



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 2016

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) %
	31.12.2016 S\$'000	31.12.2015 S\$'000		31.12.2016 S\$'000	31.12.2015 S\$'000	
REVENUE						
Project revenue	34,494	52,927	(34.8)	161,346	173,627	(7.1)
Rental income from investment properties	1,396	1,157	20.7	4,206	4,397	(4.3)
	35,890	54,084	(33.6)	165,552	178,024	(7.0)
Other income	2,205	2,330	(5.4)	6,524	6,920	(5.7)
Cost of construction	(26,540)	(41,553)	(36.1)	(135,587)	(146,065)	(7.2)
Personnel expenses	(4,179)	(4,758)	(12.2)	(10,481)	(13,423)	(21.9)
Depreciation of property, plant and equipment	(489)	(520)	(6.0)	(1,486)	(1,513)	(1.8)
Finance costs	(184)	(1,746)	(89.5)	(2,173)	(5,005)	(56.6)
Other operating expenses	(1,664)	(1,823)	(8.7)	(5,478)	(5,565)	(1.6)
	(33,056)	(50,400)	(34.4)	(155,205)	(171,571)	(9.5)
Profit from operations before share of results of associates and joint ventures	5,039	6,014	(16.2)	16,871	13,373	26.2
Share of results of associates	1,169	8,833	(86.8)	9,655	38,207	(74.7)
Share of results of joint ventures	4,043	(110)	<i>nm</i>	4,589	(545)	<i>nm</i>
Profit before taxation	10,251	14,737	(30.4)	31,115	51,035	(39.0)
Tax expense	(1,068)	(994)	7.4	(3,580)	(3,774)	(5.1)
Net profit for the financial period	9,183	13,743	(33.2)	27,535	47,261	(41.7)
Attributable to:						
- Owners of the Company	9,105	13,767	(33.9)	27,296	47,111	(42.1)
- Non-controlling interests	78	(24)	<i>nm</i>	239	150	59.3
	9,183	13,743	(33.2)	27,535	47,261	(41.7)

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease)	NINE MONTHS ENDED		increase/ (decrease)
	31.12.2016	31.12.2015		31.12.2016	31.12.2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit for the financial period	9,183	13,743	(33.2)	27,535	47,261	(41.7)
Other comprehensive income:						
- Foreign currency translation	2,151	(3,555)	<i>nm</i>	(357)	(3,486)	(89.8)
Other comprehensive income for the financial period, net of tax	2,151	(3,555)	<i>nm</i>	(357)	(3,486)	(89.8)
Total comprehensive income for the financial period	11,334	10,188	11.2	27,178	43,775	(37.9)
Total comprehensive income attributable to:						
- Owners of the Company	10,836	10,953	(1.1)	27,002	44,395	(39.2)
- Non-controlling interests	498	(765)	<i>nm</i>	176	(620)	<i>nm</i>
	11,334	10,188	11.2	27,178	43,775	(37.9)

nm: not meaningful

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

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease)	NINE MONTHS ENDED		increase/ (decrease)
	31.12.2016	31.12.2015		31.12.2016	31.12.2015	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	1,087	2,006	(45.8)	4,222	5,408	(21.9)
Write back for doubtful debts	30	93	(67.7)	-	106	(100.0)
Amortisation of club membership	(1)	(1)	-	(2)	(2)	-
Amortisation of issuance costs on term notes	-	(125)	(100.0)	(68)	(375)	(81.9)
Gain on sale of quoted equity (other investments)	-	-	<i>nm</i>	1	-	<i>nm</i>
Fair value (loss)/gain on structured deposits	(2)	10	<i>nm</i>	10	(15)	<i>nm</i>
(Loss)/gain on sale of plant and equipment	-	(2)	(100.0)	123	(157)	<i>nm</i>
Foreign exchange loss, net	(92)	(113)	(18.6)	(1,326)	(100)	<i>nm</i>
Interest expense	(183)	(1,745)	(89.5)	(2,152)	(4,997)	(56.9)
Profit after taxation before non-controlling interests as a percentage of turnover	25.59%	25.41%	0.7	16.63%	26.55%	(37.3)
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 2016 and 31 December 2015	2.94%	4.87%	(39.6)	8.82%	16.66%	(47.1)

