



## **KSH Holdings Limited**

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

### **UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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		
	THIRD QUARTER ENDED		increase/ (decrease)	NINE MONTHS ENDED		increase/ (decrease)
	31.12.2018	31.12.2017 (re-stated)		31.12.2018	31.12.2017 (re-stated)	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>REVENUE</b>						
Project revenue	64,164	34,844	84.1	137,231	85,109	61.2
Rental income from investment properties	1,382	1,446	(4.4)	4,372	4,545	(3.8)
	<b>65,546</b>	<b>36,290</b>	80.6	<b>141,603</b>	<b>89,654</b>	57.9
Other income	2,833	2,761	2.6	8,038	7,150	12.4
Cost of construction	(55,475)	(26,274)	111.1	(114,668)	(62,273)	84.1
Personnel expenses	(3,667)	(3,712)	(1.2)	(10,231)	(9,996)	2.4
Depreciation of property, plant and equipment	(569)	(414)	37.4	(1,446)	(1,351)	7.0
Finance costs	(1,022)	(491)	108.1	(2,931)	(1,507)	94.5
Other operating expenses	(2,020)	(1,209)	67.1	(5,279)	(3,684)	43.3
	(62,753)	(32,100)	95.5	(134,555)	(78,811)	70.7
<b>Profit from operations before share of results of associates and joint ventures</b>	<b>5,626</b>	<b>6,951</b>	(19.1)	<b>15,086</b>	<b>17,993</b>	(16.2)
Share of results of associates	(853)	124	<i>nm</i>	(3,971)	(3,328)	19.3
Share of results of joint ventures	2,395	3,753	(36.2)	8,393	8,439	(0.5)
<b>Profit before taxation</b>	<b>7,168</b>	<b>10,828</b>	(33.8)	<b>19,508</b>	<b>23,104</b>	(15.6)
Income tax expense	(1,032)	(1,219)	(15.3)	(2,790)	(3,045)	(8.4)
<b>Profit for the period</b>	<b>6,136</b>	<b>9,609</b>	(36.1)	<b>16,718</b>	<b>20,059</b>	(16.7)
<b>Attributable to:</b>						
- Owners of the Company	6,075	9,469	(35.8)	16,441	19,613	(16.2)
- Non-controlling interests	61	140	(56.4)	277	446	(37.9)
	<b>6,136</b>	<b>9,609</b>	(36.1)	<b>16,718</b>	<b>20,059</b>	(16.7)

*nm: not meaningful*

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease)	NINE MONTHS ENDED		increase/ (decrease)
	31.12.2018	31.12.2017 (re-stated)		31.12.2018	31.12.2017 (re-stated)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	<b>6,136</b>	<b>9,609</b>	(36.1)	<b>16,718</b>	<b>20,059</b>	(16.7)
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
- Foreign currency translation	(565)	863	<i>nm</i>	(6,851)	1,663	<i>nm</i>
<b>Other comprehensive income for the period, net of tax</b>	<b>(565)</b>	<b>863</b>	<i>nm</i>	<b>(6,851)</b>	<b>1,663</b>	<i>nm</i>
<b>Total comprehensive income for the period</b>	<b>5,571</b>	<b>10,472</b>	(46.8)	<b>9,867</b>	<b>21,722</b>	(54.6)
<b>Total comprehensive income attributable to:</b>						
- Owners of the Company	5,622	10,181	(44.8)	10,801	20,987	(48.5)
- Non-controlling interests	(51)	291	<i>nm</i>	(934)	735	<i>nm</i>
<b>Total comprehensive income for the period</b>	<b>5,571</b>	<b>10,472</b>	(46.8)	<b>9,867</b>	<b>21,722</b>	(54.6)

