)	26	<i>nm</i>
(Loss)/gain on sale of plant and equipment	(2)	(6)	(66.7)	(157)	34	<i>nm</i>
Foreign exchange (loss)/gain, net	(113)	69	<i>nm</i>	(100)	(259)	(61.4)
Interest expense	(1,745)	(1,574)	10.9	(4,997)	(4,532)	10.3
Profit after taxation before non-controlling interests as a percentage of turnover	25.41%	19.14%	32.7	26.55%	15.15%	75.2
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 2015 and 31 December 2014	4.87%	4.81%	1.2	16.66%	11.75%	41.8

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	
	31.12.2015	31.03.2015	31.12.2015	31.03.2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	9,025	9,740	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	164,327	142,521	-	-
Interests in joint ventures	52,208	49,007	-	-
Investment properties	128,144	131,713	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,410	2,486	-	-
Amounts due from subsidiaries (non-trade)	-	-	124,836	137,094
Trade receivables	8,882	10,290	-	-
Other receivables	3,247	724	-	-
Club membership	40	42	-	-
Other Investments	1	1	-	-
Structured deposits	972	987	-	-
	369,256	347,511	141,627	153,885
Current assets				
Inventory	1	2	-	-
Trade receivables	37,015	48,724	-	-
Other receivables and deposits	1,543	1,456	114	23
Prepayments	320	408	14	64
Construction work-in-progress in excess of progress billings	4,435	6,837	-	-
Fixed deposits	141,572	82,431	17,189	12,063
Cash and bank balances	20,401	12,693	1,080	742
	205,287	152,551	18,397	12,892
LIABILITIES				
Current liabilities				
Trade payables	21,224	25,447	-	-
Other payables and accruals	64,796	61,165	5,085	4,402
Deferred income	751	306	-	-
Finance lease obligations	214	110	-	-
Provision for income tax	2,439	1,729	84	37
Progress billings in excess of construction work-in-progress	21,760	13,554	-	-
Term notes, unsecured	70,557	-	70,557	-
Bank term loans, secured	11,601	8,033	-	6,000
Bills payable to banks, secured	-	1,438	-	-
	193,342	111,782	75,726	10,439
Net current assets/(liabilities)	11,945	40,769	(57,329)	2,453

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2015	31.03.2015	31.12.2015	31.03.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	4,832	3,628	-	-
Other payables and accruals	194	339	-	-
Amounts due to subsidiaries (non-trade)	-	-	7,800	4,444
Finance lease obligations	690	434	-	-
Bank term loans, secured	48,810	11,796	-	-
Term notes, unsecured	-	74,432	-	74,432
Deferred tax liabilities	20,913	20,690	-	-
	<u>75,439</u>	<u>111,319</u>	<u>7,800</u>	<u>78,876</u>
NET ASSETS	<u>305,762</u>	<u>276,961</u>	<u>76,498</u>	<u>77,462</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	(3,319)	(851)	(3,319)	(851)
Translation reserve	6,665	9,500	-	-
Accumulated profits	225,169	190,686	26,746	25,242
Other reserves	3,273	3,032	2,156	2,156
	<u>282,703</u>	<u>253,282</u>	<u>76,498</u>	<u>77,462</u>
Non-controlling interests	23,059	23,679	-	-
TOTAL EQUITY	<u>305,762</u>	<u>276,961</u>	<u>76,498</u>	<u>77,462</u>

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

The amount repayable in one year or less, or on demand			
At 31.12.2015		At 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
11,815	70,557	9,581	-

The amount repayable after one year			
At 31.12.2015		At 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
49,500	-	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

