



KSH Holdings Limited

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

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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

INCOME STATEMENT	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease) %	HALF YEAR ENDED		increase/ (decrease) %
	30.09.2015	30.09.2014		30.09.2015	30.09.2014	
S\$'000	S\$'000		S\$'000	S\$'000		
REVENUE						
Project revenue	60,460	61,182	(1.2)	120,700	122,088	(1.1)
Rental income from investment properties	1,630	1,483	9.9	3,240	3,036	6.7
	62,090	62,665	(0.9)	123,940	125,124	(0.9)
Other income	2,477	1,614	53.5	4,590	2,846	61.3
Cost of construction	(51,321)	(55,256)	(7.1)	(104,512)	(109,534)	(4.6)
Personnel expenses	(5,679)	(3,055)	85.9	(8,665)	(5,699)	52.0
Depreciation of property, plant and equipment	(518)	(457)	13.3	(993)	(921)	7.8
Finance costs	(1,735)	(1,530)	13.4	(3,259)	(3,003)	8.5
Other operating expenses	(2,140)	(1,983)	7.9	(3,742)	(3,247)	15.2
	(61,393)	(62,281)	(1.4)	(121,171)	(122,404)	(1.0)
Profit from operations before share of results of associates and joint ventures	3,174	1,998	58.9	7,359	5,566	32.2
Share of results of associates	22,216	5,401	311.3	29,374	12,225	140.3
Share of results of joint ventures	(93)	197	<i>nm</i>	(435)	246	<i>nm</i>
Profit before taxation	25,297	7,596	233.0	36,298	18,037	101.2
Tax expense	(2,050)	(758)	170.4	(2,780)	(1,463)	90.0
Net profit for the financial period	23,247	6,838	240.0	33,518	16,574	102.2
Attributable to:						
- Owners of the Company	23,160	6,741	243.6	33,344	16,365	103.8
- Non-controlling interests	87	97	(10.3)	174	209	(16.7)
	23,247	6,838	240.0	33,518	16,574	102.2

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease) %	HALF YEAR ENDED		increase/ (decrease) %
	30.09.2015	30.09.2014		30.09.2015	30.09.2014	
	S\$'000	S\$'000		S\$'000	S\$'000	
Net profit for the financial period	23,247	6,838	240.0	33,518	16,574	102.2
Other comprehensive income:						
- Foreign currency translation	1,594	1,903	(16.2)	69	1,306	(94.7)
Other comprehensive income for the financial period, net of tax	1,594	1,903	(16.2)	69	1,306	(94.7)
Total comprehensive income for the financial period	24,841	8,741	184.2	33,587	17,880	87.8
Total comprehensive income attributable to:						
- Owners of the Company	24,418	8,224	196.9	33,442	17,384	92.4
- Non-controlling interests	423	517	(18.2)	145	496	(70.8)
	24,841	8,741	184.2	33,587	17,880	87.8

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

	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease) %	HALF YEAR ENDED		increase/ (decrease) %
	30.09.2015 S\$'000	30.09.2014 S\$'000		30.09.2015 S\$'000	30.09.2014 S\$'000	
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	1,799	827	117.5	3,402	1,649	106.3
(Allowance)/write back for doubtful debts	(57)	(1)	<i>nm</i>	13	(27)	(148.1)
Amortisation of club membership	-	-	<i>nm</i>	(1)	(1)	-
Amortisation of issuance costs on term notes	(125)	(125)	-	(250)	(250)	-
Fair value (loss)/gain on structured deposits	(30)	9	<i>nm</i>	(25)	9	<i>nm</i>
(Loss)/gain on sale of plant and equipment	(6)	39	(115.4)	(155)	40	<i>nm</i>
Foreign exchange (loss)/gain, net	(86)	(336)	(74.4)	13	(328)	(104.0)
Interest expense	(1,733)	(1,498)	15.7	(3,252)	(2,958)	9.9
Profit after taxation before non-controlling interests as a percentage of turnover	37.44%	10.91%	243.1	27.04%	13.25%	104.2
Profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before non-controlling interests at 30 September 2015 and 30 September 2014	8.33%	2.96%	181.4	11.99%	7.20%	66.6

