



KSH Holdings Limited

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

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

1 (a) (i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

INCOME STATEMENT	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease) %	HALF YEAR ENDED		increase/ (decrease) %
	30.09.2018 S\$'000	30.09.2017 (re-stated) S\$'000		30.09.2018 S\$'000	30.09.2017 (re-stated) S\$'000	
REVENUE						
Project revenue	33,797	20,778	62.7	73,067	50,265	45.4
Rental income from investment properties	1,452	1,498	(3.1)	2,990	3,099	(3.5)
	35,249	22,276	58.2	76,057	53,364	42.5
Other income	2,555	2,092	22.1	5,205	4,389	18.6
Cost of construction	(30,258)	(16,158)	87.3	(59,193)	(35,999)	64.4
Personnel expenses	(3,364)	(3,321)	1.3	(6,564)	(6,284)	4.5
Depreciation of property, plant and equipment	(506)	(476)	6.3	(877)	(937)	(6.4)
Finance costs	(1,019)	(662)	53.9	(1,909)	(1,016)	87.9
Other operating expenses	(1,436)	(1,084)	32.5	(3,259)	(2,475)	31.7
	(36,583)	(21,701)	68.6	(71,802)	(46,711)	53.7
Profit from operations before share of results of associates and joint ventures	1,221	2,667	(54.2)	9,460	11,042	(14.3)
Share of results of associates	(62)	(962)	(93.6)	(3,118)	(3,452)	(9.7)
Share of results of joint ventures	3,509	2,889	21.5	5,998	4,686	28.0
Profit before taxation	4,668	4,594	1.6	12,340	12,276	0.5
Income tax expense	(194)	(524)	(63.0)	(1,758)	(1,826)	(3.7)
Profit for the period	4,474	4,070	9.9	10,582	10,450	1.3
Attributable to:						
- Owners of the Company	4,382	3,925	11.6	10,366	10,144	2.2
- Non-controlling interests	92	145	(36.6)	216	306	(29.4)
	4,474	4,070	9.9	10,582	10,450	1.3

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease)	HALF YEAR ENDED		increase/ (decrease)
	30.09.2018	30.09.2017 (re-stated)		30.09.2018	30.09.2017 (re-stated)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	4,474	4,070	9.9	10,582	10,450	1.3
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
- Foreign currency translation	(4,115)	325	<i>nm</i>	(6,286)	801	<i>nm</i>
Other comprehensive income for the period, net of tax	(4,115)	325	<i>nm</i>	(6,286)	801	<i>nm</i>
Total comprehensive income for the period	359	4,395	(91.8)	4,296	11,251	(61.8)
Total comprehensive income attributable to:						
- Owners of the Company	1,030	4,158	(75.2)	5,179	10,807	(52.1)
- Non-controlling interests	(671)	237	<i>nm</i>	(883)	444	<i>nm</i>
Total comprehensive income for the period	359	4,395	(91.8)	4,296	11,251	(61.8)

nm: not meaningful

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

	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease)	HALF YEAR ENDED		increase/ (decrease)
	30.09.2018	30.09.2017		30.09.2018	30.09.2017	
	S\$'000	(re-stated) S\$'000	%	S\$'000	(re-stated) S\$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	1,619	1,164	39.1	3,428	2,482	38.1
Write back/(allowance) for doubtful debts	-	1	(100.0)	-	(59)	(100.0)
Write back/(allowance) of provision for onerous contract	27	-	nm	(1,406)	-	nm
Amortisation of club membership	(1)	(1)	-	(1)	(1)	-
Fair value gain on structured deposits	3	31	(90.3)	12	71	(83.1)
Loss on sale of plant and equipment, net	(1)	(6)	(83.3)	(2)	(24)	(91.7)
Foreign exchange gain/(loss), net	-	247	(100.0)	(222)	581	nm
Interest expense	(956)	(460)	nm	(1,801)	(811)	nm
Profit after taxation before non-controlling interests as a percentage of turnover	12.69%	18.27%	(30.5)	13.91%	19.58%	(29.0)
Profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before non-controlling interests at 30 September 2018 and 30 September 2017	1.30%	1.22%	6.6	3.08%	3.16%	(2.5)

