

# KEONG HONG HOLDINGS LIMITED

## Unaudited Financial Statement For The Second Quarter and Six Months Ended 31 March 2017

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

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.

	Group Second Quarter ended			Group First Half ended		
	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000	+(-) %	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000	+(-) %
<b>Revenue</b>	41,092	56,658	(27.5%)	84,183	125,227	(32.8%)
Cost of sales	(32,958)	(46,045)	(28.4%)	(69,533)	(107,204)	(35.1%)
Gross profit	8,134	10,613	(23.4%)	14,650	18,023	(18.7%)
Other income	2,569	1,054	143.7%	4,225	3,083	37.0%
Administration expenses	(4,130)	(3,965)	4.2%	(5,963)	(6,826)	(12.6%)
Finance costs	(745)	(890)	(16.3%)	(1,628)	(1,787)	(8.9%)
Share of results of joint ventures, net of tax	(529)	-	n.m.	(536)	-	n.m.
Share of results of associates, net of tax	(1,146)	(368)	211.4%	(1,675)	(357)	369.2%
<b>Profit before income tax</b>	<b>4,153</b>	<b>6,444</b>	<b>(35.6%)</b>	<b>9,073</b>	<b>12,136</b>	<b>(25.2%)</b>
Income tax expense	(900)	(1,348)	(33.2%)	(2,035)	(2,272)	(10.4%)
<b>Profit after tax for the financial year</b>	<b>3,253</b>	<b>5,096</b>	<b>(36.2%)</b>	<b>7,038</b>	<b>9,864</b>	<b>(28.6%)</b>
<b>Other comprehensive income:</b> <i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating of foreign operations	43	(18)	n.m.	(246)	(29)	n.m.
Share of other comprehensive income of associate	(306)	(268)	14.2%	(71)	(212)	(66.5%)
Other comprehensive income for the financial year, net of tax	(263)	(286)	(8.0%)	(317)	(241)	31.5%
<b>Total comprehensive income for the financial year</b>	<b>2,990</b>	<b>4,810</b>	<b>(37.8%)</b>	<b>6,721</b>	<b>9,623</b>	<b>(30.2%)</b>
<b>Profit attributable to:</b>						
Owners of the parent	3,253	7,009	(53.6%)	7,038	11,793	(40.3%)
Non-controlling interests	-	(1,913)	n.m.	-	(1,929)	n.m.
	<b>3,253</b>	<b>5,096</b>	<b>(36.2%)</b>	<b>7,038</b>	<b>9,864</b>	<b>(28.6%)</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	2,990	6,701	(55.4%)	6,721	11,536	(41.7%)
Non-controlling interests	-	(1,891)	n.m.	-	(1,913)	n.m.
	<b>2,990</b>	<b>4,810</b>	<b>(37.8%)</b>	<b>6,721</b>	<b>9,623</b>	<b>(30.2%)</b>

n.m. denotes not meaningful

**1(a)(ii) Profit for the financial year is stated after charging/(crediting):**

	Group Second quarter ended			Group First Half ended		
	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000	+(-) %	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000	+(-) %
Amortisation of intangible asset	-	2	n.m.	1	4	(75.0%)
Amortisation of bond issuance cost	59	59	-	119	119	-
Depreciation of property, plant and equipment	1,375	1,560	(11.9%)	2,593	3,134	(17.3%)
Fair value (gain)/loss on derivative on convertible bond	(327)	88	n.m.	(179)	88	n.m.
Operating lease expenses	91	140	(35.0%)	182	229	(20.5%)
Professional fees	276	124	122.6%	679	204	232.8%
Share option expense	63	120	(47.5%)	134	133	0.8%
Gain on disposal of plant and equipment	-	-	n.m.	-	(7)	n.m.
Foreign exchange (gain) / loss - Net (Over)/Under provision of tax in respect of prior years	1,043	47	n.m.	(414)	1,701	n.m.
	-	-	n.m.	-	(105)	n.m.
Interest income	(789)	(497)	58.8%	(1,241)	(1,258)	(1.4%)

