



KSH Holdings Limited

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

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

	FULL YEAR ENDED		increase/ (decrease)
	31.03.2020	31.03.2019	
	S\$'000	S\$'000	%
REVENUE			
Project revenue	220,835	194,296	13.7
Rental income from investment properties	5,290	5,705	(7.3)
	226,125	200,001	13.1
Other income	11,492	12,299	(6.6)
Cost of construction	(201,308)	(168,052)	19.8
Personnel expenses	(8,911)	(10,498)	(15.1)
Depreciation of property, plant and equipment and right-of-use assets	(2,373)	(2,067)	14.8
Finance costs	(4,281)	(4,414)	(3.0)
Other operating expenses	(10,920)	(6,211)	75.8
	(227,793)	(191,242)	19.1
Profit from operations before share of results of associates and joint ventures	9,824	21,058	(53.3)
Share of results of associates and joint ventures	7,843	(9,431)	<i>nm</i>
Profit before taxation	17,667	11,627	51.9
Income tax expense	(2,436)	(3,169)	(23.1)
Profit for the year	15,231	8,458	80.1
Attributable to:			
- Owners of the Company	15,623	7,627	104.8
- Non-controlling interests	(392)	831	<i>nm</i>
	15,231	8,458	80.1

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	FULL YEAR ENDED		increase/ (decrease)
	31.03.2020	31.03.2019	
	S\$'000	S\$'000	%
Profit for the year	15,231	8,458	80.1
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- Fair value gain on equity instruments at fair value through other comprehensive income	41	33	24.2
Items that may be reclassified subsequently to profit or loss			
- Foreign currency translation	(970)	(4,628)	(79.0)
Other comprehensive income for the year, net of tax	(929)	(4,595)	(79.8)
Total comprehensive income for the year	14,302	3,863	<i>nm</i>
Total comprehensive income attributable to:			
- Owners of the Company	14,806	3,841	<i>nm</i>
- Non-controlling interests	(504)	22	<i>nm</i>
Total comprehensive income for the year	14,302	3,863	<i>nm</i>

nm: not meaningful

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

	GROUP		
	FULL YEAR ENDED		
	31.03.2020	31.03.2019	increase/ (decrease)
	S\$'000	S\$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:			
Interest income	8,368	7,413	12.9
Impairment losses on financial assets	(1,866)	(303)	nm
Allowance of provision for onerous contract	-	(916)	(100.0)
(Loss)/gain on fair value adjustments of investment properties	(3,242)	1,234	nm
Amortisation of club membership	(3)	(3)	-
Loss on acquisition of an associate	-	(70)	(100.0)
Fair value loss on quoted debt instruments (investment securities)	(90)	-	nm
Fair value gain on structured deposits	14	11	27.3
Gain/(loss) on disposal of plant and equipment, net	9	(6)	nm
Foreign exchange loss, net	(107)	(308)	(65.3)
Interest expense	(4,203)	(4,164)	0.9
Profit after taxation before non-controlling interests as a percentage of turnover	6.74%	4.23%	59.3
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 March 2020 and 31 March 2019	4.76%	2.33%	104.3

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	16,935	18,499	-	-
Right-of-use assets	4,193	-	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates and joint ventures	275,358	273,774	-	-
Investment securities	2,910	1,248	2,910	-
Investment properties	117,604	121,380	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,221	2,231	-	-
Amounts due from subsidiaries (non-trade)	-	-	189,313	187,348
Deferred tax assets	345	587	52	112
Other receivables	-	1,246	-	-
Club membership	29	32	-	-
Structured deposits	1,078	3,065	-	-
	420,673	422,062	209,066	204,251
Current assets				
Trade receivables	16,897	25,459	-	-
Other receivables and deposits	13,785	2,072	230	170
Prepayments	485	430	19	19
Amounts due from associates (non-trade)	10	4,950	-	-
Contract assets	32,659	33,129	-	-
Structured deposits	2,000	4,700	-	-
Fixed deposits	92,872	65,823	61,543	39,267
Cash and bank balances	37,468	45,392	5,401	13,939
	196,176	181,955	67,193	53,395
Total assets	616,849	604,017	276,259	257,646
LIABILITIES				
Current liabilities				
Trade payables	16,281	15,020	-	-
Other payables and accruals	45,125	57,721	1,212	1,026
Lease liabilities	303	-	-	-
Deferred income	745	217	33	-
Finance lease obligations	520	611	-	-
Provision for income tax	3,091	2,767	430	835
Contract liabilities	23,266	1,927	-	-
Provision for onerous contract	-	916	-	-
Bank term loans, secured	45,357	38,699	42,157	26,602
Bills payable to banks, secured	10,720	32,721	-	-
	145,408	150,599	43,832	28,463

