



KSH Holdings Limited

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

UNAUDITED THIRD QUARTER AND NINE-MONTH FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

- 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		
	THIRD QUARTER ENDED		increase/ (decrease) %	NINE MONTHS ENDED		increase/ (decrease) %
	31.12.2017 S\$'000	31.12.2016 S\$'000		31.12.2017 S\$'000	31.12.2016 S\$'000	
REVENUE						
Project revenue	41,510	34,494	20.3	91,386	161,346	(43.4)
Rental income from investment properties	1,446	1,396	3.6	4,545	4,206	8.1
	42,956	35,890	19.7	95,931	165,552	(42.1)
Other income	2,763	2,205	25.3	7,152	6,524	9.6
Cost of construction	(32,136)	(26,540)	21.1	(67,758)	(135,587)	(50.0)
Personnel expenses	(3,712)	(4,179)	(11.2)	(9,996)	(10,481)	(4.6)
Depreciation of property, plant and equipment	(414)	(489)	(15.3)	(1,351)	(1,486)	(9.1)
Finance costs	(491)	(184)	nm	(1,507)	(2,173)	(30.6)
Other operating expenses	(1,209)	(1,664)	(27.3)	(3,685)	(5,478)	(32.7)
	(37,962)	(33,056)	14.8	(84,297)	(155,205)	(45.7)
Profit from operations before share of results of associates and joint ventures	7,757	5,039	53.9	18,786	16,871	11.4
Share of results of associates	124	1,169	(89.4)	(3,328)	9,655	nm
Share of results of joint ventures	3,753	4,043	(7.2)	8,439	4,589	83.9
Profit before taxation	11,634	10,251	13.5	23,897	31,115	(23.2)
Income tax expense	(1,219)	(1,068)	14.1	(3,045)	(3,580)	(14.9)
Profit for the period	10,415	9,183	13.4	20,852	27,535	(24.3)
Attributable to:						
- Owners of the Company	10,275	9,105	12.9	20,406	27,296	(25.2)
- Non-controlling interests	140	78	79.5	446	239	86.6
	10,415	9,183	13.4	20,852	27,535	(24.3)

nm: not meaningful

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease)	NINE MONTHS ENDED		increase/ (decrease)
	31.12.2017	31.12.2016		31.12.2017	31.12.2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	10,415	9,183	13.4	20,852	27,535	(24.3)
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
- Foreign currency translation	861	2,151	(60.0)	1,663	(357)	nm
Other comprehensive income for the period, net of tax	861	2,151	(60.0)	1,663	(357)	nm
Total comprehensive income for the period	11,276	11,334	(0.5)	22,515	27,178	(17.2)
Total comprehensive income attributable to:						
- Owners of the Company	10,985	10,836	1.4	21,780	27,002	(19.3)
- Non-controlling interests	291	498	(41.6)	735	176	nm
Total comprehensive income for the period	11,276	11,334	(0.5)	22,515	27,178	(17.2)

nm: not meaningful

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

	GROUP			GROUP		
	THIRD QUARTER ENDED		increase/ (decrease)	NINE MONTHS ENDED		increase/ (decrease)
	31.12.2017	31.12.2016		31.12.2017	31.12.2016	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:						
Interest income	2,469	1,087	127.1	4,951	4,222	17.3
Write back/(allowance) for doubtful debts	-	30	(100.0)	(59)	-	nm
Amortisation of club membership	(1)	(1)	-	(2)	(2)	-
Amortisation of issuance costs on term notes	-	-	nm	-	(68)	(100.0)
Loss on disposal of a subsidiary	(2)	-	nm	(2)	-	nm
Gain on sale of quoted equity (other investments)	-	-	nm	-	1	(100.0)
Fair value gain/(loss) on structured deposits	30	(2)	nm	101	10	nm
(Loss)/gain on sale of plant and equipment	(4)	-	nm	(28)	123	nm
Foreign exchange (loss)/gain, net	(231)	(92)	nm	350	(1,326)	nm
Interest expense	(491)	(183)	nm	(1,302)	(2,152)	(39.5)
Profit after taxation before non-controlling interests as a percentage of turnover	24.25%	25.59%	(5.2)	21.74%	16.63%	30.7
Profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before non-controlling interests at 31 December 2017 and 31 December 2016	3.14%	2.94%	6.6	6.23%	8.82%	(29.4)