*n.m. 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**

	Group As at		Company As at	
	31/03/2017 Unaudited S\$'000	30/09/2016 Audited S\$'000	31/03/2017 Unaudited S\$'000	30/09/2016 Audited S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	33,452	36,857	-	-
Investments in subsidiaries	-	-	24,574	24,574
Investment in associates	8,780	7,245	5,610	-
Investments in joint ventures	13,778	15,886	-	-
Intangible assets	309	309	-	-
Available-for-sale financial assets	6,750	6,750	6,750	6,750
Finance lease receivables	837	904	-	-
Deferred tax assets	149	307	-	-
<b>Total non-current assets</b>	<b>64,055</b>	<b>68,258</b>	<b>36,934</b>	<b>31,324</b>
<b>Current assets</b>				
Trade and other receivables	203,652	198,488	1,125	251
Due from subsidiaries	-	-	41,719	46,878
Due from contract customers	15,280	8,856	-	-
Convertible bond	4,912	4,912	4,912	4,912
Derivative on convertible bond	603	423	603	423
Finance lease receivables	130	126	-	-
Current income tax recoverable	321	314	-	-
Prepayments	213	355	9	3
Non-current assets held for sale	851	851	-	-
Cash and cash equivalents	38,807	58,618	2,366	1,158
<b>Total currents assets</b>	<b>264,769</b>	<b>272,943</b>	<b>50,734</b>	<b>53,625</b>
<b>Total assets</b>	<b>328,824</b>	<b>341,201</b>	<b>87,668</b>	<b>84,949</b>
<b>Equity</b>				
Share capital	23,836	23,836	23,836	23,836
Treasury shares	(3,698)	(4,005)	(3,698)	(4,005)
Other reserves	(3,931)	(3,645)	496	465
Retained earnings	120,326	120,163	1,042	7,368
<b>Total equity</b>	<b>136,533</b>	<b>136,349</b>	<b>21,676</b>	<b>27,664</b>
<b>Non-current liabilities</b>				
Bank borrowings	-	1,818	-	-
Finance lease payables	117	162	-	-
Medium term notes	49,712	49,593	49,712	49,593
Provision for reinstatement	232	232	-	-
<b>Total non-current liabilities</b>	<b>50,061</b>	<b>51,805</b>	<b>49,712</b>	<b>49,593</b>
<b>Current liabilities</b>				
Trade and other payables	97,327	110,945	1,031	1,161
Due to contract customers	27,937	24,881	-	-
Due to subsidiaries	-	-	15,241	6,515
Bank borrowings	11,743	11,872	-	-
Finance lease payables	90	87	-	-
Current income tax payable	5,133	5,262	8	16
<b>Total current liabilities</b>	<b>142,230</b>	<b>153,047</b>	<b>16,280</b>	<b>7,692</b>
<b>Total liabilities</b>	<b>192,291</b>	<b>204,852</b>	<b>65,992</b>	<b>57,285</b>
<b>Total equity and liabilities</b>	<b>328,824</b>	<b>341,201</b>	<b>87,668</b>	<b>84,949</b>

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

**Amount repayable in one year or less, or on demand**

<b>As at 31/03/2017 Unaudited</b>		<b>As at 30/09/2016 Audited</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
11,743	-	11,872	-

**Amount repayable after one year**

<b>As at 31/03/2017 Unaudited</b>		<b>As at 30/09/2016 Audited</b>	
<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>	<b>Secured S\$'000</b>	<b>Unsecured S\$'000</b>
-	49,712	1,818	49,593

Details of collateral:

The Group's secured borrowings are secured by corporate guarantee, property and project proceeds in respect of the Company's construction projects.

The unsecured borrowing relates to net proceeds of S\$49.4 million from the issuance of S\$50 million 3-year Fixed Rate Notes ("Term Notes") on 15 June 2015 under Keong Hong Holdings Limited S\$150 million Multicurrency Medium Term Note Programme. The Term Notes bear interest of 6.00 per cent per annum payable semi-annually in arrear and will mature on 15 June 2018.

