



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 2013

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2013

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) %
	30.06.2013	30.06.2012	
	S\$'000	S\$'000	
REVENUE			
Project revenue	71,652	47,891	49.6
Sales of development property	10,115	5,958	69.8
Rental income from investment properties	1,490	1,311	13.7
	83,257	55,160	50.9
Other income	1,760	1,492	18.0
Cost of construction	(77,125)	(48,135)	60.2
Personnel expenses	(1,075)	(1,900)	(43.4)
Depreciation of property, plant and equipment	(459)	(453)	1.3
Finance costs	(490)	(386)	26.9
Other operating expenses	(1,502)	(1,946)	(22.8)
	(80,651)	(52,820)	52.7
Profit from operations before share of results of associates	4,366	3,832	13.9
Share of results of associates	7,825	1,294	504.7
Profit before taxation	12,191	5,126	137.8
Tax expense	(695)	(653)	6.4
Net profit for the financial period	11,496	4,473	157.0
Attributable to:			
- Owners of the Company	11,420	4,315	164.7
- Non-controlling interests	76	158	(51.9)
	11,496	4,473	157.0

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	YEAR ENDED		increase/ (decrease) %
	30.06.2013	30.06.2012	
S\$'000	S\$'000		
Net profit for the financial period	11,496	4,473	157.0
Other comprehensive income:			
- Foreign currency translation	3,353	(3,330)	nm
Other comprehensive income for the financial period, net of tax	3,353	(3,330)	nm
Total comprehensive income for the financial period	14,849	1,143	nm
Total comprehensive income attributable to:			
- Owners of the Company	14,012	1,829	666.1
- Non-controlling interests	837	(686)	nm
	14,849	1,143	nm

nm: not meaningful

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

	GROUP		
	FIRST QUARTER ENDED		increase/ (decrease) %
	30.06.2013	30.06.2012	
	S\$'000	S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:			
Interest income	679	476	42.6
Allowance for doubtful debts	(69)	(7)	885.7
Write back/(allowance) of provision for anticipated losses	329	(721)	nm
Amortisation of club membership	(1)	(1)	-
Gain/(loss) on sale of plant and equipment	47	(1)	nm
Gain on sale of investment properties	-	752	(100.0)
Foreign exchange gain/(loss), net	27	(113)	nm
Interest expense	(457)	(356)	28.4
Profit after taxation but before non-controlling interests as a percentage of turnover	13.81%	8.11%	70.3
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 30 June 2013 and 30 June 2012	5.88%	3.07%	91.4

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	
	30.06.2013	31.03.2013	30.06.2013	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	10,117	10,485	-	-
Investments in subsidiaries	-	-	57,516	57,516
Interests in associates	109,733	94,034	-	-
Investment properties	110,834	106,836	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,272	2,188	-	-
Amounts due from subsidiaries (non-trade)	-	-	13,019	8,470
Trade receivables	14,089	11,286	-	-
Other receivables	-	2,793	-	-
Club membership	46	47	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	1,102	1,102	-	-
	248,194	228,772	70,535	65,986
Current assets				
Development property	41,179	43,548	-	-
Inventory	1	1	-	-
Trade receivables	31,796	27,352	-	-
Other receivables and deposits	3,729	2,733	23	20
Prepayments	524	304	23	18
Amounts due from subsidiaries (non-trade)	-	-	4,920	6,011
Construction work-in-progress in excess of progress billings	8,213	8,124	-	-
Fixed deposits	67,759	69,641	3,400	2,000
Cash and bank balances	19,024	11,758	225	1,916
	172,225	163,461	8,591	9,965
LIABILITIES				
Current liabilities				
Trade payables	21,455	21,089	-	-
Other payables and accruals	52,879	46,994	888	2,613
Deferred income	118	55	-	-
Amount due to a Director of a subsidiary	-	374	-	-
Finance lease obligations	9	18	-	-
Provision for income tax	3,818	3,796	-	-
Progress billings in excess of construction work-in-progress	11,766	8,613	-	-
Bank term loans, secured	7,751	7,881	6,000	6,000
Bills payable to banks, secured	49,459	41,959	-	-
	147,255	130,779	6,888	8,613
Net current assets	24,970	32,682	1,703	1,352

