



## **KSH Holdings Limited**

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

### **UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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)
	30.09.2019	30.09.2018 (re-stated)		30.09.2019	30.09.2018 (re-stated)	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>REVENUE</b>						
Project revenue	57,324	33,797	69.6	123,891	73,067	69.6
Rental income from investment properties	1,505	1,452	3.7	2,689	2,990	(10.1)
	<b>58,829</b>	<b>35,249</b>	66.9	<b>126,580</b>	<b>76,057</b>	66.4
Other income	2,873	2,555	12.4	5,984	5,205	15.0
Cost of construction	(54,353)	(30,258)	79.6	(114,662)	(59,193)	93.7
Personnel expenses	(2,650)	(3,364)	(21.2)	(5,878)	(6,564)	(10.5)
Depreciation of property, plant and equipment	(601)	(506)	18.8	(1,238)	(877)	41.2
Finance costs	(1,195)	(1,019)	17.3	(2,553)	(1,909)	33.7
Other operating expenses	(1,633)	(1,437)	13.6	(3,611)	(3,259)	10.8
	(60,432)	(36,584)	65.2	(127,942)	(71,802)	78.2
<b>Profit from operations before share of results of associates and joint ventures</b>	<b>1,270</b>	<b>1,220</b>	4.1	<b>4,622</b>	<b>9,460</b>	(51.1)
Share of results of associates and joint ventures	5,330	869	<i>nm</i>	7,850	(156)	<i>nm</i>
<b>Profit before taxation</b>	<b>6,600</b>	<b>2,089</b>	<i>nm</i>	<b>12,472</b>	<b>9,304</b>	34.0
Income tax expense	(520)	(194)	<i>nm</i>	(1,223)	(1,758)	(30.4)
<b>Profit for the period</b>	<b>6,080</b>	<b>1,895</b>	<i>nm</i>	<b>11,249</b>	<b>7,546</b>	49.1
<b>Attributable to:</b>						
- Owners of the Company	5,975	1,803	<i>nm</i>	11,112	7,330	51.6
- Non-controlling interests	105	92	14.1	137	216	(36.6)
	<b>6,080</b>	<b>1,895</b>	<i>nm</i>	<b>11,249</b>	<b>7,546</b>	49.1

*nm: not meaningful*

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	SECOND QUARTER ENDED		increase/ (decrease)	HALF YEAR ENDED		increase/ (decrease)
	30.09.2019	30.09.2018		30.09.2019	30.09.2018	
	(re-stated)		(re-stated)			
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Profit for the period</b>	<b>6,080</b>	<b>1,895</b>	<i>nm</i>	<b>11,249</b>	<b>7,546</b>	49.1
<b>Other comprehensive income:</b>						
<b>Items that will not be reclassified to profit or loss</b>						
- Fair value gain on equity instruments at fair value through other comprehensive income	-	-	<i>nm</i>	58	-	<i>nm</i>
<b>Items that may be reclassified subsequently to profit or loss</b>						
- Foreign currency translation	(2,148)	(4,114)	(47.8)	(5,087)	(6,285)	(19.1)
<b>Other comprehensive income for the period, net of tax</b>	<b>(2,148)</b>	<b>(4,114)</b>	<b>(47.8)</b>	<b>(5,029)</b>	<b>(6,285)</b>	<i>nm</i>
<b>Total comprehensive income for the period</b>	<b>3,932</b>	<b>(2,219)</b>	<i>nm</i>	<b>6,220</b>	<b>1,261</b>	<i>nm</i>
<b>Total comprehensive income attributable to:</b>						
- Owners of the Company	4,219	(1,548)	<i>nm</i>	7,031	2,143	<i>nm</i>
- Non-controlling interests	(287)	(671)	(57.2)	(811)	(882)	(8.0)
<b>Total comprehensive income for the period</b>	<b>3,932</b>	<b>(2,219)</b>	<i>nm</i>	<b>6,220</b>	<b>1,261</b>	<i>nm</i>