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**

	Group Second Quarter ended		Group Half Year ended	
	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000
<b>Operating activities</b>				
Profit before income tax	4,153	6,444	9,073	12,136
Adjustments for:				
Amortisation of intangible assets	-	2	-	4
Depreciation of plant and equipment	1,375	1,560	2,593	3,134
Amortisation of bond issuance cost	59	59	119	119
Fair value (gain)/loss on derivative on convertible bond	(327)	88	(179)	88
Gain on disposal of plant and equipment	-	-	-	(7)
Share option expense	63	120	134	133
Interest income	(789)	(497)	(1,241)	(1,258)
Interest expenses	745	890	1,628	1,787
Accretion of convertible bond discount	-	(46)	-	(95)
Share of result of associates	1,146	368	1,675	357
Share of result of joint ventures	529	-	536	-
<b>Operating cash flows before movements in working capital</b>	<b>6,954</b>	<b>8,988</b>	<b>14,338</b>	<b>16,398</b>
Working Capital Changes:				
Trade and other receivables	10,724	1,002	(826)	15,107
Due from contract customers	(7,330)	762	(6,425)	(2,521)
Prepayments	97	(199)	142	(85)
Due to contract customers	(3,019)	10,329	3,056	382
Trade and other payables	(8,794)	(20,009)	(14,367)	(21,724)
<b>Cash used in operations</b>	<b>(1,368)</b>	<b>873</b>	<b>(4,082)</b>	<b>7,557</b>
Income tax paid	(2,455)	(1,305)	(2,004)	(1,200)
<b>Net cash (used in) / generated from operating activities</b>	<b>(3,823)</b>	<b>(432)</b>	<b>(6,086)</b>	<b>6,357</b>
<b>Investing activities</b>				
Investment in associate	(5,610)	(744)	(5,610)	(744)
Investment in joint venture	-	-	(600)	(694)
Purchase of plant and equipment	(4)	(12,253)	(114)	(12,620)
Proceeds from disposal of plant and equipment	-	-	-	7
Loan to associates	(7,924)	(2,900)	(12,325)	(5,200)
Loan to joint ventures	(5,540)	(36,753)	(8,900)	(39,753)
Repayment of loan from joint ventures	-	4,700	17,513	12,600
Interest received	197	-	615	-
Dividend received	800	497	4,500	1,258
<b>Net cash used in investing activities</b>	<b>(18,081)</b>	<b>(47,453)</b>	<b>(4,921)</b>	<b>(45,146)</b>

**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 (Cont'd)**

	Group Second Quarter ended		Group Half Year ended	
	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000
<b>Financing activities</b>				
Fixed deposit pledged with financial institutions	-	230	-	230
Finance lease receivables	31	31	63	61
Repayment of Finance Lease payables	(22)	(29)	(43)	(160)
Proceeds from loans & borrowings	2,000	5,276	3,000	5,276
Repayments of loans & borrowings	(944)	(947)	(4,947)	(1,863)
Issue of treasury shares	204	-	204	998
Dividend paid	(6,875)	(9,167)	(6,875)	(9,167)
Interest paid	(54)	(140)	(878)	(1,037)
<b>Net cash used in financing activities</b>	<b>(5,660)</b>	<b>(4,746)</b>	<b>(9,476)</b>	<b>(5,662)</b>
Net change in cash and cash equivalents	(27,564)	(52,631)	(20,483)	(44,451)
Cash and cash equivalents at the beginning of the period	66,414	108,526	58,618	100,339
Exchange difference on cash and cash equivalents	(43)	50	672	57
<b>Cash and cash equivalents at end of the financial year</b>	<b>38,807</b>	<b>55,945</b>	<b>38,807</b>	<b>55,945</b>

Cash and cash equivalents comprised of:

	31/03/2017 Unaudited S\$'000	31/03/2016 Unaudited S\$'000
Fixed deposits, cash and bank balances	<u>38,807</u>	<u>55,945</u>