*nm: not meaningful*

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

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease)	NINE MONTHS ENDED		increase/ (decrease)
	31.12.2018	31.12.2017		31.12.2018	31.12.2017	
	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	2,112	2,469	(14.5)	5,540	4,951	11.9
Allowance for doubtful debts	-	-	nm	-	(59)	(100.0)
Write back/(allowance) of provision for onerous contract	271	-	nm	(1,135)	-	nm
Amortisation of club membership	(1)	(1)	-	(2)	(2)	-
Loss on disposal of a subsidiary	-	(2)	(100.0)	-	(2)	(100.0)
Fair value gain on structured deposits	15	30	(50.0)	27	101	(73.3)
Loss on sale of plant and equipment, net	(3)	(4)	(25.0)	(5)	(28)	(82.1)
Foreign exchange (loss)/gain, net	(591)	(231)	nm	(813)	350	nm
Interest expense	(998)	(491)	nm	(2,799)	(1,302)	nm
Profit after taxation before non-controlling interests as a percentage of turnover	9.36%	26.48%	(64.6)	11.81%	22.37%	(47.2)
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 2018 and 31 December 2017	1.81%	2.91%	(37.9)	4.89%	6.02%	(18.9)

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	
	31.12.2018	31.03.2018	01.04.2017	31.12.2018	31.03.2018
	S\$'000	(re-stated) S\$'000	(re-stated) S\$'000	S\$'000	S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	18,990	15,366	6,726	-	-
Investments in subsidiaries		-	-	16,791	16,791
Interests in associates	197,223	190,204	156,504	-	-
Interests in joint ventures	93,273	82,394	44,657	-	-
Other investments	*	*	*	-	-
Investment properties	118,313	123,882	120,109	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,192	2,310	2,242	-	-
Amounts due from subsidiaries (non-trade)	-	-	-	186,392	198,960
Trade receivables	3,786	1,617	-	-	-
Other receivables	2,693	2,274	2,225	-	-
Club membership	33	35	37	-	-
Structured deposits	3,082	1,054	1,019	-	-
	439,585	419,136	333,519	203,183	215,751
<b>Current assets</b>					
Trade receivables	31,000	27,625	33,769	-	-
Other receivables and deposits	1,795	1,886	1,451	110	65
Prepayments	494	413	401	14	19
Amounts due from a joint venture (non-trade)	-	29,834	-	-	-
Amounts due from associates (non-trade)	421	10,980	-	-	-
Contract assets	32,222	8,824	701	-	-
Structured deposits	4,700	4,700	-	-	-
Fixed deposits	76,664	49,223	89,673	35,201	12,276
Cash and bank balances	32,418	26,927	56,180	1,350	4,521
	179,714	160,412	182,175	36,675	16,881
<b>Total assets</b>	<b>619,299</b>	<b>579,548</b>	<b>515,694</b>	<b>239,858</b>	<b>232,632</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables	13,139	15,726	17,741	-	-
Other payables and accruals	57,649	55,753	58,041	1,514	2,825
Deferred income	254	72	88	-	-
Finance lease obligations	634	248	223	-	-
Provision for income tax	2,006	3,576	5,248	356	718
Contract liabilities	-	-	5,946	-	-
Provision for onerous contract	1,135	-	-	-	-
Bank term loans, secured	39,688	26,082	38,642	31,087	9,140
Bank overdrafts, secured	-	6,690	-	-	-
Bills payable to banks, secured	48,684	30,091	513	-	-
	163,189	138,238	126,442	32,957	12,683

\* Less than S\$1,000

STATEMENT OF FINANCIAL POSITION

	GROUP			COMPANY	
	31.12.2018	31.03.2018	01.04.2017	31.12.2018	31.03.2018
	S\$'000	(re-stated) S\$'000	(re-stated) S\$'000	S\$'000	S\$'000
<b>Non-current liabilities</b>					
Trade payables	1,187	492	1,321	-	-
Other payables and accruals	3,144	197	186	-	-
Amounts due to subsidiaries (non-trade)	-	-	-	64,883	94,946
Finance lease obligations	1,780	346	413	-	-
Bank term loans, secured	72,731	59,432	26,934	67,552	50,745
Deferred tax liabilities	18,472	19,380	18,809	-	-
	97,314	79,847	47,663	132,435	145,691
<b>Total liabilities</b>	<b>260,503</b>	<b>218,085</b>	<b>174,105</b>	<b>165,392</b>	<b>158,374</b>
<b>NET ASSETS</b>	<b>358,796</b>	<b>361,463</b>	<b>341,589</b>	<b>74,466</b>	<b>74,258</b>
<b>EQUITY</b>					
<b>Equity attributable to Owners of the Company</b>					
Share capital	50,915	50,915	50,915	50,915	50,915
Translation reserve	(2,165)	3,475	127	-	-
Accumulated profits	283,234	279,434	264,470	20,922	20,714
Asset revaluation reserve	219	219	219	-	-
Other reserves	4,068	3,961	3,774	2,629	2,629
	336,271	338,004	319,505	74,466	74,258
Non-controlling interests	22,525	23,459	22,084	-	-
<b>TOTAL EQUITY</b>	<b>358,796</b>	<b>361,463</b>	<b>341,589</b>	<b>74,466</b>	<b>74,258</b>