*nm: not meaningful*

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

	GROUP			GROUP		
	SECOND QUARTER ENDED			HALF YEAR ENDED		
	30.09.2019	30.09.2018	increase/ (decrease)	30.09.2019	30.09.2018	increase/ (decrease)
	(re-stated)			(re-stated)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	2,045	1,619	26.3	4,505	3,428	31.4
Write back/(allowance) of provision for onerous contract	381	27	nm	916	(1,406)	nm
Amortisation of club membership	(1)	(1)	-	(1)	(1)	-
Fair value gain on structured deposits	5	3	66.7	13	12	8.3
Loss on sale of plant and equipment, net	(4)	(1)	nm	(2)	(2)	-
Foreign exchange loss, net	(499)	-	nm	(1,136)	(222)	nm
Interest expense	(1,187)	(956)	24.2	(2,533)	(1,801)	40.6
Profit after taxation before non-controlling interests as a percentage of turnover	10.34%	5.38%	92.2	8.89%	9.92%	(10.4)
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 2019 and 30 September 2018	1.83%	0.54%	nm	3.39%	2.21%	53.4

nm: not meaningful

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>30.09.2019</b>	<b>31.03.2019</b>	<b>30.09.2019</b>	<b>31.03.2019</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	22,574	18,499	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	202,556	184,111	-	-
Interests in joint ventures	81,978	89,663	-	-
Investment securities	1,306	1,248	-	-
Investment properties	117,156	121,380	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,141	2,231	-	-
Amounts due from subsidiaries (non-trade)	-	-	199,891	187,348
Deferred tax assets	587	587	112	112
Other receivables	1,230	1,246	-	-
Club membership	31	32	-	-
Structured deposits	3,078	3,065	-	-
	<b>432,637</b>	<b>422,062</b>	<b>216,794</b>	<b>204,251</b>
<b>Current assets</b>				
Trade receivables	14,402	25,459	-	-
Other receivables and deposits	13,136	2,072	111	170
Prepayments	539	430	34	19
Amounts due from associates (non-trade)	290	4,950	-	-
Contract assets	39,979	33,129	-	-
Structured deposits	4,700	4,700	-	-
Fixed deposits	52,998	65,823	26,416	39,267
Cash and bank balances	20,598	45,392	5,358	13,939
	<b>146,642</b>	<b>181,955</b>	<b>31,919</b>	<b>53,395</b>
<b>Total assets</b>	<b>579,279</b>	<b>604,017</b>	<b>248,713</b>	<b>257,646</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	18,361	15,020	-	-
Other payables and accruals	55,599	57,721	1,153	1,026
Other liabilities	287	-	-	-
Deferred income	349	217	-	-
Amounts due to subsidiaries (non-trade)	-	-	5,500	-
Finance lease obligations	562	611	-	-
Provision for income tax	2,243	2,767	921	835
Contract liabilities	14,290	1,927	-	-
Provision for onerous contract	-	916	-	-
Bank term loans, secured	31,251	38,699	22,107	26,602
Bills payable to banks, secured	6,366	32,721	-	-
	<b>129,308</b>	<b>150,599</b>	<b>29,681</b>	<b>28,463</b>

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.09.2019	31.03.2019	30.09.2019	31.03.2019
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current liabilities</b>				
Other payables and accruals	185	192	-	-
Other liabilities	4,577	-	-	-
Amounts due to subsidiaries (non-trade)	-	-	76,943	75,491
Finance lease obligations	1,451	1,639	-	-
Bank term loans, secured	75,948	81,793	72,497	78,050
Deferred tax liabilities	17,833	18,534	-	-
	99,994	102,158	149,440	153,541
<b>Total liabilities</b>	<b>229,302</b>	<b>252,757</b>	<b>179,121</b>	<b>182,004</b>
<b>NET ASSETS</b>	<b>349,977</b>	<b>351,260</b>	<b>69,592</b>	<b>75,642</b>
<b>EQUITY</b>				
<b>Equity attributable to Owners of the Company</b>				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	(685)	-	(685)	-
Translation reserve	(4,483)	(344)	-	-
Accumulated profits	275,874	271,622	16,733	22,098
Asset revaluation reserve	219	219	-	-
Fair value adjustment reserve	1,306	1,248	-	-
Other reserves	4,161	4,119	2,629	2,629
	327,307	327,779	69,592	75,642
Non-controlling interests	22,670	23,481	-	-
<b>TOTAL EQUITY</b>	<b>349,977</b>	<b>351,260</b>	<b>69,592</b>	<b>75,642</b>

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

<b>The amount repayable in one year or less, or on demand</b>			
<b>At 30.09.2019</b>		<b>At 31.03.2019</b>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
38,179	-	72,031	-

<b>The amount repayable after one year</b>			
<b>At 30.09.2019</b>		<b>At 31.03.2019</b>	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
77,399	-	83,432	-

**Details of any collaterals:**

The Group's borrowings are secured by way of:

- 1) Assignment of progress payments from the developer for certain on-going construction projects;
- 2) Letters of assignment of certain progress payments and retention monies due to the Group;
- 3) First legal mortgage on the Group's investment properties and leasehold factory building;
- 4) Charge on fixed deposits and structured deposits;
- 5) First charge over the contract proceeds/project account arising from the construction project financed;
- 6) A first legal mortgage over the development property of a joint venture;
- 7) Legal assignment of sales proceeds from the development property of a joint venture;
- 8) Legal assignment of tenancy, rental, lease and licence agreements from the development property of a joint venture;
- 9) Legal assignment of the construction contract(s) and performance bonds from the development property of a joint venture;
- 10) Legal assignment of fire insurance policy from the development property of a joint venture;
- 11) Corporate guarantees from all the shareholders of a joint venture in equal share ratio; and
- 12) Debenture over all present and future assets of a joint venture.

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

**STATEMENT OF CASH FLOWS**

	GROUP		GROUP	
	SECOND QUARTER ENDED	SECOND QUARTER ENDED	HALF YEAR ENDED	HALF YEAR ENDED
	30.09.2019	30.09.2018 (re-stated)	30.09.2019	30.09.2018 (re-stated)
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before taxation	6,600	2,089	12,472	9,304
<b>Adjustments:</b>				
Depreciation of property, plant and equipment	601	506	1,238	877
Amortisation of club membership	1	1	1	1
Loss on sale of plant and equipment, net	4	1	2	2
Fair value gain on structured deposits	(5)	(3)	(13)	(12)
(Write back)/allowance of provision for onerous contract	(381)	(27)	(916)	1,406
Interest expense	1,187	956	2,533	1,801
Interest income	(2,045)	(1,619)	(4,505)	(3,428)
Share of results of associates and joint ventures	(5,330)	(869)	(7,850)	156
<b>Operating cash flows before changes in working capital</b>	<u>632</u>	<u>1,035</u>	<u>2,962</u>	<u>10,107</u>
<u>Changes in working capital:</u>				
Decrease/(increase) in:				
Trade and other receivables, deposits and prepayments	22,742	14,221	11,217	7,917
Contract assets	(6,721)	(2,023)	(6,850)	(9,532)
(Decrease)/increase in:				
Trade and other payables and accruals	(8,367)	(8,710)	6,092	(7,689)
Deferred income	112	(95)	132	121
Contract liabilities	1,871	-	12,363	-
<b>Cash flows from operations</b>	<u>10,269</u>	<u>4,428</u>	<u>25,916</u>	<u>924</u>
Income taxes paid	(1,678)	(2,137)	(1,829)	(2,334)
Interest income received	2,045	1,619	4,505	3,428
Exchange differences	(949)	205	(496)	(101)
<b>Net cash flows from operating activities</b>	<u>9,687</u>	<u>4,115</u>	<u>28,096</u>	<u>1,917</u>
<b>Investing activities</b>				
Purchase of plant and equipment	(149)	-	(5,236)	(2,016)
Proceeds from sale of plant and equipment	9	-	13	1
Decrease in interests in associates	-	698	-	1,498
Increase in loans due from associates and joint ventures, net	(17,227)	(13,622)	(21,727)	(32,902)
Dividends received from associates and joint ventures	11,333	420	11,333	39,042
<b>Net cash flows (used in)/from investing activities</b>	<u>(6,034)</u>	<u>(12,504)</u>	<u>(15,617)</u>	<u>5,623</u>
<b>Financing activities</b>				
Dividends paid	(6,818)	(6,837)	(6,818)	(6,837)
Purchase of treasury shares	(217)	-	(685)	-
Proceeds from bank term loans	2,100	11,327	13,100	48,516
Repayment of bank term loans	(11,057)	(16,721)	(26,340)	(19,552)
Repayment of bills payable to banks	(5,893)	(7,864)	(26,355)	(5,253)
Interest paid	(1,187)	(956)	(2,533)	(1,801)
Proceeds from finance lease obligations	94	2,042	94	2,115
Repayment of finance lease obligations	(260)	(2,171)	(424)	(2,313)
(Increase)/decrease in pledged fixed deposits	(49)	3,112	(10,265)	(4,925)
<b>Net cash flows (used in)/from financing activities</b>	<u>(23,287)</u>	<u>(18,068)</u>	<u>(60,226)</u>	<u>9,950</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(19,634)</u>	<u>(26,457)</u>	<u>(47,747)</u>	<u>17,490</u>
Effect of exchange rate changes on cash and cash equivalents	(51)	(114)	(136)	(161)
<b>Cash and cash equivalents at beginning of period</b>	<u>45,550</u>	<u>82,880</u>	<u>73,748</u>	<u>38,980</u>
<b>Cash and cash equivalents at end of period (Note A)</b>	<u>25,865</u>	<u>56,309</u>	<u>25,865</u>	<u>56,309</u>