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

<b>Group (Unaudited)</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Foreign currency translation accounts S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Merger reserve S\$'000</b>	<b>Available -for- sale reserve S\$'000</b>	<b>Other reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Balance at 1 October 2016	23,836	(4,005)	798	540	(4,794)	(75)	(114)	120,163	136,349
Profit for the financial period	-	-	-	-	-	-	-	7,038	7,038
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	(246)	-	-	-	-	-	(246)
Share of other comprehensive income of joint venture	-	-	-	-	-	-	(71)	-	(71)
Total comprehensive income for the period	-	-	(246)	-	-	-	(71)	7,038	6,721
Contribution by and distribution to owners of the parents:									
Dividends	-	-	-	-	-	-	-	(6,875)	(6,875)
Issue of treasury shares	-	307	-	(103)	-	-	-	-	204
Share option expense	-	-	-	134	-	-	-	-	134
Total transactions with owners of the parent	-	307	-	31	-	-	-	(6,875)	(6,537)
Balance at 31 March 2017	23,836	(3,698)	552	571	(4,794)	(75)	(185)	120,326	136,533

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

<b>Group (Unaudited)</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Foreign currency translation accounts S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Merger reserve S\$'000</b>	<b>Available-for-sale reserve S\$'000</b>	<b>Other reserve S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Total S\$'000</b>
Balance at 1 January 2017	23,836	(4,005)	509	611	(4,794)	(75)	121	123,948	140,151
Profit for the financial period	-	-	-	-	-	-	-	3,253	3,253
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	43	-	-	-	-	-	43
Share of other comprehensive income of joint venture	-	-	-	-	-	-	(306)	-	(306)
Total comprehensive income for the period	-	-	43	-	-	-	(306)	3,253	2,990
Contribution by and distribution to owners of the parents:									
Dividends	-	-	-	-	-	-	-	(6,875)	(6,875)
Issued of treasury shares	-	307	-	(103)	-	-	-	-	204
Share option expense	-	-	-	63	-	-	-	-	63
Total transactions with owners of the parent	-	307	-	(40)	-	-	-	(6,875)	(6,608)
Balance at 31 March 2017	23,836	(3,698)	552	571	(4,794)	(75)	(185)	120,326	136,533



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

	Share capital S\$'000	Treasury shares S\$'000	Foreign currency translation accounts S\$'000	Share option reserve S\$'000	Merger reserve S\$'000	Available-for-sale reserve S\$'000	Other reserves S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interest S\$'000	Total S\$'000
<b>Group (Unaudited)</b>											
Balance at 1 October 2015	23,836	(5,728)	479	1,029	(4,794)	(150)	212	96,583	111,467	1,277	112,744
Profit for the financial period	-	-	-	-	-	-	-	11,793	11,93	(1,929)	9,864
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	(45)	-	-	-	-	-	(45)	16	(29)
Share of other comprehensive income of associates	-	-	-	-	-	-	(212)	-	(212)	-	(212)
Total comprehensive income for the period	-	-	(45)	-	-	-	(212)	11,793	11,536	(1,913)	9,623
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(9,167)	(9,167)	-	(9,167)
Issued of treasury shares	-	1,723	-	(725)	-	-	-	-	998	-	998
Share option expense	-	-	-	133	-	-	-	-	133	-	133
Total transactions with owners of the parent	-	1,723	-	(592)	-	-	-	(9,167)	(8,036)	-	(8,036)
Changes to ownership interests in subsidiaries :											
Acquisition of interests without change in control	-	-	-	-	-	-	-	(776)	(776)	636	(140)
	-	-	-	-	-	-	-	(776)	(776)	636	(140)
Balance at 31 March 2016	23,836	(4,005)	434	437	(4,794)	(150)	-	98,433	114,191	-	114,191

