



KSH Holdings Limited

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

**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS
& DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED
30 JUNE 2012**

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		
	FIRST QUARTER ENDED		increase/ (decrease) %
	30.06.2012	30.06.2011	
	S\$'000	S\$'000	
REVENUE			
Project revenue	47,891	39,423	21.5
Sales from development property	5,958	-	nm
Rental income from investment properties	1,311	1,347	(2.7)
	55,160	40,770	35.3
Other income	1,492	459	225.1
Cost of construction	(48,135)	(33,326)	44.4
Personnel expenses	(1,900)	(1,937)	(1.9)
Depreciation of property, plant and equipment	(453)	(432)	4.9
Finance costs	(386)	(429)	(10.0)
Other operating expenses	(1,946)	(898)	116.7
	(52,820)	(37,022)	42.7
Profit from operations before share of results of associates	3,832	4,207	(8.9)
Share of results of associates	1,294	(793)	nm
Profit before taxation	5,126	3,414	50.1
Tax expense	(653)	(738)	(11.5)
Net profit for the financial period	4,473	2,676	67.2
Attributable to:			
- Owners of the Company	4,315	2,599	66.0
- Non-controlling interests	158	77	105.2
	4,473	2,676	67.2

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	FIRST QUARTER ENDED		increase/ (decrease)
	30.06.2012	30.06.2011	
	S\$'000	S\$'000	%
Net profit for the financial period	4,473	2,676	67.2
Other comprehensive income:			
- Foreign currency translation	(3,330)	(977)	240.8
Other comprehensive income for the financial period, net of tax	(3,330)	(977)	240.8
Total comprehensive income for the financial period	1,143	1,699	(32.7)
Total comprehensive income attributable to:			
- Owners of the Company	1,829	1,855	(1.4)
- Non-controlling interests	(686)	(156)	339.7
	1,143	1,699	(32.7)

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

	GROUP		
	FIRST QUARTER ENDED		increase/ (decrease)
	30.06.2012	30.06.2011	
	S\$'000	S\$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:			
Interest income	476	307	55.0
Allowance for doubtful debts	(7)	(23)	(69.6)
(Allowance)/write back of provision for anticipated losses	(721)	12	nm
Amortisation of club membership	(1)	(1)	-
Loss on sale of plant and equipment	(1)	(2)	(50.0)
Gain on sale of investment property	752	-	nm
Foreign exchange loss, net	(113)	(3)	nm
Interest expense	(356)	(400)	(11.0)
Profit after taxation but before non-controlling interests as a percentage of turnover	8.11%	6.56%	23.5
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 June 2012 and 30 June 2011	3.07%	2.05%	49.6

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	
	30.06.2012	31.03.2012	30.06.2012	31.03.2012
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	10,872	10,648	-	-
Investments in subsidiaries	-	-	57,516	57,516
Interests in associates	76,372	65,732	-	-
Investment properties	98,714	105,010	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,114	2,202	-	-
Amounts due from subsidiaries (non-trade)	-	-	3,819	3,380
Trade receivables	8,208	4,814	-	-
Club membership	48	49	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	1,060	1,060	-	-
	197,389	189,516	61,335	60,896
Current assets				
Development property	51,803	50,632	-	-
Inventory	2	2	-	-
Trade receivables	29,728	28,212	-	-
Other receivables and deposits	2,332	1,871	9	6
Prepayments	391	363	45	46
Amount due from subsidiaries (non-trade)	-	-	4,000	4,047
Construction work-in-progress in excess of progress billings	6,060	2,217	-	-
Fixed deposits	36,615	45,854	2,000	2,000
Structured deposits	-	2,000	-	-
Cash and cash equivalents	16,699	11,660	451	885
	143,630	142,811	6,505	6,984
LIABILITIES				
Current liabilities				
Trade payables	22,226	20,740	-	-
Other payables and accruals	50,397	49,548	618	901
Amount due to a Director of a subsidiary	289	294	-	-
Amount due to subsidiaries (non-trade)	-	-	-	-
Finance lease obligations	327	558	-	-
Provision for income tax	4,408	3,173	-	-
Progress billings in excess of construction work-in-progress	6,732	4,267	-	-
Bank term loans, secured	7,290	7,527	4,000	4,000
Bills payable to banks, secured	27,466	20,934	-	-
	119,135	107,041	4,618	4,901
Net current assets	24,495	35,770	1,887	2,083