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

	30.09.2019	30.09.2018	30.09.2019	30.09.2018
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances**	20,598	39,881	20,598	39,881
Fixed deposits	52,998	49,833	52,998	49,833
	<u>73,596</u>	<u>89,714</u>	<u>73,596</u>	<u>89,714</u>
Less: Pledged fixed deposits	(47,731)	(33,405)	(47,731)	(33,405)
<b>Cash and cash equivalents</b>	<u>25,865</u>	<u>56,309</u>	<u>25,865</u>	<u>56,309</u>

\*\* 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 2019

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

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Owners of the Company									Non-controlling interests	Total equity
	Share capital	Treasury shares	Translation reserve	Accumulated profits	Asset revaluation reserve	Fair value adjustment reserve	Other reserves	Equity attributable to Owners of the Company, total			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>At 1 April 2018 (FRS framework)</b>	50,915	-	3,475	280,187	219	-	3,961	338,757	23,459	362,216	
Cumulative effects of adopting SFRS(I)	-	-	-	(3,500)	-	1,215	-	(2,285)	-	(2,285)	
<b>At 1 April 2018 (SFRS(I) framework)</b>	50,915	-	3,475	276,687	219	1,215	3,961	336,472	23,459	359,931	
<b>Profit for the period</b>	-	-	-	7,330	-	-	-	7,330	216	7,546	
<u>Other comprehensive income</u>											
Foreign currency translation	-	-	(5,187)	-	-	-	-	(5,187)	(1,098)	(6,285)	
Other comprehensive income for the period	-	-	(5,187)	-	-	-	-	(5,187)	(1,098)	(6,285)	
<b>Total comprehensive income for the period</b>	-	-	(5,187)	7,330	-	-	-	2,143	(882)	1,261	
<u>Contributions by and distributions to owners</u>											
Final tax-exempt dividends on ordinary shares	-	-	-	(6,837)	-	-	-	(6,837)	-	(6,837)	
Transfer to other reserves	-	-	-	(88)	-	-	88	-	-	-	
<b>Total contributions by and distributions to owners</b>	-	-	-	(6,925)	-	-	88	(6,837)	-	(6,837)	
<b>At 30 September 2018</b>	50,915	-	(1,712)	277,092	219	1,215	4,049	331,778	22,577	354,355	
<b>At 1 April 2019</b>	50,915	-	(344)	271,622	219	1,248	4,119	327,779	23,481	351,260	
<b>Profit for the period</b>	-	-	-	11,112	-	-	-	11,112	137	11,249	
<u>Other comprehensive income</u>											
Fair value gain on equity instruments at FVOCI	-	-	-	-	-	58	-	58	-	58	
Foreign currency translation	-	-	(4,139)	-	-	-	-	(4,139)	(948)	(5,087)	
Other comprehensive income for the period	-	-	(4,139)	-	-	58	-	(4,081)	(948)	(5,029)	
<b>Total comprehensive income for the period</b>	-	-	(4,139)	11,112	-	58	-	7,031	(811)	6,220	
<u>Contributions by and distributions to owners</u>											
Purchase of treasury shares	-	(685)	-	-	-	-	-	(685)	-	(685)	
Final tax-exempt dividends on ordinary shares	-	-	-	(6,818)	-	-	-	(6,818)	-	(6,818)	
Transfer to other reserves	-	-	-	(42)	-	-	42	-	-	-	
<b>Total contributions by and distributions to owners</b>	-	(685)	-	(6,860)	-	-	42	(7,503)	-	(7,503)	
<b>At 30 September 2019</b>	50,915	(685)	(4,483)	275,874	219	1,306	4,161	327,307	22,670	349,977	

**UNAUDITED SECOND QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2019**

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

**STATEMENT OF CHANGES IN EQUITY**

<b>COMPANY</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Other reserves S\$'000</b>	<b>Total equity S\$'000</b>
<b>At 1 April 2018</b>	50,915	-	20,714	2,629	74,258
<b>Profit for the period</b>	-	-	2,949	-	2,949
Total comprehensive income for the period	-	-	2,949	-	2,949
Final tax-exempt dividends on ordinary shares	-	-	(6,837)	-	(6,837)
<b>At 30 September 2018</b>	<b>50,915</b>	<b>-</b>	<b>16,826</b>	<b>2,629</b>	<b>70,370</b>
<b>At 1 April 2019</b>	50,915	-	22,098	2,629	75,642
<b>Profit for the period</b>	-	-	1,453	-	1,453
Total comprehensive income for the period	-	-	1,453	-	1,453
Purchase of treasury shares	-	(685)	-	-	(685)
Final tax-exempt dividends on ordinary shares	-	-	(6,818)	-	(6,818)
<b>At 30 September 2019</b>	<b>50,915</b>	<b>(685)</b>	<b>16,733</b>	<b>2,629</b>	<b>69,592</b>