nm: not meaningful

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2017	31.03.2017	31.12.2017	31.03.2017
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	8,379	6,726	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	142,806	156,504	-	-
Interests in joint ventures	103,801	44,657	-	-
Investment properties	121,467	120,109	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,271	2,242	-	-
Amounts due from subsidiaries (non-trade)	-	-	140,610	77,954
Trade receivables	893	-	-	-
Other receivables	2,224	2,225	-	-
Club membership	35	37	-	-
Structured deposits	1,120	1,019	-	-
	382,996	333,519	157,401	94,745
Current assets				
Trade receivables	39,150	33,769	-	-
Other receivables and deposits	1,693	1,451	52	20
Prepayments	428	401	15	18
Construction work-in-progress in excess of progress billings	8,788	1,945	-	-
Structured deposits	4,700	-	-	-
Fixed deposits	64,556	89,673	22,559	17,444
Cash and bank balances	26,796	56,180	5,374	1,038
	146,111	183,419	28,000	18,520
LIABILITIES				
Current liabilities				
Trade payables	18,546	17,741	-	-
Other payables and accruals	51,774	58,041	1,824	3,930
Deferred income	92	88	-	-
Finance lease obligations	251	223	-	-
Provision for income tax	2,557	5,248	593	444
Progress billings in excess of construction work-in-progress	778	5,946	-	-
Bank term loans, secured	25,959	38,642	10,140	1,140
Bills payable to banks, secured	-	513	-	-
	99,957	126,442	12,557	5,514
Net current assets	46,154	56,977	15,443	13,006

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2017	31.03.2017	31.12.2017	31.03.2017
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	293	1,321	-	-
Other payables and accruals	192	186	-	-
Amounts due to subsidiaries (non-trade)	-	-	46,933	34,354
Finance lease obligations	407	413	-	-
Bank term loans, secured	58,675	26,934	51,530	8,385
Deferred tax liabilities	19,048	18,809	-	-
	<u>78,615</u>	<u>47,663</u>	<u>98,463</u>	<u>42,739</u>
NET ASSETS	<u>350,535</u>	<u>342,833</u>	<u>74,381</u>	<u>65,012</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Treasury shares	-	-	-	-
Translation reserve	1,501	127	-	-
Accumulated profits	271,183	265,714	20,837	11,468
Other reserves	4,117	3,993	2,629	2,629
	<u>327,716</u>	<u>320,749</u>	<u>74,381</u>	<u>65,012</u>
Non-controlling interests	22,819	22,084	-	-
TOTAL EQUITY	<u>350,535</u>	<u>342,833</u>	<u>74,381</u>	<u>65,012</u>

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

The amount repayable in one year or less, or on demand			
At 31.12.2017		At 31.03.2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
26,210	-	39,378	-

The amount repayable after one year			
At 31.12.2017		At 31.03.2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
59,082	-	27,347	-