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

<b>Group (Unaudited)</b>	<b>Share capital S\$'000</b>	<b>Treasury shares S\$'000</b>	<b>Foreign currency translation accounts S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Merger reserve S\$'000</b>	<b>Available-for-sale reserve S\$'000</b>	<b>Other reserves S\$'000</b>	<b>Retained earnings S\$'000</b>	<b>Equity attributable to owners of the parent S\$'000</b>	<b>Non-controlling interest S\$'000</b>	<b>Total S\$'000</b>
Balance at 1 January 2016	23,836	(4,005)	474	317	(4,794)	(150)	268	101,367	117,313	1,255	118,568
Profit for the financial period	-	-	-	-	-	-	-	7,009	7,009	(1,913)	5,096
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	(40)	-	-	-	-	-	(40)	22	(18)
Share of other comprehensive income of associates	-	-	-	-	-	-	(268)	-	(268)	-	(268)
Total comprehensive income for the period	-	-	(40)	-	-	-	(268)	7,009	6,701	(1,891)	4,810
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(9,167)	(9,167)	-	(9,167)
Share option expense	-	-	-	120	-	-	-	-	120	-	120
Total transactions with owners of the parent	-	-	-	120	-	-	-	(9,167)	(9,047)	-	(9,047)
Changes to ownership interests in subsidiaries :											
Acquisition of interests without change in control	-	-	-	-	-	-	-	(776)	(776)	636	(140)
								(776)	(776)	636	(140)
Balance at 31 March 2016	23,836	(4,005)	434	437	(4,794)	(150)	-	98,433	114,191	-	114,191

- 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 (cont'd)

	Share capital S\$'000	Treasury Shares S\$'000	Share option reserve S\$'000	Available-for- sale reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Company (Unaudited)</b>						
Balance at 1 October 2016	23,836	(4,005)	540	(75)	7,368	27,664
Total comprehensive income for the period	-	-	-	-	549	549
Dividends	-	-	-	-	(6,875)	(6,875)
Share option expense	-	-	134	-	-	134
Issue of treasury shares	-	307	(103)	-	-	204
<b>Balance at 31 March 2017</b>	<b>23,836</b>	<b>(3,698)</b>	<b>571</b>	<b>(75)</b>	<b>1,042</b>	<b>21,676</b>
Balance at 1 October 2015	23,836	(5,728)	1,029	(150)	9,433	28,420
Total comprehensive income for the period	-	-	-	-	(109)	(109)
Dividends	-	-	-	-	(9,167)	(9,167)
Share option expense	-	-	133	-	-	133
Issue of treasury shares	-	1,723	(725)	-	-	998
<b>Balance at 31 March 2016</b>	<b>23,836</b>	<b>(4,005)</b>	<b>437</b>	<b>(150)</b>	<b>157</b>	<b>20,275</b>

	Share capital S\$'000	Treasury Shares S\$'000	Share option reserve S\$'000	Available-for- sale reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Company (Unaudited)</b>						
Balance at 1 January 2017	23,836	(4,005)	611	(75)	7,423	27,790
Total comprehensive income for the period	-	-	-	-	494	494
Dividends	-	-	-	-	(6,875)	(6,875)
Share option expense	-	-	63	-	-	63
Issue of treasury shares	-	307	(103)	-	-	204
<b>Balance at 31 March 2017</b>	<b>23,836</b>	<b>(3,698)</b>	<b>571</b>	<b>(75)</b>	<b>1,042</b>	<b>21,676</b>
Balance at 1 January 2016	23,836	(4,005)	317	(150)	9,529	29,527
Total comprehensive income for the period	-	-	-	-	(205)	(205)
Dividends	-	-	-	-	(9,167)	(9,167)
Share option expense	-	-	120	-	-	120
<b>Balance at 31 March 2016</b>	<b>23,836</b>	<b>(4,005)</b>	<b>437</b>	<b>(150)</b>	<b>157</b>	<b>20,275</b>

**1(d)(ii) Details of any changes in the company’s share capital arising from right 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

	<b>Number of issued shares (excluding Treasury Shares)</b>	<b>Share capital (S\$)</b>
As at 1 January 2017	229,170,000	23,836,074
Share Option exercised during the financial Period <sup>(1)</sup>	650,000	-
As at 31 March 2017	229,820,000	23,836,074

Note:

(1) On 24 March 2017, the Company transferred 650,000 treasury shares to share capital as a result of share options exercised under the Employee Share Option Scheme.