## SHARE CAPITAL

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

The Company acquired 1,600,000 (1HFY2019: nil shares) ordinary shares by way of market purchases on the Singapore Exchange and there were held as treasury shares during 1HFY2020.

As at 30 September 2019, 1,600,000 treasury shares (30 September 2018: nil) were held by the Company.

The total number of issued shares as at 30 September 2019 was 568,135,645 shares (30 September 2018: 569,735,645 shares) excluding treasury shares.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

<b>Total number of issued shares excluding treasury shares:</b>	<u>Number of shares</u>
<b>Balance as at 31 March 2019 and 1 April 2019</b>	
- Ordinary Shares	<b>569,735,645</b>
Purchase of treasury shares during 1HFY2020	
- Ordinary Shares	(1,600,000)
<b>Balance as at 30 September 2019</b>	<b>568,135,645</b>

The total number of treasury shares held by the Company as at 30 September 2019 was 1,600,000 shares (30 September 2018: nil).

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the year.

## AUDIT

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

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

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

Not applicable.

## ACCOUNTING POLICIES

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

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial information for the current reporting period compared with the audited financial statements for the year ended 31 March 2019.

**ACCOUNTING POLICIES**

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted SFRS(I) 16 with effect from 1 April 2019. The Group has applied the modified retrospective method of adoption and will not restate comparative amounts for the year prior to first adoption and has not restated comparatives for the FY2019 reporting period as permitted under the specific transition provisions in the standard. On adoption of SFRS(I) 16 Leases, the Group has recognised right-of-use assets of S\$4,864,000 and lease liabilities of S\$4,864,000 on 1 April 2019.

The Group is still in the process of finalising its assessment of the impact arising from the adoption of SFRS(I) 16. The financial impact may differ from the provisional figures determined at the date of this announcement.

In addition, the Group has elected to early apply the Amendments to SFRS(I) 3: Definition of a Business with effect from 1 April 2019, with the amendments applied prospectively to transactions that occur on or after the date of initial application. The amendments clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also introduce an optional concentration test to permit a simplified assessment of whether a transaction is a business combination or asset acquisition. Accordingly, the Group's associate has accounted for the acquisition of Crowne Plaza London Kensington during the year as an asset acquisition under the amendments to SFRS(I) 3.

The comparative amounts for 2QFY2020 and 1HFY2020 were restated due to the Group's adoption of SFRS(I) 15 Revenue from Contracts with Customers on 1 April 2018.

Borrowing costs relating to development properties

Before 1 April 2018, certain associates and joint ventures of the Group recognised finance costs incurred on development properties on a percentage of completion method multiplied by the individual project's percentage of sales. Based on an IFRS interpretation Committee ("IFRIC") staff paper published in March 2019, borrowing costs incurred in relation to the acquisition of land and construction of a development project where revenue is recognised over time is capitalised up to the point that the project is ready for its intended sale. Borrowing costs incurred after that date is expensed as incurred.

Following the finalisation of this decision, the Group's share of results of associates and joint ventures in the comparative periods were restated accordingly.

**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	
	30.09.2018 (cents)	30.09.2018 (re-stated) (cents)	30.09.2019 (cents)	30.09.2018 (re-stated) (cents)
a) On a basic basis	1.05	0.32	1.96	1.29
b) On a fully diluted basis	1.05	0.32	1.96	1.29
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Group's profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	5,975	1,803	11,112	7,330
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	568,135,645	569,735,645	568,135,645	569,735,645

**NET ASSET VALUE PER SHARE**

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

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

	GROUP		COMPANY	
	as at 30.09.2019	as at 31.03.2019	as at 30.09.2019	as at 31.03.2019
Net asset value per ordinary share (cents)	57.61	57.53	12.25	13.28
Issue share capital excluding treasury shares at the end of the period/year	568,135,645	569,735,645	568,135,645	569,735,645

## REVIEW OF THE PERFORMANCE OF THE GROUP

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
  - b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

**INCOME STATEMENT****2QFY2020 vs 2QFY2019****Revenue**

The Group had a total revenue of S\$58.8 million for the second quarter ended 30 September 2019 ("2QFY2020"), an increase of S\$23.6 million or 66.9% compared to S\$35.2 million registered in the corresponding period ended 30 September 2018 ("2QFY2019"). The increase was mainly due to the increase in revenue from construction business of S\$23.5 million or 69.6% from S\$33.8 million in 2QFY2019 to S\$57.3 million in 2QFY2020.