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Other payables and accruals	209	192	-	-
Lease liabilities	3,956	-	-	-
Amounts due to subsidiaries (non-trade)	-	-	73,097	75,491
Finance lease obligations	1,202	1,639	-	-
Bank term loans, secured	97,143	81,793	97,143	78,050
Deferred tax liabilities	17,513	18,534	-	-
	<u>120,023</u>	<u>102,158</u>	<u>170,240</u>	<u>153,541</u>
Total liabilities	265,431	252,757	214,072	182,004
NET ASSETS	<u>351,418</u>	<u>351,260</u>	<u>62,187</u>	<u>75,642</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	(1,645)	-	(1,645)	-
Translation reserve	(1,202)	(344)	-	-
Accumulated profits	274,688	271,622	10,288	22,098
Asset revaluation reserve	219	219	-	-
Fair value adjustment reserve	-	1,248	-	-
Other reserves	5,466	4,119	2,629	2,629
	<u>328,441</u>	<u>327,779</u>	<u>62,187</u>	<u>75,642</u>
Non-controlling interests	22,977	23,481	-	-
TOTAL EQUITY	<u>351,418</u>	<u>351,260</u>	<u>62,187</u>	<u>75,642</u>

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

The amount repayable in one year or less, or on demand			
At 31.03.2020		At 31.03.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
56,597	-	72,031	-

The amount repayable after one year			
At 31.03.2020		At 31.03.2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
98,345	-	83,432	-

Details of any collaterals:

The Group's borrowings are secured by way of:

- 1) Assignment of progress payments from the developer for certain on-going construction projects;
- 2) Letters of assignment of certain progress payments and retention monies due to the Group;
- 3) First legal mortgage on the Group's investment properties and leasehold factory building;
- 4) Charge on fixed deposits and structured deposits;
- 5) First charge over the contract proceeds/project account arising from the construction project financed;
- 6) A first legal mortgage over the development property of a joint venture;
- 7) Legal assignment of sales proceeds from the development property of a joint venture;
- 8) Legal assignment of tenancy, rental, lease and licence agreements from the development property of a joint venture;
- 9) Legal assignment of the construction contract(s) and performance bonds from the development property of a joint venture;
- 10) Legal assignment of fire insurance policy from the 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	
	FULL YEAR ENDED	
	31.03.2020	31.03.2019
	S\$'000	S\$'000
Operating activities		
Profit before taxation	17,667	11,627
Adjustments:		
Depreciation of property, plant and equipment and right-of-use assets	2,373	2,067
Amortisation of club membership	3	3
(Gain)/loss on disposal of plant and equipment, net	(9)	6
Fair value loss on quoted debt instruments (investment securities)	90	-
Fair value gain on structured deposits	(14)	(11)
Loss/(gain) on fair value adjustments of investment properties	3,242	(1,234)
Impairment losses on financial assets	1,866	303
Allowance of provision for onerous contract	-	916
Interest expense	4,203	4,164
Interest income	(8,368)	(7,413)
Share of results of associates and joint ventures	(7,843)	9,431
Operating cash flows before changes in working capital	13,210	19,859
Changes in working capital:		
Decrease/(increase) in:		
Trade and other receivables, deposits and prepayments	8,026	(7,727)
Contract assets	469	(13,984)
(Decrease)/increase in:		
Trade and other payables and accruals	(11,831)	2,096
Deferred income	528	145
Contract liabilities	21,339	609
Cash flows from operations	31,741	998
Income taxes paid	(3,086)	(3,877)
Interest income received	8,368	7,413
Exchange differences	752	1,003
Net cash flows from operating activities	37,775	5,537
Investing activities		
Purchase of plant and equipment	(546)	(3,036)
Proceeds from disposal of plant and equipment	31	3
Increase in investments in associates	-	(450)
Payment for cancellation of shares in associates on capital reduction	570	800
Increase in loans due from associates and joint ventures, net	(24,147)	(30,035)
Purchase of quoted debt instruments (investment securities)	(3,000)	-
Dividends received from associates and joint ventures	22,835	50,585
Net cash flows (used in)/from investing activities	(4,257)	17,867
Financing activities		
Dividends paid	(12,499)	(12,534)
Purchase of treasury shares	(1,645)	-
Proceeds from bank term loans	78,100	75,200
Repayment of bank term loans	(56,086)	(40,129)
Payment of principal portion of lease liabilities	(126)	-
Proceeds from bills payable to banks	-	2,630
Repayment of bills payable to banks	(22,001)	-
Interest paid	(4,203)	(4,164)
Proceeds from finance lease obligations	94	-
Repayment of finance lease obligations	(716)	(520)
Increase in pledged fixed deposits	(22,076)	(6,986)
Increase in structured deposits	-	(2,011)
Net cash flows (used in)/from financing activities	(41,158)	11,486
Net (decrease)/increase in cash and cash equivalents	(7,640)	34,890
Effect of exchange rate changes on cash and cash equivalents	(11)	(121)
Cash and cash equivalents at beginning of year	73,749	38,980
Cash and cash equivalents at end of year (Note A)	66,098	73,749
Note A: Cash and cash equivalents at end of year comprise:		
	31.03.2020	31.03.2019
	S\$'000	S\$'000
Cash and bank balances**	37,468	45,392
Fixed deposits	92,872	65,823
	130,340	111,215
Less: Pledged fixed deposits	(64,242)	(37,466)
Cash and cash equivalents	66,098	73,749