	GROUP		GROUP	
	THIRD QUARTER ENDED		NINE MONTHS ENDED	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation	14,737	12,752	51,035	30,789
Adjustments:				
Depreciation of property, plant and equipment	520	476	1,513	1,397
Amortisation of club membership	1	1	2	2
Amortisation of issuance costs on term notes	125	125	375	375
Loss/(gain) on sale of plant and equipment	2	6	157	(34)
Fair value (gain)/loss on structured deposits	(10)	(17)	15	(26)
(Write back)/allowance for doubtful debts	(93)	-	(106)	27
Interest expense	1,745	1,574	4,997	4,532
Interest income	(2,006)	(1,693)	(5,408)	(3,342)
Share of results of associates	(8,833)	(7,020)	(38,207)	(19,245)
Share of results of joint ventures	110	109	545	(137)
Operating cash flows before changes in working capital	6,298	6,313	14,918	14,338
Decrease/(increase) in:				
Inventory	-	-	1	-
Trade and other receivables, deposits and prepayments	22,381	(1,159)	13,200	(7,217)
Construction work-in-progress, net	(8,648)	6,510	10,608	7,267
(Decrease)/increase in:				
Trade and other payables and accruals	(939)	(4,827)	437	265
Deferred income	197	247	445	357
Cash flows generated from operations	19,289	7,084	39,609	15,010
Income taxes paid	(1,081)	(1,653)	(2,332)	(3,559)
Interest income received	2,006	1,693	5,408	3,342
Exchange differences	(539)	(78)	(373)	(133)
Net cash flows generated from operating activities	19,675	7,046	42,312	14,660
Investing activities				
Purchase of plant and equipment	(108)	(598)	(896)	(646)
Purchase of investment properties	-	-	-	(2,788)
Proceeds from sale of plant and equipment	-	-	430	46
Investments in associates	(698)	-	(698)	-
Loans due from associates, net	10,705	17,203	17,089	(35,212)
Loans due from joint ventures, net	(659)	-	(3,746)	-
Loans due from investee companies	(651)	-	(2,523)	-
Net cash flows generated from/(used in) investing activities	8,589	16,605	9,656	(38,600)
Financing activities				
Dividends paid	(6,315)	(5,627)	(12,506)	(12,879)
Purchase of treasury shares	-	(754)	(2,468)	(754)
Purchase of term notes	-	-	(4,250)	-
Proceeds from bank term loans	-	-	50,000	1,734
Repayment of bank term loans	(2,046)	(115)	(9,194)	(2,400)
Proceeds from bills payable to banks	-	(26,044)	-	-
Repayment of bills payable to banks	-	-	(1,438)	(24,466)
Interest paid	(1,745)	(1,574)	(4,997)	(4,532)
Repayment of lease obligations	(52)	-	(131)	-
Increase in pledged fixed deposits	(29)	(4)	(8,770)	(30)
Net cash flows (used in)/generated from financing activities	(10,187)	(33,733)	6,246	(43,327)
Net increase/(decrease) in cash and cash equivalents	18,077	(10,082)	58,214	(67,267)
Effect of exchange rate changes on cash and cash equivalents	(95)	164	(135)	211
Cash and cash equivalents at beginning of financial year	119,149	65,319	79,052	122,457
Cash and cash equivalents at end of financial period (Note A)	137,131	55,401	137,131	55,401

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

	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances**	20,401	16,086	20,401	16,086
Fixed deposits	141,572	55,358	141,572	55,358
	161,973	71,444	161,973	71,444
Less: Pledged fixed deposits	(24,842)	(16,043)	(24,842)	(16,043)
Cash and cash equivalents	137,131	55,401	137,131	55,401