**Other income**

Other income increased by S\$0.3 million or 12.4% from S\$2.6 million in 2QFY2019 to S\$2.9 million in 2QFY2020, mainly due to the increase in interest income from loans to associates and joint ventures.

**Operating expenses**

Cost of construction increased by S\$24.1 million or 79.6% from S\$30.3 million in 2QFY2019 to S\$54.4 million in 2QFY2020. The increase was mainly due to the increase in construction works done.

Personnel expenses decreased by S\$0.7 million or 21.2% from S\$3.4 million in 2QFY2019 to S\$2.7 million in 2QFY2020 mainly due to the decrease in provision for bonuses.

There were no significant changes in Depreciation of property, plant and equipment between 2QFY2020 as compared to 2QFY2019.

Finance costs increased by S\$0.2 million or 17.3% from S\$1.0 million in 2QFY2019 to S\$1.2 million in 2QFY2020, mainly due to the increase in the Group's borrowings and interest rates.

Other operating expenses increased by S\$0.2 million or 13.6% from S\$1.4 million in 2QFY2019 to S\$1.6 million in 2QFY2020, mainly due to the increase in foreign exchange losses.

The profit from share of results of associates and joint ventures increased significantly by S\$4.4 million from S\$0.9 million in 2QFY2019 to S\$5.3 million in 2QFY2020, mainly due to the contribution by the sales and the progress in construction from the residential development projects in Singapore - Affinity@Serangoon, Riverfront Residence and Park Colonial.

Tax expense increased by S\$0.3 million from S\$0.2 million in 2QFY2019 to S\$0.5 million in 2QFY2020, mainly due to the increase in expenses not allowed for tax deductions.

As a result of the above, the Group registered a net profit attributable to Owners of the Company of S\$6.0 million in 2QFY2020 excluding non-controlling interests.

**1HFY2020 vs 1HFY2019****Revenue**

The Group had a total revenue of S\$126.6 million for the half year ended 30 September 2019 ("1HFY2020"), an increase of S\$50.5 million or 66.4% compared to S\$76.1 million registered in the corresponding half year ended 30 September 2018 ("1HFY2019"). The increase was mainly due to the increase in revenue from construction business of S\$50.8 million or 69.6% from S\$73.1 million in 1HFY2019 to S\$123.9 million in 1HFY2020.

**Operating expenses**

Cost of construction increased by S\$55.5 million or 93.7% from S\$59.2 million in 1HFY2019 to S\$114.7 million in 1HFY2020. The increase was mainly due to the increase in construction works done.

Personnel expenses decreased by S\$0.7 million or 10.5% from S\$6.6 million in 1HFY2019 to S\$5.9 million in 1HFY2020 mainly due to the decrease in provision for bonuses.

Depreciation of property, plant and equipment increased by S\$0.3 million or 41.2% from S\$0.9 million in 1HFY2019 to S\$1.2 million in 1HFY2020, due to the completion of re-development at 39 Senoko Road.

Finance costs increased by S\$0.7 million or 33.7% from S\$1.9 million in 1HFY2019 to S\$2.6 million in 1HFY2020, mainly due to the increase in the Group's borrowings and interest rates.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### INCOME STATEMENT (continued)

#### 1HFY2020 vs 1HFY2019

Other operating expenses increased by S\$0.3 million or 10.8% from S\$3.3 million in 1HFY2019 to S\$3.6 million in 1HFY2020, mainly due to the increase in foreign exchange losses.

The profit from share of results of associates and joint ventures increased significantly by S\$8.1 million from a loss of S\$0.2 million in 1HFY2019 to a profit of S\$7.9 million in 1HFY2020, mainly due to the contribution by the sales and the progress in construction from the residential development projects in Singapore - Affinity@Serangoon, Riverfront Residence and Park Colonial.

Tax expense decreased by S\$0.6 million or 30.4% from S\$1.8 million in 1HFY2019 to S\$1.2 million in 1HFY2020, mainly due to the decrease in profit from operations before share of results of associates and joint ventures, offset by the increase in expenses not allowed for tax deductions.