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

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									Non-controlling interests	Total equity
	Share capital	Treasury shares	Translation reserve	Accumulated profits	Asset revaluation reserve	Fair value adjustment reserve	Other reserves	Equity attributable to Owners of the Company, total			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 April 2018 (FRS framework)	50,915	-	3,475	280,187	219	-	3,961	338,757	23,459	362,216	
Cumulative effects of adopting SFRS(I)	-	-	-	(3,500)	-	1,215	-	(2,285)	-	(2,285)	
At 1 April 2018 (SFRS(I) framework)	50,915	-	3,475	276,687	219	1,215	3,961	336,472	23,459	359,931	
Profit for the year	-	-	-	7,627	-	-	-	7,627	831	8,458	
<u>Other comprehensive income</u>											
Fair value gain on equity instruments at FVOCI	-	-	-	-	-	33	-	33	-	33	
Foreign currency translation	-	-	(3,819)	-	-	-	-	(3,819)	(809)	(4,628)	
Other comprehensive income for the year	-	-	(3,819)	-	-	33	-	(3,786)	(809)	(4,595)	
Total comprehensive income for the year	-	-	(3,819)	7,627	-	33	-	3,841	22	3,863	
<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	-	-	-	(158)	-	-	158	-	-	-	
Total contributions by and distributions to owners	-	-	-	(12,692)	-	-	158	(12,534)	-	(12,534)	
At 31 March 2019	50,915	-	(344)	271,622	219	1,248	4,119	327,779	23,481	351,260	
At 1 April 2019	50,915	-	(344)	271,622	219	1,248	4,119	327,779	23,481	351,260	
Profit for the year	-	-	-	15,623	-	-	-	15,623	(392)	15,231	
<u>Other comprehensive income</u>											
Fair value gain on equity instruments at FVOCI	-	-	-	-	-	41	-	41	-	41	
Foreign currency translation	-	-	(858)	-	-	-	-	(858)	(112)	(970)	
Other comprehensive income for the year	-	-	(858)	-	-	41	-	(817)	(112)	(929)	
Total comprehensive income for the year	-	-	(858)	15,623	-	41	-	14,806	(504)	14,302	
<u>Contributions by and distributions to owners</u>											
Purchase of treasury shares	-	(1,645)	-	-	-	-	-	(1,645)	-	(1,645)	
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(12,499)	-	-	-	(12,499)	-	(12,499)	
Transfer to other reserves	-	-	-	(58)	-	(1,289)	1,347	-	-	-	
Total contributions by and distributions to owners	-	(1,645)	-	(12,557)	-	(1,289)	1,347	(14,144)	-	(14,144)	
At 31 March 2020	50,915	(1,645)	(1,202)	274,688	219	-	5,466	328,441	22,977	351,418	