nm: not meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2016	31.03.2016	31.12.2016	31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	6,988	8,572	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	158,399	179,870	-	-
Interests in joint ventures	43,211	37,912	-	-
Investment properties	123,016	123,340	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,305	2,311	-	-
Amounts due from subsidiaries (non-trade)	-	-	82,175	121,064
Trade receivables	3,878	9,741	-	-
Other receivables	2,254	2,208	-	-
Club membership	38	39	-	-
Other investments	-	1	-	-
Structured deposits	1,012	1,002	-	-
	341,101	364,996	98,966	137,855
Current assets				
Trade receivables	31,631	31,014	-	-
Other receivables and deposits	5,790	4,166	16	26
Prepayments	374	411	14	34
Construction work-in-progress in excess of progress billings	1,124	6,840	-	-
Fixed deposits	81,111	177,854	17,411	17,248
Cash and bank balances	67,751	15,155	1,348	3,604
	187,781	235,440	18,789	20,912
LIABILITIES				
Current liabilities				
Trade payables	17,146	20,393	-	-
Other payables and accruals	77,571	69,704	2,396	7,307
Deferred income	53	131	-	-
Finance lease obligations	221	216	-	-
Provision for income tax	3,006	3,792	88	243
Progress billings in excess of construction work-in-progress	3,866	26,437	-	-
Term notes, unsecured	-	70,682	-	70,682
Bank term loans, secured	40,679	13,543	1,140	-
Bills payable to banks, secured	-	316	-	-
	142,542	205,214	3,624	78,232
Net current assets/(liabilities)	45,239	30,226	15,165	(57,320)

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2016	31.03.2016	31.12.2016	31.03.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	4,509	5,115	-	-
Other payables and accruals	191	190	-	-
Amounts due to subsidiaries (non-trade)	-	-	44,757	8,224
Finance lease obligations	469	636	-	-
Bank term loans, secured	29,694	54,173	8,670	-
Term notes, unsecured	-	-	-	-
Deferred tax liabilities	19,565	19,541	-	-
	<u>54,428</u>	<u>79,655</u>	<u>53,427</u>	<u>8,224</u>
NET ASSETS	<u>331,912</u>	<u>315,567</u>	<u>60,704</u>	<u>72,311</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	-	(3,354)	-	(3,354)
Translation reserve	2,688	2,982	-	-
Accumulated profits	252,071	239,521	7,161	22,594
Other reserves	3,737	3,178	2,628	2,156
	<u>309,411</u>	<u>293,242</u>	<u>60,704</u>	<u>72,311</u>
Non-controlling interests	22,501	22,325	-	-
TOTAL EQUITY	<u>331,912</u>	<u>315,567</u>	<u>60,704</u>	<u>72,311</u>

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

The amount repayable in one year or less, or on demand			
At 31.12.2016		At 31.03.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
40,900	-	14,075	70,682

The amount repayable after one year			
At 31.12.2016		At 31.03.2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
30,163	-	54,809	-