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.06.2013	31.03.2013	30.06.2013	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	5,197	3,885	-	-
Other payables and accruals	183	177	-	-
Amounts due to subsidiaries (non-trade)	-	-	5,101	-
Bank term loans, secured	34,833	38,037	-	-
Deferred tax liabilities	17,694	17,065	-	-
	<u>57,907</u>	<u>59,164</u>	<u>5,101</u>	<u>-</u>
NET ASSETS	<u>215,257</u>	<u>202,290</u>	<u>67,137</u>	<u>67,338</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Translation reserve	2,323	(269)	-	-
Accumulated profits	138,159	126,767	14,066	14,267
Other reserves	2,918	2,989	2,156	2,156
	<u>194,315</u>	<u>180,402</u>	<u>67,137</u>	<u>67,338</u>
Non-controlling interests	20,942	21,888	-	-
TOTAL EQUITY	<u>215,257</u>	<u>202,290</u>	<u>67,137</u>	<u>67,338</u>

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

The amount repayable in one year or less, or on demand			
At 30.06.2013		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
57,219	-	49,858	-

The amount repayable after one year			
At 30.06.2013		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
34,833	-	38,037	-

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 year.

STATEMENT OF CASH FLOWS

	GROUP	
	FIRST QUARTER ENDED	
	30.06.2013	30.06.2012
	S\$'000	S\$'000
Operating activities		
Profit before taxation	12,191	5,126
Adjustments:		
Depreciation of property, plant and equipment	459	453
Amortisation of club membership	1	1
(Gain)/loss on sale of plant and equipment	(47)	1
Gain on sale of investment properties	-	(752)
Allowance for doubtful debts	69	7
Interest expense	457	356
Interest income	(679)	(476)
Share of results of associates	(7,825)	(1,294)
Operating cash flows before changes in working capital	4,626	3,422
Decrease/(increase) in:		
Development property	2,370	(1,172)
Inventory	-	-
Trade and other receivables, deposits and prepayments	(8,502)	(5,433)
Construction work-in-progress, net	3,064	(1,378)
Increase in:		
Trade and other payables	7,965	2,999
Deferred income	63	-
Cash flows generated from/(used in) operations	9,586	(1,562)
Income taxes paid	(583)	(121)
Interest income received	679	476
Exchange differences	(518)	151
Net cash flows generated from/(used in) operating activities	9,164	(1,056)
Investing activities		
Purchase of plant and equipment	(100)	(684)
Purchase of investment properties	(269)	(126)
Proceeds from sale of plant and equipment	60	1
Proceeds from sale of investment properties	-	3,399
Investments in associates	(150)	-
Loans due from associates, net	(4,968)	(9,740)
Decrease in structured deposits	-	2,000
Net cash flows used in investing activities	(5,427)	(5,150)
Financing activities		
Acquisition of non-controlling interests	(1,890)	-
Issuance of new shares	-	96
Purchase of treasury shares	-	(343)
Proceeds from bank term loans	347	120
Repayment of bank term loans	(3,976)	(3,656)
Proceeds from bills payable to banks	7,500	6,532
Interest paid	(457)	(356)
Repayment of lease obligations	(9)	(240)
Increase in pledged fixed deposits	(1,405)	(2,021)
Net cash flows generated from financing activities	110	132
Net increase/(decrease) in cash and cash equivalents	3,847	(6,074)
Effect of exchange rate changes on cash and cash equivalents	132	(147)
Cash and cash equivalents at beginning of financial year	65,454	43,621
Cash and cash equivalents at end of financial period (Note A)	69,433	37,400

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

	30.06.2013	30.06.2012
	S\$'000	S\$'000
Cash and bank balances	19,024	16,699
Fixed deposits	67,759	36,615
	86,783	53,314
Less: Pledged fixed deposits	(17,350)	(15,914)
Cash and cash equivalents	69,433	37,400