As at 31 March 2017, there were 5,905,000 outstanding options issued under Employee Share Option Scheme (the “ESOS”) (31 March 2016: 7,030,000), which are convertible into 5,905,000 (31 March 2016: 7,030,000) shares. The total number of issued shares excluding treasury shares of the Company was 229,820,000 and 229,170,000 as at 31 March 2017 and 31 March 2016 respectively. Save for the options, the Company did not have any outstanding convertibles as at 31 March 2017 and 31 March 2016.

As at 31 March 2017, the Company held 10,180,000 treasury shares (31 March 2016: 10,830,000 treasury shares) representing 4.24% (31 March 2016: 4.51%) of the total number of issued shares (including treasury shares) of 240,000,000 shares. The Company does not have any subsidiary holdings as at the periods ended 31 March 2017 and 31 March 2016.

**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.**

	<b>31/03/2017 Unaudited</b>	<b>30/09/2016 Audited</b>
Total number of issued shares	240,000,000	240,000,000
Treasury shares	(10,180,000)	(10,830,000)
Total number of issued shares, excluding treasury shares	229,820,000	229,170,000

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

Movement of treasury shares:

	<b>Number of Treasury Shares</b>
As at 1 October 2016	10,830,000
Transfer of treasury shares pursuant to the exercise of options under the ESOS	(650,000)
As at 31 March 2017	10,180,000

**1(d)(v) A statement showing all sales, transfers, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.**

There is no subsidiary holdings.

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

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 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**

Except as disclosed in note (5) below, the financial results for the current financial year reported on have been presented using the same accounting policies and methods of computation as in the Company's most recently audited financial statement as set out in the annual report for the financial year ended 30 September 2016.

**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 Financial Reporting Standard ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 October 2016, where applicable.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior years reporting period.

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.**  
**(a) Based on the weighted average number of ordinary shares on issue; and**  
**(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	Group		Group	
	Second Quarter ended		Half Year ended	
	31/03/2017 Unaudited	31/03/2016 Unaudited	31/03/2017 Unaudited	31/03/2016 Unaudited
Profit attributable to owners of the parent (S\$'000)	3,253	7,009	7,038	11,793
(i) Earnings per share ("EPS") – Basic (Singapore cents) <sup>(1)</sup>	1.42	3.06	3.07	5.18
Weighted average number of ordinary shares <sup>(3)</sup>	229,227,778	229,170,000	229,198,571	227,627,760
(ii) Earnings per share ("EPS") – Diluted (Singapore cents) <sup>(2)</sup>	1.38	2.97	2.98	5.03
Weighted average number of ordinary shares <sup>(3)</sup>	235,725,000	235,878,846	235,820,055	234,327,022

Notes:

- (1) The calculation for the basic EPS for the relevant financial periods is based on the weighted average number of ordinary shares of the Company during the relevant financial periods.
- (2) The calculation for the diluted EPS is based on the weighted average number of ordinary shares of the Company after adjusting for lapsed Options and dilution assuming the Options are fully exercised into ordinary shares of the Company.
- (3) The figure was computed taking into account the shares bought back by the Company during the relevant financial period, if any.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	31/03/2017 Unaudited	30/09/2016 Audited	31/03/2016 Unaudited	30/09/2016 Audited
Net asset value per ordinary share (Singapore cents)	59.41	59.50	9.43	12.07
Number of issued shares excluding treasury shares	229,820,000	229,170,000	229,820,000	229,170,000

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**

#### **Revenue**

Revenue decreased by 27.5% to S\$41.1 million in second quarter ended 31 March 2017 (“**2Q2017**”) as compared to S\$56.7 million in the corresponding period ended 31 March 2016 (“**2Q2016**”). For 6 months ended 31 March 2017 (“**1H2017**”), revenue decreased by 32.8% to S\$84.2 million as compared to S\$125.2 million in the corresponding period ended 31 March 2016 (“**1H2016**”). The decrease in revenue was mainly due to lower recognition of revenue from construction project as some of the projects, such as Skypark Residences, Jurong Gateway and Amore, had largely been completed in previous financial year. The decrease in revenue was partially offset by initial contribution from the construction of Seaside Residences condominium at Siglap and higher revenue recognition from construction of the two resorts in Maldives.