nm: not meaningful

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

STATEMENT OF FINANCIAL POSITION

	GROUP			COMPANY	
	30.09.2018 S\$'000	31.03.2018 (re-stated) S\$'000	01.04.2017 (re-stated) S\$'000	30.09.2018 S\$'000	31.03.2018 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	18,613	15,366	6,726	-	-
Investments in subsidiaries	-	-	-	16,791	16,791
Interests in associates	194,273	190,204	156,504	-	-
Interests in joint ventures	90,476	82,394	44,657	-	-
Other investments	*	*	*	-	-
Investment properties	118,828	123,882	120,109	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,203	2,310	2,242	-	-
Amounts due from subsidiaries (non-trade)	-	-	-	182,749	198,960
Trade receivables	2,823	1,617	-	-	-
Other receivables	2,248	2,274	2,225	-	-
Club membership	33	35	37	-	-
Structured deposits	3,066	1,054	1,019	-	-
	432,563	419,136	333,519	199,540	215,751
Current assets					
Trade receivables	28,266	27,625	33,769	-	-
Other receivables and deposits	2,124	1,886	1,451	76	65
Prepayments	487	413	401	34	19
Amounts due from a joint venture (non-trade)	-	29,834	-	-	-
Amounts due from associates (non-trade)	12,115	10,980	-	-	-
Contract assets	19,762	8,824	701	-	-
Structured deposits	4,700	4,700	-	-	-
Fixed deposits	49,833	49,223	89,673	25,150	12,276
Cash and bank balances	39,881	26,927	56,180	6,016	4,521
	157,168	160,412	182,175	31,276	16,881
Total assets	589,731	579,548	515,694	230,816	232,632
LIABILITIES					
Current liabilities					
Trade payables	12,749	15,726	17,741	-	-
Other payables and accruals	48,595	55,753	58,041	1,036	2,825
Deferred income	193	72	88	-	-
Finance lease obligations	642	248	223	-	-
Provision for income tax	3,088	3,576	5,248	714	718
Contract liabilities	-	-	5,946	-	-
Provision for onerous contract	1,406	-	-	-	-
Bank term loans, secured	50,766	26,082	38,642	43,372	9,140
Bank overdrafts, secured	-	6,690	-	-	-
Bills payable to banks, secured	24,838	30,091	513	-	-
	142,277	138,238	126,442	45,122	12,683

* Less than S\$1,000

STATEMENT OF FINANCIAL POSITION

	GROUP			COMPANY	
	30.09.2018	31.03.2018	01.04.2017	30.09.2018	31.03.2018
	S\$'000	(re-stated) S\$'000	(re-stated) S\$'000	S\$'000	S\$'000
Non-current liabilities					
Trade payables	1,338	492	1,321	-	-
Other payables and accruals	3,182	197	186	-	-
Amounts due to subsidiaries (non-trade)	-	-	-	57,071	94,946
Finance lease obligations	1,870	346	413	-	-
Bank term loans, secured	63,585	59,432	26,934	58,253	50,745
Deferred tax liabilities	18,557	19,380	18,809	-	-
	88,532	79,847	47,663	115,324	145,691
Total liabilities	230,809	218,085	174,105	160,446	158,374
NET ASSETS	358,922	361,463	341,589	70,370	74,258
EQUITY					
Equity attributable to Owners of the Company					
Share capital	50,915	50,915	50,915	50,915	50,915
Translation reserve	(1,712)	3,475	127	-	-
Accumulated profits	282,875	279,434	264,470	16,826	20,714
Asset revaluation reserve	219	219	219	-	-
Other reserves	4,049	3,961	3,774	2,629	2,629
	336,346	338,004	319,505	70,370	74,258
Non-controlling interests	22,576	23,459	22,084	-	-
TOTAL EQUITY	358,922	361,463	341,589	70,370	74,258

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

The amount repayable in one year or less, or on demand			
At 30.09.2018		At 31.03.2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
76,246	-	56,421	-

The amount repayable after one year			
At 30.09.2018		At 31.03.2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
65,455	-	59,778	-