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2020

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 2018	50,915	-	20,714	2,629	74,258
Profit for the year	-	-	13,918	-	13,918
Total comprehensive income for the year	-	-	13,918	-	13,918
Interim and final tax-exempt dividends on ordinary shares	-	-	(12,534)	-	(12,534)
At 31 March 2019	50,915	-	22,098	2,629	75,642
At 1 April 2019	50,915	-	22,098	2,629	75,642
Profit for the year	-	-	689	-	689
Total comprehensive income for the year	-	-	689	-	689
Purchase of treasury shares	-	(1,645)	-	-	(1,645)
Interim and final tax-exempt dividends on ordinary shares	-	-	(12,499)	-	(12,499)
At 31 March 2020	50,915	(1,645)	10,288	2,629	62,187

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.

The Company acquired 4,873,400 (FY2019: nil shares) ordinary shares by way of market purchases on the Singapore Exchange and there were held as treasury shares during FY2020.

The total number of issued shares as at 31 March 2020 was 564,862,245 shares (31 March 2019: 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 31 March 2019 and 1 April 2019	
- Ordinary Shares	569,735,645
Purchase of treasury shares during FY2020	
- Ordinary Shares	(4,873,400)
Balance as at 31 March 2020	564,862,245

The total number of treasury shares held by the Company as at 31 March 2020 was 4,873,400 shares (31 March 2019: 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 year.

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.

3A Where the latest financial statement are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (a) Updates on the efforts taken to resolve each outstanding audit issue, and (b) Confirmation from the Board the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

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 information for the current reporting period compared with the audited financial statements for the year ended 31 March 2019.

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 SFRS(I) 16 with effect from 1 April 2019. The Group has applied the modified retrospective method of adoption and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the FY2019 reporting period as permitted under the specific transition provisions in the standard. On adoption of SFRS(I) 16 Leases, the Group has recognised right-of-use assets of S\$4,462,000 and lease liabilities of S\$4,462,000 on 1 April 2019.

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 FULL YEAR ENDED	
	31.03.2020	31.03.2019
	(cents)	(cents)
a) On a basic basis	2.77	1.34
b) On a fully diluted basis	2.77	1.34
	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	15,623	7,627
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	564,862,245	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 31.03.2020	as at 31.03.2019	as at 31.03.2020	as at 31.03.2019
Net asset value per ordinary share (cents)	58.15	57.53	11.01	13.28
Issue share capital excluding treasury shares at the end of the year	564,862,245	569,735,645	564,862,245	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.

INCOME STATEMENT

FY2020 vs FY2019

Revenue

The Group had a total revenue of S\$226.1 million for the financial year ended 31 March 2020 ("FY2020"), an increase of S\$26.1 million or 13.1% compared to S\$200.0 million registered in the corresponding financial year ended 31 March 2019 ("FY2019"). The increase was mainly due to the increase in revenue from construction business of S\$26.5 million or 13.7% from S\$194.3 million in FY2019 to S\$220.8 million in FY2020. The decrease in rental income was mainly from investment properties in Tianjin, the People's Republic of China ("PRC").

Other income

Other income decreased by S\$0.8 million or 6.6% from S\$12.3 million in FY2019 to S\$11.5 million in FY2020, mainly due to the decrease in gain on fair value adjustments of investment properties of S\$1.2 million.

Operating expenses

Cost of construction increased by S\$33.2 million or 19.8% from S\$168.1 million in FY2019 to S\$201.3 million in FY2020. The increase was mainly due to the increase in construction works done and additional cost required for the completion of two civil engineering projects.

Personnel expenses decreased by S\$1.6 million or 15.1% from S\$10.5 million in FY2019 to S\$8.9 million in FY2020, mainly due to the decrease in provision for bonuses.