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	
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	9,441	9,740	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	161,281	142,521	-	-
Interests in joint ventures	50,559	49,007	-	-
Investment properties	131,741	131,713	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,487	2,486	-	-
Amounts due from subsidiaries (non-trade)	-	-	131,705	137,094
Trade receivables	10,973	10,290	-	-
Other receivables	2,595	724	-	-
Club membership	41	42	-	-
Other Investments	1	1	-	-
Structured deposits	962	987	-	-
	370,081	347,511	148,496	153,885
Current assets				
Inventory	1	2	-	-
Trade receivables	46,283	48,724	-	-
Other receivables and deposits	16,673	1,456	69	23
Prepayments	364	408	35	64
Amounts due from a joint venture (non-trade)	1,100	-	-	-
Amounts due from subsidiaries (non-trade)	-	-	17,000	-
Construction work-in-progress in excess of progress billings	5,107	6,837	-	-
Fixed deposits	121,375	82,431	17,127	12,063
Cash and bank balances	22,587	12,693	3,231	742
	213,490	152,551	37,462	12,892
LIABILITIES				
Current liabilities				
Trade payables	25,103	25,447	-	-
Other payables and accruals	61,509	61,165	4,388	4,402
Deferred income	555	306	-	-
Finance lease obligations	212	110	-	-
Provision for income tax	2,440	1,729	101	37
Progress billings in excess of construction work-in-progress	31,080	13,554	-	-
Term notes, unsecured	70,432	-	70,432	-
Bank term loans, secured	10,646	8,033	-	6,000
Bills payable to banks, secured	-	1,438	-	-
	201,977	111,782	74,921	10,439
Net current assets/(liabilities)	11,513	40,769	(37,459)	2,453

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.09.2015	31.03.2015	30.09.2015	31.03.2015
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	5,170	3,628	-	-
Other payables and accruals	200	339	-	-
Amounts due to subsidiaries (non-trade)	-	-	26,712	4,444
Finance lease obligations	745	434	-	-
Bank term loans, secured	52,037	11,796	-	-
Term notes, unsecured	-	74,432	-	74,432
Deferred tax liabilities	21,553	20,690	-	-
	<u>79,705</u>	<u>111,319</u>	<u>26,712</u>	<u>78,876</u>
NET ASSETS	<u>301,889</u>	<u>276,961</u>	<u>84,325</u>	<u>77,462</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	(3,319)	(851)	(3,319)	(851)
Translation reserve	9,478	9,500	-	-
Accumulated profits	217,754	190,686	34,573	25,242
Other reserves	3,237	3,032	2,156	2,156
	<u>278,065</u>	<u>253,282</u>	<u>84,325</u>	<u>77,462</u>
Non-controlling interests	23,824	23,679	-	-
TOTAL EQUITY	<u>301,889</u>	<u>276,961</u>	<u>84,325</u>	<u>77,462</u>

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

The amount repayable in one year or less, or on demand			
At 30.09.2015		At 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,858	70,432	9,581	-

The amount repayable after one year			
At 30.09.2015		At 31.03.2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
52,782	-	12,230	74,432

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 development property of a joint venture;
- 9) Legal assignment of the construction contract(s) and performance bonds from development property of a joint venture;
- 10) Legal assignment of fire insurance policy from development property of a joint venture;
- 11) Corporate guarantees from all the shareholders of a joint venture in equal share ratio; and
- 12) Debenture over all present and future assets of a joint venture.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