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

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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							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	Non-controlling interests S\$'000	
At 1 April 2014	50,915	-	1,848	161,461	3,033	217,257	21,519	238,776
Net profit for the financial period	-	-	-	27,718	-	27,718	293	28,011
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	4,169	-	-	4,169	1,215	5,384
Other comprehensive income for the financial period	-	-	4,169	-	-	4,169	1,215	5,384
Total comprehensive income for the financial period	-	-	4,169	27,718	-	31,887	1,508	33,395
<u>Contributions by and distributions to owners</u>								
Interim & final tax-exempt dividends on ordinary shares	-	-	-	(12,431)	-	(12,431)	(448)	(12,879)
Purchase of treasury shares	-	(754)	-	-	-	(754)	-	(754)
Transfer to other reserves	-	-	-	45	(45)	-	-	-
Total contributions by and distributions to owners	-	(754)	-	(12,386)	(45)	(13,185)	(448)	(13,633)
At 31 December 2014	50,915	(754)	6,017	176,793	2,988	235,959	22,579	258,538
At 1 April 2015	50,915	(851)	9,500	190,686	3,032	253,282	23,679	276,961
Net profit for the financial period	-	-	-	47,111	-	47,111	150	47,261
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(2,835)	-	119	(2,716)	(770)	(3,486)
Other comprehensive income for the financial period	-	-	(2,835)	-	119	(2,716)	(770)	(3,486)
Total comprehensive income for the financial period	-	-	(2,835)	47,111	119	44,395	(620)	43,775
<u>Contributions by and distributions to owners</u>								
Interim & final tax-exempt dividends on ordinary shares	-	-	-	(12,506)	-	(12,506)	-	(12,506)
Purchase of treasury shares	-	(2,468)	-	-	-	(2,468)	-	(2,468)
Transfer to other reserves	-	-	-	(122)	122	-	-	-
Total contributions by and distributions to owners	-	(2,468)	-	(12,628)	122	(14,974)	-	(14,974)
At 31 December 2015	50,915	(3,319)	6,665	225,169	3,273	282,703	23,059	305,762

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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 period.

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 2014	50,915	-	32,747	2,156	85,818
Net profit for the financial period	-	-	(3,280)	-	(3,280)
Total comprehensive income for the financial period	-	-	(3,280)	-	(3,280)
<u>Contributions by and distributions to owners</u>					
Interim and final tax-exempt dividends on ordinary shares	-	-	(12,431)	-	(12,431)
Purchase of treasury shares	-	(754)	-	-	(754)
Total contributions by and distributions to owners	-	(754)	(12,431)	-	(13,185)
At 31 December 2014	50,915	(754)	17,036	2,156	69,353
At 1 April 2015	50,915	(851)	25,242	2,156	77,462
Net profit for the financial period	-	-	14,010	-	14,010
Total comprehensive income for the financial period	-	-	14,010	-	14,010
<u>Contributions by and distributions to owners</u>					
Interim & final tax-exempt dividends on ordinary shares	-	-	(12,506)	-	(12,506)
Purchase of treasury shares	-	(2,468)	-	-	(2,468)
Total contributions by and distributions to owners	-	(2,468)	(12,506)	-	(14,974)
At 31 December 2015	50,915	(3,319)	26,746	2,156	76,498

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 16 December 2015, the Company allotted and issued 41,435,292 bonus shares (comprising 40,744,752 new shares and 690,540 treasury shares) pursuant to the Bonus Issue.

During the nine months period ended 31 December 2015, the Company acquired 5,268,400 ordinary shares by way of market purchases for a total consideration of S\$2,468,120.99 on the Singapore Exchange and held as treasury shares. As at 31 December 2015, 7,595,940 treasury shares (Incl. 690,540 bonus shares issued) were held by the Company.

The total number of issued shares as at 31 December 2015 was 448,192,659 shares excluding treasury shares (as at 31 December 2014 was 412,905,307 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 2014 and 31 December 2014	
- 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)
Balance as at 31 March 2015	
- Ordinary Shares	412,716,307
during the 2th quarter FY2016	
Purchase of treasury shares	
- Ordinary Shares	(5,268,400)
during the 3rd quarter FY2016	
Bonus shares issued on 16 December 2015	
- Ordinary Shares to public shareholders	41,435,292
- Ordinary Shares as treasury shares	(690,540)
Balance as at 31 December 2015	
- Ordinary Shares	448,192,659

The total number of treasury shares held by the Company as at 31 December 2015 was 7,595,940 (as at 31 December 2014: 1,448,000).