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	
	SECOND QUARTER ENDED		HALF YEAR ENDED	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	S\$'000	(re-stated) S\$'000	S\$'000	(re-stated) S\$'000
Operating activities				
Profit before taxation	4,668	4,594	12,340	12,276
Adjustments:				
Depreciation of property, plant and equipment	506	476	877	937
Amortisation of club membership	1	1	1	1
Loss on sale of plant and equipment, net	1	6	2	24
Fair value gain on structured deposits	(3)	(31)	(12)	(71)
(Write back)/allowance for doubtful debts	-	(1)	-	59
Interest expense	956	460	1,801	811
Interest income	(1,619)	(1,164)	(3,428)	(2,482)
Share of results of associates	62	962	3,118	3,452
Share of results of joint ventures	(3,509)	(2,889)	(5,998)	(4,686)
Operating cash flows before changes in working capital	1,063	2,414	8,701	10,321
Changes in working capital:				
Decrease/(increase) in:				
Trade and other receivables, deposits and prepayments	14,221	6,758	7,917	10,691
Contract assets	(3,370)	(9,902)	(9,532)	(16,431)
(Decrease)/increase in:				
Trade and other payables and accruals	(7,392)	(4,149)	(6,283)	(6,662)
Deferred income	(95)	3	121	4
Cash flows from/(used in) operations	4,427	(4,876)	924	(2,077)
Income taxes paid	(2,137)	(2,792)	(2,334)	(2,897)
Interest income received	1,619	1,164	3,428	2,482
Exchange differences	205	(11)	(101)	(10)
Net cash flows from/(used in) operating activities	4,114	(6,515)	1,917	(2,502)
Investing activities				
Purchase of plant and equipment	-	(886)	(2,016)	(1,788)
Proceeds from sale of plant and equipment	-	5	1	286
Decrease/(increase) in investments in associates	698	(1,400)	1,498	(1,400)
(Increase)/decrease in loans due from associates, net	(11,342)	(13,818)	(60,652)	457
(Increase)/decrease in loans due from joint ventures, net	(2,280)	(40,126)	27,750	(40,883)
Dividends received from associates	420	-	39,042	1,575
Decrease in loans due from investee companies	-	8	-	25
Net cash flows (used in)/from investing activities	(12,504)	(56,217)	5,623	(41,728)
Financing activities				
Dividends paid	(6,837)	(9,116)	(6,837)	(9,116)
Proceeds from bank term loans	11,327	40,000	48,516	55,000
Repayment of bank term loans	(16,721)	(1,831)	(19,552)	(35,162)
Proceeds from bills payable to banks	-	-	-	313
Repayment of bills payable to banks	(7,864)	(1,631)	(5,253)	-
Interest paid	(956)	(460)	(1,801)	(811)
Proceeds from finance lease obligations	2,042	116	2,115	206
Repayment of finance lease obligations	(2,171)	(63)	(2,313)	(119)
Increase/(decrease) in pledged fixed deposits	3,112	(21)	(4,925)	(5,046)
Net cash flows (used in)/from financing activities	(18,068)	26,994	9,950	5,265
Net (decrease)/increase in cash and cash equivalents	(26,458)	(35,738)	17,490	(38,965)
Effect of exchange rate changes on cash and cash equivalents	(114)	12	(161)	20
Cash and cash equivalents at beginning of period	82,881	112,557	38,980	115,776
Cash and cash equivalents at end of period (Note A)	56,309	76,831	56,309	76,831

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

	30.09.2018	30.09.2017	30.09.2018	30.09.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances**	39,881	37,823	39,881	37,823
Fixed deposits	49,833	69,430	49,833	69,430
	89,714	107,253	89,714	107,253
Less: Pledged fixed deposits	(33,405)	(30,422)	(33,405)	(30,422)
Cash and cash equivalents	56,309	76,831	56,309	76,831