#### **Gross Profit & Gross Profit Margin**

In tandem with the decrease in revenue, gross profit for 2Q2017 decreased by 23.4% or S\$2.5 million to S\$8.1 million as compared to S\$10.6 million in 2Q2016. For 1H2017, gross profit decreased by 18.7% or S\$3.3 million to S\$14.7 million compared to S\$18.0 million in 1H2016.

Despite the lower gross profit, the Group managed to achieve a better gross profit margin of 19.8% in 2Q2017 as compared to 18.7% in 2Q2016 and 17.4% in 1H2017 as compared to 14.4% in 1H2016. The improvement in gross profit margin was mainly attributed to higher margin contribution from projects in advanced stage.

#### **Other Income**

Other income increased by 143.7% or S\$1.5 million from S\$1.1 million in 2Q2016 to S\$2.6 million in 2Q2017, due to higher project management fee of S\$0.8 million, higher interest income of S\$0.3 million and fair value gain of S\$0.4 million on convertible bond.

For 1H2017, other income increased by 37.0% or S\$1.2 million to S\$4.2 million as compared to S\$3.1 million in 1H2016. The increase was mainly due to higher project management fee of S\$0.8 million and exchange gain of S\$0.4 million.

#### **Administration Expenses**

Administration expenses increased by 4.2% or S\$0.1 million to S\$4.1 million in 2Q2017 as compared to 2Q2016. For 1H2017, administration expenses decreased by 12.6% or S\$0.9 million as compared to 1H2016, which was due mainly to lower foreign exchange loss.

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.**
- (Cont'd)

### **Finance Costs**

As a result of lower interest expense, finance costs decreased by 16.3% or S\$0.2 million in 2Q2017 and 8.9% or S\$0.1 million in 1H2017 as compared to the corresponding period in 2Q2016 and 1H2016 respectively.

### **Profit before Income Tax**

As a result of lower revenue and higher share of loss of joint ventures and associates, the Group's profit before tax decreased by 35.6% to S\$4.2 million in 2Q2017 as compared to S\$6.4 million in 2Q2016 and by 25.2% to S\$9.1 million in 1H2017 as compared to S\$12.1 million in 1H2016.

### **Review of Financial Position**

#### **Non-Current Assets**

Property, plant and equipment decreased from S\$36.9 million as at 30 September 2016 to S\$33.5 million as at 31 March 2017 due to depreciation expenses of S\$2.6 million and unrealized foreign currency loss on translation of foreign operation amounting to S\$0.9 million. The decrease was partially offset by increase in acquisition of plant and equipment amounting to approximately S\$0.1 million.

The increase in investment in associates was due to investment in Nuform System Asia Pte Ltd as announced on 24 March 2017.

#### **Current Assets**

Trade and other receivables increased by S\$5.2 million from S\$198.5 million as at 30 September 2016 to S\$203.7 million as at 31 March 2017. This was mainly due to an increase in trade receivables of S\$1.0 million and shareholders loan of S\$21.7 million extended to joint ventures and associates. The increase was partially offset by repayment of shareholders' loan of S\$17.5m from joint ventures.

The increase in amount due from contract customer of S\$6.4 million was due to increase in unbilled revenue for work done in 2Q2017.

#### **Current Liabilities**

As at 31 March 2017, current liabilities decreased by S\$10.8 million to S\$142.2 million as compared to S\$153.0 million as at 30 September 2016. Trade and other payables decreased by S\$13.6 million while amount due to contract customers increased by S\$3.0 million, bank borrowings decreased by S\$0.1 million provision for income tax decreased by S\$0.1 million.

The working capital of the Group strengthened by S\$2.6 million from S\$119.9 million as at 30 September 2016 to S\$122.5 million as at 31 March 2017.