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 31.12.2016	31.12.2015	NINE MONTHS ENDED 31.12.2016	31.12.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation	10,251	14,737	31,115	51,035
Adjustments:				
Depreciation of property, plant and equipment	489	520	1,486	1,513
Amortisation of club membership	1	1	2	2
Amortisation of issuance costs on term notes	-	125	68	375
Loss/(gain) on sale of plant and equipment	-	2	(123)	157
Gain on sale of quoted equity (other investments)	-	-	(1)	-
Fair value loss/(gain) on structured deposits	2	(10)	(10)	15
Write back for doubtful debts	(30)	(93)	-	(106)
Interest expense	183	1,745	2,152	4,997
Interest income	(1,087)	(2,006)	(4,222)	(5,408)
Share of results of associates	(1,169)	(8,833)	(9,655)	(38,207)
Share of results of joint ventures	(4,043)	110	(4,589)	545
Operating cash flows before changes in working capital	4,597	6,298	16,223	14,918
Decrease/(increase) in:				
Trade and other receivables, deposits and prepayments	5,531	22,381	5,157	13,200
Construction work-in-progress, net	(12,959)	(8,648)	(16,855)	10,608
Increase/(decrease) in:				
Trade and other payables and accruals	3,855	(939)	4,012	437
Deferred income	(50)	197	(78)	445
Cash flows generated from operations	974	19,289	8,459	39,608
Income taxes paid	(2,106)	(1,081)	(4,353)	(2,332)
Interest income received	1,087	2,006	4,222	5,408
Exchange differences	(50)	(539)	90	(372)
Net cash flows (used in)/generated from operating activities	(95)	19,675	8,418	42,312
Investing activities				
Purchase of plant and equipment	(47)	(108)	(245)	(896)
Proceeds from sale of plant and equipment	-	-	466	430
Net proceeds from sale of quoted equity (other investments)	-	-	1	-
Investments in associates	-	(698)	(490)	(698)
Loans due from associates, net	7,887	10,705	19,184	17,089
Dividends received from associates	700	-	10,851	-
Loans due from joint ventures, net	(622)	(659)	(710)	(3,746)
Loans due from investee companies	162	(651)	(47)	(2,523)
Net cash flows generated from investing activities	8,080	8,589	29,010	9,656
Financing activities				
Dividends paid	(5,697)	(6,315)	(14,659)	(12,506)
Purchase of treasury shares	-	-	-	(2,468)
Proceeds from sale of treasury shares	-	-	3,826	-
Repayment of term notes	-	-	(70,750)	(4,250)
Proceeds from bank term loans	-	-	9,810	50,000
Repayment of bank term loans	(3,236)	(2,046)	(7,138)	(9,194)
Repayment of bills payable to banks	-	-	(316)	(1,438)
Interest paid	(183)	(1,745)	(2,152)	(4,997)
Repayment of lease obligations	(54)	(52)	(161)	(131)
Increase in pledged fixed deposits	(30)	(29)	(5,181)	(8,770)
Net cash flows (used in)/generated from financing activities	(9,200)	(10,187)	(86,721)	6,246
Net (decrease)/increase in cash and cash equivalents	(1,215)	18,077	(49,293)	58,214
Effect of exchange rate changes on cash and cash equivalents	45	(95)	(34)	(135)
Cash and cash equivalents at beginning of financial year	119,981	119,149	168,138	79,052
Cash and cash equivalents at end of financial period (Note A)	118,811	137,131	118,811	137,131

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

	31.12.2016 S\$'000	31.12.2015 S\$'000	31.12.2016 S\$'000	31.12.2015 S\$'000
Cash and bank balances**	67,751	20,401	67,751	20,401
Fixed deposits	81,111	141,572	81,111	141,572
	148,862	161,973	148,862	161,973
Less: Pledged fixed deposits	(30,051)	(24,842)	(30,051)	(24,842)
Cash and cash equivalents	118,811	137,131	118,811	137,131

** 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 2016

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Owners of the Company					Equity attributable to Owners of the Company, total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Other reserves S\$'000			
At 1 April 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 and 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
At 1 April 2016	50,915	(3,354)	2,982	239,521	3,178	293,242	22,325	315,567
Net profit for the financial period	-	-	-	27,296	-	27,296	239	27,535
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(294)	-	-	(294)	(63)	(357)
Other comprehensive income for the financial period	-	-	(294)	-	-	(294)	(63)	(357)
Total comprehensive income for the financial period	-	-	(294)	27,296	-	27,002	176	27,178
<u>Contributions by and distributions to owners</u>								
Interim & final tax-exempt dividends on ordinary shares	-	-	-	(14,659)	-	(14,659)	-	(14,659)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-
Sale of treasury shares	-	3,354	-	-	472	3,826	-	3,826
Transfer to other reserves	-	-	-	(87)	87	-	-	-
Total contributions by and distributions to owners	-	3,354	-	(14,746)	559	(10,833)	-	(10,833)
At 31 December 2016	50,915	-	2,688	252,071	3,737	309,411	22,501	331,912