Depreciation of property, plant and equipment and right-of-use assets increased by S\$0.3 million or 14.8% from S\$2.1 million in FY2019 to S\$2.4 million in FY2020 due to the recognition of right-of-use assets under operating leases with the adoption of accounting standards SFRS(i)16 in FY2020.

Other operating expenses increased by S\$4.7 million from S\$6.2 million in FY2019 to S\$10.9 million in FY2020 mainly due to loss on fair value adjustments of investment properties amounting to S\$3.2 million and provision of doubtful debts on shareholder loans to two associated companies amounting to S\$1.9 million after taken into consideration of the valuation of unsold properties held by these two associated companies.

The profit from share of results of associates and joint ventures increased significantly by S\$17.2 million from a loss of S\$9.4 million in FY2019 to a profit of S\$7.8 million in FY2020, mainly due to the contribution by the sales and the progress in construction from the residential development projects in Singapore - Affinity@Serangoon, Riverfront Residence and Park Colonial.

Tax expense decreased by S\$0.8 million or 23.1% from S\$3.2 million in FY2019 to S\$2.4 million in FY2020, mainly due to the decrease in profit from operations before share of results of associates and joint ventures, offset by increase in expenses not allowed for tax deductions.

As a result of the above, the Group registered a net profit attributable to Owners of the Company of S\$15.6 million in FY2020 excluding non-controlling interests.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") decreased by S\$1.6 million from S\$18.5 million as at 31 March 2019 ("FY2019") to S\$16.9 million as at 31 March 2020 ("FY2020"), mainly due to the disposal and depreciation, partially offset by new purchase of plant and equipment.

Right-of-use assets of S\$4.2 million was recognised as at FY2020 on the operating lease commitments arising from the adoption of SFRS(I) 16 Leases which took effect from 1 April 2019.

Interests in associates and joint ventures increased by S\$1.6 million from S\$273.8 million as at FY2019 to S\$275.4 million as at FY2020, mainly due to an increase in loans to finance development and share of profits recognised, offset by dividends received.

Investment properties decreased by S\$3.8 million from S\$121.4 million as at FY2019 to S\$117.6 million as at FY2020, mainly due to fair value loss adjustments of investment properties.

Current assets

Trade receivables decreased by S\$8.6 million from S\$25.5 million as at FY2019 to S\$16.9 million as at FY2020, mainly due to the decrease in amount of progress claims certified for construction projects in progress.

Other receivables and deposits increased by S\$11.7 million from S\$2.1 million as at FY2019 to S\$13.8 million as at FY2020, mainly due to the dividend receivables from associates and joint ventures.

The non-trade amounts due from associates decreased by S\$5.0 million, mainly due to the payment received during FY2020.

Based on the progress of construction projects in FY2020 as compared to FY2019, contract assets decreased by S\$0.4 million from S\$33.1 million in FY2019 to S\$32.7 million in FY2020.

Current liabilities

Trade payables under current liabilities increased by S\$1.3 million from S\$15.0 million as at FY2019 to S\$16.3 million as at FY2020. The increase was mainly due to the increase in billings from suppliers and subcontractors which will be due for release of payments in the next 12 months for construction activities.

Other payables and accruals under current liabilities decreased by S\$12.6 million from S\$57.7 million as at FY2019 to S\$45.1 million as at FY2020. The decrease was mainly due to the decrease in accruals made for on-going and completed construction projects.

Lease liabilities under current liabilities increased by S\$0.3 million as at FY2020, mainly due to lease liabilities arising from the adoption of SFRS(I) 16 Leases which took effect from 1 April 2019.

Based on the progress of construction projects as at FY2020 as compared to FY2019, contract liabilities increased by S\$21.4 million from S\$1.9 million in FY2019 to S\$23.3 million as at FY2020.

Provision for onerous contract of S\$0.9 million was provided for an on-going construction project which recorded negative margin during FY2019. There was no provision for onerous contract required as at FY2020.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION (continued)

Non-current liabilities

Lease liabilities under non-current liabilities increased by S\$4.0 million as at FY2020. The increase was mainly due to lease liabilities arising from the adoption of SFRS(I) 16 Leases which took effect from 1 April 2019.

Total Group's borrowings

Total borrowings decreased by S\$0.6 million from S\$155.5 million as at FY2019 to S\$154.9 million as at FY2020, mainly due to the increase in new bank borrowings and repayment of existing bank borrowings and bill payable to banks.

