
**FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

Logistics Holdings Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 18 January 2013. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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BACKGROUND OF THE COMPANY

The Company was incorporated in the Republic of Singapore on 5 October 2012 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries, namely Logistics Construction Pte Ltd and Apex Projects Pte Ltd, were formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") undertaken to streamline and rationalise the group structure prior to the IPO and listing on Catalist of the SGX-ST ("**Catalist**"). Please refer to the Company's Offer Document dated 8 January 2013 for further details on the Restructuring Exercise.

Pursuant to the extraordinary general meeting ("**EGM**") on 10 May 2013, the Company had obtained shareholders' approval for the diversification of the group's existing building construction business to include (a) property construction in ASEAN (including Singapore), China and/or the Australasian countries (the "**Overseas Construction Business**"); and (b) property development and property investment in ASEAN (including Singapore), China and/or the Australasian countries (collectively, the "**Property Business**") (the Overseas Construction Business and the Property Business shall collectively be referred to as the "**New Business**"). Following the EGM, the Company had in May 2013 incorporated a new wholly owned subsidiary, Logistics Investment Pte Ltd. The Company and its subsidiaries, namely Logistics Construction Pte Ltd, Apex Projects Pte Ltd and Logistics Investment Pte Ltd shall be referred to herein as the "**Group**".

The Group has a track record of more than 27 years in the construction business in Singapore and is principally engaged in building construction works as well as supply and installation of furniture / interior fitting-out works in Singapore in which we act primarily as a main contractor for primarily Singapore government and Singapore government-related bodies. As a main contractor, we have undertaken a wide range of building construction works such as excavation, piling, sub-structures and superstructures works, architectural works, aluminium cladding and curtain walling, M&E works, interior fitting-out works, external works and landscaping.

The Company was admitted to the Catalist on 18 January 2013. For the purpose of this announcement, the comparative results of the Group for the half year ended 31 December 2012 ("**1H FY2013**"), have been prepared on the assumption that the Group structure following the completion of the Restructuring Exercise has been in place since 1 July 2012.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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.

Statement of Comprehensive Income	Group		Change %
	1H FY2014 S\$'000	1H FY2013 S\$'000	
Revenue	64,790	41,106	57.6
Cost of works	(59,639)	(36,964)	61.3
Gross profit	5,151	4,142	24.4
Other income	363	284	27.8
Expenses			
Distribution and marketing	(72)	(51)	41.2
Administrative	(2,474)	(1,722)	43.7
Finance	(9)	(12)	(25.0)
	(2,555)	(1,785)	43.1
Profit before tax	2,959	2,641	12.0
Income tax expense	(403)	(452)	(10.8)
Net profit	2,556	2,189	16.8
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation	(6)	-	NM
Total comprehensive income for the year	2,550	2,189	NM
Net profit attributable to:			
Equity holders	2,562	2,189	17.0
Non-controlling interest	(6)	-	NM
	2,556	2,189	16.8
Total comprehensive income attributable to:			
Equity holders	2,556	2,189	16.8
Non-controlling interest	(6)	-	NM
	2,550	2,189	16.5

Notes to Consolidated Statement of Comprehensive Income

The Group's profit before tax is arrived at after charging / (crediting):	1H FY2014 S\$'000	1H FY2013 S\$'000	Change %
Equipment handling income	(283)	(279)	1.5
Depreciation	375	159	135.8
Interest expense	9	12	(25.0)
Government grant	(27)	-	NM
Interest income	(5)	-	NM
Insurance compensation	(33)	-	NM
Currency translation loss	1	-	NM
Write-back of allowance for impairment of receivables	-	(101)	NM
Gain on disposal of property, plant and equipment	-	(7)	NM
IPO expenses, net ¹	-	220	NM

¹ Net IPO expenses is derived after deducting amount to be capitalised of approximately S\$448,000