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2016

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 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 and 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
At 1 April 2016	50,915	(3,354)	22,594	2,156	72,311
Net profit for the financial period	-	-	(774)	-	(774)
Total comprehensive income for the financial period	-	-	(774)	-	(774)
<u>Contributions by and distributions to owners</u>					
Interim & final tax-exempt dividends on ordinary shares	-	-	(14,659)	-	(14,659)
Sale of treasury shares	-	3,354	-	472	3,826
Total contributions by and distributions to owners	-	3,354	(14,659)	472	(10,833)
At 31 December 2016	50,915	-	7,161	2,628	60,704

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.

As at 31 March 2016, 7,665,940 treasury shares (Incl. 690,540 bonus shares issued) were held by the Company.

During the nine months period ended 31 December 2016, the Company sold a total of 7,665,940 treasury shares for cash, and accordingly, the total number of issued shares as at 31 December 2016 was 455,788,599 shares excluding treasury shares (as at 31 December 2015 the total number of issued shares was 448,192,659 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 2015 and 1 April 2015	
- Ordinary Shares	412,716,307
during the 3rd quarter FY2016	
Purchase of treasury shares	
- Ordinary Shares	(5,268,400)
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
during the 4th quarter FY2016	
Purchase of treasury shares	
- Ordinary Shares	(70,000)
Balance as at 31 March 2016 and 30 June 2016	
- Ordinary Shares	448,122,659
during the 2nd quarter FY2017	
Sale of treasury shares	
- Ordinary Shares	7,665,940
Balance as at 30 September 2016 and 31 December 2016	
- Ordinary Shares	455,788,599

The total number of treasury shares held by the Company as at 31 December 2016 was nil (as at 31 December 2015: 7,595,940).

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

	No. of treasury shares
	<u>Year Ended</u>
	<u>31.12.2016</u>
Balance as at 31 March 2016 and 30 June 2016	7,665,940
Sale of treasury shares	(7,665,940)
Balance as at 30 September 2016 and 31 December 2016	<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 2016, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2016.

- 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	
	31.12.2016	31.12.2015 Restated	31.12.2016	31.12.2015 Restated
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	2.00	2.82	5.99	7.44
b) On a fully diluted basis	2.00	2.82	5.99	7.44
	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	9,105	13,767	27,296	47,111
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	455,788,599	488,937,450	455,788,599	488,937,450

For comparative purposes, the number of ordinary shares as at 31 December 2015 has been adjusted to include the issue of one bonus share for every ten existing ordinary shares held.

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 31.12.2016	as at 31.03.2016	as at 31.12.2016	as at 31.03.2016
Net asset value per ordinary share (cents)	67.88	65.44	13.32	16.14
Issue share capital excluding treasury shares at the end of the period/year	455,788,599	448,122,659	455,788,599	448,122,659

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

3QFY2017 vs 3QFY2016

Revenue

The Group has a total revenue of S\$35.9 million for the third quarter ended 31 December 2016 ("3QFY2017"), a decrease of S\$18.2 million or 33.6% compared to S\$54.1 million registered in the corresponding period ended 31 December 2015 ("3QFY2016"). The decrease was mainly due to the decrease in revenue from construction business of S\$18.4 million or 34.8% from S\$52.9 million in 3QFY2016 to S\$34.5 million in 3QFY2017, offset by the increase in rental income from investment properties of S\$0.2 million or 20.7% from S\$1.2 million in 3QFY2016 to S\$1.4 million in 3QFY2017.

Other income

The decrease in other income was mainly due to the decrease in interest income from associates and joint ventures as the loans due from associates and joint ventures decreased, offset by foreign exchange gain.

Operating expenses

Cost of construction decreased by S\$15.1 million or 36.1% from S\$41.6 million in 3QFY2016 to S\$26.5 million in 3QFY2017. The decrease was mainly due to the decrease in construction works carried out.

Personnel expenses decreased by S\$0.6 million or 12.2% from S\$4.8 million in 3QFY2016 to S\$4.2 million in 3QFY2017, mainly due to the decrease in provision for bonuses for the Management and staff.