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.06.2012	31.03.2012	30.06.2012	31.03.2012
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	2,035	1,380	-	-
Other payables and accruals	145	151	-	-
Amount due to subsidiaries (non-trade)	-	-	654	-
Finance lease obligations	9	18	-	-
Bank term loans, secured	42,822	46,497	-	-
Deferred tax liabilities	15,640	16,903	-	-
	<u>60,651</u>	<u>64,949</u>	<u>654</u>	<u>-</u>
NET ASSETS	<u>161,233</u>	<u>160,337</u>	<u>62,568</u>	<u>62,979</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	39,579	39,483	39,579	39,483
Treasury shares	(565)	(222)	(565)	(222)
Translation reserve	(2,363)	123	-	-
Accumulated profits	101,802	97,678	22,040	22,204
Other reserves	2,235	2,044	1,514	1,514
	<u>140,688</u>	<u>139,106</u>	<u>62,568</u>	<u>62,979</u>
Non-controlling interests	20,545	21,231	-	-
TOTAL EQUITY	<u>161,233</u>	<u>160,337</u>	<u>62,568</u>	<u>62,979</u>

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

The amount repayable in one year or less, or on demand			
At 30.06.2012		At 31.03.2012	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
35,083	-	29,019	-

The amount repayable after one year			
At 30.06.2012		At 31.03.2012	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
42,831	-	46,515	-

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) Corporate guarantees issued by the Company;
- 4) First legal mortgage on the Group's investment properties and leasehold factory building;
- 5) Charge on fixed deposits and structured deposits;
- 6) First charge over the contract proceeds/project account arising from the construction project financed;
- 7) A first legal mortgage over the development property of a joint venture;
- 8) Legal assignment of sales proceeds from the development property of a joint venture;
- 9) Legal assignment of tenancy, rental, lease and licence agreements from development property of a joint venture;
- 10) Legal assignment of the construction contract(s) and performance bonds from development property of a joint venture;
- 11) Legal assignment of fire insurance policy from development property of a joint venture;
- 12) Corporate guarantees from all the shareholders of a joint venture in equal share ratio; and
- 13) 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 year.

STATEMENT OF CASH FLOWS

	GROUP	
	FIRST QUARTER ENDED	
	30.06.2012	30.06.2011
	S\$'000	S\$'000
Operating activities		
Profit before taxation	5,126	3,414
Adjustments:		
Depreciation of property, plant and equipment	453	432
Amortisation of club membership	1	1
Loss on sale of plant and equipment	1	2
Gain on sale of investment property	(752)	-
Allowance for doubtful debts	7	23
Interest expense	356	400
Interest income	(476)	(307)
Share of results of associates	(1,294)	793
Operating cash flows before changes in working capital	3,422	4,758
(Increase)/decrease in:		
Development property	(1,172)	1,317
Trade and other receivables, deposits and prepayments	(5,433)	2,486
Construction work-in-progress, net	(1,378)	10,990
Increase/(decrease) in:		
Trade and other payables	2,999	(12,462)
Cash flows (used in)/generated from operations	(1,562)	7,089
Income taxes paid	(121)	(120)
Interest income received	476	307
Exchange differences	151	46
Net cash flows (used in)/generated from operating activities	(1,056)	7,322
Investing activities		
Purchase of plant and equipment	(684)	(119)
Purchase of investment properties	(126)	(247)
Proceeds from sale of plant and equipment	1	1
Proceeds from sale of investment property	3,399	-
Amounts due from associates	(9,740)	(3,878)
Decrease/(increase) in structured deposits	2,000	(2,000)
Net cash flows used in investing activities	(5,150)	(6,243)
Financing activities		
Issuance of new shares	96	101
Purchase of treasury shares	(343)	-
Proceeds from bank term loans	120	241
Repayment of bank term loans	(3,656)	(370)
Proceeds from bills payable to banks	6,532	-
Repayment of bills payable to banks	-	(11,921)
Interest paid	(356)	(400)
Repayment of lease obligations	(240)	(518)
(Increase)/decrease in pledged fixed deposits	(2,021)	1,996
Net cash flows generated from/(used in) financing activities	132	(10,871)
Net decrease in cash and cash equivalents	(6,074)	(9,792)
Effect of exchange rate changes on cash and cash equivalents	(147)	(51)
Cash and cash equivalents at beginning of financial year	43,621	76,534
Cash and cash equivalents at end of financial period (Note A)	37,400	66,691

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

	30.06.2012	30.06.2011
	S\$'000	S\$'000
Cash and bank balances	16,699	10,147
Fixed deposits	36,615	69,471
	53,314	79,618
Less: Pledged fixed deposits	(15,914)	(12,927)
Cash and cash equivalents	37,400	66,691