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 31 December 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 THIRD QUARTER ENDED		GROUP NINE MONTHS ENDED	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	3.07	2.75	10.51	6.71
b) On a fully diluted basis	3.07	2.75	10.51	6.71
	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 and diluted EPS	13,767	11,353	47,111	27,718
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	448,192,659	412,905,307	448,192,659	412,905,307

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 31.12.2015	as at 31.03.2015	as at 31.12.2015	as at 31.03.2015
Net asset value per ordinary share (cents)	63.08	61.37	17.07	18.77
Issue share capital excluding treasury shares at the end of the period/year	448,192,659	412,716,307	448,192,659	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.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

3QFY2016 vs 3QFY2015

Revenue

The Group has a total revenue of S\$54.1 million for the third quarter ended 31 December 2015 ("3QFY2016"), a decrease of S\$5.6 million or 9.5% compared to S\$59.7 million registered in the corresponding period ended 31 December 2014 ("3QFY2015"). The decrease was mainly due to the decrease in revenue from construction business of S\$5.3 million or 9.0% from S\$58.2 million in 3QFY2015 to S\$52.9 million in 3QFY2016 and rental income from investment properties of S\$0.4 million or 26.8% from S\$1.6 million in 3QFY2015 to S\$1.2 million in 3QFY2016.

Other income

Other income decreased by S\$0.6 million or 18.8% from S\$2.9 million in 3QFY2015 to S\$2.3 million in 3QFY2016. The decrease was mainly due to the decrease in foreign exchange gain of S\$1.0 million, offset by increase in interest income of S\$0.3 million and income from investment properties and construction related business of S\$0.1 million.

Operating expenses

Cost of construction decreased by S\$7.6 million or 15.5% from S\$49.2 million in 3QFY2015 to S\$41.6 million in 3QFY2016, mainly due to improvement in productivity; lower material cost and decrease in project revenue.

Personnel expenses increased by S\$1.4 million or 40.8% from S\$3.4 million in 3QFY2015 to S\$4.8 million in 3QFY2016, mainly due to the increase in provision for bonuses.

There were no significant differences in depreciation of property, plant and equipment between 3QFY2016 and 3QFY2015.

Finance costs increased by S\$0.1 million or 9.6% from S\$1.6 million in 3QFY2015 to S\$1.7 million in 3QFY2016, mainly due to the increase in the Group's borrowings and interest rates.

Other operating expenses decreased by S\$0.3 million or 14.5% from S\$2.1 million in 3QFY2015 to S\$1.8 million in 3QFY2016, mainly due to the decrease in foreign exchange loss of S\$0.8 million, offset by increase in donations of S\$0.5 million and building maintenance expenses of S\$0.1 million.

Share of results of associates increased by S\$1.8 million or 25.8% from S\$7.0 million in 3QFY2015 to S\$8.8 million in 3QFY2016, mainly due to the increase in percentage of completion recognised on the development property projects in Singapore.

Tax expense decreased by S\$0.3 million or 24.4% from S\$1.3 million in 3QFY2015 to S\$1.0 million in 3QFY2016, mainly due to the decrease in expenses incurred not allowed for tax deduction, partially offset by the increase in tax expenses from increase in profits from operations before 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\$2.4 million or 21.3% from S\$11.4 million in 3QFY2015 to S\$13.8 million in 3QFY2016.

9MFY2016 vs 9MFY2015

Revenue

The Group has a total revenue of S\$178.0 million for the nine months period ended 31 December 2015 ("9MFY2016"), a decrease of S\$6.9 million or 3.7% compared to S\$184.9 million registered in the corresponding nine months period ended 31 December 2014 ("9MFY2015"). The decrease was mainly due to the decrease in revenue from construction business of S\$6.6 million or 3.7% from S\$180.2 million in 9MFY2015 to S\$173.6 million in 9MFY2016 and rental income from investment properties of S\$0.2 million or 4.8% from S\$4.6 million in 9MFY2015 to S\$4.4 million in 9MFY2016.