There were no significant differences in depreciation of property, plant and equipment between 3QFY2017 and 3QFY2016.

Finance costs decreased by S\$1.5 million or 89.5% from S\$1.7 million in 3QFY2016 to S\$0.2 million in 3QFY2017, mainly due to the decrease in the Group's borrowings.

No significant differences in other operating expenses between 3QFY2017 and 3QFY2016.

Share of results of associates decreased by S\$7.6 million or 86.8% from S\$8.8 million in 3QFY2016 to S\$1.2 million in 3QFY2017, mainly due to the decrease in sales and percentage of completion recognised on development property projects in Singapore. The increase on share of results of joint ventures of S\$4.1 million is mainly due to the profit recognised from the residential development project - High Park Residences as the construction progressed.

Tax expense increased slightly in 3QFY2017 as compared to 3QFY2016, mainly due to the increase in profit from operations before share of results of associates and joint ventures and expenses not allowed for tax deduction.

As a result of the above, the Group registered a decrease in net profit attributable to Owners of the company of S\$4.7 million or 33.9% from S\$13.8 million in 3QFY2016 to S\$9.1 million in 3QFY2017.

9MFY2017 vs 9MFY2016

Revenue

The Group has a total revenue of S\$165.6 million for the nine months period ended 31 December 2016 ("9MFY2017"), a decrease of S\$12.4 million or 7.0% compared to S\$178.0 million registered in the corresponding nine months period ended 31 December 2015 ("9MFY2016"). The decrease was mainly due to the decrease in revenue from construction business of S\$12.3 million or 7.1% from S\$173.6 million in 9MFY2016 to S\$161.3 million in 9MFY2017.

Other income

Other income decreased by S\$0.4 million or 5.7% from S\$6.9 million in 9MFY2016 to S\$6.5 million in 9MFY2017. The decrease was mainly due to the decrease in interest income from associates and joint ventures as the loans due from associates and joint ventures decreased, offset by foreign exchange gain.

REVIEW OF THE PERFORMANCE OF THE GROUP

Operating expenses

Cost of construction decreased by S\$10.5 million or 7.2% from S\$146.1 million in 9MFY2016 to S\$135.6 million in 9MFY2017. The decrease was mainly due to the decrease in construction works carried out.

Personnel expenses decreased by S\$2.9 million or 21.9% from S\$13.4 million in 9MFY2016 to S\$10.5 million in 9MFY2017, mainly due to the decrease in provision for bonuses for the Management and staff.

There were no significant differences in depreciation of property, plant and equipment between 9MFY2017 and 9MFY2016.

Finance costs decreased by S\$2.8 million or 56.6% from S\$5.0 million in 9MFY2016 to S\$2.2 million in 9MFY2017, mainly due to the decrease in the Group's borrowings.

No significant differences in other operating expenses between 9MFY2017 and 9MFY2016.

Share of results of associates decreased by S\$28.5 million or 74.7% from S\$38.2 million in 9MFY2016 to S\$9.7 million in 9MFY2017, mainly due to the decrease of S\$15.8 million contributed from the development property project - Liang Jing Ming Ju Phase 4 - Sequoia Mansion in Beijing, People's Republic of China ("PRC") of which profit of sold units were recognised upon construction completion during 9MFY2016 and the decrease in sales and percentage of completion recognised on the development property projects in Singapore. The increase on share of results of joint ventures of S\$5.1 million is mainly due to the profit recognised from the residential development project - High Park Residences as the construction progressed.

Tax expense decreased by S\$0.2 million or 5.1% from S\$3.8 million in 9MFY2016 to S\$3.6 million in 9MFY2017, mainly due to the decrease 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, offset by the increase in profit from operations before results of associates and joint ventures and expenses not allowed for tax deduction.

As a result of the above, the Group registered a decrease of net profit attributable to Owners of the company of S\$19.8 million or 42.1% from S\$47.1 million in 9MFY2016 to S\$27.3 million in 9MFY2017.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") decreased by S\$1.6 million from S\$8.6 million as at 31 March 2016 ("FY2016") as compared to S\$7.0 million as at 31 December 2016 ("3QFY2017"), mainly due to depreciation and disposal of plant and equipment during the 3QFY2017.