NM denotes 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	
	31-Dec-13 S\$'000	30-Jun-13 S\$'000	31-Dec-13 S\$'000	30-Jun-13 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	17,583	18,023	1,535	5,499
Trade and other receivables	20,474	23,233	3,347	1,160
Other current assets	1,054	1,397	585	9
Total current assets	39,111	42,653	5,467	6,668
Non-current assets				
Investment in subsidiaries	-	-	11,622	9,922
Property, plant and equipment	18,866	3,370	-	-
Deferred tax assets	53	53	-	-
Total non-current assets	18,919	3,423	11,622	9,922
Total assets	58,030	46,076	17,089	16,590
LIABILITIES				
Current liabilities				
Trade and other payables	23,558	23,359	1,589	1,729
Bank borrowings	-	371	-	-
Finance lease liabilities	119	63	-	-
Current income tax liabilities	1,716	1,848	-	8
Total current liabilities	25,393	25,641	1,589	1,737
Non-current liabilities				
Bank borrowings	10,720	-	-	-
Finance leases liabilities	432	-	-	-
Deferred tax liabilities	1	1	-	-
Total non-current liabilities	11,153	1	-	-
Total liabilities	36,546	25,642	1,589	1,737
NET ASSETS	21,484	20,434	15,500	14,853
Equity				
Share capital	15,196	15,196	15,196	15,196
Retained profits	8,114	7,252	304	(343)
Translation reserve	(6)	-	-	-
Merger reserve	(2,014)	(2,014)	-	-
Equity attributable to equity holders of the Company	21,290	20,434	15,500	14,853
Non-controlling interest	194	-	-	-
Total equity	21,484	20,434	15,500	14,853

	Group		Company	
	31-Dec-13 S\$'000	30-Jun-13 S\$'000	31-Dec-13 S\$'000	30-Jun-13 S\$'000
Note A: Trade and other receivables				
<u>Trade receivables</u>				
Non-related parties	4,748	5,735	-	4
Subsidiaries	-	-	2,001	910
	4,748	5,735	2,001	914
<u>Construction contracts:</u>				
Due from customers	15,548	17,282	-	-
Project retention	169	179	-	-
<u>Non-trade receivables:</u>				
Non-related parties	5	37	-	-
Subsidiaries	-	-	1,346	246
Staff advances	4	-	-	-
	20,474	23,233	3,347	1,160

	Group		Company	
	31-Dec-13 S\$'000	30-Jun-13 S\$'000	31-Dec-13 S\$'000	30-Jun-13 S\$'000
Note B: Trade and other payables				
<u>Trade payables</u>				
Non-related parties	9,151	10,910	32	36
<u>Construction contracts:</u>				
Due to customers	100	169	-	-
<u>Non-trade payables:</u>				
Director	-	89	-	89
Non-related parties	1	43	-	-
Subsidiaries	-	-	1,369	1,369
Deposits	99	96	-	-
Accrued operating expenses	14,207	12,052	188	235
	23,558	23,359	1,589	1,729

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

	31-Dec-2013		30-Jun-2013	
	Secured	Unsecured	Secured	Unsecured
Repayable in one year or less, or on demand (S\$'000)	119	-	434	-
Repayable after one year (S\$'000)	11,152	-	-	-

Details of any collateral

The Group's existing borrowings were secured by, amongst others, deed of charge over contract proceeds and receivables and mortgages over the Group's properties.