Other income

Other income increased by S\$1.2 million or 21.1% from S\$5.7 million in 9MFY2015 to S\$6.9 million in 9MFY2016. The increase was mainly due to the increase in interest income of S\$2.0 million and other income from investment properties and construction related business of S\$0.4 million, offset by decrease in foreign exchange gain of S\$1.0 million and management fees from joint ventures projects of S\$0.2 million.

REVIEW OF THE PERFORMANCE OF THE GROUP

Operating expenses

Cost of construction decreased by S\$12.6 million or 8.0% from S\$158.7 million in 9MFY2015 to S\$146.1 million in 9MFY2016, mainly due to improvement in productivity; lower material cost and decrease in project revenue.

Personnel expenses increased by S\$4.3 million or 47.8% from S\$9.1 million in 9MFY2015 to S\$13.4 million in 9MFY2016, mainly due to the increase in provision for bonuses and salaries for staff and workers.

There were no significant differences in depreciation of property, plant and equipment between 9MFY2016 and 9MFY2015.

Finance costs increased by S\$0.4 million or 8.9% from S\$4.6 million in 9MFY2015 to S\$5.0 million 9MFY2016, mainly due the increase in the Group's borrowings and interest rates.

Other operating expenses increased by S\$0.2 million or 3.5% from S\$5.4 million in 9MFY2015 to S\$5.6 million in 9MFY2016, mainly due to the increase in expenses relating to term notes of S\$0.6 million; donations of S\$0.5 million; loss on sale of plant and equipment of S\$0.2 million and building maintenance of S\$0.2 million, offset by the decrease in exchange loss of S\$1.2 million.

Share of results of associates increased by S\$19.0 million or 98.5% from S\$19.2 million in 9MFY2015 to S\$38.2 million in 9MFY2016, mainly due to S\$15.8 million contribution from the development property project - Liang Jing Ming Ju Phase 4 - Sequoia Mansion in Beijing, People's Republic of China ("PRC") which profit of sold units were recognised upon construction completion and the increase in percentage of completion recognised on development property projects in Singapore. The loss on share of results from joint ventures is mainly due to selling expenses incurred prior to the launch of a residential development project - High Park Residences.

Tax expense increased by S\$1.0 million or 35.9% from S\$2.8 million in 9MFY2015 to S\$3.8 million in 9MFY2016, mainly due to the increase in provision of withholding tax of S\$0.8 million on the share of profit contributed by the Liang Jing Ming Ju Phase 4 - Sequoia Mansion in PRC and the increase in profits from operations before results of associates and joint ventures.

As a result of the above, the Group registered an increase of net profit attributable to Owners of the company of S\$19.4 million or 70.0% from S\$27.7 million in 9MFY2015 to S\$47.1 million in 9MFY2016.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") decreased by S\$0.7 million from S\$9.7 million as at 31 March 2015 ("FY2015") as compared to S\$9.0 million as at 31 December 2015 ("3QFY2016"), mainly due to depreciation offset by new purchase of plant and equipment during the 3QFY2016.

Interests in associates increased by S\$21.8 million from S\$142.5 million in FY2015 to S\$164.3 million in 3QFY2016 due to increase in investments and share of results of associates, offset by decrease in loans to associates to finance the development property projects.

Interests in joint ventures increased by S\$3.2 million from S\$49.0 million in FY2015 to S\$52.2 million in 3QFY2016 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\$3.6 million from S\$131.7 million in FY2015 to S\$128.1 million in 3QFY2016, mainly due to foreign exchange differences from an investment property held in the PRC.