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2012

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	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	
At 1 April 2011	38,543	-	(1,914)	86,157	1,801	124,587	19,203	143,790	
Effect of change in accounting policy	-	-	-	379	-	379	-	379	
As restated	38,543	-	(1,914)	86,536	1,801	124,966	19,203	144,169	
Net profit for the financial period	-	-	-	2,599	-	2,599	77	2,676	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(744)	-	-	(744)	(233)	(977)	
Other comprehensive income for the financial period	-	-	(744)	-	-	(744)	(233)	(977)	
Total comprehensive income for the financial period	-	-	(744)	2,599	-	1,855	(156)	1,699	
<u>Contributions by and distributions to owners</u>									
Conversion to shares by warrant holders	101	-	-	-	-	101	-	101	
Transfer to other reserves	-	-	-	(37)	37	-	-	-	
Total contributions by and distributions to owners	101	-	-	(37)	37	101	-	101	
At 30 June 2011	38,644	-	(2,658)	89,098	1,838	126,922	19,047	145,969	
At 1 April 2012	39,483	(222)	123	97,678	2,044	139,106	21,231	160,337	
Net profit for the financial period	-	-	-	4,315	-	4,315	158	4,473	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(2,486)	-	-	(2,486)	(844)	(3,330)	
Other comprehensive income for the financial period	-	-	(2,486)	-	-	(2,486)	(844)	(3,330)	
Total comprehensive income for the financial period	-	-	(2,486)	4,315	-	1,829	(686)	1,143	
<u>Contributions by and distributions to owners</u>									
Conversion to shares by warrant holders	96	-	-	-	-	96	-	96	
Purchase of treasury shares	-	(343)	-	-	-	(343)	-	(343)	
Transfer to other reserves	-	-	-	(191)	191	-	-	-	
Total contributions by and distributions to owners	96	(343)	-	(191)	191	(247)	-	(247)	
At 30 June 2012	39,579	(565)	(2,363)	101,802	2,235	140,688	20,545	161,233	

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2012

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

COMPANY	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Other reserves S\$'000	Total equity S\$'000
At 1 April 2011	38,543	-	20,131	1,514	60,188
Net profit for the financial period	-	-	(175)	-	(175)
Total comprehensive income for the financial period	-	-	(175)	-	(175)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	101	-	-	-	101
Total contributions by and distributions to owners	101	-	-	-	101
At 30 June 2011	38,644	-	19,956	1,514	60,114
At 1 April 2012	39,483	(222)	22,204	1,514	62,979
Net profit for the financial period	-	-	(164)	-	(164)
Total comprehensive income for the financial period	-	-	(164)	-	(164)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	96	-	-	-	96
Purchase of treasury shares	-	(343)	-	-	(343)
Total contributions by and distributions to owners	96	(343)	-	-	(247)
At 30 June 2012	39,579	(565)	22,040	1,514	62,568

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 3 April 2009, the Company issued 176,245,000 warrants at an issue price of S\$0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.10 for each new share on the basis of one warrant for every one existing ordinary share in the capital of the Company. The exercise price and the number of warrants held by each warrant holder may be adjusted under certain terms and conditions being met. The warrants have expired at 5.00 pm on 2 April 2012.

As at 2 April 2012, 952,282 warrants were converted to 952,282 new ordinary shares of the Company, this bringing total of issued share capital to 351,220,223 ordinary shares excluding treasury shares (as at 31 March 2012: 350,267,941 ordinary shares).

As at 2 April 2012, there were 425,229 outstanding warrants, which have not been exercised have lapsed, and warrants have ceased to be valid at 5.00 pm on 2 April 2012.

During 1QFY2013, the Company acquired 1,489,000 (1QFY2012: nil) ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares. As at 30 June 2012, 2,500,000 treasury shares were held by the Company.

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 2010	
- Ordinary Shares	294,009,700
- Warrants	58,480,300
 Issue of new shares upon exercising of warrants during the financial year ended 31 March 2011 (FY2011)	
- Ordinary Shares	48,109,768
- Warrants	(48,109,768)
Balance as at 31 March 2011 and 1 April 2011	
- Ordinary Shares	342,119,468
- Warrants	10,370,532
 Issue of new shares upon exercising of warrants during the financial year ended 31 March 2012 (FY2012)	
- Ordinary Shares	8,993,021
- Warrants	(8,993,021)
 Issue of new shares pursuant to scrip dividend scheme	
- Ordinary Shares	166,452
 Purchase of treasury shares	
- Ordinary Shares	(1,011,000)
Balance as at 31 March 2012	
- Ordinary Shares	350,267,941
- Warrants	1,377,511
 during the 1st quarter FY2013	
Issue of new shares upon exercising of warrants	
- Ordinary Shares	952,282
- Warrants	(952,282)
 Purchase of treasury shares	
- Ordinary Shares	(1,489,000)
Balance as at 30 June 2012	
- Ordinary Shares	349,731,223

The total number of treasury shares held by the Company as at 30 June 2012 was 2,500,000 (as at 31 March 2012: 1,011,000).