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2013

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 S\$'000	Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Other reserves S\$'000	Equity attributable to Owners of the Company, total S\$'000			
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	95	-	-	-	-	95	-	95	
Purchase of treasury shares	-	(344)	-	-	-	(344)	-	(344)	
Transfer to other reserves	-	-	-	(190)	190	-	-	-	
Total contributions by and distributions to owners	95	(344)	-	(190)	190	(249)	-	(249)	
At 30 June 2012	39,578	(566)	(2,363)	101,803	2,234	140,686	20,545	161,231	
At 1 April 2013	50,915	-	(269)	126,767	2,989	180,402	21,888	202,290	
Prior year adjustment	-	-	-	8	-	8	-	8	
At 1 April 2013	50,915	-	(269)	126,775	2,989	180,410	21,888	202,298	
Net profit for the financial period	-	-	-	11,420	-	11,420	76	11,496	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	2,592	-	-	2,592	761	3,353	
Other comprehensive income for the financial period	-	-	2,592	-	-	2,592	761	3,353	
Total comprehensive income for the financial period	-	-	2,592	11,420	-	14,012	837	14,849	
<u>Contributions by and distributions to owners</u>									
Acquisition of non-controlling interests without a change in control	-	-	-	-	(107)	(107)	(1,783)	(1,890)	
Transfer to other reserves	-	-	-	(36)	36	-	-	-	
Total contributions by and distributions to owners	-	-	-	(36)	(71)	(107)	(1,783)	(1,890)	
At 30 June 2013	50,915	-	2,323	138,159	2,918	194,315	20,942	215,257	

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2013

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 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	95	-	-	-	95
Purchase of treasury shares	-	(344)	-	-	(344)
Total contributions by and distributions to owners	95	(344)	-	-	(249)
At 30 June 2012	39,578	(566)	22,040	1,514	62,566
At 1 April 2013	50,915	-	14,267	2,156	67,338
Net profit for the financial period	-	-	(201)	-	(201)
Total comprehensive income for the financial period	-	-	(201)	-	(201)
At 30 June 2013	50,915	-	14,066	2,156	67,137

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

On 6 August 2012, the Company allotted and issued 35,223,084 bonus shares (comprising 34,823,084 new shares and 400,000 treasury shares) pursuant to the Bonus Issue.

During FY2013, the Company acquired 6,690,000 (FY2012: 1,011,000) ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares.

On 2 October 2012, the Company cancelled 4,000,000 treasury shares to enhance shareholders' value.

In March 2013, the Company entered into a placement agreement, by way of issuance of 30,899,000 new shares and transfer of 4,101,000 existing issued shares in the capital of the Company which were held as treasury shares at an issue price of S\$0.408 per placement share.

The total number of issued shares as at 30 June 2013 were 414,353,307 shares (as at 30 June 2012: 349,731,223 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 2012 and 1 April 2012	
- Ordinary Shares	350,267,941
- Warrants	1,377,511
 during the 1st quarter FY2013	
Issuance of new shares upon exercising of warrants	
- Ordinary Shares	952,282
- Warrants	(952,282)
 Purchase of treasury shares	
- Ordinary Shares	(1,489,000)
 during the 2nd quarter FY2013	
Purchase of treasury shares	
- Ordinary Shares	(3,716,000)
 Bonus shares issued on 6 August 2012	
- Ordinary Shares to public shareholders	35,223,084
- Ordinary Shares as treasury shares	(400,000)
 during the 3rd quarter FY2013	
Purchase of treasury shares	
- Ordinary Shares	(1,485,000)
 during the 4th quarter FY2013	
Issuance of new shares pursuant to placement agreement	
- Ordinary Shares	35,000,000
 Balance as at 31 March 2013 and 30 June 2013	
- Ordinary Shares	414,353,307

The total number of treasury shares held by the Company as at 30 June 2013 was nil (as at 30 June 2012: 2,500,000).

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.

	No. of treasury shares First Quarter Ended 30.06.2013
Balance as at 31 March 2012 and 1 April 2012	1,011,000
Purchase of treasury shares	6,690,000
Bonus shares issued on 6 August 2012 as treasury shares	400,000
Cancellation of shares held in treasury	(4,000,000)
Disposal of treasury shares	(4,101,000)
Balance as at 31 March 2013 and 30 June 2013	-

AUDIT

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

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

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

Not applicable.

ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently financial statements for the audited financial year ended 31 March 2013.