Trade receivables under non-current assets decreased by S\$1.4 million from S\$10.3 million in FY2015 to S\$8.9 million in 3QFY2016, mainly due to the decrease in retention sum receivables from completed and on-going construction projects in Singapore.

Other receivables under non-current assets increased by S\$2.5 million from S\$0.7 million in FY2015 to S\$3.2 million in 3QFY2016, mainly due to the increase in loans due from investee companies.

Current assets

Trade receivables under current assets decreased by S\$11.7 million from S\$48.7 million in FY2015 to S\$37.0 million in 3QFY2016, mainly due to the decrease in amount of progress claims certified for construction projects in progress.

With a decrease in construction business and based on the progress of construction projects in 3QFY2016 as compared to FY2015, the construction work-in-progress in excess of progress billings decreased by S\$2.4 million from S\$6.8 million in FY2015 to S\$4.4 million in 3QFY2016.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Current liabilities

Trade payables under current liabilities decreased by S\$4.2 million from S\$25.4 million in FY2015 to S\$21.2 million in 3QFY2016. The decrease was mainly due to the decrease 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\$3.6 million from S\$61.2 million in FY2015 to S\$64.8 million in 3QFY2016. The increase was mainly from increase in accruals made for on-going construction projects.

Based on the progress of construction projects in 3QFY2016 as compared to FY2015, the progress billings in excess of the construction work-in-progress increased by S\$8.2 million from S\$13.6 million in FY2015 to S\$21.8 million in 3QFY2016.

Non-current liabilities

Trade payables under non-current liabilities increased by S\$1.2 million from S\$3.6 million in FY2015 to S\$4.8 million in 3QFY2016. The increase was mainly from the increase in retention sum payables to subcontractors for completed and ongoing construction projects.

Total Group's borrowings

Total borrowings increased by S\$35.7 million from S\$96.2 million in FY2015 to S\$131.9 million in 3QFY2016, mainly due to the increase in bank term loans, net of S\$40.8 million, partially offset by the decrease in bills payable of S\$1.4 million and buy back of term notes of S\$4.3 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$42.3 million during 3QFY2016 mainly arose from operating cash flows before changes in working capital of S\$14.9 million, the increase in working capital of S\$24.7 million and interest income received of S\$5.4 million, offset by payment made for income taxes of S\$2.3 million.

Net cash flows generated from investing activities of S\$9.7 million during 3QFY2016 mainly arose from the decrease in loans to associates of S\$17.1 million, offset by additional loans injected to investee companies and joint ventures of S\$6.3 million.

Net cash flows generated from financing activities of S\$6.2 million during 3QFY2016 mainly arose from bank term loans proceeds of S\$50.0 million, offset by the increase in pledged fixed deposits of S\$8.8 million, interest payment of S\$5.0 million, dividends payment made of S\$12.5 million and repayment of bills payable to banks and bank term loans of S\$10.6 million, purchase of treasury shares of S\$2.5 million and buy back of term notes of S\$4.3 million.

With the above mentioned, net increase in cash and cash equivalents during 3QFY2016 was S\$58.2 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 3QFY2016 is in line with the commentary made on 6 November 2015 in paragraph 10 of the first quarter results announcement for 2QFY2016.

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.

Singapore economy is expected to grow at a slower pace amid a weak global environment given headwinds such as a slowdown in PRC. According to Ministry of Trade and Industry Singapore ("MTI"), the Singapore economy grew by 2.0% on a year-on-year basis in the fourth quarter of 2015, slightly faster than the 1.8% growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a faster pace of 5.7% compared to the 1.7% growth in the preceding quarter. For the whole of 2015, the economy grew by 2.1% and is expected to remain moderate in 2016, with the government forecasting GDP growth of 1.0% to 3.0%.

The construction sector expanded by 2.2% on a year-on-year basis in the fourth quarter, an improvement from the 1.1% growth recorded in the previous quarter. Growth was supported by a pick-up in public sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector expanded by 7.0%, a reversal from the 4.9% contraction in the preceding quarter.