Interests in associates decreased by S\$21.5 million from S\$179.9 million in FY2016 to S\$158.4 million in 3QFY2017, mainly due to the decrease in loans to associates to finance development property and investment property projects, offset by share of results of associates and additional investment in associates.

Interests in joint ventures increased by S\$5.3 million from S\$37.9 million in FY2016 to S\$43.2 million in 3QFY2017, mainly due to the increase in loans to joint ventures and share of results of joint ventures.

Investment properties decreased by S\$0.3 million from S\$123.3 million in FY2016 to S\$123.0 million in 3QFY2017, mainly due to foreign exchange differences from an investment property held in PRC.

Trade receivables under non-current assets decreased by S\$5.8 million from S\$9.7 million in FY2016 to S\$3.9 million in 3QFY2017, mainly due to the decrease in retention sum receivables from completed and on-going construction projects in Singapore.

Current assets

Trade receivables under current assets increased by S\$0.6 million from S\$31.0 million in FY2016 to S\$31.6 million in 3QFY2017, mainly due to the increase in amount of progress claims certified for construction projects in progress.

Other receivables and deposits increased by S\$1.6 million from S\$4.2 million in FY2016 to S\$5.8 million in 3QFY2017, mainly due to the increase in dividends receivable of S\$1.5 million from associates.

Based on the progress of construction projects in 3QFY2017 as compared to FY2016, the construction work-in-progress in excess of progress billings decreased by S\$5.7 million from S\$6.8 million in FY2016 to S\$1.1 million in 3QFY2017.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Current liabilities

Trade payables under current liabilities decreased by S\$3.3 million from S\$20.4 million in FY2016 to S\$17.1 million in 3QFY2017. 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\$7.9 million from S\$69.7 million in FY2016 to S\$77.6 million in 3QFY2017. The increase was mainly from the increase in accruals made for on-going construction projects, partially offset by the decrease in accruals for interest payable in relation to term notes.

Based on the progress of construction projects in 3QFY2017 as compared to FY2016, the progress billings in excess of the construction work-in-progress decreased by S\$22.5 million from S\$26.4 million in FY2016 to S\$3.9 million in 3QFY2017.

Non-current liabilities

Trade payables under non-current liabilities decreased by S\$0.6 million from S\$5.1 million in FY2016 to S\$4.5 million in 3QFY2017. The decrease was mainly from the decrease in retention sums payable to subcontractors for completed construction projects.

Total Group's borrowings

Total borrowings decreased by S\$68.5 million from S\$139.6 million in FY2016 to S\$71.1 million in 3QFY2017, mainly due to the decrease in term notes of S\$70.8 million, offset by the net increase in bank borrowings of S\$2.7 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$8.4 million during 9MFY2017 mainly arose from operating cash flows before changes in working capital of S\$16.2 million, and interest income received of S\$4.2 million, offset by the payment of income tax of S\$4.4 million and the decrease in working capital of S\$7.7 million.

Net cash flows generated from investing activities of S\$29.0 million during 9MFY2017 mainly arose from the decrease in loans due from associates of S\$19.2 million and dividends received from associates of S\$10.9 million, offset by the increase in net loans due from joint ventures of S\$0.7 million.

Net cash flows used in financing activities of S\$86.7 million during 9MFY2017, mainly arose from repayment of unsecured term notes of S\$70.8 million, dividends payment of S\$14.7 million, repayment of bank borrowings of S\$7.5 million, increase in pledged fixed deposits of S\$5.2 million and interest payment of S\$2.2 million, offset by the proceeds from bank term loans of S\$9.8 million and sale of treasury shares of S\$3.8 million.

With the abovementioned, net decrease in cash and cash equivalents during 9MFY2017 was S\$49.3 million.

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

There was no forecast or any prospect statement previously disclosed to shareholders. The actual results in 3QFY2017 is in line with the commentary made on 14 November 2016 in paragraph 10 of the second quarter results announcement for FY2017.

