



KSH Holdings Limited

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

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**		
	YEAR ENDED		
	31.3.2018	**31.3.2017**	increase/ (decrease)
	S$'000	**S$'000**	%
REVENUE			
Project revenue	126,558	193,596	(34.6)
Rental income from investment properties	6,086	5,668	7.4
	132,644	**199,264**	(33.4)
Other income	10,743	8,364	28.4
Cost of construction	(96,500)	(151,874)	(36.5)
Personnel expenses	(10,978)	(11,839)	(7.3)
Depreciation of property, plant and equipment	(1,713)	(1,962)	(12.7)
Finance costs	(2,205)	(2,536)	(13.1)
Other operating expenses	(5,287)	(6,675)	(20.8)
	(116,683)	(174,886)	(33.3)
Profit from operations before share of results of associates and joint ventures	**26,704**	**32,742**	(18.4)
Share of results of associates	(3,098)	8,486	*nm*
Share of results of joint ventures	11,067	5,747	92.6
Profit before taxation	**34,673**	**46,975**	(26.2)
Income tax expense	(4,512)	(5,564)	(18.9)
Profit for the year	**30,161**	**41,411**	(27.2)
Attributable to:			
- Owners of the Company	29,473	40,975	(28.1)
- Non-controlling interests	688	436	57.8
	30,161	**41,411**	(27.2)

nm: not meaningful

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	YEAR ENDED		
	31.3.2018	31.3.2017	increase/ (decrease)
	S$'000	S$'000	%
Profit for the year	**30,161**	**41,411**	(27.2)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- Share of gain on property revaluation of associates	-	219	(100.0)
Items that may be reclassified subsequently to profit or loss			
- Foreign currency translation	4,035	(3,532)	*nm*
Other comprehensive income for the year, net of tax	4,035	(3,313)	*nm*
Total comprehensive income for the year	**34,196**	**38,098**	(10.2)
Total comprehensive income attributable to:			
- Owners of the Company	32,821	38,339	(14.4)
- Non-controlling interests	1,375	(241)	*nm*
Total comprehensive income for the year	**34,196**	**38,098**	(10.2)

nm: not meaningful

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

	GROUP		
	YEAR ENDED		
	31.3.2018	31.3.2017	increase/ (decrease)
	S$'000	S$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:			
Interest income	6,798	5,470	24.3
(Allowance for)/write-back for doubtful debts	(60)	23	*nm*
Gain on fair value adjustments of investment properties, net	566	17	*nm*
Amortisation of club membership	(2)	(2)	-
Amortisation of issuance costs on term notes	-	(68)	(100.0)
Loss on disposal of a subsidiary	(2)	-	*nm*
Gain on acquisition of an associate	-	136	(100.0)
Impairment loss on loan due from an associate	-	(62)	(100.0)
Gain on sale of quoted equity (other investments)	-	1	(100.0)
Fair value gain on structured deposits	35	17	*nm*
(Loss)/gain on sale of plant and equipment, net	(22)	117	*nm*
Foreign exchange gain/(loss), net	708	(1,593)	*nm*
Interest expense	(1,920)	(2,513)	(23.6)
Profit after taxation before non-controlling interests as a percentage of turnover	22.74%	20.78%	9.4
Profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before non-controlling interests at 31 March 2018 and 31 March 2017	8.70%	12.77%	(31.9)