REVIEW OF THE PERFORMANCE OF THE GROUP

10 Building and Construction Authority (“BCA”) recently announced that the total construction demand in 2016 is projected at S\$27 billion to S\$34 billion, with about 65.0% driven by public sector demand. The expected ramp up in public sector projects comes after Singapore's economic growth slowed to 2.1 % last year, hurt by a slowdown in China and sluggish global demand. Private sector construction demand is likely to slow this year due to less favourable economic conditions and an increased supply of completed private housing projects and offices. Average construction demand in 2017 and 2018 is expected to be S\$26 billion to S\$35 billion, and S\$26 billion to S\$37 billion in 2019 and 2020.

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 property market outlook in residential and office space remain challenging.

Urban Redevelopment Authority (“URA”) reported that prices of private homes fell 3.7% for the whole of 2015, easing from a 4.0% decline in 2014. Prices fell 0.5% in the fourth quarter, compared with the 1.3% decline in the previous quarter. For the full year of 2015, the sales for new launches by developers registered a slight pick-up in sales to 7,440 units from 7,316 units in 2014.

Prices of office space in Singapore remained flat for the whole of 2015, dropping just 0.1% from the year before, while rentals declined by 6.5%. Both the stock of office space and the amount of occupied office space decreased in the fourth quarter. The island-wide vacancy rate of office space at the end of the fourth quarter was 9.5%, down from the 9.6% in the third quarter.

The Group has an order book on construction projects in Singapore of more than S\$270 million as at 31 December 2015.

As at 31 December 2015, there are 14 projects launched by associates and joint ventures under the Group as set out below.

No.	Project Name	Group Stake	Type of Development	Status of Construction	Revenue Recognition Method	% Units Sold
Singapore						
1	Lincoln Suites	25.00%	Residential	Completed	Percentage of Completion	94.3%
2	The Boutiq	35.00%	Residential	Completed	Percentage of Completion	94.6%
3	Palacio	32.00%	Residential	Ongoing	Percentage of Completion	100.0%
4	REZI26	45.00%	Residential	Completed	Percentage of Completion	100.0%
5	REZI3TWO	45.00%	Residential	Ongoing	Percentage of Completion	66.2%
6	Sky Green	25.00%	Residential	Ongoing	Percentage of Completion	97.7%
7	Cityscape@Farrer Park	35.00%	Residential	Completed	Percentage of Completion	90.4%
8	NEWest	12.25%	Residential and Commercial	Ongoing	Percentage of Completion	93.5%
9	KAP & KAP Residences	12.60%	Residential and Commercial	Ongoing	Percentage of Completion	99.2%
10	Floraville / Floraview / Floravista	12.25%	Residential and Commercial	Ongoing	Percentage of Completion	44.0%
11	Hexacube	30.00%	Commercial and Office	Ongoing	Completion	57.5%
12	Trio	35.00%	Commercial	Ongoing	Completion	32.6%
13	High Park Residences	20.00%	Residential and Commercial	Ongoing	Percentage of Completion	93.6%
Overseas						
14	Liang Jing Ming Ju Phase 4 - Sequoia Mansion	45.00%	Residential (Commercial and Office excluded)	Completed	Completion	90.9%

As at 31 December 2015, subject to cancellation of contracts, approximately 87.8% of these launched units have been sold. The Group has a balance amount of attributable share of progress billings to be recognised as sales revenue of approximately S\$286.4 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 3QFY2016.

The Group's joint venture investment in The Prudential Tower, a Grade A office building located at the Raffles Place precinct with 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 remains cautiously optimistic on the outlook of its performance in FY2016.

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).

14 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

NEGATIVE ASSURANCE

15 Negative assurance confirmation on the third quarter and nine months 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 months period ended 31 December 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

4 February 2016