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

Consolidated Statement of Cash Flows	1H FY2014 S\$'000	1H FY2013 S\$'000
Cash flows from operating activities		
Net profit	2,556	2,189
<u>Adjustments for:</u>		
Income tax expense	403	452
Depreciation	375	159
Gain on disposal of plant and equipment	-	(7)
Interest income	(5)	-
Currency translation differences arising from consolidation	(6)	-
Interest expense	9	12
	3,332	2,805
Changes in working capital		
Trade and other receivables	2,928	(11,385)
Other current assets	174	(126)
Trade and other payables	198	8,257
Cash provided by / (used in) operations	6,632	(449)
Interest received	5	-
Income taxes paid	(535)	(488)
Net cash provided by / (used in) operating activities	6,102	(937)
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,330)	(966)
Proceeds from disposal of property, plant and equipment	-	18
Net cash used in investing activities	(15,330)	(948)
Cash flows from financing activities		
Dividends paid	(1,700)	(1,980)
Finance leases repayment	(52)	(50)
Proceeds from bank borrowings	10,720	-
Repayment of bank borrowings	(371)	(364)
Capital contribution from non-controlling interest	200	-
Reduction of bank deposits pledged to financial institution for banking facilities	100	-
Interest paid	(9)	(12)
Net cash provided by / (used in) financing activities	8,888	(2,406)
Net decrease in cash and cash equivalents	(340)	(4,291)
Cash and cash equivalents		
Beginning of the financial period	17,923	14,549
End of the financial period	17,583	10,258
Cash and cash equivalents	31-Dec-13 S\$'000	31-Dec-12 S\$'000
Cash and cash equivalents as per Statement of Financial Position	17,583	10,358
Bank deposits pledged to financial institution for banking facilities	-	(100)
Cash and cash equivalents as per Consolidated Statement of Cash Flows	17,583	10,258

- 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	Share capital	Retained profits / (Accumulated losses)	Translation reserve	Merger reserve	Equity attributable to owners of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group							
As at 1 July 2013	15,196	7,252	-	(2,014)	20,434	-	20,434
Dividend relating to 2013	-	(1,700)	-	-	(1,700)	-	(1,700)
Acquisition of subsidiary	-	-	-	-	-	200	200
Total comprehensive income for the period	-	2,562	(6)	-	2,556	(6)	2,550
As at 31 December 2013	15,196	8,114	(6)	(2,014)	21,290	194	21,484
As at 1 July 2012 ¹	6,800	2,014	-	-	8,814	8	8,822
Share swap pursuant to the Restructuring Exercise	(6,800)	-	-	(2,014)	(8,814)	(8)	(8,822)
Issuance of shares pursuant to the Restructuring Exercise	8,822	-	-	-	8,822	-	8,822
Total comprehensive income for the period ¹	-	2,189	-	-	2,189	-	2,189
As at 31 December 2012¹	8,822	4,203	-	(2,014)	11,011	-	11,011
The Company							
As at 1 July 2013	15,196	(343)	-	-	14,853	-	14,853
Dividend relating to 2013	-	(1,700)	-	-	(1,700)	-	(1,700)
Total comprehensive income for the period	-	2,347	-	-	2,347	-	2,347
As at 31 December 2013	15,196	304	-	-	15,500	-	15,500
Date of incorporation	*	-	-	-	-	-	#
Issuance of shares pursuant to the Restructuring Exercise	8,822	-	-	-	8,822	-	8,822
As at 31 December 2012	8,822	-	-	-	8,822	-	8,822

* The Company was incorporated on 5 October 2012 with a paid-up capital of S\$1.00 comprising one (1) ordinary share at the date of incorporation.

Denotes amount less than S\$1,000.00

¹ For illustrative and comparative purposes, the figures for 1H FY2013 are computed assuming that the Group has been in existence as at 1 July 2012. For the purpose of presentation of the Group's comparative share capital, the share capital represents the aggregate of the paid-up capital of its subsidiaries.

- 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.

There was no change in the Company's share capital since the end of the previous financial period reported on.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2013 and 31 December 2012.

- 1(d)(iii) To show the 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.

170,000,000 ordinary shares were issued as at 31 December 2013 (30 June 2013: 170,000,000 ordinary shares).

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

- 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.

Not applicable. The Company did not have any treasury shares during and as at the end of current financial period reported on.

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 auditors of the Company.

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

Not applicable.

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

Save as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared to the most recently audited financial statements for the financial year ended 30 June 2013.

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

The Group has adopted all new and revised Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the financial period beginning on or after 1 July 2013, where applicable. The adoption of these new and revised standards from the effective date did not result in any material impact to the financial statements of the Group for the current financial period reported on.