STATEMENT OF CASH FLOWS

	GROUP		GROUP	
	SECOND QUARTER ENDED		HALF YEAR ENDED	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation	25,297	7,596	36,298	18,037
Adjustments:				
Depreciation of property, plant and equipment	518	457	993	921
Amortisation of club membership	-	-	1	1
Amortisation of issuance costs on term notes	125	125	250	250
Loss/(gain) on sale of plant and equipment	6	(39)	155	(40)
Fair value loss/(gain) on structured deposits	30	(9)	25	(9)
Allowance/(write back) for doubtful debts	57	1	(13)	27
Interest expense	1,733	1,498	3,252	2,958
Interest income	(1,799)	(827)	(3,402)	(1,649)
Share of results of associates	(22,216)	(5,401)	(29,374)	(12,225)
Share of results of joint ventures	93	(197)	435	(246)
Operating cash flows before changes in working capital	3,844	3,204	8,620	8,025
Decrease/(increase) in:				
Inventory	1	-	1	-
Trade and other receivables, deposits and prepayments	(6,271)	(1,288)	(9,181)	(6,058)
Construction work-in-progress, net	16,595	(334)	19,256	757
(Decrease)/increase in:				
Trade and other payables and accruals	(5,425)	3,766	1,376	5,092
Deferred income	146	115	248	110
Cash flows generated from operations	8,890	5,463	20,320	7,926
Income taxes paid	(1,004)	(1,561)	(1,251)	(1,906)
Interest income received	1,799	827	3,402	1,649
Exchange differences	322	(85)	166	(55)
Net cash flows generated from operating activities	10,007	4,644	22,637	7,614
Investing activities				
Purchase of plant and equipment	(547)	(268)	(788)	(433)
Purchase of investment properties	-	-	-	(2,788)
Proceeds from sale of plant and equipment	-	45	430	46
Loans due from associates, net	(2,917)	(29,848)	(4,116)	(52,415)
Decrease in interests in an associate for share of dividends declared	-	-	10,500	-
Loans due from joint ventures, net	(547)	-	(3,087)	-
Loans due from investee companies	4,087	-	(1,872)	-
Net cash flows generated from/(used in) investing activities	76	(30,071)	1,067	(55,590)
Financing activities				
Dividends paid	(6,191)	(7,252)	(6,191)	(7,252)
Purchase of treasury shares	(2,468)	-	(2,468)	-
Purchase of term notes	(4,250)	-	(4,250)	-
Proceeds from bank term loans	10,000	-	50,000	1,734
Repayment of bank term loans	(7,005)	(115)	(7,148)	(2,285)
Proceeds from bills payable to banks	-	11,058	-	1,578
Repayment of bills payable to banks	(998)	-	(1,438)	-
Interest paid	(1,733)	(1,498)	(3,252)	(2,958)
Repayment of lease obligations	(52)	-	(79)	-
Increase in pledged fixed deposits	(5,029)	(20)	(8,741)	(26)
Net cash flows (used in)/generated from financing activities	(17,726)	2,173	16,433	(9,209)
Net (decrease)/increase in cash and cash equivalents	(7,643)	(23,254)	40,137	(57,185)
Effect of exchange rate changes on cash and cash equivalents	17	94	(40)	47
Cash and cash equivalents at beginning of financial year	126,775	88,479	79,052	122,457
Cash and cash equivalents at end of financial period (Note A)	119,149	65,319	119,149	65,319

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

	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances**	22,587	18,819	22,587	18,819
Fixed deposits	121,375	62,540	121,375	62,540
	143,962	81,359	143,962	81,359
Less: Pledged fixed deposits	(24,813)	(16,040)	(24,813)	(16,040)
Cash and cash equivalents	119,149	65,319	119,149	65,319

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

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Owners of the Company							Total equity S\$'000
	Share capital S\$'000	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	Non-controlling interests S\$'000	
At 1 April 2014	50,915	-	1,848	161,461	3,033	217,257	21,519	238,776
Net profit for the financial period	-	-	-	16,365	-	16,365	209	16,574
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	1,019	-	-	1,019	287	1,306
Other comprehensive income for the financial period	-	-	1,019	-	-	1,019	287	1,306
Total comprehensive income for the financial period	-	-	1,019	16,365	-	17,384	496	17,880
<u>Contributions by and distributions to owners</u>								
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(7,252)	-	(7,252)	-	(7,252)
Transfer to other reserves	-	-	-	(84)	84	-	-	-
Total contributions by and distributions to owners	-	-	-	(7,336)	84	(7,252)	-	(7,252)
At 30 September 2014	50,915	-	2,867	170,490	3,117	227,389	22,015	249,404
At 1 April 2015	50,915	(851)	9,500	190,686	3,032	253,282	23,679	276,961
Net profit for the financial period	-	-	-	33,344	-	33,344	174	33,518
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(22)	(0)	120	98	(29)	69
Other comprehensive income for the financial period	-	-	(22)	(0)	120	98	(29)	69
Total comprehensive income for the financial period	-	-	(22)	33,344	120	33,442	145	33,587
<u>Contributions by and distributions to owners</u>								
Interim & final tax-exempt dividends on ordinary shares	-	-	-	(6,191)	-	(6,191)	-	(6,191)
Purchase of treasury shares	-	(2,468)	-	-	-	(2,468)	-	(2,468)
Transfer to other reserves	-	-	-	(85)	85	-	-	-
Total contributions by and distributions to owners	-	(2,468)	-	(6,276)	85	(8,659)	-	(8,659)
At 30 September 2015	50,915	(3,319)	9,478	217,754	3,237	278,065	23,824	301,889

UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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 2014	50,915	-	32,747	2,156	85,818
Net profit for the financial period	-	-	(2,261)	-	(2,261)
Total comprehensive income for the financial period	-	-	(2,261)	-	(2,261)
<u>Contributions by and distributions to owners</u>					
Interim and final tax-exempt dividends on ordinary shares	-	-	(7,252)	-	(7,252)
Total contributions by and distributions to owners	-	-	(7,252)	-	(7,252)
At 30 September 2014	50,915	-	23,234	2,156	76,305
At 1 April 2015	50,915	(851)	25,242	2,156	77,462
Net profit for the financial period	-	-	15,522	-	15,522
Total comprehensive income for the financial period	-	-	15,522	-	15,522
<u>Contributions by and distributions to owners</u>					
Interim & final tax-exempt dividends on ordinary shares	-	-	(6,191)	-	(6,191)
Purchase of treasury shares	-	(2,468)	-	-	(2,468)
Total contributions by and distributions to owners	-	(2,468)	(6,191)	-	(8,659)
At 30 September 2015	50,915	(3,319)	34,573	2,156	84,325

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 6,905,400 (FY2014: nil) ordinary shares by way of market purchases on the Singapore Exchange and held as treasury shares during FY2015 and 1HFY2016.

The total number of issued shares as at 30 September 2015 was 407,447,907 shares excluding treasury shares (as at 30 September 2014 was 414,353,307 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 2014 and 30 September 2014	
- Ordinary Shares	414,353,307
during the 3rd quarter FY2015	
Purchase of treasury shares	
- Ordinary Shares	(1,448,000)
during the 4th quarter FY2015	
Purchase of treasury shares	
- Ordinary Shares	(189,000)
Balance as at 31 March 2015	
- Ordinary Shares	412,716,307
during the 2th quarter FY2016	
Purchase of treasury shares	
- Ordinary Shares	(5,268,400)
Balance as at 30 September 2015	
- Ordinary Shares	407,447,907

The total number of treasury shares held by the Company as at 30 September 2015 was 6,905,400 (as at 30 September 2014: nil).

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the period ended 30 September 2015.

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 2015, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2015.

ACCOUNTING POLICIES (Cont'd)

- 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.

Not applicable.

EARNINGS PER SHARE

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

	GROUP SECOND QUARTER ENDED		GROUP HALF YEAR ENDED	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	5.68	1.63	8.18	3.95
b) On a fully diluted basis	5.68	1.63	8.18	3.95
	S\$'000	S\$'000	S\$'000	S\$'000
Group's profit for the financial period attributable to Owners of the Company used in the computation of basic and diluted EPS	23,160	6,741	33,344	16,365
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	407,447,907	414,353,307	407,447,907	414,353,307

NET ASSET VALUE PER SHARE

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

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

	GROUP		COMPANY	
	as at 30.09.2015	as at 31.03.2015	as at 30.09.2015	as at 31.03.2015
Net asset value per ordinary share (cents)	68.25	61.37	20.70	18.77
Issue share capital excluding treasury shares at the end of the period/year	407,447,907	412,716,307	407,447,907	412,716,307