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	
	THIRD QUARTER ENDED 31.12.2017	31.12.2016	NINE MONTHS ENDED 31.12.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before taxation	11,634	10,251	23,897	31,115
Adjustments:				
Depreciation of property, plant and equipment	414	489	1,351	1,486
Amortisation of club membership	1	1	2	2
Amortisation of issuance costs on term notes	-	-	-	68
Loss on disposal of a subsidiary	2	-	2	-
Loss/(gain) on sale of plant and equipment	4	-	28	(123)
Gain on sale of quoted equity (other investments)	-	-	-	(1)
Fair value (gain)/loss on structured deposits	(30)	2	(101)	(10)
(Write back)/allowance for doubtful debts	-	(30)	59	-
Interest expense	491	183	1,302	2,152
Interest income	(2,469)	(1,087)	(4,951)	(4,222)
Share of results of associates	(124)	(1,169)	3,328	(9,655)
Share of results of joint ventures	(3,753)	(4,043)	(8,439)	(4,589)
Operating cash flows before changes in working capital	6,170	4,597	16,478	16,223
Changes in working capital:				
(Increase)/decrease in:				
Trade and other receivables, deposits and prepayments	(17,283)	5,531	(6,592)	5,157
Construction work-in-progress, net	4,408	(12,959)	(12,011)	(16,855)
(Decrease)/increase in:				
Trade and other payables and accruals	173	3,855	(6,489)	4,012
Deferred income	1	(50)	5	(78)
Cash flows (used in)/generated from operations	(6,531)	974	(8,609)	8,459
Income taxes paid	(2,769)	(2,106)	(5,666)	(4,353)
Interest income received	2,469	1,087	4,951	4,222
Exchange differences	(83)	(50)	(92)	90
Net cash flows (used in)/generated from operating activities	(6,914)	(95)	(9,416)	8,418
Investing activities				
Purchase of plant and equipment	(1,528)	(47)	(3,316)	(245)
Proceeds from sale of plant and equipment	-	-	286	466
Net proceeds from sale of quoted equity (other investments)	-	-	-	1
Additional investments in associates	(9,758)	-	(11,158)	(490)
Decrease in loans due from associates, net	18,256	7,887	18,713	19,184
Dividends received from associates	1,750	700	3,325	10,851
Increase in loans due from joint ventures, net	(9,823)	(622)	(50,706)	(710)
Decrease/(increase) in loans due from investee companies	-	162	25	(47)
Net cash flows (used in)/generated from investing activities	(1,103)	8,080	(42,831)	29,010
Financing activities				
Dividends paid	(5,697)	(5,697)	(14,813)	(14,659)
Proceeds from sale of treasury shares	-	-	-	3,826
Repayment of term notes	-	-	-	(70,750)
Proceeds from bank term loans	2,000	-	57,000	9,810
Repayment of bank term loans	(2,831)	(3,236)	(37,993)	(7,138)
Repayment of bills payable to banks	(826)	-	(513)	(316)
Interest paid	(491)	(183)	(1,302)	(2,152)
Proceeds from lease obligations	-	-	206	-
Repayment of lease obligations	(64)	(54)	(183)	(161)
Increase in pledged fixed deposits	(33)	(30)	(5,079)	(5,181)
Net cash flows used in financing activities	(7,942)	(9,200)	(2,677)	(86,721)
Net decrease in cash and cash equivalents	(15,959)	(1,215)	(54,924)	(49,293)
Effect of exchange rate changes on cash and cash equivalents	24	45	44	(34)
Cash and cash equivalents at beginning of period	76,831	119,981	115,776	168,138
Cash and cash equivalents at end of period (Note A)	60,896	118,811	60,896	118,811
Note A: Cash and cash equivalents at end of period comprise:				
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances**	26,796	67,751	26,796	67,751
Fixed deposits	64,556	81,111	64,556	81,111
	91,352	148,862	91,352	148,862
Less: Pledged fixed deposits	(30,456)	(30,051)	(30,456)	(30,051)
Cash and cash equivalents	60,896	118,811	60,896	118,811

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

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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 reserves	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
At 1 April 2016	50,915	(3,354)	2,982	239,521	-	3,178	293,242	22,325	315,567
Net profit for the period	-	-	-	27,296	-	-	27,296	239	27,535
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(294)	-	-	-	(294)	(63)	(357)
Other comprehensive income for the period	-	-	(294)	-	-	-	(294)	(63)	(357)
Total comprehensive income for the period	-	-	(294)	27,296	-	-	27,002	176	27,178
<u>Contributions by and distributions to owners</u>									
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(14,659)	-	-	(14,659)	-	(14,659)
Sale of treasury shares	-	3,354	-	-	-	472	3,826	-	3,826
Transfer to other reserves	-	-	-	(87)	-	87	-	-	-
Total contributions by and distributions to owners	-	3,354	-	(14,746)	-	559	(10,833)	-	(10,833)
At 31 December 2016	50,915	-	2,688	252,071	-	3,737	309,411	22,501	331,912
At 1 April 2017	50,915	-	127	265,714	219	3,774	320,749	22,084	342,833
Net profit for the period	-	-	-	20,406	-	-	20,406	446	20,852
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	1,374	-	-	-	1,374	289	1,663
Other comprehensive income for the period	-	-	1,374	-	-	-	1,374	289	1,663
Total comprehensive income for the period	-	-	1,374	20,406	-	-	21,780	735	22,515
<u>Contributions by and distributions to owners</u>									
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(14,813)	-	-	(14,813)	-	(14,813)
Transfer to other reserves	-	-	-	(124)	-	124	-	-	-
Total contributions by and distributions to owners	-	-	-	(14,937)	-	124	(14,813)	-	(14,813)
At 31 December 2017	50,915	-	1,501	271,183	219	3,898	327,716	22,819	350,535