SHARE CAPITAL

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.

As at 30 June 2012, there was no movement of treasury shares.

AUDIT

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

ACCOUNTING POLICIES

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial year ended 31 March 2012.

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 adoption of the new/revised FRS and INT FRS is currently assessed to have no significant impact on the financial position and the results of the current year and prior year of the Group.

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	
	FIRST QUARTER ENDED	
	30.06.2012	30.06.2011
	(cents)	(cents)
a) On a basic basis	1.23	0.76
b) On a fully diluted basis	1.23	0.75
	S\$'000	S\$'000
Group's profit for the financial period attributable to Owners of the Company used in the computation of basic EPS	4,315	2,599
Group's adjusted profit for the financial period attributable to Owners of the Company used in the computation of diluted EPS	4,315	2,599
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS	350,913,187	342,698,633
Effect of dilution from warrants	-	5,661,747
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS	350,913,187	348,360,380

EARNINGS PER SHARE

- 6 Basic earnings per share ("EPS") amounts are calculated by dividing the Group's profit after taxation attributable to Owners of the Company by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the financial period.

Diluted EPS is calculated based on the Group's profit for the financial period attributable to Owners of the Company divided by the weighted average number of ordinary shares taken into account the weighted average effect of changes in treasury shares transactions during the financial period in issue adjusted for the effects of all the dilutive potential ordinary shares, being the outstanding warrants.

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 30.06.2012	as at 31.03.2012	as at 30.06.2012	as at 31.03.2012
Net asset value per ordinary share (cents)	40.23	39.71	17.89	17.98
Issue share capital excluding treasury shares at the end of the period/year	349,731,223	350,267,941	349,731,223	350,267,941

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

1QFY2013 vs 1QFY2012

Revenue

The Group has a total revenue of S\$55.2 million for the first quarter three months ended 30 June 2012 ("1QFY2013"), an increase of S\$14.4 million or 35.3% compared to S\$40.8 million registered in the corresponding period ended 30 June 2011 ("1QFY2012"). The increase was mainly due to the increase in revenue from the construction business of S\$8.5 million and sales from development property of S\$6.0 million.

Other income

Other income increased by S\$1.0 million from S\$0.5 million in 1QFY2012 to S\$1.5 million in 1QFY2013. The increase was mainly due to gain on sale of investment property in the People's Republic of China ("PRC") of S\$0.8 million and increase in interest income from associates of S\$0.2 million.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

Operating expenses

Cost of construction increased by S\$14.8 million or 44.4% from S\$33.3 million in 1QFY2012 to S\$48.1 million in 1QFY2013 in line with the increase in revenue for both construction and development property business.

There were no significant differences in personnel expenses, depreciation and finance costs between 1QFY2013 and 1QFY2012.

Other operating expenses increased by S\$1.0 million or 116.7% from S\$0.9 million in 1QFY2012 to S\$1.9 million in 1QFY2013. The increase was mainly due to provision for anticipated losses of construction projects of S\$0.7 million, increase in sales tax of S\$0.2 million due to sale of investment property in PRC and net foreign exchange loss of S\$0.1 million.

Share of results of associates increased by S\$2.1 million from a loss of S\$0.8 million in 1QFY2012 to a profit of S\$1.3 million in 1QFY2013 mainly due to the contribution from the development property projects.

As a result of the above, the Group registered a net profit attributable to Owners of the company of S\$4.3 million in 1QFY2013 as compared to S\$2.6 million in 1QFY2012.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") increased by S\$0.3 million from S\$10.6 million as at 31 March 2012 ("FY2012") to S\$10.9 million as at 30 June 2012 ("1QFY2013") with the new purchase of plant and equipment during the 1QFY2013.

Interests in associates increased by S\$10.7 million from S\$65.7 million in FY2012 to S\$76.4 million in 1QFY2013 due to share of results of associates and additional loans to finance the development property projects, offset by foreign exchange translation.

Investment properties decreased by S\$6.3 million from S\$105.0 million in FY2012 to S\$98.7 million in 1QFY2013 mainly due to sale of investment property in PRC and foreign exchange translation.