nm: not meaningful

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

STATEMENT OF FINANCIAL POSITION	GROUP		COMPANY	
	31.3.2018	31.03.2017	31.3.2018	31.03.2017
	S$'000	S$'000	S$'000	S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	15,366	6,726	-	-
Investments in subsidiaries	-	-	16,791	16,791
Interests in associates	187,554	156,504	-	-
Interests in joint ventures	82,394	44,657	-	-
Investment properties	123,882	120,109	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,310	2,242	-	-
Amounts due from subsidiaries (non-trade)	-	-	198,960	77,954
Trade receivables	1,617	-	-	-
Other receivables	2,274	2,225	-	-
Club membership	35	37	-	-
Structured deposits	1,054	1,019	-	-
	416,486	333,519	215,751	94,745
Current assets				
Trade receivables	27,625	33,769	-	-
Other receivables and deposits	1,886	1,451	65	20
Prepayments	413	401	19	18
Amounts due from a joint venture (non-trade)	29,834	-	-	-
Amounts due from associates (non-trade)	13,630	-	-	-
Construction work-in-progress in excess of progress billings	9,575	1,945	-	-
Structured deposits	4,700	-	-	-
Fixed deposits	49,223	89,673	12,276	17,444
Cash and bank balances	26,927	56,180	4,521	1,038
	163,813	183,419	16,881	18,520
LIABILITIES				
Current liabilities				
Trade payables	15,726	17,741	-	-
Other payables and accruals	55,751	58,041	2,825	3,930
Deferred income	72	88	-	-
Finance lease obligations	248	223	-	-
Provision for income tax	3,576	5,248	718	444
Progress billings in excess of construction work-in-progress	-	5,946	-	-
Bank term loans, secured	26,082	38,642	9,140	1,140
Bank overdrafts, secured	6,690	-	-	-
Bills payable to banks, secured	30,091	513	-	-
	138,236	126,442	12,683	5,514
Net current assets	**25,577**	**56,977**	**4,198**	**13,006**

STATEMENT OF FINANCIAL POSITION	GROUP		COMPANY	
	31.3.2018	31.03.2017	31.3.2018	31.03.2017
	S$'000	S$'000	S$'000	S$'000
Non-current liabilities				
Trade payables	492	1,321	-	-
Other payables and accruals	197	186	-	-
Amounts due to subsidiaries (non-trade)	-	-	94,946	34,354
Finance lease obligations	346	413	-	-
Bank term loans, secured	59,432	26,934	50,745	8,385
Deferred tax liabilities	19,380	18,809	-	-
	79,847	47,663	145,691	42,739
NET ASSETS	**362,216**	**342,833**	**74,258**	**65,012**
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Translation reserve	3,475	127	-	-
Accumulated profits	280,187	265,714	20,714	11,468
Asset revaluation reserve	219	219	-	-
Other reserves	3,961	3,774	2,629	2,629
	338,757	**320,749**	**74,258**	**65,012**
Non-controlling interests	23,459	22,084	-	-
TOTAL EQUITY	**362,216**	**342,833**	**74,258**	**65,012**

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

The amount repayable in one year or less, or on demand			
At 31.03.2018		At 31.03.2017	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
63,111	-	39,378	-