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

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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	Translation reserve S\$'000	Accumulated profits S\$'000	Asset revaluation reserves S\$'000	Other reserves S\$'000	Equity attributable to Owners of the Company, total S\$'000	Non-controlling interests S\$'000	
At 1 April 2017	50,915	127	264,470	219	3,774	319,505	22,084	341,589
Profit for the period	-	-	10,144	-	-	10,144	306	10,450
<u>Other comprehensive income</u>								
Foreign currency translation	-	663	-	-	-	663	138	801
Other comprehensive income for the period	-	663	-	-	-	663	138	801
Total comprehensive income for the period	-	663	10,144	-	-	10,807	444	11,251
<u>Contributions by and distributions to owners</u>								
Interim tax-exempt dividends on ordinary shares	-	-	(9,116)	-	-	(9,116)	-	(9,116)
Transfer to other reserves	-	-	(78)	-	78	-	-	-
Total contributions by and distributions to owners	-	-	(9,194)	-	78	(9,116)	-	(9,116)
At 30 September 2017	50,915	790	265,420	219	3,852	321,196	22,528	343,724
At 1 April 2018	50,915	3,475	279,434	219	3,961	338,004	23,459	361,463
Profit for the period	-	-	10,366	-	-	10,366	216	10,582
<u>Other comprehensive income</u>								
Foreign currency translation	-	(5,187)	-	-	-	(5,187)	(1,099)	(6,286)
Other comprehensive income for the period	-	(5,187)	-	-	-	(5,187)	(1,099)	(6,286)
Total comprehensive income for the period	-	(5,187)	10,366	-	-	5,179	(883)	4,296
<u>Contributions by and distributions to owners</u>								
Interim tax-exempt dividends on ordinary shares	-	-	(6,837)	-	-	(6,837)	-	(6,837)
Transfer to other reserves	-	-	(88)	-	88	-	-	-
Total contributions by and distributions to owners	-	-	(6,925)	-	88	(6,837)	-	(6,837)
At 30 September 2018	50,915	(1,712)	282,875	219	4,049	336,346	22,576	358,922

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2018

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	Accumulated profits S\$'000	Other reserves S\$'000	Total equity S\$'000
At 1 April 2017	50,915	11,468	2,629	65,012
Profit for the period	-	20,164	-	20,164
Total comprehensive income for the period	-	20,164	-	20,164
Interim tax-exempt dividends on ordinary shares	-	(9,116)	-	(9,116)
At 30 September 2017	50,915	22,516	2,629	76,060
At 1 April 2018	50,915	20,714	2,629	74,258
Profit for the period	-	2,949	-	2,949
Total comprehensive income for the period	-	2,949	-	2,949
Interim tax-exempt dividends on ordinary shares	-	(6,837)	-	(6,837)
At 30 September 2018	50,915	16,826	2,629	70,370

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 27 July 2017, the Company had allotted and issued 113,947,046 bonus shares pursuant to the Bonus issue.

The total number of issued shares as at 30 September 2018 was 569,735,645 shares (as at 30 September 2017 was 569,735,645 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 1 April 2017 and 30 June 2017	
- Ordinary Shares	455,788,599
Bonus shares allotted and issued on 27 July 2017	
- Ordinary Shares to public shareholders	113,947,046
Balance as at 31 March 2018 and 30 September 2018	
- Ordinary Shares	569,735,645

The total number of treasury shares held by the Company as at 30 September 2018 and 30 September 2017 was 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.

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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 March 2018.

ACCOUNTING POLICIES

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted Singapore Financial Reporting Standard (International) (SFRS(I)) on 1 April 2018. In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)* in preparing the financial information included in this announcement. There is no material impact on the financial statements in adopting SFRS(I) and applying specific transition requirement under SFRS(I) 1.

The Group has also concurrently applied the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s (collectively "new accounting standard") which are mandatorily effective from the same date.

Adoption SFRS(I) 15 Revenue from Contracts with Customers

(a) Construction contracts

Before 1 April 2018, the Group recognises construction contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period (the percentage of completion method), when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the surveys of work performed. With the adoption of SFRS(I) 15, the Group will continue to recognise construction contract revenue over time by measuring the progress towards complete satisfaction of performance obligations. Under the new standard, the methods of measuring progress include output methods or input methods. The Group has determined that the cost-based input method reflects the over-time transfer of control to customers.