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

<b>The amount repayable in one year or less, or on demand</b>			
<b>At 31.12.2018</b>		<b>At 31.03.2018</b>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
89,006	-	63,111	-

<b>The amount repayable after one year</b>			
<b>At 31.12.2018</b>		<b>At 31.03.2018</b>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
74,511	-	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	
	THIRD QUARTER ENDED 31.12.2018	31.12.2017 (re-stated)	31.12.2018	31.12.2017 (re-stated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before taxation	7,168	10,828	19,508	23,104
<b>Adjustments:</b>				
Depreciation of property, plant and equipment	569	414	1,446	1,351
Amortisation of club membership	1	1	2	2
Loss on disposal of a subsidiary	-	2	-	2
Loss on sale of plant and equipment, net	3	4	5	28
Fair value gain on structured deposits	(15)	(30)	(27)	(101)
Allowance for doubtful debts	-	-	-	59
Interest expense	998	491	2,799	1,302
Interest income	(2,112)	(2,469)	(5,540)	(4,951)
Share of results of associates	853	(124)	3,971	3,328
Share of results of joint ventures	(2,395)	(3,753)	(8,393)	(8,439)
<b>Operating cash flows before changes in working capital</b>	<b>5,070</b>	<b>5,364</b>	<b>13,771</b>	<b>15,685</b>
<b>Changes in working capital:</b>				
(Increase)/decrease in:				
Trade and other receivables, deposits and prepayments	(13,141)	(17,283)	(5,224)	(6,592)
Contract assets	(12,731)	5,213	(22,263)	(11,218)
Increase/(decrease) in:				
Trade and other payables and accruals	9,254	173	2,971	(6,489)
Deferred income	62	1	183	5
<b>Cash flows used in operations</b>	<b>(11,486)</b>	<b>(6,532)</b>	<b>(10,562)</b>	<b>(8,609)</b>
Income taxes paid	(2,119)	(2,769)	(4,453)	(5,666)
Interest income received	2,112	2,469	5,540	4,951
Exchange differences	(307)	(82)	(408)	(92)
<b>Net cash flows used in operating activities</b>	<b>(11,800)</b>	<b>(6,914)</b>	<b>(9,883)</b>	<b>(9,416)</b>
<b>Investing activities</b>				
Purchase of plant and equipment	(888)	(1,528)	(2,904)	(3,316)
Proceeds from sale of plant and equipment	2	-	3	286
(Increase)/decrease in investments in associates	-	(9,758)	1,498	(11,158)
Decrease/(increase) in loans due from associates, net	6,835	18,256	(53,817)	18,713
(Increase)/decrease in loans due from joint ventures, net	(401)	(9,823)	27,349	(50,706)
Dividends received from associates	11,011	1,750	50,053	3,325
Additional investments in an investee company	(450)	-	(450)	-
Decrease in loans due from investee companies	-	-	-	25
<b>Net cash flows from/(used in) investing activities</b>	<b>16,109</b>	<b>(1,103)</b>	<b>21,732</b>	<b>(42,831)</b>
<b>Financing activities</b>				
Dividends paid	(5,697)	(5,697)	(12,534)	(14,813)
Proceeds from bank term loans	9,413	2,000	57,929	57,000
Repayment of bank term loans	(11,332)	(2,831)	(30,884)	(37,993)
Proceeds from bills payable to banks	23,846	-	18,593	-
Repayment of bills payable to banks	-	(826)	-	(513)
Interest paid	(998)	(491)	(2,799)	(1,302)
Proceeds from finance lease obligations	62	-	2,177	206
Repayment of finance lease obligations	(221)	(64)	(2,534)	(183)
Decrease in pledged fixed deposits	(899)	(33)	(5,824)	(5,079)
<b>Net cash flows from/(used in) financing activities</b>	<b>14,174</b>	<b>(7,942)</b>	<b>24,124</b>	<b>(2,677)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>18,483</b>	<b>(15,959)</b>	<b>35,973</b>	<b>(54,924)</b>
Effect of exchange rate changes on cash and cash equivalents	(14)	24	(175)	44
<b>Cash and cash equivalents at beginning of period</b>	<b>56,309</b>	<b>76,831</b>	<b>38,980</b>	<b>115,776</b>
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>74,778</b>	<b>60,896</b>	<b>74,778</b>	<b>60,896</b>