STATEMENT OF CASH FLOWS

Net cash flows from operating activities of S\$37.8 million during FY2020 mainly arose from operating cash flows before changes in working capital of S\$13.2 million, increase in working capital of S\$18.5 million and interest income received of S\$8.4 million, offset by income taxes paid of S\$3.1 million and exchange differences of S\$0.8 million.

Net cash flows used in investing activities of S\$4.3 million during FY2020 mainly arose from purchase of property of plant and equipment of S\$0.5 million, increase in loans due from associates and joint ventures of S\$24.1 million and purchase of quoted debt instruments (investment securities) of S\$3.0 million, offset by dividends received from associates and joint ventures of S\$22.8 million and payment for cancellation of shares in associates on capital reduction of S\$0.6 million.

Net cash flows used in financing activities of S\$41.2 million during FY2020 mainly arose from the net decrease in bank term loans, bills payable to banks and finance lease obligations of S\$0.6 million, purchase of treasury shares of S\$1.6 million, interest paid of S\$4.2 million and increase in pledged fixed deposits of S\$22.1 million.

With the abovementioned, net decrease in cash and cash equivalents during FY2020 was S\$7.6 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 FY2020 is in line with the commentary made on 11 November 2019 in paragraph 10 of the second quarter results announcement for FY2020.

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.

The global economy took a toll following the onset of the COVID-19 pandemic – an unprecedented human crisis with severe health and socio-economic consequences. Economic activities of countries worldwide have experienced a sharp economic decline following the COVID-19 disruption, and Singapore is no exception.

Together with weak external demand amidst a global economic downturn precipitated by the COVID-19 pandemic, Singapore entered into a technical recession, with its gross domestic product ("GDP") having contracted by 12.6% year-on-year ("y-o-y") in the second quarter of 2020 based on advance estimates by the Ministry of Trade and Industry ("MTI"). Taking into account the significant deterioration in the external economic environment, the worsening of Singapore's external demand outlook and the expected economic impact of the Circuit Breaker measures, the MTI has downgraded its GDP growth forecast for the Singapore economy to -7.0% to -4.0%, from -4.0% to -1.0% in 2020.

The construction sector was similarly impacted by the CB measures, which led to the closure of construction sites and stoppage of most construction activities during the period. Movement restrictions were placed at foreign worker dormitories as a result of additional measures to curb the spread of COVID-19, resulting in manpower disruptions. As a result, construction demand contracted by 54.7% y-o-y in the second quarter, a significant drop from the 1.1% decline in the previous quarter, according to statistics from the MTI.

The Building and Construction Authority has announced a new \$1.36 billion Construction Support Package to firms in the construction sector to cope with the impact of COVID-19 and to aid the resumption of work quickly and safely. In particular, the Government will provide additional funding to help construction companies offset the cost of requirements to develop safe distancing measures to meet sectoral requirements. One component of the Construction Support Package is the \$525.8 million Construction Restart Booster, which aims to help construction firms mitigate additional compliance costs in procuring additional material/equipment to comply with COVID-Safe Worksite requirements. The Group will utilise these aids as much as possible to defray costs incurred due to COVID-19 pandemic.

REVIEW OF THE PERFORMANCE OF THE GROUP

10 (continued)

According to the Urban Redevelopment Authority (“URA”), prices of private residential properties increased by 0.3% in the second quarter of 2020 (“2Q2020”), compared with the 1.0% decrease in the previous quarter. The number of private new homes sold in Singapore in 2Q2020 fell 20.3% to 1,713 units from 2,149 units in the previous quarter. Overall, total sales volume fell by 37.6% in 2Q2020 to 2,664 units, marking the third consecutive quarterly decline since third quarter 2019 when 5,763 units were sold.

Ministry of National Development announced the extension of Project Completion Period and the extension of time in relation to the remission of Additional Buyer’s Stamp Duty for housing developers by six months to mitigate with impact of COVID-19 on property sector.

The Group’s construction order book remains healthy at more than S\$472.0 million as at end of March 2020. As of to-date, all construction sites in Singapore under the Group have received approval to restart work. Five of the Group’s construction projects in Singapore have commenced small scale physical works on site. Most sites are expected to commence work immediately after all workers are given the necessary clearance to work on site.