(b) Sale of development properties - timing of revenue recognition

Before 1 April 2018, the Group has interests in associates and joint ventures that currently recognises revenue from the sale of development properties under construction using the percentage of completion method for contracts where the legal terms were such that the construction represented the continuous transfer of work in progress to the purchaser, otherwise, the completed contract method was used. Under SFRS(I) 15, for most of its residential and commercial developments, performance obligations for the sale of development properties are satisfied over time where the entities is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date. The Group expects that the adoption of SFRS(I) 15 will have no material impact on the Group's share of results of associates and joint ventures and interests in associates and joint ventures in the year of initial adoption.

(c) Commissions paid to property agents on the sale of development properties

Before 1 April 2018, the Group's associates and joint ventures pay commissions to property agents on the sale of development properties and currently recognises such commissions as expense when incurred. Under SFRS(I) 15, the entities will capitalise such commissions as incremental costs to obtain a contract with a customer if these costs are recoverable. These costs are amortised to profit or loss as the entities recognise the related revenue. Under the adoption of SFRS(I) 15, the entities plan to capitalise such sales commissions as at 1 April 2018 and the Group expects that this will have no material impact on the Group's share of results of associates and joint ventures and interests in associates and joint ventures in the year of initial adoption.

The financial effect of adopting SFRS(I) 15 on the comparative figures for 2QFY2018 Financial Statements are as follows:-

Consolidated Income Statement	6 months ended 30 September 2017
	Increase in
	S\$'000
Revenue from construction contracts	389
Cost of construction	376
Gross profit	13
Net profit for period/Profit attributable to Owners of the Company	13
Earnings per share - basic & diluted (cents)	<i>nil</i>

ACCOUNTING POLICIES

5 continued ...

Consolidated Statement of Financial Position	Increase/(decrease) in	
	31 March 2018 S\$'000	01 April 2017 S\$'000
Construction work-in-progress in excess of progress billings	(9,575)	(1,945)
Contract assets	8,824	701
Total assets	(751)	(1,244)
Retained earnings	(751)	(1,244)
Total equity	(751)	(1,244)
Progress billings in excess of construction work-in-progress	-	(5,946)
Contract liabilities	-	5,946
Total liabilities	-	-
Total liabilities and equity	(751)	(1,244)

EARNINGS PER SHARE

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	GROUP SECOND QUARTER ENDED		GROUP HALF YEAR ENDED	
	30.09.2018 (cents)	30.09.2017 (re-stated) (cents)	30.09.2018 (cents)	30.09.2017 (re-stated) (cents)
a) On a basic basis	0.77	0.69	1.82	1.78
b) On a fully diluted basis	0.77	0.69	1.82	1.78
	S\$'000	S\$'000	S\$'000	S\$'000
Group's profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	4,382	3,925	10,366	10,144
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	569,735,645	569,735,645	569,735,645	569,735,645

NET ASSET VALUE PER SHARE

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP		COMPANY	
	as at 30.09.2018	as at 31.03.2018 (re-stated)	as at 30.09.2018	as at 31.03.2018
Net asset value per ordinary share (cents)	59.04	59.33	12.35	13.03
Issue share capital excluding treasury shares at the end of the period/year	569,735,645	569,735,645	569,735,645	569,735,645

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

2QFY2019 vs 2QFY2018

Revenue

The Group had a total revenue of S\$35.2 million for the second quarter ended 30 September 2018 ("2QFY2019"), an increase of S\$12.9 million or 58.2% compared to S\$22.3 million registered in the corresponding period ended 30 September 2017 ("2QFY2018"). The increase was mainly due to the increase in revenue from construction business of S\$13.0 million or 62.7% from S\$20.8 million in 2QFY2018 to S\$33.8 million in 2QFY2019.

Other income

Other income increased by S\$0.5 million or 22.1% from S\$2.1 million in 2QFY2018 to S\$2.6 million in 2QFY2019, mainly due to the increase in interest income from loans to associates and joint ventures.

Operating expenses

Cost of construction increased by S\$14.1 million or 87.3% from S\$16.2 million in 2QFY2018 to S\$30.3 million in 2QFY2019. The increase was mainly due to the increase in construction works carried out and provision for onerous contract on an on-going construction project.

There were no significant differences in personnel expenses and depreciation of property, plant and equipment between 2QFY2019 and 2QFY2018.