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

	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances**	32,418	26,796	32,418	26,796
Fixed deposits	76,664	64,556	76,664	64,556
	109,082	91,352	109,082	91,352
Less: Pledged fixed deposits	(34,304)	(30,456)	(34,304)	(30,456)
<b>Cash and cash equivalents</b>	<b>74,778</b>	<b>60,896</b>	<b>74,778</b>	<b>60,896</b>

\*\* 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 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	
<b>At 1 April 2017</b>	50,915	127	264,470	219	3,774	319,505	22,084	341,589
<b>Profit for the period</b>	-	-	19,613	-	-	19,613	446	20,059
<u>Other comprehensive income</u>								
Foreign currency translation	-	1,374	-	-	-	1,374	289	1,663
Other comprehensive income for the period	-	1,374	-	-	-	1,374	289	1,663
<b>Total comprehensive income for the period</b>	-	1,374	19,613	-	-	20,987	735	21,722
<u>Contributions by and distributions to owners</u>								
Interim and final tax-exempt dividends on ordinary shares	-	-	(14,813)	-	-	(14,813)	-	(14,813)
Transfer to other reserves	-	-	(125)	-	125	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	(14,938)	-	125	(14,813)	-	(14,813)
<b>At 31 December 2017</b>	<b>50,915</b>	<b>1,501</b>	<b>269,145</b>	<b>219</b>	<b>3,899</b>	<b>325,679</b>	<b>22,819</b>	<b>348,498</b>
<b>At 1 April 2018</b>	50,915	3,475	279,434	219	3,961	338,004	23,459	361,463
<b>Profit for the period</b>	-	-	16,441	-	-	16,441	277	16,718
<u>Other comprehensive income</u>								
Foreign currency translation	-	(5,640)	-	-	-	(5,640)	(1,211)	(6,851)
Other comprehensive income for the period	-	(5,640)	-	-	-	(5,640)	(1,211)	(6,851)
<b>Total comprehensive income for the period</b>	-	(5,640)	16,441	-	-	10,801	(934)	9,867
<u>Contributions by and distributions to owners</u>								
Interim and final tax-exempt dividends on ordinary shares	-	-	(12,534)	-	-	(12,534)	-	(12,534)
Transfer to other reserves	-	-	(107)	-	107	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	(12,641)	-	107	(12,534)	-	(12,534)
<b>At 31 December 2018</b>	<b>50,915</b>	<b>(2,165)</b>	<b>283,234</b>	<b>219</b>	<b>4,068</b>	<b>336,271</b>	<b>22,525</b>	<b>358,796</b>

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

<b>COMPANY</b>	<b>Share capital S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Other reserves S\$'000</b>	<b>Total equity S\$'000</b>
<b>At 1 April 2017</b>	<b>50,915</b>	<b>11,468</b>	<b>2,629</b>	<b>65,012</b>
<b>Profit for the period</b>	-	24,182	-	24,182
Total comprehensive income for the period	-	24,182	-	24,182
Interim and final tax-exempt dividends on ordinary shares	-	(14,813)	-	(14,813)
<b>At 31 December 2017</b>	<b>50,915</b>	<b>20,837</b>	<b>2,629</b>	<b>74,381</b>
<b>At 1 April 2018</b>	<b>50,915</b>	<b>20,714</b>	<b>2,629</b>	<b>74,258</b>
<b>Profit for the period</b>	-	12,742	-	12,742
Total comprehensive income for the period	-	12,742	-	12,742
Interim and final tax-exempt dividends on ordinary shares	-	(12,534)	-	(12,534)
<b>At 31 December 2018</b>	<b>50,915</b>	<b>20,922</b>	<b>2,629</b>	<b>74,466</b>