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2017

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 2016	50,915	(3,354)	22,594	2,156	72,311
Net loss for the period	-	-	(774)	-	(774)
Total comprehensive income for the period	-	-	(774)	-	(774)
<u>Contributions by and distributions to owners</u>					
Interim and final tax-exempt dividends on ordinary shares	-	-	(14,659)	-	(14,659)
Sale of treasury shares	-	3,354	-	472	3,826
Total contributions by and distributions to owners	-	3,354	(14,659)	472	(10,833)
At 31 December 2016	50,915	-	7,161	2,628	60,704
At 1 April 2017	50,915	-	11,468	2,629	65,012
Net profit for the period	-	-	24,182	-	24,182
Total comprehensive income for the period	-	-	24,182	-	24,182
<u>Contributions by and distributions to owners</u>					
Interim and final tax-exempt dividends on ordinary shares	-	-	(14,813)	-	(14,813)
Total contributions by and distributions to owners	-	-	(14,813)	-	(14,813)
At 31 December 2017	50,915	-	20,837	2,629	74,381

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.**

During FY2017, the Company sold a total of 7,665,940 treasury shares for cash, and accordingly, the total number of issued shares as at 31 March 2017 was 455,788,599 shares excluding treasury shares (as at 31 March 2016 the total number of issued shares was 448,192,659 shares excluding treasury shares).

On 27 July 2017, the Company had allotted and issued 113,947,046 bonus shares pursuant to the Bonus issue.

The total number of issued shares as at 31 December 2017 was 569,735,645 shares (as at 31 March 2017 was 455,788,599 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 1 April 2016 and 30 June 2016	
- Ordinary Shares	448,122,659
during the 2nd quarter FY2017	
Sale of treasury shares	
- Ordinary Shares	7,665,940
Balance as at 31 March 2017 and 30 June 2017	
- Ordinary Shares	455,788,599
Bonus shares allotted and issued on 27 July 2017	
- Ordinary Shares to public shareholders	113,947,046
Balance as at 30 September 2017 and 31 December 2017	
- Ordinary Shares	569,735,645

The total number of treasury shares held by the Company as at 31 December 2017 and 31 March 2017 was 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 31 December 2017.

AUDIT

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

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

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

Not applicable.

ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 March 2017, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 April 2017.

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.

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 THIRD QUARTER ENDED		GROUP NINE MONTHS ENDED	
	31.12.2017	31.12.2016 Re-stated	31.12.2017	31.12.2016 Re-stated
	(cents)	(cents)	(cents)	(cents)
a) On a basic basis	1.80	1.60	3.58	4.79
b) On a fully diluted basis	1.80	1.60	3.58	4.79
	S\$'000	S\$'000	S\$'000	S\$'000
Group's profit for the period attributable to Owners of the Company used in the computation of basic and diluted EPS	10,275	9,105	20,406	27,296
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	569,735,645	569,735,645	569,735,645	569,735,645

For comparative purposes, the number of ordinary shares as at 31 December 2016 has been adjusted to include the issue of one bonus share for every four (4) existing ordinary shares held.

NET ASSET VALUE PER SHARE

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

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

	GROUP		COMPANY	
	as at 31.12.2017	as at 31.03.2017	as at 31.12.2017	as at 31.03.2017
Net asset value per ordinary share (cents)	57.52	70.37	13.06	14.26
Issue share capital excluding treasury shares at the end of the period/year	569,735,645	455,788,599	569,735,645	455,788,599

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.

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

3QFY2018 vs 3QFY2017

Revenue

The Group had a total revenue of S\$43.0 million for the third quarter ended 31 December 2017 ("3QFY2018"), an increase of S\$7.1 million or 19.7% compared to S\$35.9 million registered in the corresponding period ended 31 December 2016 ("3QFY2017"). The increase was mainly due to the increase in revenue from construction business of S\$7.0 million or 20.3% from S\$34.5 million in 3QFY2017 to S\$41.5 million in 3QFY2018.

Other income

Other income increased by S\$0.6 million or 25.3% from S\$2.2 million in 3QFY2017 to S\$2.8 million in 3QFY2018, mainly due to the increase in interest income from loans to associates and joint ventures.

Operating expenses

Cost of construction increased by S\$5.6 million or 21.1% from S\$26.5 million in 3QFY2017 to S\$32.1 million in 3QFY2018. The increase was mainly due to the increase in construction works done in 3QFY2018 as compared to 3QFY2017.