As a result of the above, the Group's net profit attributable to Owners of the Company excluding non-controlling interests increased by S\$3.8 million or 51.6% from S\$7.3 million in 1HFY2019 to S\$11.1 million in 1HFY2020.

### STATEMENT OF FINANCIAL POSITION

#### Non-current assets

Property, plant and equipment ("PPE") increased by S\$4.1 million from S\$18.5 million as at 31 March 2019 ("FY2019") to S\$22.6 million as at 30 September 2019 ("1HFY2020"), mainly due to right-of-use assets of the Group's operating lease commitments arising from the adoption of SFRS(I) 16 Leases which took effect from 1 April 2019.

Interests in associates increased by S\$18.5 million from S\$184.1 million as at FY2019 to S\$202.6 million as at 1HFY2020, mainly due to an increase in loans to associates to finance development property and investment property projects and share of profits of associates.

Interests in joint ventures decreased by S\$7.7 million from S\$89.7 million as at FY2019 to S\$82.0 million as at 1HFY2020, mainly due to the decrease in loans to joint ventures to finance investment property projects, offset by the increase in loans to joint ventures to finance development property projects and the share of profits of joint ventures.

Investment properties decreased by S\$4.2 million from S\$121.4 million as at FY2019 to S\$117.2 million as at 1HFY2020, mainly due to foreign exchange differences arising from an investment property held in the People's Republic of China ("PRC").

#### Current assets

Trade receivables decreased by S\$11.1 million from S\$25.5 million as at FY2019 to S\$14.4 million as at 1HFY2020 based on amount of progress claims certified for construction projects in progress.

Other receivables and deposits increased by S\$11.0 million from S\$2.1 million as at FY2019 to S\$13.1 million as at 1HFY2020, mainly due to the dividend receivables from associates and joint ventures.

The non-trade amounts due from associates decreased by S\$4.7 million, mainly due to the payment received during 1HFY2020.

Based on the progress of construction projects in 1HFY2020 as compared to FY2019, contract assets increased by S\$6.9 million from S\$33.1 million in FY2019 to S\$40.0 million in 1HFY2020.

#### Current liabilities

Trade payables under current liabilities increased by S\$3.4 million from S\$15.0 million as at FY2019 to S\$18.4 million as at 1HFY2020. The increase was mainly due to the increase in billings from suppliers and subcontractors which will be due for release of payments in the next 12 months for construction projects in progress.

Other payables and accruals under current liabilities decreased by S\$2.1 million from S\$57.7 million as at FY2019 to S\$55.6 million as at 1HFY2020. The decrease was mainly due to the decrease in accruals made for on-going and completed construction projects.

Other liabilities under current liabilities increased by S\$0.3 million as at 1HFY2020, mainly due to lease liabilities arising from the adoption of SFRS(I) 16 Leases which took effect from 1 April 2019.

Based on the progress of construction projects as at 1HFY2020 as compared to FY2019, contract liabilities increased by S\$12.4 million from S\$1.9 million in FY2019 to S\$14.3 million as at 1HFY2020.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### STATEMENT OF FINANCIAL POSITION (continued)

#### Non-current liabilities

Other liabilities under non-current liabilities increased by S\$4.6 million as at 1HFY2020. The increase was mainly due to lease liabilities arising from the adoption of SFRS(I) 16 Leases which took effect from 1 April 2019.

#### Total Group's borrowings

Total borrowings decreased by S\$39.9 million from S\$155.5 million as at FY2019 to S\$115.6 million as at 1HFY2020, mainly due to the decrease in new bank borrowings and repayment of existing bank borrowings.

### STATEMENT OF CASH FLOWS

Net cash flows from operating activities of S\$28.6 million during 1HFY2020 mainly arose from operating cash flows before changes in working capital of S\$2.9 million, decrease in working capital of S\$22.9 million and interest income received of S\$4.5 million, offset by income taxes paid of S\$1.8 million.

Net cash flows used in investing activities of S\$16.1 million during 1HFY2020 mainly arose from purchase of property of plant and equipment of S\$5.2 million and the increase in loans due from associates and joint ventures of S\$22.3 million, offset by dividends received from associates and joint ventures of S\$11.3 million.

Net cash flows used in financing activities of S\$60.2 million during 1HFY2020 mainly arose from the net decrease in bank term loans and bills payable to banks of S\$39.6 million, interest paid of S\$2.5 million and increase in pledged fixed deposits of S\$10.3 million.