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

	Group	
	31-Dec-13	31-Dec-12
Profit attributable to equity holders of the Company (S\$'000)	2,556	2,189
Weighted average number of ordinary shares used in the computation of basic and diluted EPS ('000) ¹	170,000	170,000
Basic and fully diluted earnings per share (Singapore cents) ¹	1.50	1.29

¹ For illustrative and comparative purposes, the basic earnings per share was computed based on the profit for 1H FY2014 and 1H FY2013 attributable to equity holders of the Company and the issued share capital of 170,000,000 shares post the Company's IPO.

The diluted and basic EPS are the same for 1H FY2014 and 1H FY2013 as there were no potentially dilutive ordinary shares as at 31 December 2013 and 31 December 2012.

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.

Net Asset Value per ordinary share ¹	Group		Company	
	31-Dec-13 Singapore Cents	30-Jun-13 Singapore Cents	31-Dec-13 Singapore Cents	30-Jun-13 Singapore Cents
Net asset value per ordinary share based on issued share capital	12.64	12.02	9.12	8.74

¹ The net asset value per ordinary share for the Group and the Company as at 31 December 2013 and 30 June 2013 is computed based on the post-IPO share capital of the Company of 170,000,000 shares.

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 FINANCIAL PERFORMANCE
Revenue

Our revenue increased by approximately S\$23.7 million or 57.6% from S\$41.1 million in 1H FY2013 to S\$64.8 million in 1H FY2014. The increase in revenue was mainly attributable to revenue recognised for work completed on new projects awarded and the substantial progress of on-going projects. These include, among others, revenue from alteration and addition works for projects under Jurong Town Corporation, Ministry of Education and Institute of Mental Health, new building works and design and build of upgrading projects for the Housing and Development Board ("HDB"). These new and on-going projects contributed approximately S\$44.1 million or 68.1% of our revenue in 1H FY2014.

Costs of works, gross profit and gross profit margin

Our costs of works increased by approximately S\$22.7 million or 61.3% from approximately S\$37.0 million in 1H FY2013 to approximately \$59.6 million in 1H FY2014. The increase in cost of works was mainly attributable to higher subcontracting and labour costs. Consequently, our gross profit margin decreased from 10.1% in 1H FY2013 to 8.0% in 1H FY2014. Despite the decrease in gross profit margin, the Group recorded higher gross profit of approximately S\$5.2 million in 1H FY2014 compared to approximately S\$4.1 million in 1H FY2013.

Other income

Our other income increased by approximately S\$79,000 or 27.8%, from approximately S\$284,000 in 1H FY2013 to approximately S\$363,000 in 1H FY2014. This was mainly due to an increase in insurance compensation of approximately S\$33,000, government grants of approximately S\$27,000 and equipment handling income of approximately S\$4,000.

Distribution and marketing expenses

Distribution and marketing expenses increased by approximately S\$21,000 or 41.2%, from approximately S\$51,000 in 1H FY2013 to approximately S\$72,000 in 1H FY2014, due to higher entertainment expenses of approximately S\$19,000 and sponsorship of approximately S\$2,000.

Administrative expenses

Our administrative expenses increased by approximately S\$0.8 million or approximately 43.7% from approximately S\$1.7 million in 1H FY2013 to S\$2.5 million in 1H FY2014. The increase was mainly due to higher: (i) payroll expenses of approximately S\$0.4 million mainly as a result of increased headcount and salary adjustments, (ii) director fees of approximately S\$0.1 million as the directors were appointed during the period October to December 2012 and their fees pro-rated accordingly; (iii) depreciation of approximately S\$0.2 million in relation to our headquarters at 24 Kranji Road ("Leasehold Property"), workers dormitory and computer equipment.

Finance expenses

The decrease in finance costs was mainly due to the full repayment of term loan for the Leasehold Property during the current financial period reported on.

Income tax expense

The overall effective tax rate was 13.6% and 17.1% for 1H FY2014 and 1H FY2013 respectively. The Singapore statutory corporate tax rate for both years of assessment remained at 17.0%. The decrease in our effective tax rate for 1H FY2014 was mainly due to the reversal of a provision included in costs of works which was not taxable and the effective tax rate for 1H FY2013 was largely in line with the statutory tax rate.