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

2QFY2016 vs 2QFY2015

Revenue

The Group has a total revenue of S\$62.1 million for the second quarter ended 30 September 2015 ("2QFY2016"), a decrease of S\$0.6 million or 0.9% compared to S\$62.7 million registered in the corresponding period ended 30 September 2014 ("2QFY2015"). The decrease was mainly due to the decrease in revenue from the construction business of S\$0.7 million or 1.2% from S\$61.2 million in 2QFY2015 to S\$60.5 million in 2QFY2016, offset by the slight increase from rental income from investment properties.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

2QFY2016 vs 2QFY2015

Other income

Other income increased by S\$0.9 million or 53.5% from S\$1.6 million in 2QFY2015 to S\$2.5 million in 2QFY2016. The increase was mainly due to the increase in interest income.

Operating expenses

Cost of construction decreased by S\$4.0 million or 7.1% from S\$55.3 million in 2QFY2015 to S\$51.3 million in 2QFY2016, mainly due to improvement in gross margin from construction projects and decrease in project revenue.

Personnel expenses increased by S\$2.6 million or 85.9% from S\$3.1 million in 2QFY2015 to S\$5.7 million in 2QFY2016, mainly due to the increase in provision for bonuses of S\$2.4 million and salaries of S\$0.2 million.

There were no significant differences in depreciation of property, plant and equipment between 2QFY2016 and 2QFY2015.

Finance costs increased by S\$0.2 million or 13.4% from S\$1.5 million in 2QFY2015 to S\$1.7 million in 2QFY2016, mainly due to the increase in Group's borrowings and interest rates.

Other operating expenses increased by S\$0.1 million or 7.9% from S\$2.0 million in 2QFY2015 to S\$2.1 million in 2QFY2016, mainly due to the increase in expenses relating to term notes of S\$0.6 million offset by the decrease in exchange loss of S\$0.5 million.

Share of results of associates increased by S\$16.8 million or 311.3% from S\$5.4 million in 2QFY2015 to S\$22.2 million in 2QFY2016, mainly due to S\$15.8 million contributed from the development property project - Liang Jing Ming Ju Phase 4 - Sequoia Mansion in Beijing, People's Republic of China ("PRC") which profit of sold units were recognised upon construction completion during 2QFY2016 and the increase in percentage of completion recognised on the development property projects in Singapore. The loss on share of results from joint ventures is mainly due to selling expenses incurred prior to the launch of a residential development project - High Park Residences.

Tax expense increased by S\$1.3 million or 170.4% from S\$0.8 million in 2QFY2015 to S\$2.1 million in 2QFY2016, mainly due to the increase in provision of withholding tax of S\$0.8 million on the share of profit contributed by the Liang Jing Ming Ju Phase 4 - Sequoia Mansion in PRC and the increase in expenses incurred not allowed for tax deduction.

As a result of the above, the Group registered an increase in net profit attributable to Owners of the company of S\$16.5 million or 243.6% from S\$6.7 million in 2QFY2015 to S\$23.2 million in 2QFY2016.

1HFY2016 vs 1HFY2015

Revenue

The Group has a total revenue of S\$123.9 million for the half year ended 30 September 2015 ("1HFY2016"), a decrease of S\$1.2 million or 0.9% compared to S\$125.1 million registered in the corresponding half year period ended 30 September 2014 ("1HFY2015"). The decrease was mainly due to the decrease in revenue from the construction business of S\$1.4 million or 1.1% from S\$122.1 million in 1HFY2015 to S\$120.7 million in 1HFY2016, offset by slight increase in rental income from investment properties.

Other income

Other income increased by S\$1.8 million or 61.3% from S\$2.8 million in 1HFY2015 to S\$4.6 million in 1HFY2016. The increase was mainly due to the increase in interest income.

Operating expenses

Cost of construction decreased by S\$5.0 million or 4.6% from S\$109.5 million in 1HFY2015 to S\$104.5 million in 1HFY2016, mainly due to improvement in gross margin from construction projects and decrease in project revenue.