Personnel expenses decreased by S\$0.5 million or 11.2% from S\$4.2 million in 3QFY2017 to S\$3.7 million in 3QFY2018, mainly due to the decrease in provision for bonuses for the Management and staff.

There were no significant differences in depreciation of property, plant and equipment between 3QFY2018 and 3QFY2017.

The increase in finance costs was mainly due to higher interest rates and gearing during 3QFY2018 as compared to 3QFY2017.

Other operating expenses decreased by S\$0.5 million or 27.3% from S\$1.7 million in 3QFY2017 to S\$1.2 million in 3QFY2018, mainly due to the decrease in foreign exchange loss.

Share of results of associates decreased by S\$1.1 million or 89.4% from S\$1.2 million in 3QFY2017 to S\$0.1 million in 3QFY2018, mainly due to the decrease in sales and percentage of completion recognised on development property projects in Singapore. The share of results of joint ventures decreased by S\$0.2 million or 7.2% from a profit of S\$4.0 million in 3QFY2017 to S\$3.8 million, mainly due to the decrease in construction progress of a joint venture residential development project.

Tax expense increased by S\$0.1 million or 14.1% from S\$1.1 million in 3QFY2017 to S\$1.2 million in 3QFY2018, mainly due to the increase in profit from operations before share of results of associates and joint ventures, partially offset by the effect from the decrease in expenses not allowed for tax deduction.

As a result of the above, the Group registered a net profit attributable to Owners of the Company of S\$10.3 million in 3QFY2018 excluding non-controlling interests.

9MFY2018 vs 9MFY2017

Revenue

The Group has a total revenue of S\$95.9 million for the nine months ended 31 December 2017 ("9MFY2018"), a decrease of S\$69.7 million or 42.1% compared to S\$165.6 million registered in the corresponding nine months ended 31 December 2016 ("9MFY2017"). The decrease was mainly due to the decrease in revenue from construction business of S\$69.9 million or 43.4% from S\$161.3 million in 9MFY2017 to S\$91.4 million in 9MFY2018, partially caused by the delay in handing over of sites from the customers for two projects, which affected the progress in the certification of work done. The increase in rental income is mainly from investment property in Tianjin, the People's Republic of China ("PRC").

REVIEW OF THE PERFORMANCE OF THE GROUP

Operating expenses

Cost of construction decreased by S\$67.8 million or 50.0% from S\$135.6 million in 9MFY2017 to S\$67.8 million in 9MFY2018. The decrease was mainly due to the decrease in construction works done in 9MFY2018 as compared to 9MFY2017.

Personnel expenses decreased by S\$0.5 million or 4.6% from S\$10.5 million in 9MFY2017 to S\$10.0 million in 9MFY2018, mainly due to the decrease in provision for bonuses for the Management and staff.

There were no significant differences in depreciation of property, plant and equipment between 9MFY2018 and 9MFY2017.

Finance costs decreased by S\$0.7 million or 30.6% from S\$2.2 million in 9MFY2017 to S\$1.5 million 9MFY2018, mainly due to full settlement of the term notes in 9MFY2017 which has a higher interest rate than the other borrowings.

Other operating expenses decreased by S\$1.8 million or 32.7% from S\$5.5 million in 9MFY2017 to S\$3.7 million in 9MFY2018, mainly due to the decrease in foreign exchange loss.

Share of results of associates incurred a loss of S\$3.3 million in 9MFY2018 as compared to a profit S\$9.7 million in 9MFY2017, mainly due to the decrease in sales and percentage of completion recognised on the development property projects in Singapore; additional buyers stamp duty required; and loss recognised by associates from the sales of development property. The share of results of joint ventures increased by S\$3.8 million from a profit of S\$4.6 million in 9MFY2017 to a profit of S\$8.4 million in 9MFY2018, mainly due to the profit recognised from a residential development project as the construction progressed.

Tax expense decreased by S\$0.6 million or 14.9% from S\$3.6 million in 9MFY2017 to S\$3.0 million in 9MFY2018, mainly due to the decrease in operation expenses not allowed for tax deduction, offset by the increase in profit from operations before share of results of associates and joint ventures.

As a result of the above, the Group registered a net profit attributable to Owners of the company of S\$20.4 million in 9MFY2018 excluding non-controlling interests.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") increased by S\$1.7 million from S\$6.7 million as at 31 March 2017 ("FY2017") as compared to S\$8.4 million as at 31 December 2017 ("3QFY2018"), mainly due to on-going construction of a new building to be used for construction business.