Finance costs increased by S\$0.3 million from S\$0.7 million in 2QFY2018 to S\$1.0 million in 2QFY2019, mainly due to the increase in gearing and interest rates.

Other operating expenses increased by S\$0.3 million or 32.5% from S\$1.1 million in 2QFY2018 to S\$1.4 million in 2QFY2019, mainly due to the increase in foreign exchange losses.

The loss from share of results of associates decreased by S\$0.9 million or 93.6%, mainly due to gain from disposal of subsidiaries which held strata units in Prudential Tower by an associate, offset slightly by the increase in expenses incurred from Affinity@Serangoon and Riverfront Residences which were launched in June 2018 and July 2018 respectively. The share of results of joint ventures increased by S\$0.6 million or 21.5% from S\$2.9 million in 2QFY2018 to S\$3.5 million in 2QFY2019, mainly due to the increase in profit recognised from the residential development project - High Park Residences as the construction progressed, offset by expenses incurred for Park Colonial launched in July 2018.

Tax expense decreased by S\$0.3 million or 63.0% as compared to 2QFY2018, mainly due to the decrease in profit from operations before share of results of associates and joint ventures.

As a result of the above, the Group registered a net profit attributable to Owners of the Company of S\$4.4 million in 2QFY2019 excluding non-controlling interests.

1HFY2019 vs 1HFY2018

Revenue

The Group had a total revenue of S\$76.1 million for the half year ended 30 September 2018 ("1HFY2019"), an increase of S\$22.7 million or 42.5% compared to S\$53.4 million registered in the corresponding half year ended 30 September 2017 ("1HFY2018"). The increase was mainly due to the increase in revenue from construction business of S\$22.8 million or 45.4% from S\$50.3 million in 1HFY2018 to S\$73.1 million in 1HFY2019.

REVIEW OF THE PERFORMANCE OF THE GROUP

Operating expenses

Cost of construction increased by S\$23.2 million or 64.4% from S\$36.0 million in 1HFY2018 to S\$59.2 million in 1HFY2019. The increase was mainly due to the increase in construction works done in 1HFY2019 as compared to 1HFY2018.

There were no significant differences in personnel expenses and depreciation of property, plant and equipment between 1HFY2019 and 1HFY2018.

Finance costs increased by S\$0.9 million or 87.9% from S\$1.0 million in 1HFY2018 to S\$1.9 million 1HFY2019, mainly due to the increase in gearing and interest rates.

Other operating expenses increased by S\$0.8 million or 31.7% from S\$2.5 million in 1HFY2018 to S\$3.3 million in 1HFY2019, mainly due to the increase in foreign exchange loss.

The loss from share of results of associates decrease by S\$0.40 million or 9.7% from S\$3.5 million in 1HFY2019 to S\$3.1 million in 1HFY2018, mainly due to gain from disposal of subsidiaries which held strata units in Prudential Tower by an associate, offset slightly by the increase in expenses incurred from Affinity@Serangoon and Riverfront Residences which were launched in June 2018 and July 2018 respectively. The share of results of joint ventures increased by S\$1.3 million or 28.0% from S\$4.7 million in 1HFY2018 to S\$6.0 million in 1HFY2019, mainly due to the increase in profit recognised from the residential development project - High Park Residences as the construction progressed, offset by expenses incurred for Park Colonial launched in July 2018.

There were no significant differences in income tax expense between 1HFY2019 and 1HFY2018.

As a result of the above, the Group registered a net profit attributable to Owners of the company of S\$10.4 million in 1HFY2019 excluding non-controlling interests.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") increased by S\$3.2 million from S\$15.4 million as at 31 March 2018 ("FY2018") as compared to S\$18.6 million as at 30 September 2018 ("1HFY2019"), mainly due to cost incurred for the construction of a new building plant to be used for construction business and purchase of new plant and equipment, partially offset by depreciation of plant and equipment.

Interests in associates increased by S\$4.1 million from S\$190.2 million as at FY2018 to S\$194.3 million as at 1HFY2019, mainly due to the increase in loans to associates to finance development property and investment property projects, offset by share of losses recognised and dividends received from associates.