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.**
- (Cont'd)

#### **Non-Current Liabilities**

The decrease in non-current liabilities of S\$1.7 million from S\$51.8 million as at 30 September 2016 to S\$50.1 million as at 31 March 2017 was due mainly to repayment of bank borrowings.

#### **Review of Cash Flow Statement**

For 2Q2017, the Group generated a positive operating cash flow of S\$7.0 million before movements in the working capital. After taking into consideration of changes in the working capital, which included a decrease of S\$10.7 million in trade and other receivables, an increase of S\$7.3 million in amount due from contract customers, a decrease of S\$8.8 million in trade and other payables and in amount due to contract customers of S\$3.0 million respectively, the Group incurred a net cash outflow of S\$3.8 million from operations.

Net cash used in investing activities of S\$18.1 million in 2Q2017 was mainly attributable to investment of S\$5.6 million in Nuform System Asia Pte Ltd and dividend income of S\$0.8 million, which was partially offset by loan of S\$13.5 million extended to associates and joint ventures.

Net cash used in financing activities of S\$5.7 million in 2Q2017 was mainly due to dividend payment of S\$6.9 million which was partially offset by a net bank borrowing of S\$1.1 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 as no forecast or prospect statement has been previously disclosed to shareholders.

10. **A commentary at the date of the announcement of the 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.**

#### **Building Construction**

The Group has been awarded its largest building construction contract of \$214.2 million for Seaside Residences condominium project in Siglap in April 2017. This has increased the Group's construction order book to approximately \$487 million to-date.

10. **A commentary at the date of the announcement of the 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. (Cont'd)**

**Property Development and Investment**

The Group's joint venture company, East Vue Pte Ltd, has launched the sale of the 843-unit Seaside Residences condominium at Siglap on 22 April 2017. The project has received strong buyer interest and achieved approximately 51% sales-to-date.

For the Group's other development, Parc Life Executive Condominium (EC) has achieved 40% sales to-date.

The government unexpectedly announced on 10 March that it will make calibrated adjustments to the Seller's Stamp Duty (SSD) and Total Debt Servicing Ratio (TDSR) framework, with effect from 11 March 2017. These property cooling measures were adjusted for the first time since they were rolled out in 2009.

Developers sold 1,780 private homes in March 2017, an 82% jump compared with February's 979 units and 111% higher than the 843 units sold in March 2016. Including ECs, developers found buyers for 2,358 units in March 2017, higher than the 1,308 units in February 2017 and the 1,328 units in March 2016. The March 2017 sales volume is the highest in four years, as monthly new-home sales slowed substantially after the government implemented the TDSR framework in June 2013.

On the back of the stronger-than-expected March sales of private homes, the Group expects a more encouraging outlook for the property market as sentiment gradually improves.

**Hotel Development and Investment**

Construction of the 68-villa Mercure Maldives Kooddoo Resort has been substantially completed. The resort is scheduled for opening in mid-2017, together with the completion of Kooddoo Airport extension works.

Construction of the 120-villa Pullman Maldives Maamutaa Resort is progressing well, with completion date expected in end 2018.

11. **Dividend**

**(a) Current Financial Period Reported On**

Name of Dividend	<b>Interim</b>
Type of Dividend	Cash
Dividend Amount per share	0.25 cents
Tax rate	Tax exempt (one-tier)

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

Name of Dividend	<b>Interim</b>
Type of Dividend	Cash
Dividend Amount per share	0.5 cents
Tax rate	Tax exempt (one-tier)

**11. Dividend (Cont'd)**

**(c) Date payable**

To be announced at a later date.

**(d) Books closure date.**

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

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

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for Interested Person 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.**

The Group does not have a general mandate for IPT. There was no IPT in 2Q2017.

**14. Negative confirmation pursuant to Rule 705(5) of the SGX-ST Listing Manual**

To the best of its knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company and the Group for second quarter and six months ended 31 March 2017 presented in this announcement, to be false or misleading in any material aspect.

**15. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual.**

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

**By Order of the Board**

Leo Ting Ping Ronald  
Executive Chairman and Chief Executive Officer  
12 May 2017