The amount repayable after one year			
At 31.03.2018		At 31.03.2017	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
59,778	-	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 YEAR ENDED	
	31.3.2018	**31.03.2017**
	S$'000	**S$'000**
Operating activities		
Profit before taxation	34,673	46,975
Adjustments:		
Depreciation of property, plant and equipment	1,713	1,962
Amortisation of club membership	2	2
Amortisation of issuance costs on term notes	-	68
Loss on disposal of a subsidiary	2	-
Loss/(gain) on sale of plant and equipment, net	22	(117)
Gain on acquisition of an associate	-	(136)
Gain on sale of quoted equity (other investments)	-	(1)
Gain on fair value adjustments of investment properties, net	(566)	(17)
Fair value gain on structured deposits	(35)	(17)
Impairment loss on loan due from an associate	-	62
Allowance for/(write back) for doubtful debts	60	(23)
Interest expense	1,920	2,513
Interest income	(6,798)	(5,470)
Share of results of associates	3,098	(8,486)
Share of results of joint ventures	(11,067)	(5,747)
Operating cash flows before changes in working capital	23,024	31,568
Changes in working capital:		
Decrease/(increase) in:		
Trade and other receivables, deposits and prepayments	4,044	9,710
Construction work-in-progress, net	(13,576)	(15,596)
Decrease in:		
Trade and other payables and accruals	(5,136)	(18,098)
Deferred income	(16)	(43)
Cash flows generated from operations	8,340	7,541
Income taxes paid	(6,050)	(4,383)
Interest income received	6,798	5,470
Exchange differences	(601)	253
Net cash flows generated from operating activities	8,487	8,881
Investing activities		
Purchase of plant and equipment	(10,700)	(473)
Proceeds from sale of plant and equipment	328	470
Net proceeds from sale of quoted equity (other investments)	-	1
Additional investments in associates	(11,158)	(525)
(Increase)/decrease in loans due from associates, net	(41,117)	16,295
Increase in loans due from joint ventures, net	(56,505)	(998)
Dividends received from associates	6,225	15,471
Decrease/(increase) in loans due from investee companies	25	(17)
Net cash flows (used in)/generated from investing activities	(112,902)	30,224
Financing activities		
Dividends paid	(14,813)	(14,659)
Proceeds from sale of treasury shares	-	3,827
Repayment of term notes	-	(70,750)
Proceeds from bank term loans	62,000	10,000
Repayment of bank term loans	(42,182)	(11,977)
Proceeds from bills payable to banks	30,091	513
Repayment of bills payable to banks	(513)	(316)
Interest paid	(1,920)	(2,513)
Proceeds from finance lease obligations	206	-
Repayment of finance lease obligations	(248)	(216)
Increase in pledged fixed deposits	(5,104)	(5,205)
Net cash flows generated from/(used in) financing activities	27,517	(91,296)
Net decrease in cash and cash equivalents	(76,898)	(52,191)
Effect of exchange rate changes on cash and cash equivalents	101	(170)
Cash and cash equivalents at beginning of year	115,777	168,138
Cash and cash equivalents at end of year (Note A)	38,980	115,777

Note A: Cash and cash equivalents at end of year comprise:

	31.3.2018	**31.03.2017**
	S$'000	**S$'000**
Cash and bank balances**	26,927	56,180
Bank overdrafts, secured	(6,690)	-
Fixed deposits	49,223	89,673
	69,460	145,853
Less: Pledged fixed deposits	(30,480)	(30,076)
Cash and cash equivalents	38,980	115,777

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

	Attributable to Owners of the Company								
GROUP	**Share capital S$'000**	**Treasury shares S$'000**	**Translation reserve S$'000**	**Accumulated profits S$'000**	**Asset revaluation reserves S$'000**	**Other reserves S$'000**	**Equity attributable to Owners of the Company, total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
At 1 April 2016	**50,915**	**(3,354)**	**2,982**	**239,521**	**-**	**3,178**	**293,242**	**22,325**	**315,567**
Profit for the year	-	-	-	40,975	-	-	40,975	436	41,411
Other comprehensive income									
Share of gain on property revaluation of associates	-	-	-	-	219	-	219	-	219
Foreign currency translation	-	-	(2,855)	-	-	-	(2,855)	(677)	(3,532)
Other comprehensive income for the year	-	-	(2,855)	-	219	-	(2,636)	(677)	(3,313)
Total comprehensive income for the year	-	-	(2,855)	40,975	219	-	38,339	(241)	38,098
Contributions by and distributions to owners									
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(14,659)	-	-	(14,659)	-	(14,659)
Sale of treasury shares	-	3,354	-	-	-	473	3,827	-	3,827
Transfer to other reserves	-	-	-	(123)	-	123	-	-	-
Total contributions by and distributions to owners	-	3,354	-	(14,782)	-	596	(10,832)	-	(10,832)
At 31 March 2017	**50,915**	**-**	**127**	**265,714**	**219**	**3,774**	**320,749**	**22,084**	**342,833**
At 1 April 2017	**50,915**	**-**	**127**	**265,714**	**219**	**3,774**	**320,749**	**22,084**	**342,833**
Profit for the year	-	-	-	29,473	-	-	29,473	688	30,161
Other comprehensive income									
Foreign currency translation	-	-	3,348	-	-	-	3,348	687	4,035
Other comprehensive income for the year	-	-	3,348	-	-	-	3,348	687	4,035
Total comprehensive income for the year	-	-	3,348	29,473	-	-	32,821	1,375	34,196
Contributions by and distributions to owners									
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(14,813)	-	-	(14,813)	-	(14,813)
Transfer to other reserves	-	-	-	(187)	-	187	-	-	-
Total contributions by and distributions to owners	-	-	-	(15,000)	-	187	(14,813)	-	(14,813)
At 31 March 2018	**50,915**	**-**	**3,475**	**280,187**	**219**	**3,961**	**338,757**	**23,459**	**362,216**