Interests in joint ventures increased by S\$8.1 million from S\$82.4 million as at FY2018 to S\$90.5 million as at 1HFY2019, mainly due to the increase in loans to joint ventures to finance development property projects and the recognised share of results of joint ventures.

Investment properties decreased by S\$5.1 million from S\$123.9 million as at FY2018 to S\$118.8 million as at 1HFY2019, mainly due to foreign exchange differences from an investment property held in the People's Republic of China ("PRC").

Trade receivables under non-current assets increased by S\$1.2 million from S\$1.6 million as at FY2018 to S\$2.8 million in 1HFY2019, mainly due to the increase in retention sum receivables from on-going construction projects in Singapore.

Current assets

Trade receivables under current assets increased by S\$0.7 million from S\$27.6 million as at FY2018 to S\$28.3 million as at 1HFY2019, mainly due to the increase in amount of progress claims certified for construction projects in progress.

Other receivables and deposits increased by S\$0.2 million from S\$1.9 million as at FY2018 to S\$2.1 million in 1HFY2019, mainly due to deposit paid for acquisition of property.

The decrease in non-trade amounts due from associates and a joint venture as at FY2018 amounting to S\$28.7 million is due to collection during 1HFY2019.

Based on the progress of construction projects in 1HFY2019 as compared to FY2018, contract assets increased by S\$11.0 million from S\$8.8 million in FY2018 to S\$19.8 million in 1HFY2019.

Current liabilities

Trade payables under current liabilities decreased by S\$2.9 million from S\$15.7 million as at FY2018 to S\$12.8 million in 1HFY2019. 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 decreased by S\$7.2 million from S\$55.8 million as at FY2018 to S\$48.6 million as at 1HFY2019. The decrease was mainly due to the decrease in accrual made for on-going construction projects and bonuses.

Provision for onerous contract was provided for an on-going construction project.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Non-current liabilities

Trade payables under non-current liabilities increased by S\$0.8 million from S\$0.5 million as at FY2018 to S\$1.3 million in 1HFY2019. The increase was mainly due to the increase in retention sum payables to subcontractors for on-going construction projects.

Total Group's borrowings

Total borrowings increased by S\$25.5 million from S\$116.2 million as at FY2018 to S\$141.7 million as at 1HFY2019, mainly due to the increase in bank term loans.

STATEMENT OF CASH FLOWS

Net cash flows from operating activities of S\$1.9 million during 1HFY2019 mainly arose from operating cash flows before changes in working capital of S\$8.7 million and interest income received of S\$3.4 million, offset by the increase in working capital of S\$7.8 million and payment of income tax of S\$2.3 million.

Net cash flows from investing activities of S\$5.6 million during 1HFY2019 mainly arose from the decrease in loans due from joint ventures of S\$27.8 million, decrease in investments in associates of S\$1.5 million for capital paid-up reduction and dividends received from associates of S\$39.0 million, offset by the increase in loans due from associates of S\$60.7 million and purchase of property, plant and equipment of S\$2.0 million.

Net cash flows from financing activities of S\$10.0 million during 1HFY2019 mainly arose from the net increase in bank term loans of S\$29.0 million, offset by the dividends paid of S\$6.8 million, repayment of bills payable to banks of S\$5.3 million, interest paid of S\$1.8 million and decrease in pledged fixed deposits of S\$4.9 million.

With the abovementioned, net increase in cash and cash equivalents during 1HFY2019 was S\$17.5 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 1HFY2019 is in line with the commentary made on 10 August 2018 in paragraph 10 of the first quarter results announcement for FY2019.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

According to the latest Monetary Authority of Singapore ("MAS") biannual macroeconomic review, Singapore economy will likely expand at a slower pace for the rest of the year and in 2019 given rising global uncertainties such as trade tensions, coupled with the tightening global financial conditions. Singapore gross domestic product grew by an average of 3.4% year-on-year in the second and third quarter of 2018, slightly lower than the 4.1% from the previous two quarters.