**SHARE CAPITAL**

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

On 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 31 December 2018 was 569,735,645 shares (as at 31 December 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.**

<b>Total number of issued shares excluding treasury shares:</b>	<u>Number of shares</u>
<b>Balance as at 1 April 2017 and 30 June 2017</b>	
- Ordinary Shares	455,788,599
 Bonus shares allotted and issued on 27 July 2017	
- Ordinary Shares to public shareholders	113,947,046
 <b>Balance as at 31 March 2018 and 31 December 2018</b>	
- Ordinary Shares	<b>569,735,645</b>

The total number of treasury shares held by the Company as at 31 December 2018 and 31 December 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.

Borrowing costs relating to development properties

In December 2018, IFRS Interpretations Committee issued a tentative agenda decision for public comments where it presented its view that borrowing costs relating to development properties that are ready for its intended sale (i.e. ready for launch) should not be capitalised and instead, be expensed when incurred. The Group's accounting policy currently capitalises borrowing costs relating to its development properties under construction, which is the general market practice for developers in Singapore. The IFRS interpretations Committee considers comments received before finalising the agenda decision which is expected in 1Q2019. Following the finalisation of the agenda decision, management will assess the impact from adopting this accounting approach on its financial statements.

The financial effect of adopting SFRS(I) 15 on the comparative figures for 3QFY2018 Financial Statements are as follows:-

<b>Consolidated Income Statement</b>	<b>9 months ended 31 December 2017</b>
	<b>Decrease in</b>
	<b>S\$'000</b>
Revenue from construction contracts	6,277
Cost of construction	5,485
Gross profit	792
<b>Net profit for period/Profit attributable to Owners of the Company</b>	<b>792</b>
Earnings per share - basic & diluted (cents)	0.00

**ACCOUNTING POLICIES**

5 continued ...

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

**EARNINGS PER SHARE**

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

	<b>GROUP</b>		<b>GROUP</b>	
	<b>THIRD QUARTER ENDED</b>		<b>NINE MONTHS ENDED</b>	
	<b>31.12.2018</b>	<b>31.12.2017</b>	<b>31.12.2018</b>	<b>31.12.2017</b>
		(re-stated)		(re-stated)
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	1.07	1.66	2.89	3.44
b) On a fully diluted basis	1.07	1.66	2.89	3.44
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Group's profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	6,075	9,469	16,441	19,613
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.

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>as at</b>	<b>as at</b>	<b>as at</b>	<b>as at</b>
	<b>31.12.2018</b>	<b>31.03.2018</b>	<b>31.12.2018</b>	<b>31.03.2018</b>
		(re-stated)		
Net asset value per ordinary share (cents)	59.02	59.33	13.07	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

#### 3QFY2019 vs 3QFY2018

##### Revenue

The Group had a total revenue of S\$65.5 million for the third quarter ended 31 December 2018 ("3QFY2019"), an increase of S\$29.2 million or 80.6% compared to S\$36.3 million registered in the corresponding period ended 31 December 2017 ("3QFY2018"). The increase was mainly due to the increase in revenue from construction business of S\$29.4 million or 84.1% from S\$34.8 million in 3QFY2018 to S\$64.2 million in 3QFY2019.

##### Operating expenses

Cost of construction increased by S\$29.2 million or 111.1% from S\$26.3 million in 3QFY2018 to S\$55.5 million in 3QFY2019. The increase was mainly due to the increase in construction works carried out.

There were no significant differences in personnel expenses between 3QFY2019 and 3QFY2018.

The increase in depreciation of property, plant and equipment between 3QFY2019 and 3QFY2018 was mainly due to the increase in property, plant and equipment.

The increase in finance costs was mainly due to higher interest rates and gearing during 3QFY2019 as compared to 3QFY2018.

Other operating expenses increased by S\$0.8 million or 67.1% from S\$1.2 million in 3QFY2018 to S\$2.0 million in 3QFY2019, mainly due to the increase in unrealised foreign exchange losses of S\$0.7 million.

The loss from share of results of associates of S\$0.9 million in 3QFY2019 as compared to the profit of S\$0.1 million in 3QFY2018, mainly due to 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 decreased by S\$1.4 million or 36.2% from S\$3.8 million in 3QFY2018 to S\$2.4 million in 3QFY2019, mainly due to expenses incurred for Park Colonial launched in July 2018.