Net profit

As a result of the above, our net profit increased by approximately S\$0.4 million or approximately 16.8% from approximately S\$2.2 million in 1H FY2013 to S\$2.6 million in 1H FY2014.

REVIEW OF FINANCIAL POSITION**Current assets**

The Group's current assets decreased by approximately S\$3.5 million or 8.3% from approximately S\$42.6 million as at 30 June 2013 to approximately S\$39.1 million as at 31 December 2013, due to a decrease in trade and other receivables of approximately S\$2.8 million, a decrease in cash and cash equivalents of approximately S\$0.4 million and a decrease in other assets of approximately S\$0.3 million.

The decrease in trade and other receivables was mainly due to (i) lower trade receivables of approximately S\$1.0 million due to increased collections for the Group's billings, and (ii) lower amount due from contract customers of approximately S\$1.7 million resulting from lower unbilled amounts from project works performed until 31 December 2013. The decrease in other current assets of approximately S\$0.3 million was mainly due to the option fee and payments for the purchase of 21 Paya Lebar Crescent ("Freehold Property") of approximately S\$1.1 million which was capitalised during the current reporting period, partially offset by a tender deposit paid to a consortium partner of approximately S\$0.6 million and downpayment for construction equipment of S\$0.2 million as at 31 December 2013.

Non-current assets

Non-current assets increased by approximately S\$15.5 million from approximately S\$3.4 million as at 30 June 2013 to approximately S\$18.9 million as at 31 December 2013. The increase was mainly attributable to the addition of the Freehold Property and capitalisation of its related costs of approximately S\$14.0 million, workers dormitory of approximately S\$0.9 million and construction equipment of approximately S\$0.8 million.

Current liabilities

The Group's current liabilities decreased marginally by approximately S\$0.2 million or 0.8% from approximately S\$25.6 million as at 30 June 2013 to approximately S\$25.4 million as at 31 December 2013, mainly due to repayment of bank borrowings in relation to the Leasehold Property of approximately S\$0.4 million and lower current tax liabilities which decreased by approximately S\$0.1 million, partially offset by the increase in trade and other payables of approximately S\$0.2 million.

The increase in trade and other payables was mainly due to higher accrued operating expenses of approximately S\$2.2 million, partially offset by a reduction in trade payables of approximately S\$1.8 million, as cost of works incurred were not yet billed by subcontractors as at 31 December 2013 and these costs were accounted for as part of accrued operating expenses. The decrease in amount due to director of approximately S\$0.1 million was due to the payment of FY2013 profit sharing for our CEO during the current financial period report on. The decrease in current tax liabilities of approximately S\$0.1 million was largely due to lower taxable profits.

Non-current liabilities

The increase in non-current liabilities of approximately S\$11.1 million was mainly due to bank borrowings on the Freehold Property of approximately S\$10.7 million and new finance lease for the construction equipment of approximately S\$0.4 million.

Shareholders' equity

As at 31 December 2013, the shareholders' equity stood at approximately S\$21.3 million, as compared to approximately S\$20.4 million as at 30 June 2013. The increase of approximately S\$1.0 million was mainly attributable to current financial period net profit of approximately S\$2.6 million, partially offset by dividend payment of S\$1.7 million.

The Group continued to register a positive working capital of approximately S\$13.7 million as at 31 December 2013 compared to S\$17.0 million as at 30 June 2013.

REVIEW OF CASH POSITION

Cash and cash equivalents, excluding pledged deposits, stood at approximately S\$17.6 million as at 31 December 2013, representing an increase of approximately S\$7.3 million from approximately S\$10.3 million as at 31 December 2012.