Interests in associates decreased by S\$13.7 million from S\$156.5 million as at FY2017 to S\$142.8 million as at 3QFY2018, mainly due to share of losses recognised, loans repayment and dividends received from associates.

Interests in joint ventures increased by S\$59.1 million from S\$44.7 million as at FY2017 to S\$103.8 million as at 3QFY2018, mainly due to additional loans to joint ventures to finance development property and recognised share of results of joint ventures.

Investment properties increased by S\$1.4 million from S\$120.1 million as at FY2017 to S\$121.5 million as at 3QFY2018, mainly due to foreign exchange differences from an investment property held in the PRC.

Trade receivables under non-current assets increased by S\$0.9 million from nil as at FY2017 to S\$0.9 million as at 3QFY2018, mainly due to the increase in retention sum receivables from completed and on-going construction projects in Singapore.

Current assets

Trade receivables under current assets increased by S\$5.4 million from S\$33.8 million as at FY2017 to S\$39.2 million as at 3QFY2018, mainly due to the increase in amount of progress claims certified for construction projects in progress.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Current assets (continued)

Based on the progress of construction projects as at 3QFY2018 as compared to FY2017, the construction work-in-progress in excess of progress billings increased by S\$6.9 million from S\$1.9 million as at FY2017 to S\$8.8 million as at 3QFY2018.

Current liabilities

Trade payables under current liabilities increased by S\$0.8 million from S\$17.7 million as at FY2017 to S\$18.5 million as at 3QFY2018. 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\$6.2 million from S\$58.0 million as at FY2017 to S\$51.8 million as at 3QFY2018. The decrease was mainly from the decrease in accruals made for on-going construction projects and bonuses.

Based on the progress of construction projects as at 3QFY2018, the progress billings in excess of the construction work-in-progress decreased by S\$5.1 million from S\$5.9 million as at FY2017 to S\$0.8 million as at 3QFY2018.

Non-current liabilities

Trade payables under non-current liabilities decreased by S\$1.0 million from S\$1.3 million as at FY2017 to S\$0.3 million as at 3QFY2018. The decrease was mainly from the decrease in retention sums payable to subcontractors for completed construction projects.

Total Group's borrowings

Total borrowings increased by S\$18.6 million from S\$66.7 million as at FY2017 to S\$85.3 million as at 3QFY2018, mainly due to the increase in net bank term loans borrowings.

STATEMENT OF CASH FLOWS

Net cash flows used in operating activities of S\$9.4 million during 3QFY2018 mainly arose from increase in working capital of S\$25.1 million and payment of income tax of S\$5.7 million, offset by operating cash flows before changes in working capital of S\$16.5 million, and interest income received of S\$5.0 million.

Net cash flows used in investing activities of S\$42.8 million during 3QFY2018 mainly arose from the increase in loans due from joint ventures of S\$50.7 million, additional investment in associates of S\$11.2 million and purchase of plant and equipment (including a new building under construction) of S\$3.3 million, offset by dividends received from associates of S\$3.3 million, net proceeds from sale of plant and equipment of S\$0.3 million and decrease in loans due from associates, net of S\$18.7 million.

Net cash flows used in financing activities of S\$2.7 million during 3QFY2018 mainly arose from repayment of bank borrowings of S\$38.5 million, dividends paid of S\$14.8 million, increase in pledged fixed deposits of S\$5.1 million and interest payment of S\$1.3 million, offset by the proceeds from bank term loans of S\$57.0 million.

With the abovementioned, net decrease in cash and cash equivalents during 3QFY2018 was S\$54.9 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 3QFY2018 is in line with the commentary made on 10 November 2017 in paragraph 10 of the second quarter results announcement for 2QFY2018.

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.

Global economic sentiment is more upbeat this year in general. While there are short-term risks, including financial stress and rising geopolitical tensions, growth for the year ahead should be stronger as risks of a significant slowdown in China have faded and the growth in the US, Japan and the European Union have been strong.

The broad economy recovery and strengthening global demand have benefited Singapore's economy. Advance estimates from the Ministry of Trade and Industry ("MTI") showed that the Singapore economy grew 3.1% year-on-year ("y-o-y") in the fourth quarter of 2017. For 2017, the economy grew by 3.5%, in line with earlier forecasts of 3.0% to 3.5%.