Tax expense decreased by S\$0.2 million or 15.3% as compared to 3QFY2018, 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\$6.1 million in 3QFY2019 excluding non-controlling interests.

#### 9MFY2019 vs 9MFY2018

##### Revenue

The Group had a total revenue of S\$141.6 million for the nine months ended 31 December 2018 ("9MFY2019"), an increase of S\$51.9 million or 57.9% compared to S\$89.7 million registered in the corresponding nine months ended 31 December 2017 ("9MFY2018"). The increase was mainly due to the increase in revenue from construction business of S\$52.1 million or 61.2% from S\$85.1 million in 9MFY2018 to S\$137.2 million in 9MFY2019.

##### Operating expenses

Cost of construction increased by S\$52.4 million or 84.1% from S\$62.3 million in 9MFY2018 to S\$114.7 million in 9MFY2019. The increase was mainly due to the increase in construction works done and provision for onerous contract on an on-going construction project.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### Operating expenses

There were no significant differences in personnel expenses between 9MFY2019 and 9MFY2018.

The increase in depreciation of property, plant and equipment between 9MFY2019 and 9MFY2018 was mainly due to the increase in property, plant and equipment.

The increase in finance costs was mainly due to higher interest rates and gearing during 9MFY2019 as compared to 9MFY2018.

Other operating expenses increased by S\$1.6 million or 43.3% from S\$3.7 million in 9MFY2018 to S\$5.3 million in 9MFY2019, mainly due to the increase in unrealised foreign exchange loss.

The loss from share of results of associates increased by S\$0.7 million or 19.3%, mainly due to the increase in expenses incurred from Affinity@Serangoon and Riverfront Residences which were launched in June 2018 and July 2018 respectively.

Tax expense decreased by S\$0.2 million or 8.4% from S\$3.0 million in 9MFY2018 to S\$2.8 million in 9MFY2019, mainly due to the decrease in profit from operations before share of results of associates and joint ventures, offset by the increase in operation expenses not allowed for tax deduction.

As a result of the above, the Group registered a net profit attributable to Owners of the company of S\$16.4 million in 9MFY2019 excluding non-controlling interests.

## STATEMENT OF FINANCIAL POSITION

### Non-current assets

Property, plant and equipment ("PPE") increased by S\$3.6 million from S\$15.4 million as at 31 March 2018 ("FY2018") as compared to S\$19.0 million as at 31 December 2018 ("3QFY2019"), 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\$7.0 million from S\$190.2 million as at FY2018 to S\$197.2 million as at 3QFY2019, 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\$10.9 million from S\$82.4 million as at FY2018 to S\$93.3 million as at 3QFY2019, mainly due to the recognised share of results of joint ventures and the increase in loans to joint ventures to finance development property projects.

Investment properties decreased by S\$5.6 million from S\$123.9 million as at FY2018 to S\$118.3 million as at 3QFY2019, 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\$2.2 million from S\$1.6 million as at FY2018 to S\$3.8 million in 3QFY2019, 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\$3.4 million from S\$27.6 million as at FY2018 to S\$31.0 million as at 3QFY2019, mainly due to the increase in amount of progress claims certified for construction projects in progress.

The non-trade amounts due from associates and a joint venture of S\$40.8 million as at FY2018 have been received.

Based on the progress of construction projects in 3QFY2019 as compared to FY2018, contract assets increased by S\$23.4 million from S\$8.8 million in FY2018 to S\$32.2 million in 3QFY2019.

### Current liabilities

Trade payables under current liabilities decreased by S\$2.6 million from S\$15.7 million as at FY2018 to S\$13.1 million in 3QFY2019. 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\$1.8 million from S\$55.8 million as at FY2018 to S\$57.6 million as at 3QFY2019. The increase was mainly due to the increase in accrual made for on-going construction projects and bonuses.

Provision for onerous contract of S\$1.1 million 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\$0.7 million from S\$0.5 million as at FY2018 to S\$1.2 million in 3QFY2019. 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\$47.3 million from S\$116.2 million as at FY2018 to S\$163.5 million as at 3QFY2019, mainly due to the increase in bank term loans and borrowings.