In 1H FY2014, net cash provided by operating activities stood at approximately S\$6.1 million. This is mainly due to operating cash inflows before working capital changes of approximately S\$3.3 million, adjusted for net working capital inflows of approximately S\$3.3 million and income tax paid of approximately S\$0.5 million. The net capital inflows was due to a decrease in trade and other receivables of approximately S\$2.9 million, a decrease in other current assets of approximately S\$0.2 million and an increase in trade and other payables of approximately S\$0.2 million.

Net cash used in investing activities during 1H FY2014 was approximately S\$15.3 million, mainly due to additions of property, plant and equipment.

Net cash provided by financing activities during 1H FY2014 was approximately S\$8.9 million, mainly due to proceeds from bank borrowings of approximately S\$10.7 million to finance the purchase of the Freehold Property, capital contribution from non-controlling interest of approximately S\$0.2 million, reduction of bank deposits pledged of S\$0.1 million, partially offset by dividend payment of approximately S\$1.7 million and repayment of bank borrowings of approximately S\$0.4 million.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. The Company did not make any forecast or prospect statement.

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.

On 9 January 2014, the Building and Construction Authority announced that the construction demand for 2014 is expected to remain strong with an estimated S\$19 to S\$22 billion worth of public sector projects, driven by strong public housing demand, amongst others.¹ This augurs well for the Group as we will be able to take advantage of our established track record in the public sector domain to secure more projects in the pipeline and leverage on our capabilities. As a testament to our capabilities, we had, on 30 January 2014, secured another HDB project worth an estimated S\$31.7 million for the design and build of electrical substations and switch rooms, and other related works in three precincts, namely Blocks 113 to 120 at Potong Pasir Avenue 1, Blocks 173 to 181 at Bishan Street 13 and Blocks 238 to 246 at Serangoon Avenues 2 and 3. With the award of the aforementioned contract, our order book stood at approximately S\$245.9 million.

On the property development front, we have taken over the vacant possession of our Freehold Property on 28 January 2014 and has commenced the planning and redevelopment of the site according to schedule. Set-up works for our precast factory in Johor, Malaysia is ongoing and expected to be completed on schedule, by June 2014, and operational thereafter.

Whilst the outlook for the Group remains promising, we will still continue to seek out new opportunities and growth, both locally and overseas, and also exercise vigilance in our costs control so as to enhance shareholders' value.

¹ The information was extracted from BCA's website (http://www.bca.gov.sg/Newsroom/pr09012014_BCA.html) which was accessed on 5 February 2014.

11 Dividend

(a) Current Financial Period Reported On

No.

(b) 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 or recommended for 1H FY2014.

13 If the Group has obtained a general mandate from shareholders for interested persons transactions ("IPT") 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.

There were no IPT of S\$100,000 and above for the six months financial period ended 31 December 2013.

The Group does not have a general mandate from shareholders for IPTs.

- 14 Use of IPO proceeds**
Subsequent to the announcement on the change in use of IPO proceeds ("Reallocation") dated 30 August 2013, the status of the IPO proceeds as at the date of this announcement is as per below: -

Use of proceeds from the IPO	Amount allocated pursuant to the Reallocation S\$'000	Amount Utilised S\$'000	Amount Unutilised S\$'000
To expand the operations of the Group by: (i) acquiring heavy duty and large capacity as well as automated and advanced construction equipment and machinery; and (ii) constructing a dormitory to house our foreign workers	1,000	500	500
To explore joint ventures and strategic alliances in related business	1,000	800	200
To undertake and fund the New Business	3,000	3,000	-
For general working capital requirements ¹	958	958	-
	5,958	5,258	700

¹ Amount for general working capital requirements has been fully utilised for payment to subcontractors.

The Company will make further announcements on the use of the proceeds as and when the funds are materially disbursed. Pending the utilisation of the net proceeds as stated above, the unutilised amount may be placed in short-term deposits with banks and financial institutions or invested in money market instruments.

- 15 Confirmation by Directors pursuant to Rule 705 (5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.**
The Board of Directors of the Company (the "Board") confirms that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the half year ended 31 December 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Phua Lam Soon
Chief Executive Officer

13 February 2014