REVIEW OF THE PERFORMANCE OF THE GROUP

Operating expenses

Personnel expenses increased by S\$3.0 million or 52.0% from S\$5.7 million in 1HFY2015 to S\$8.7 million in 1HFY2016, mainly due to the increase in provision for bonuses and salaries for staff and workers.

There were no significant differences in depreciation of property, plant and equipment between 1HFY2016 and 1HFY2015.

Finance costs increased by S\$0.3 million or 8.5% from S\$3.0 million in 1HFY2015 to S\$3.3 million 1HFY2016, mainly due the increase in Group's borrowings and interest rates.

Other operating expenses increased by S\$0.5 million or 15.2% from S\$3.2 million in 1HFY2015 to S\$3.7 million in 1HFY2016, mainly due to the increase in expenses relating to term notes of S\$0.6 million and loss on sale of plant and equipment of S\$0.2 million, partially offset by the decrease in exchange loss of S\$0.3 million.

Share of results of associates increased by S\$17.2 million or 140.3% from S\$12.2 million in 1HFY2015 to S\$29.4 million in 1HFY2016, mainly due to S\$15.8 million contributed from the development property project - Liang Jing Ming Ju Phase 4 - Sequoia Mansion in Beijing, People's Republic of China ("PRC") which profit of sold units were recognised upon construction completion during 2QFY2016 and the increase in percentage of completion recognised on the development property projects in Singapore. The loss on share of results from joint ventures is mainly due to selling expenses incurred prior to the launch of a residential development project - High Park Residences.

Tax expense increased by S\$1.3 million or 90.0% from S\$1.5 million in 1HFY2015 to S\$2.8 million in 1HFY2016, mainly due to the increase in provision of withholding tax of S\$0.8 million on the share of profit contributed by the Liang Jing Ming Ju Phase 4 - Sequoia Mansion in PRC and the increase in expenses incurred not allowed for tax deduction.

As a result of the above, the Group registered an increase of net profit attributable to Owners of the company of S\$16.9 million or 103.8% from S\$16.4 million in 1HFY2015 to S\$33.3 million in 1HFY2016.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") decreased by S\$0.3 million from S\$9.7 million as at 31 March 2015 ("FY2015") as compared to S\$9.4 million as at 30 September 2015 ("1HFY2016"), mainly due to depreciation offset by new purchase of plant and equipment during the 1HFY2016.

Interests in associates increased by S\$18.8 million from S\$142.5 million in FY2015 to S\$161.3 million in 1HFY2016 due to share of results of associates and additional loans to associates to finance the development property projects.

Interests in joint ventures increased by S\$1.6 million from S\$49.0 million in FY2015 to S\$50.6 million in 1HFY2016 due to additional loans to joint ventures to finance the development property project, offset by share of results of joint ventures.

Other receivables under non-current assets increased by S\$1.9 million from S\$0.7 million in FY2015 to S\$2.6 million in 1HFY2016, mainly due to the increase in loans due from investee companies.

Current assets

Trade receivables under current assets decreased by S\$2.4 million from S\$48.7 million in FY2015 to S\$46.3 million in 1HFY2016, mainly due to the decrease in amount of progress claims certified for construction projects in progress.

Other receivables and deposits increased by S\$15.2 million from S\$1.5 million in FY2015 to S\$16.7 million in 1HFY2016, mainly due to dividends receivables of S\$10.5 million from an associate in Singapore, advances of S\$4.3 million loans to investee companies and S\$0.5 million for tender deposits.

Amounts due from a joint venture of S\$1.1 million in 1HFY2016 relates to amounts to be repaid by a joint venture in October 2015.

With a decrease in construction business and based on the progress of construction projects in 1HFY2016 as compared to FY2015, the construction work-in-progress in excess of progress billings decreased by S\$1.7 million from S\$6.8 million in FY2015 to S\$5.1 million in 1HFY2016.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Current liabilities

There were no significant differences in trade payables, other payables and accruals between 1HFY2016 and FY2015.

Based on the progress of construction projects in 1HFY2016 as compared to FY2015, the progress billings in excess of the construction work-in-progress increased by S\$17.5 million from S\$13.6 million in FY2015 to S\$31.1 million in 1HFY2016.