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.

During the October to December period in 2016, the construction sector had a contraction of 2.8% on a year-on-year basis, extending the 0.2% decline in the previous quarter. The contraction was largely due to the decline in private sector construction activities. However, on a quarter-on-quarter seasonally-adjusted annualised basis, the sector shrank by 4.7%, moderating from the 14.8% contraction in the preceding quarter.

REVIEW OF THE PERFORMANCE OF THE GROUP

10 continued ...

According to the Building and Construction Authority of Singapore ("BCA"), total construction demand is projected to reach between S\$28 billion and S\$35 billion in 2017. The overall construction demand prospects over the medium-term as well as long term will continue to be bolstered by a strong pipeline of construction projects led by new 11 housing developments such as the new Tengah HDB town, Changi East development including Terminal 5, healthcare facilities, utility projects and new MRT lines.

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 abundant opportunities of the construction sector moving forward, the Group shall continue to embrace new technologies and innovations to bring about greater productivity. The Group will tap on the various initiatives to upskill workers to build a high-quality workforce and anchor capabilities. The Group is prepared to change, innovate and transform to stay at the forefront of technological innovation, process re-engineering and productivity improvement to sustain growth and competitiveness despite the headwinds under challenging economic conditions.

Singapore property market outlook in residential and office space remains challenging due to the slowing economy, rising interest rates and uncertainty in the jobs market.

The Singapore residential market is showing signs of stabilising with slower decline in private home prices and resilient demand despite weak property market. According to the data from Urban Redevelopment Authority ("URA"), private home prices fall about 3.1% for the full year of 2016, milder than the 3.7% decline in 2015. Developers sold 7,972 private homes (excluding executive condominiums) in 2016, up 9.4% from the 7,440 units in previous year - and the best showing in three years

Office and retail space market remains weak with prices in Singapore continuing to ease amidst the downbeat economy, oncoming supply and aggressive competition from newly completed buildings. Latest data from URA showed that rents of office and retail space slipped over 8% in 2016 compared to 2015. The full year prices decline of 2.8% and 5.4% for office and retail space were steeper than the 0.1% and 0.8% respectively, seen in 2015. Vacancy rate of office space at the end of the 4th quarter in 2016 increased 11.1% from 10.4% at the end of previous quarter, but vacancy rate of retail space dropped to 7.5% at the end of the 4th quarter in 2016 from 8.4% at the end of the previous quarter.

The Group has an order book on construction projects in Singapore of more than S\$225.0 million as at 31 December 2016.

As at 31 December 2016, the projects officially launched by associates and joint ventures under the Group are 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	96.6%
2	The Boutiq	35.00%	Residential	Completed	Percentage of Completion	100.0%
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	89.2%
6	Sky Green	25.00%	Residential	Ongoing	Percentage of Completion	97.7%
7	Cityscape@Farrer Park	35.00%	Residential	Completed	Percentage of Completion	95.2%
8	NEWest	12.25%	Residential and Commercial	Ongoing	Percentage of Completion	100.0%
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	82.1%
11	Hexacube	30.00%	Commercial and Office	Ongoing	Completion	61.6%
12	Trio	35.00%	Commercial	Ongoing	Completion	37.2%
13	High Park Residences	20.00%	Residential and Commercial	Ongoing	Percentage of Completion	99.4%
Overseas						
14	Liang Jing Ming Ju Phase 4 - Sequoia Mansion	45.00%	Residential (Commercial and Office excluded)	Completed	Completion	97.7%

As at 31 December 2016, subject to cancellation of contracts, approximately 95.6% 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\$196.0 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 3QFY2017.

Following the disposal in January 2017 of the Group's 12 indirect associated companies holding in aggregate 17 strata title units of Prudential Tower, a Grade A office building located at the Raffles Place precinct with good tenant mix given its prime location, the Group's remaining joint venture investment in Prudential Tower will 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 FY2017.

REVIEW OF THE PERFORMANCE OF THE GROUP

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/recommendeded, a statement to that effect.

No dividend has been declared.

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-month period ended 31 December 2016 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

9 February 2017