### STATEMENT OF CASH FLOWS

Net cash flows used in operating activities of S\$9.9 million during 9MFY2019 mainly arose from increase in working capital of S\$24.3 million, payment of income tax of S\$4.5 million and foreign exchange differences of S\$0.4 million, offset by operating cash flows before changes in working capital of S\$13.8 million and interest income received of S\$5.5 million.

Net cash flows from investing activities of S\$21.7 million during 9MFY2019 mainly arose from dividends received from associates of S\$50.1 million, the decrease in loans due from joint ventures of S\$27.3 million and decrease in investments in associates of S\$1.5 million, offset by the increase in loans due from associates of S\$53.8 million, investments in an investee company of S\$0.5 million and purchase of property, plant and equipment of S\$2.9 million.

Net cash flows from financing activities of S\$24.1 million during 9MFY2019 mainly arose from the net increase in bank term loans and bills payable to banks of S\$45.6 million, offset by the dividends paid of S\$12.5 million, interest paid of S\$2.8 million and decrease in pledged fixed deposits of S\$5.8 million.

With the abovementioned, net increase in cash and cash equivalents during 9MFY2019 was S\$36.0 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 3QFY2019 is in line with the commentary made on 14 November 2018 in paragraph 10 of the second 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 advance estimates from the Ministry of Trade and Industry ("MTI") released in January 2019, Singapore 4th quarter gross domestic product ("GDP") growth in the year 2018 came in at 2.2% year-on-year, slightly lower than the 2.3% expansion recorded in the previous quarter in a slowdown that is broad-based amid stronger external headwinds. The latest flash estimate could take Singapore's full-year GDP growth to a tentative 3.3%, moderating from a growth of 3.6% in 2017.

Meanwhile, the construction sector saw a contraction of 2.2% in the 4th quarter of 2018 compared to with the 3rd quarter's 2.5% decline - which the MTI said came largely on softer public-sector works.

According to the Building and Construction Authority of Singapore ("BCA"), construction demand is expected to remain strong this year due to sustained public sector contracts, as the industry continues to recover from a challenging three-year spell. An estimated total of S\$30.5 billion in contracts was awarded last year and the total construction demand, which is the value of construction contracts to be awarded, is expected to be between S\$27 billion and S\$32 billion this year despite additional cooling measures in the private property market. Public construction demand is expected to be between S\$16.5 billion and S\$19.5 billion this year and set to make up about 60% of projected demand for the year. This represents a 23% increase in construction demand compared with the year before.



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.

According to the real estate statistics released by Urban Redevelopment Authority ("URA"), developers launched 8,769 uncompleted private residential properties for the whole of 2018, compared with 6,020 units in the previous year. In terms of units sold across 2018, developers sold 8,759 versus 10,566 units sold in 2017. The decline can be attributed to the combined impact of the cooling measures and revised guidelines introduced in 2018. Prices of private residential properties decreased by 0.1% in 4th Quarter 2018, compared with the 0.5% increase in the previous quarter. For the whole of 2018, prices of private residential properties increased by 7.9%, compared with the 1.1% increase in 2017.

The Group's construction order book remains healthy at approximately S\$490.0 million as at 31 December 2018.

As at 31 December 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 up to 31 December 2018 are as set out below:-

No.	Project Name	Group Stake	Type of Development	Revenue Recognition Method	% Units Sold*
<b>Singapore</b>					
1	Affinity @ Serangoon	7.50%	Residential with shop units	Percentage of Completion	29.0%
2	Riverfront Residences	35.00%	Residential with shop units	Percentage of Completion	57.0%
3	Park Colonial	20.00%	Residential	Percentage of Completion	63.9%

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

Three ("3") property developments have been launched during FY2019 so far and were well-received by the market, namely Affinity@Serangoon; Riverfront Residences and Park Colonial. The 3 projects have sold more than 1,700 units so far, with average selling prices achieved within expectation. As at the end of 3QFY2019, the Group has a balance amount of attributable share of progress billings to be recognised as sales revenue of more than S\$439.0 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 3QFY2019.

The investment properties held by the Group in Singapore and overseas have maintained good occupancy rate and shall continue to generate recurring 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? **No**

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? **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 or recommended for the financial period ended 31 December 2018 as to retain funds for working capital and investments.

**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 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 February 2019