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	
	30.06.2013	30.06.2012
	(cents)	(cents)
a) On a basic basis	2.76	1.23
b) On a fully diluted basis	2.76	1.23
	S\$'000	S\$'000
Group's profit for the financial period attributable to Owners of the Company used in the computation of basic EPS	11,420	4,315
Group's adjusted profit for the financial period attributable to Owners of the Company used in the computation of diluted EPS	11,420	4,315
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS	414,353,307	350,913,187
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS	414,353,307	349,731,223

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 30.06.2013	as at 31.03.2013	as at 30.06.2013	as at 31.03.2013
Net asset value per ordinary share (cents)	46.90	43.54	16.20	16.25
Issue share capital excluding treasury shares at the end of the period/year	414,353,307	414,353,307	414,353,307	414,353,307

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

1QFY2014 vs 1QFY2013

Revenue

The Group has a total revenue of S\$83.3 million for the first quarter three months ended 30 June 2013 ("1QFY2014"), an increase of S\$28.1 million or 50.9% compared to S\$55.2 million registered in the corresponding period ended 30 June 2012 ("1QFY2013"). The increase was mainly due to the increase in revenue from the construction business of S\$23.8 million or 49.6% from S\$47.9 million in 1QFY2013 to S\$71.7 million in 1QFY2014. Revenue from sales of development property increased by S\$4.1 million or 69.8% and rental income from investment properties of S\$0.2 million or 13.7%.

Other income

Other income increased by S\$0.3 million from S\$1.5 million in 1QFY2013 to S\$1.8 million in 1QFY2014. The increase was mainly due to increase in foreign exchange gain and interest income from associates after offset by the decrease in gain on sale of investment properties.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

Operating expenses

Cost of construction increased by S\$29.0 million or 60.2% from S\$48.1 million in 1QFY2013 to S\$77.1 million in 1QFY2014 in line with the increase in revenue for both construction and development property business.

Personnel expenses decreased by S\$0.8 million or 43.4% from S\$1.9 million in 1QFY2013 to S\$1.1 million in 1QFY2014 mainly due to write back of provision of staff bonuses.

There were no significant differences in depreciation of property, plant and equipment between 1QFY2014 and 1QFY2013.

Finance costs increased by S\$0.1 million in 1QFY2014 compared to 1QFY2013 mainly due to the increase in Group's borrowings.

Other operating expenses decreased by S\$0.4 million from S\$1.9 million in 1QFY2013 to S\$1.5 million in 1QFY2014. The decrease was mainly due to a write back for provision for anticipated losses of construction projects of S\$0.3 million which has been realised in 1QFY2014 as cost of construction compared to the provision provided of S\$0.7 million in 1QFY2013 and a decrease in sales tax of S\$0.2 million, offset by increase in building maintenance expenses of S\$0.3 million and unrealised exchange loss of S\$0.4 million.

Share of results of associates increased by S\$6.5 million from a profit of S\$1.3 million in 1QFY2013 to S\$7.8 million in 1QFY2014 mainly due to the contribution from the development property projects in Singapore.

Tax expenses increased in 1QFY2014 as compared to 1QFY2013 mainly due to increase in profit from operation before share of results of associates.

As a result of the above, the Group registered an increase of net profit attributable to Owners of the company of S\$7.1 million or 164.7% from S\$4.3 million in 1QFY2013 to S\$11.4 million in 1QFY2014.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") decreased by S\$0.4 million from S\$10.5 million as at 31 March 2013 ("FY2013") as compared to S\$10.1 million as at 30 June 2013 ("1QFY2014") due to depreciation offset by new purchase of plant and equipment during the 1QFY2014.

Interests in associates increased by S\$15.7 million from S\$94.0 million in FY2013 to S\$109.7 million in 1QFY2014 due to share of results of associates, additional investments in associates and additional loans to finance the development property projects, offset by foreign exchange translation.

Investment properties increased by S\$4.0 million from S\$106.8 million in FY2013 to S\$110.8 million in 1QFY2014 mainly due to additional cost paid for the investment properties under construction in Singapore and foreign exchange translation.

Trade receivables under non-current assets increased by S\$2.8 million from S\$11.3 million in FY2013 to S\$14.1 million in 1QFY2014, mainly due to additional retention sum receivables from on-going construction projects.

Other receivables of S\$2.8 million in FY2013 for the deposits placed for acquisition of shares in an associate has decreased to nil in 1QFY2014 as the acquisition was completed and shares were allotted during 1QFY2014.