Non-current liabilities

Trade payables under non-current liabilities increased by S\$1.6 million from S\$3.6 million in FY2015 to S\$5.2 million in 1HFY2016. The increase was mainly from the increase in retention sums payable to subcontractors for completed and ongoing construction projects.

Total Group's borrowings

Total borrowings increased by S\$37.9 million from S\$96.2 million in FY2015 to S\$134.1 million in 1HFY2016, mainly due to the increase in bank term loans, net of S\$42.9 million and proceed in finance obligations of S\$0.4 million, partially offset by the decrease in bills payable of S\$1.4 million and buy back of term notes of S\$4.3 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$22.6 million during 1HFY2016 mainly arose from operating cash flows before changes in working capital of S\$8.6 million, the increase in working capital of S\$11.7 million and interest income received of S\$3.4 million, offset by payment made for income taxes of S\$1.3 million.

Net cash flows generated from investing activities of S\$1.1 million during 1HFY2016 mainly arose from the decrease in interests in an associate of S\$10.5 million for share of dividends declared, offset by additional loans injected to investee companies, associates and joint ventures of S\$9.1 million.

Net cash flows generated from financing activities of S\$16.4 million during 1HFY2016 mainly arose from bank term loans proceeds of S\$50.0 million, offset by the increase in pledged fixed deposits of S\$8.7 million, interest payment of S\$3.3 million, dividends payment made of S\$6.2 million and repayment of bills payable to banks and bank term loans of S\$8.6 million, purchase of treasury shares of S\$2.5 million and buy back of term notes of S\$4.3 million.

With the above mentioned, net increase in cash and cash equivalents during 1HFY2016 was S\$40.1 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. The actual results in 2QFY2016 is in line with the commentary made on 13 August 2015 in paragraph 10 of the first quarter results announcement for 1QFY2016.

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

According to the Macroeconomic Review released by the Monetary Authority of Singapore ("MAS") in October 2015, the Singapore economy is expected to see growth of 2.0% - 2.5% in 2015, with risks tilted to the downside. MAS pointed out that "regional headwinds" - mainly posed by the slowdown experienced by Singapore's major regional trading partners that include PRC, Indonesia and Malaysia, have intensified recently and predicted that the situation would persist next year.

Singapore construction sector expanded by 2.5% on a year-on-year basis in the second quarter, an improvement from the 1.1% growth recorded in the previous quarter. Growth was supported by stronger expansion in public sector construction activities. Singapore Building and Construction Authority ("BCA") estimates that the construction demand in 2015 to remain strong at between S\$29 billion and S\$36 billion. The expected construction demand for public sector and private sector is S\$16 billion - S\$19.5 billion and S\$13 billion - S\$16.5 billion respectively.

REVIEW OF THE PERFORMANCE OF THE GROUP

- 10 Cost of construction and other operating costs are likely to continue the uptrend as a result of increasing manpower cost stemming from various foreign manpower tightening measures and labour shortage; higher cost on adoption of advanced systems and technologies as well as equipment; higher cost of regulatory compliance; hikes in financing cost and etc. However, the increase in cost is likely to be restrained by current stable prices of some key construction materials.

To ride on the promising outlook of the construction sector amid continual tightening of manpower supply, the Group shall continue to strive to raise productivity through technology adoption and innovative measures; training of workers and higher usage of equipment and tools with the assistance from Government grants.

Singapore residential property market outlook remain challenging as Urban Redevelopment Authority ("URA") reported that prices of private residential properties in the third quarter fell by 1.3 % from the previous quarter - the eight consecutive quarter of decline. Property developers sold 341 new private residential units last month, down from the 513 units sold in August. Private home sales slump 33.5% from 513 new units in August 2015 to 341 new units in September 2015 amid fewer property launches.

Prices and rents of office and retail space in Singapore fell in the third quarter, although occupancy rates improved for both segments. URA announced in October 2015 that prices of office space fell by 0.1% in the third quarter, reversing the increase of 0.3% in the previous quarter. Rentals of office space also fell by 2.9%, following on from a fall of 2.6% in the second quarter. The island-wide vacancy rate of office space fell to 9.6%, down from 9.8% at the end of the second quarter as occupied office space has increased with a decrease in the stock of office space in the third quarter. For retail space, the vacancy rate of retail space fell to 7.0% at the end of the third quarter as the stock of retail space has fallen more than the decrease in occupied retail space.