Although construction sector in Singapore shrunk by 8.5% on a year-on-year basis, extending a 7.7% decline in the previous quarter largely due to the weakness in private-sector building, the Building and Construction Authority ("BCA") estimated that construction demand in Singapore will increase this year to up to \$31 billion. According to BCA, between \$16 billion and \$19 billion worth of public projects will be awarded this year, more than the \$15.5 billion last year. Construction demand in the private sector is also expected to improve to between \$10 billion and \$12 billion this year, up from \$9 billion last year on the back of a strengthened overall economic outlook and an upturn in property market sentiment, as well as the redevelopment of collective-sale sites.

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; higher risks in foreign exchange losses 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. The Group will also continue to streamline the operation processes to reduce expenses.

According to the Urban Redevelopment Authority ("URA"), private home prices increased by 0.8% during this period. Prices of landed properties rose by 0.5% in the 4th quarter of 2017 compared with the 1.2% increase in the previous quarter. While, prices of non-landed properties rose by 0.8% compared with the 0.6% increase in the previous quarter. According to URA, 10,682 private residential units were sold by developers in with in 2017, 34% more than the 7,972 units sold in 2016.

The office market in Singapore for sale and rental has also improved. Rentals of office space rose 2.6% in the 4th quarter of 2017 at a faster pace of increase compared with the 2.4% gain in previous quarter. Prices of office space increased by 2.7% in the 4th quarter, after rising 0.4% in the previous quarter. The island-wide office vacancy rate eased to 12.6% as at the end of the 4th quarter from 13.3% as at the end of the previous quarter.

Sale and rental of retail space remains weak. According to URA, retail rents fell 0.5% in the 4th quarter of 2017 over the preceding quarter, while prices of retail space fell 1.0% after easing 0.9% in the previous quarter. The islandwide vacancy rate of retail space dropped to 7.4% as at the end of 4th quarter in 2017 from 8.2% as at the end of the previous quarter.

In 3QFY2018, we have been awarded a new civil engineering project and have also clinched new public construction contracts in December 2017 and January 2018. Including a contract to be awarded with a letter of intent received from a 35%-owned associated company for the proposed condominium housing development. The Group's construction order book remains healthy at more than S\$587.0 million as at 31 December 2017.

The projects launched by associates and joint ventures under the Group as at 31 December 2017 which construction has not been completed and those which construction have been completed but not fully sold are as set out below:-

No.	Project Name	Group Stake	Type of Development	Revenue Recognition Method	% Units Sold
Singapore					
1	Lincoln Suites	25.00%	Residential	Percentage of Completion	96.6%
2	Sky Green	25.00%	Residential	Percentage of Completion	98.3%
3	KAP & KAP Residences	12.60%	Residential and Commercial	Percentage of Completion	99.2%
4	Floraville / Floraview / Floravista	12.25%	Residential and Commercial	Percentage of Completion	84.5%
5	Hexacube	30.00%	Commercial and Office	Completion	67.1%
6	Trio	35.00%	Commercial	Completion	37.2%
7	High Park Residences	20.00%	Residential and Commercial	Percentage of Completion	100.0%
8	121 Collection on Whitley	30.00%	Residential	Percentage of Completion	44.4%
9	Rezi35	49.00%	Residential	Percentage of Completion	54.5%
Overseas					
1	Liang Jing Ming Ju Phase 4 - Sequoia Mansion	45.00%	Residential (Commercial and Office excluded)	Completion	92.8%

REVIEW OF THE PERFORMANCE OF THE GROUP

10 (continued)

As at 31 December 2017, subject to cancellation of contracts, approximately 96.1% of units launched by associates and joint ventures under the Group have been sold. The Group has a balance amount of attributable share of progress billings to be recognised as sales revenue of approximately S\$104.4 million from the above projects, the share of results of which will be progressively recognised by the associates and joint ventures and contribute to the Group's results after 3QFY2018.

The Group's investment in The Prudential Tower, a Grade A office building located at the Raffles Place precinct with given its prime location, as well as other investment properties held in Singapore and overseas, will also continue to contribute positively to the results of the Group.

In view of the above and barring unforeseen circumstances, the Group remains cautiously optimistic on the outlook of its performance in FY2018.

DIVIDENDS

11 (a) Current financial period reported on

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared.

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 third quarter and nine 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 third quarter and nine-month period ended 31 December 2017 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

9 February 2018