Current assets

Development property decreased by S\$2.3 million from S\$43.5 million in FY2013 to S\$41.2 million in 1QFY2014 as the increase in cost incurred for the development during 1QFY2014 is less than the increase in progress billing from sales.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Current assets

Trade receivables under current assets increased by S\$4.4 million from S\$27.4 million in FY2013 to S\$31.8 million in 1QFY2014 mainly due to the increase in construction projects in progress.

Other receivables and deposits increased by S\$1.0 million from S\$2.7 million in FY2013 to S\$3.7 million in 1QFY2014 mainly due to the placing of S\$2.0 million of deposit to secure a short-term borrowings to finance an advance to an associate in The People's Republic of China ("PRC"), offset by the decrease in deposits placed for share acquisition on a subsidiary of S\$0.9 million.

Current liabilities

Trade payables under current liabilities increased by S\$0.4 million from S\$21.1 million in FY2013 to S\$21.5 million in 1QFY2014. 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 has increased.

Other payables and accruals increased by S\$5.9 million from S\$47.0 million in FY2013 to S\$52.9 million in 1QFY2014. The increase was mainly from increase in accruals made for unbilled construction costs.

With an increase in construction business and based on the progress of construction projects in 1QFY2014 as compared to FY2013, the progress billings in excess of the construction work-in-progress increased by S\$3.2 million from S\$8.6 million to S\$11.8 million in 1QFY2014.

Non-current liabilities

Trade payables under non-current liabilities increased by S\$1.3 million from S\$3.9 million in FY2013 to S\$5.2 million in 1QFY2014. The increase was mainly from increase in retention sum from subcontractors for construction projects as construction activities have increased.

Total Group's borrowings

Total borrowings increased by S\$4.2 million from S\$87.9 million in FY2013 to S\$92.1 million in 1QFY2014, mainly due to the increase in use of bills payable to banks of S\$7.5 million, partially offset by the decrease in net bank term loans of S\$3.6 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$9.2 million during 1QFY2014 mainly arose from operating cash flows before changes in working capital of S\$4.6 million, increase in working capital of S\$5.0 million and interest income received of S\$0.7 million, offset by payment made for income taxes and exchange differences.

Net cash flows used in investing activities of S\$5.4 million during 1QFY2014 mainly arose from increases in loans from associates of S\$5.0 million, additional investments in associates of S\$0.2 million, purchase of investment properties of S\$0.3 million and purchase of plant and equipment of S\$0.1 million.

Net cash flows generated from financing activities of S\$0.1 million during 1QFY2014 mainly arose from increase in use of bills payable to banks of S\$7.5 million, offset by acquisition of non-controlling interests of S\$1.9 million, net repayment of bank term loans of S\$3.6 million, increase in pledged fixed deposits placed with local banks of S\$1.4 million and interest payment of S\$0.5 million.

With the above mentioned, net increase in cash and cash equivalents during 1QFY2014 was S\$3.8 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 1QFY2014 is in line with the commentary made on 27 May 2013 in paragraph 10 of the full year results announcement for FY2013.

REVIEW OF THE PERFORMANCE OF THE GROUP

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.

Although the risks to the global growth outlook remains, Singapore's economy grew by 3.8% in the second quarter of 2013 and is expected to grow by 2.5% - 3.5% in 2013 according to Ministry of Trade and Industry ("MTI").

The construction sector in Singapore continues to face challenges such as shortage of labour and equipments; rising competition; uncertainties of material prices; rising costs of operation and potential increase in financing cost. However, the outlook of the construction sector in Singapore remains positively due to the strong demand in both public and private sectors. According to MTI, construction sector grew by 5.1% in the second quarter of 2013 and expanded at an annualised rate of 11.2%.

The property development market in Singapore expects some headwinds in the Singapore property market in the coming months following the implementation of various measures to curb speculation as well as potential impact from increasing interest rates. Nevertheless, the outlook remains positive with expected prices and sales volumes of residential property to moderate from the measures in the next few months as the economy of Singapore remains healthy and demand remains strong.

In view of the above, the Group has an order book on construction projects of more than S\$402.0 million as at 30 June 2013 and the launched property development projects under the Group so far has either achieved better or as per expectation in both sales volumes and prices.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2014.

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/recommendeded, 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).

NEGATIVE ASSURANCE

- 14 Negative assurance confirmation on the first quarter and three months 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 2013 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

12 August 2013