Trade receivables under non-current assets increased by S\$3.4 million from S\$4.8 million in FY2012 to S\$8.2 million in 1QFY2013, mainly due to additional retention sum receivables from on-going construction projects.

Current assets

Development property increased by S\$1.2 million from S\$50.6 million in FY2012 to S\$51.8 million in 1QFY2013 as the increase in cost incurred for the development during 1QFY2013 was more than the increase in progress billings from sales.

Trade receivables under current assets increased by S\$1.5 million from S\$28.2 million in FY2012 to S\$29.7 million in 1QFY2013 mainly due to the increase in construction projects in progress.

Structured deposits of S\$2.0 million had matured during 1QFY2013.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

With an increase in construction business and based on the progress of construction projects in 1QFY2013 as compared to FY2012, the construction work-in-progress in excess of progress billings increased by S\$3.9 million from S\$2.2 million in FY2012 to S\$6.1 million in 1QFY2013, progress billings in excess of the construction work-in-progress increased by S\$2.4 million from S\$4.3 million to S\$6.7 million in 1QFY2013.

Current liabilities

Trade payables increased by S\$1.5 million from S\$20.7 million in FY2012 to S\$22.2 million in 1QFY2013. The increase was mainly from the increase in billings from suppliers and subcontractors for construction projects which will be due for release of payments in the next 12 months as construction business increased.

Total borrowings

Total borrowings increased by S\$2.4 million from S\$75.5 million in FY2012 to S\$77.9 million in 1QFY2013, mainly due to the increase in use of bills payable to banks of S\$6.5 million partially offset by the decrease in bank term loans net of S\$3.9 million and repayment of finance lease obligations of S\$0.2 million and foreign exchange translation gain of S\$0.3 million.

STATEMENT OF CASH FLOWS

Net cash flows used in operating activities of S\$1.1 million during 1QFY2013 mainly arose from operating cash flows before changes in working capital of S\$3.4 million and interest income received of S\$0.5 million, offset by an increase in working capital of S\$5.0 million and payment made for income taxes of S\$0.1 million.

Net cash flows used in investing activities of S\$5.2 million during 1QFY2013 mainly arose from increase in amounts due from associates of S\$9.7 million and purchase of plant and equipment of S\$0.7 million, offset by net proceeds from sale of investment property of S\$3.4 million, and decrease in structured deposits of S\$2.0 million.

Net cash flows generated from financing activities of S\$0.1 million during 1QFY2013 mainly arose from increase in use of bills payable to banks of S\$6.5 million, offset by net repayment of bank term loans of S\$3.7 million, increase in pledged fixed deposits placed with local banks of S\$2.0 million, interest payment of S\$0.4 million, purchase of treasury shares of S\$0.3 million and repayment of lease obligations of S\$0.2 million.

With the above mentioned, net decrease in cash and cash equivalents during 1QFY2013 was S\$6.1 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.

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 recovery in the global economy remains fragile and vulnerable to downside risks amidst an unsettled world as Europe and the United States face serious economic problems while PRC and India are slowing down. The Ministry of Trade and Industry (MTI) announced on 10 August 2012 that Singapore economy grew by 2.0% on year-on-year basis in the second quarter of 2012, compared to 1.5% in the preceding quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 0.7%, reversing the 9.5% growth in the previous quarter and it will narrow the GDP growth forecast for 2012 from 1.0% to 3.0%, to 1.5% to 2.5%.

REVIEW OF THE PERFORMANCE OF THE GROUP

- 10** While the Company noted the challenges ahead on the construction industry of Singapore such as uncertainties of material prices, rising costs and shortages of resources such as labour and equipments, the construction sector grew by 5.3% on year-on-year basis, slowing from 6.9% in the preceding quarter. On a quarter-on-quarter basis, the annualised growth in the sector decelerated to 0.9% from 27.9% in the preceding quarter, largely due to a slowdown in construction activities in the institutional and others segment.

As at 30 June 2012, the Group has an order book on construction projects of approximately S\$416.0 million with the projects from both public and private sectors.

In view of the above, the Group is cautiously optimistic on the outlook of its construction business in Singapore.

DIVIDENDS

11 (a) Current financial period reported on

Any dividend declared for the current financial period reported on? **No**

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

REVIEW OF THE PERFORMANCE OF THE GROUP

- 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).

NEGATIVE ASSURANCE

- 14 Negative assurance confirmation on the first quarter 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 first quarter and three months ended 30 June 2012 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

13 August 2012