With the abovementioned, net decrease in cash and cash equivalents during 1HFY2020 was S\$47.7 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 1HFY2020 is in line with the commentary made on 14 August 2019 in paragraph 10 of the first quarter results announcement for 1QFY2020.

#### **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 less favourable global and domestic environment with a prolonged period of heightened uncertainty is expected to keep the global and local economy entrenched in weakness. According to Monetary Authority of Singapore, Singapore's economy is likely to continue facing headwinds into 2020, seeing lackluster activity over the next 18 months. Based on advance estimates released by Ministry of Trade and Industry Singapore, the Singapore economy grew by 0.1% on a year-on-year basis in the third quarter of 2019, the same pace of growth as in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 0.6%, a turnaround from the 2.7% contraction in the preceding quarter.

The construction sector grew by 2.7% on a year-on-year basis in the third quarter, extending the 2.8% expansion in the previous quarter. Growth in the sector was supported by a pickup in both public and private sector construction activities. On a quarter-on-quarter seasonally-adjusted annualised basis, the sector contracted by 1.1%, a slower pace of decline as compared to the 5.3% contraction in the second quarter.

Singapore's private property market showed it was in good health, with the highest number of new homes being sold in a single quarter in more than six years. Private home prices also rose in tandem, climbing 1.3% in the third quarter of this year, compared with the previous three months. The trend was underpinned by strong pent-up demand from both local and foreign buyers. Developers sold 3,281 homes in the third quarter, up 39.6% from 2,350 units booked in the previous quarter. More significantly, this was the highest number of new private homes sold in a single quarter since the second quarter of 2013.

**REVIEW OF THE PERFORMANCE OF THE GROUP**

10 (continued)

The Group's construction order book remains healthy at more than S\$351.4 million as at 30 September 2019.

As at 30 September 2019, most of the development property projects held by associates and joint ventures under the Group launched for sales prior to the previous financial year FY2019 have been either fully sold or substantially sold.

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

No.	Project Name	Group Stake	Type of Development	Revenue Recognition Method	% Units Sold* as at 30 September 2019
<b>Singapore</b>					
1	Affinity @ Serangoon	7.50%	Residential with shop units	Percentage of Completion	56.1%
2	Riverfront Residences	35.00%	Residential with shop units	Percentage of Completion	76.7%
3	Park Colonial	20.00%	Residential	Percentage of Completion	78.6%
4	Rezi 24	48.00%	Residential	Percentage of Completion	24.5%

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

Four ("4") property developments have been launched during previous financial year FY2019 and were well-received by the market, namely Affinity@Serangoon; Riverfront Residences; Park Colonial and Rezi 24. The 4 projects have sold more than 2,550 units to-date with positive margins despite the challenging market sentiments. As at the end of 2QFY2020, the Group has attributable share of progress billings to be recognised as sales revenue of more than S\$482.0 million from the property development projects held by associates and joint ventures under the Group, which will be progressively recognised by the associates and joint ventures and contribute to the Group's results after 2QFY2020.

The Group's 22.5%-owned associated company, Gaobeidian City KAP Real Estate Development Co., Ltd (高碑店阿尔伯特园房地产开发有限公司), has recently launched 216 residential units of the Phase 1 of Stage 1 of the residential development project, Sino-Singapore Health City (中新健康城) in Gaobeidian, PRC. The launch has been well received by the market, with an average selling price expected to earn a positive profit margin.

The investment properties held by the Group in Singapore and overseas have maintained good occupancy rates and shall continue to generate recurring income.

In view of the above and barring unforeseen circumstances, the Group remains cautiously optimistic on the outlook of its performance in FY2020.

**DIVIDENDS**

**11 (a) Current financial period reported on**

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

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

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

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



**REVIEW OF THE PERFORMANCE OF THE GROUP**

**DIVIDENDS** (continued)

**(c) Date payable**

The date payable for the proposed interim cash dividend will be announced at a later date.

**(d) Books closure date**

The Notice on the closure date of the Transfer Books and the Register of Members of the Company for the proposed interim cash dividend will be announced at a later date.

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

Not applicable.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions (IPTs).

**14 Confirmation by the Company Pursuant to Rule 720(1) of the Listing Manual of SGX-ST.**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

**NEGATIVE ASSURANCE**

**15 Negative assurance confirmation on the second quarter and six months period financial results pursuant to Rule 705(5) of the Listing Manual of SGX-ST.**

On behalf of the Board of Directors of the Company, we, the undersigned, do hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements of the Group and the Company for the second quarter and half year ended 30 September 2019 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

11 November 2019