Based on the Construction Sector Second Quarter Review 2018 released by the Building and Construction Authority of Singapore ("BCA"), construction sector contracted by 4.6% year-on-year in 2Q2018, weighed down by lower construction output stemming from the weakness in construction demand in 2015-2020. Nevertheless, the contraction eased from the 5.2% year-on-year decline in the preceding quarter, showing a nascent sign of bottoming out in view of an improved construction demand since September 2017.

Total construction demand increased by 14.8% year-on-year to S\$5.6 billion in 2Q18, supported by more construction orders for both public and private residential developments and public civil engineering works. The public sector's construction demand forecast is expected to remain the same as the earlier projected S\$16 billion to S\$19 billion, with support from higher construction demand for institutional & other building developments as well as civil engineering works. Likewise, the private sector's construction demand forecast is maintained at S\$10 billion to S\$12 billion, underpinned by redevelopment of some of the en-bloc sale sites transacted before the recent property cooling measures.

REVIEW OF THE PERFORMANCE OF THE GROUP

10 continued ...

Cost of construction and other operating costs are likely to continue the uptrend as a result of increasing manpower cost; higher cost on adoption of advanced systems and technologies as well as equipment; higher utilities cost; higher cost of regulatory compliance; higher financing cost; higher risks in foreign exchange losses and etc. 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. The Group will also continue to streamline the operation processes to reduce expenses.

As announced by the Urban Redevelopment Authority of Singapore ("URA"), private residential property prices edged up 0.5% in the third quarter of 2018, a sharp fall from the 3.4% price rise in the previous quarter in the wake of the recent property cooling measures which kicked in from July this year. The developers' sales in third quarter jumped 27.3% quarter-to-quarter to 3,012 units private homes from 2,366 units sold in previous quarter.

The Group's construction order book remains healthy at more than S\$553.0 million as at 30 September 2018.

As at 30 September 2018, most of the development property projects held by associates and joint ventures under the Group launched for sales prior to the current financial year FY2019 have been either fully sold or substantially sold.

The development property projects launched by associates and joint ventures under the Group during the current financial year FY2019 upto 30 September 2018 are as set out below:-

No.	Project Name	Group Stake	Type of Development	Revenue Recognition Method	% Units Sold*
Singapore					
1	Affinity @ Serangoon	7.50%	Residential with shop units	Percentage of Completion	18.4%
2	Riverfront Residences	35.00%	Residential with shop units	Percentage of Completion	49.5%
3	Park Colonial	20.00%	Residential	Percentage of Completion	62.5%

* % of Units Sold - Based on Options signed by buyers

Two new property developments have been launched in early July 2018 and were well-received by the market, namely Riverfront Residences and Park Colonial. Together with Affinity @ Serangoon which was launched in June 2018, these 3 projects have sold more than 1,600 units so far, with average selling prices achieved with expectation. As at the end of 2QFY2019, the Group has a balance amount of attributable share of progress billings to be recognised as sales revenue of approximately S\$441.2 million from the property development projects held by associates and joint ventures under the Group, the share of results of which will be progressively recognised by the associates and joint ventures and contribute to the Group's results after 2QFY2019.

The investment properties held by the Group in Singapore and overseas have maintained good occupancy rate and shall continue to generate recurring income. The Group currently has 11 hospitality investments overseas of which 7 are in operation and generating income.

In view of the above and barring unforeseen circumstances, the Group remains cautiously optimistic on the outlook of its performance in FY2019.

DIVIDENDS

11 (a) Current financial period reported on

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend Dividend Type	(Tax Exempt 1-Tier)	
	Interim Ordinary Cash	Total Cash
Dividend Rate	1.00 cent per ordinary share	1.00 cent per ordinary share

REVIEW OF THE PERFORMANCE OF THE GROUP

DIVIDENDS

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend Dividend Type	(Tax Exempt 1-Tier)	
	Interim Ordinary Cash	Total Cash
Dividend Rate	1.00 cent per ordinary share	1.00 cent per ordinary share

(c) Date payable

The date payable for the proposed interim cash dividend will be announced at a later date.

(d) Books closure date

The Notice on the closure date of the Transfer Books and the Register of Members of the Company for the proposed interim cash dividend will be announced at a later date.

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 second quarter and six 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 second quarter and half year ended 30 September 2018 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

14 November 2018