The Group has an order book on construction projects in Singapore of more than S\$324 million as at 30 September 2015.

As at 30 September 2015, there are 14 projects launched by associates and joint ventures under the Group as set out below.

No.	Project Name	Group Stake	Type of Development	Status of Construction	Revenue Recognition Method	% Units Sold
Singapore						
1	Lincoln Suites	25.00%	Residential	Completed	Percentage of Completion	93.7%
2	The Boutiq	35.00%	Residential	Completed	Percentage of Completion	94.6%
3	Palacio	32.00%	Residential	Ongoing	Percentage of Completion	100.0%
4	REZI26	45.00%	Residential	Completed	Percentage of Completion	100.0%
5	REZI3TWO	45.00%	Residential	Ongoing	Percentage of Completion	63.1%
6	Sky Green	25.00%	Residential	Ongoing	Percentage of Completion	97.7%
7	Cityscape@Farrer Park	35.00%	Residential	Completed	Percentage of Completion	90.4%
8	NEWest	12.25%	Residential and Commercial	Ongoing	Percentage of Completion	93.1%
9	KAP & KAP Residences	12.60%	Residential and Commercial	Ongoing	Percentage of Completion	99.6%
10	Floraville / Floraview / Floravista	12.25%	Residential and Commercial	Ongoing	Percentage of Completion	42.9%
11	Hexacube	30.00%	Commercial and Office	Ongoing	Completion	56.2%
12	Trio	35.00%	Commercial	Ongoing	Completion	34.9%
13	High Park Residences	20.00%	Residential and Commercial	Ongoing	Completion	87.5%
Overseas						
14	Liang Jing Ming Ju Phase 4 - Sequoia Mansion	45.00%	Residential (<i>Commercial and Office excluded</i>)	Completed	Completion	90.9%

As at 30 September 2015, subject to cancellation of contracts, the Group has a balance amount of attributable share of progress billings to be recognised as sales revenue of approximately S\$300.8 million from the above projects, the profits of which will be progressively recognised by the associates and joint ventures and contribute to the Group's results after 2QFY2016.

The Group's joint venture investment in The Prudential Tower, a Grade A office building located at the Raffles Place precinct with almost full occupancy and good tenant mix given its prime location, will also continue to contribute positively to the results of the Group.

In view of the above and barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2016.

DIVIDENDS

11 (a) Current financial period reported on

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

Name of Dividend	(Tax Exempt 1-Tier)		Total Cash and Special
	Interim Ordinary		
Dividend Type	Cash	Special Cash	
Dividend Rate	1.25 cents per ordinary share	0.30 cent per ordinary share	1.55 cents per ordinary share

In addition to the proposed interim and special cash dividend, the Company is also proposing a bonus issue ("Proposed Bonus Issue"). The Proposed Bonus Issue is subject to approval of the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the bonus shares on the Official List of the SGX-ST. For details of the Proposed Bonus Issue, please refer to the separate announcement to be released by the Company.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	(Tax Exempt 1-Tier)
	Interim Ordinary
Date of Payment	08.12.2014
Dividend Type	Cash
Dividend Rate	1.25 cents per ordinary share

(c) Date payable

The proposed interim and special cash dividend will be payable on or about 8 December 2015.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and the Register of Members of the Company will be closed from 5.00 pm on 27 November 2015 for the purpose of determining shareholders' entitlement to the interim and special cash dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00 pm on 27 November 2015 will be registered to determine shareholders' entitlements to the proposed interim and special cash dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 27 November 2015 will be entitled to the proposed interim and special cash dividend.

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).

NEGATIVE ASSURANCE

14 Negative assurance confirmation on the second quarter and half year financial results pursuant to Rule 705(5) of the Listing Manual of SGX-ST.

On behalf of the Board of Directors of the Company, we, the undersigned, do hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the second quarter and half year ended 30 September 2015 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

6 November 2015