As at 31 March 2020, most of the development property projects held by associates and joint ventures under the Group launched for sales prior to the previous financial year FY2019 have been either fully sold or substantially sold.

The development property projects launched by associates and joint ventures under the Group in Singapore during previous financial year FY2019 are as set out below:-

No.	Project Name	Group Stake	Type of Development	Revenue Recognition Method	% Units Sold* as at 31 March 2020
Singapore					
1	Affinity @ Serangoon	7.50%	Residential with shop units	Percentage of Completion	67.1%
2	Riverfront Residences	35.00%	Residential with shop units	Percentage of Completion	85.3%
3	Park Colonial	20.00%	Residential	Percentage of Completion	85.1%
4	Rezi 24	48.00%	Residential	Percentage of Completion	49.0%

* % of Units Sold - Based on Options issued and subject to completion of sale and purchase agreement

The four (“4”) property developments which were launched in previous financial year F2019, namely Affinity@Serangoon; Riverfront Residences; Park Colonial and Rezi 24 have sold more than 2,700 units by the end of FY2020 with positive margins despite the challenging market sentiments.

Gaobeidian City KAP Real Estate Development Co., Ltd (高碑店阿尔伯特园房地产开发有限公司), 22.5%-owned associated company under the Group, has launched 812 residential units of the Phase 1 of Stage 1 of the residential development project, Sino-Singapore Health City (中新健康城) in Gaobeidian, PRC. The launch has been well received by the market so far with approximately 261 units sold to-date with an average selling price expected to earn a positive profit margin. Construction is currently ongoing progressively.

As at the end of FY2020, the Group has attributable share of progress billings to be recognised as sales revenue of more than S\$466.0 million from the property development projects held by associates and joint ventures under the Group, which will be progressively recognised by the associates and joint ventures and contribute to the Group’s results after FY2020.

Although affected by the COVID-19 pandemic, the investment properties held by the Group in Singapore and overseas have maintained good occupancy rates and shall continue to generate recurring income.

The Group has seen some impact on its business to-date, with the government’s response affecting general activity levels within the community, the economy and the operations of our business, both local and overseas. This includes impact on the Group’s construction business in terms of raw material supply and manpower, the progress of construction schedule and cost of operation, as well as property sales and rental for the Group’s property development and investment business.

Due to the fluidity of the situation, the scale and duration of the COVID-19 development remains uncertain, which may in turn impact the future earnings, cash flow and financial condition of the Group. As such, it is not practicable to provide a quantitative or qualitative estimate of the potential impact of the COVID-19 on the Group, nor the government’s efforts to combat the pandemic to support businesses.

In view of the on-going pandemic and barring unforeseen circumstances, the Group remains cautious on the outlook of its performance in FY2021.

REVIEW OF THE PERFORMANCE OF THE GROUP

DIVIDENDS

11 (a) Current financial period reported on

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

Name of Dividend Dividend Type Dividend Rate	(Tax Exempt 1-Tier)		Total Cash 2.20 cents per ordinary share
	Interim Ordinary Cash 1.00 cent per ordinary share	Final Ordinary Cash 1.20 cents per ordinary share	

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **No**

Name of Dividend Dividend Type Dividend Rate	(Tax Exempt 1-Tier)		Total Cash 2.20 cents per ordinary share
	Interim Ordinary Cash 1.00 cent per ordinary share	Final Ordinary Cash 1.20 cents per ordinary share	

(c) Date payable

The date payable for the proposed final 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 final cash dividends 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.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

	GROUP				
	Construction	Property development and Management	Others	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2020 REVENUE					
- external sales	220,835	5,290		-	226,125
				-	-
Results					
Share of results of associates and joint ventures	-	7,843	-	-	7,843
Fair value loss on investment properties	-	(3,242)	-	-	(3,242)
Interest income	477	11	7,880	-	8,368
Finance costs	(863)	(136)	(3,282)	-	(4,281)
Profit before taxation	11,380	6,030	257	-	17,667
Segment assets	237,088	149,472	144,984	(190,053)	341,491
Interests in associates and joint ventures	-	269,170	6,188	-	275,358
Total assets					616,849
Segment liabilities	99,088	25,927	245,542	(126,475)	244,082
Unallocated liabilities					21,349
Total liabilities					265,431
Other segment information :					
Capital expenditures	638	1	-	-	639
Depreciation of property, plant and equipment and right-of-use assets	2,359	14	-	-	2,373
FY2019 REVENUE					
- external sales	194,296	5,705	-	-	200,001
				-	-
Results					
Share of results of associates and joint ventures	-	(9,409)	(22)	-	(9,431)
Fair value gains on investment properties	-	1,234	-	-	1,234
Interest income	383	11	7,019	-	7,413
Finance costs	(1,441)	(344)	(2,629)	-	(4,414)
Profit before taxation	15,984	(5,325)	968	-	11,627
Segment assets	253,265	121,821	125,583	(170,426)	330,243
Interests in associates and joint ventures	-	267,248	6,526	-	273,774
Total assets					604,017
Segment liabilities	116,209	27,399	215,398	(127,767)	231,239
Unallocated liabilities					21,518
Total liabilities					252,757
Other segment information :					
Capital expenditures	5,211	1	-	-	5,212
Depreciation of property, plant and equipment	2,052	15	-	-	2,067

Geographical segments

	GROUP								
	Singapore	Malaysia	Bhutan	Japan	Australia	England, United Kingdom	The People's Republic of China	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2020									
REVENUE	220,835	-	-	-	-	-	5,290	-	226,125
Segment assets	300,786	298	-	-	1,943	37	114,167	(75,740)	341,491
Interests in associates and joint ventures	229,028	-	1,732	5,386	2,294	2,906	34,012	-	275,358
Total assets									616,849
Other segment information :									
Capital expenditures	638	-	-	-	-	-	1	-	639

	GROUP								
	Singapore	Malaysia	Vietnam	Japan	Australia	England, United Kingdom	The People's Republic of China	Eliminations	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FY2019									
REVENUE	194,617	-	-	-	-	-	5,384	-	200,001
Segment assets	280,813	298	157	-	1,389	36	86,055	(38,505)	330,243
Interests in associates and joint ventures	225,830	-	-	1,246	10	21,962	24,726	-	273,774
Total assets									604,017
Other segment information :									
Capital expenditures	5,211	-	-	-	-	-	1	-	5,212

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

REVENUE

by Business segments

Revenue contributed by construction business increased by S\$26.5 million from S\$194.3 million in FY2019 to S\$220.8 million in FY2020 due to the increase in revenue from construction business.

by Geographical segments

Revenue contributed by Singapore increased by S\$26.2 million from S\$194.6 million in FY2019 to S\$220.8 million in FY2020 mainly due to the increase in revenue from construction business.

Profit Before Taxation

by Business segments

Profit before taxation from construction business decreased by S\$4.6 million from S\$16.0 million in FY2019 to S\$11.4 million in FY2020 due to the increase in construction cost.

Profit before taxation from property development and investment increased by S\$11.3 million from a loss of S\$5.3 million in FY2019 to a profit of S\$6.0 million in FY2020, mainly due to the contribution by the sales and the progress in construction from the residential development projects in Singapore - Affinity@Serangoon, Riverfront Residence and Park Colonial.

17 A breakdown of sales as follows:

	GROUP		
	31.03.2020	31.03.2019	% increase/(decrease)
	S\$'000	S\$'000	
Sales reported for first half year	126,580	76,057	66
Operating profit after taxation before deducting non-controlling interests reported for the first half year	11,112	7,330	52
Sales reported for second half year	99,545	123,944	(20)
Operating profit after taxation before deducting non-controlling interests reported for the second half year	4,511	297	<i>nm</i>
Total Sales	226,125	200,001	13
Operating profit after taxation before deducting non-controlling interests reported for full year	15,623	7,627	105

nm: not meaningful

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:

	31.03.2020	31.03.2019
	S\$'000	S\$'000
Ordinary shares		
Interim	5,681	5,697
Final	6,818	6,837
Total :	12,499	12,534

** Proposed final dividend to be approved at the Company's forthcoming Annual General Meeting by the Shareholders.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board

Choo Chee Onn
Executive Chairman and Managing Director

30 July 2020