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**
Profit for the year	-	-	3,533	-	3,533
Total comprehensive income for the year	-	-	3,533	-	3,533
Sale of treasury shares	-	3,354	-	473	3,827
Interim and final tax-exempt dividends on ordinary shares	-	-	(14,659)	-	(14,659)
At 31 March 2017	**50,915**	**-**	**11,468**	**2,629**	**65,012**
At 1 April 2017	**50,915**	**-**	**11,468**	**2,629**	**65,012**
Profit for the year	-	-	24,059	-	24,059
Total comprehensive income for the year	-	-	24,059	-	24,059
Interim and final tax-exempt dividends on ordinary shares	-	-	(14,813)	-	(14,813)
At 31 March 2018	**50,915**	**-**	**20,714**	**2,629**	**74,258**

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 448,122,659 shares excluding treasury shares).

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

The total number of issued shares as at 31 March 2018 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:		Number of shares
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 alloted and issued on 27 July 2017		
- Ordinary Shares to public shareholders	113,947,046	
Balance as at 31 March 2018		
- Ordinary Shares		**569,735,645**

The total number of treasury shares held by the Company as at 31 March 2018 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 year.

AUDIT

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

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

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

Not applicable.

ACCOUNTING POLICIES

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

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 YEAR ENDED	
	31.3.2018	**31.3.2017** Re-stated
	(cents)	(cents)
a) On a basic basis	5.17	7.19
b) On a fully diluted basis	5.17	7.19
	S$'000	**S$'000**
Group's profit for the year attributable to Owners of the Company used in the computation of basic and diluted EPS	29,473	40,975
Weighted average number of ordinary shares excluding treasury shares for computing basic and diluted EPS	569,735,645	569,735,645

For comparative purposes, the number of ordinary shares as at 31 March 2017 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 31.3.2018	**as at 31.03.2017**	**as at 31.3.2018**	**as at 31.03.2017**
Net asset value per ordinary share (cents)	59.46	70.37	13.03	14.26
Issue share capital excluding treasury shares at the end of the 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

FY2018 vs FY2017

Revenue

The Group had a total revenue of S$132.6 million for the financial year ended 31 March 2018 ("FY2018"), a decrease of S$66.7 million or 33.4% compared to S$199.3 million registered in the corresponding financial year ended 31 March 2017 ("FY2017"). The decrease was mainly due to the decrease in revenue from construction business of S$67.0 million or 34.6% from S$193.6 million in FY2017 to S$126.6 million in FY2018, partially caused by the delays 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").

Other income

Other income increased by S$2.3 million or 28.4% from S$8.4 million in FY2017 to S$10.7 million in FY2018, mainly due to the increase in interest income from loans to associates and joint ventures of S$1.3 million and foreign exchange gain of S$1.2 million.

Operating expenses

Cost of construction decreased by S$55.4 million or 36.5% from S$151.9 million in FY2017 to S$96.5 million in FY2018. The decrease was mainly due to the decrease in construction works done.

Personnel expenses decreased by S$0.8 million or 7.3% from S$11.8 million in FY2017 to S$11.0 million in FY2018, 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 FY2018 and FY2017.

Despite the increase in gearing and interest rate in FY2018 compared to FY2017, finance costs decreased by S$0.3 million or 13.1% from S$2.5 million in FY2017 to S$2.2 million in FY2018, mainly due to the full settlement of the term notes in FY2017 which has higher interest rate than the other borrowings.

Other operating expenses decreased by S$1.4 million or 20.8% from S$6.7 million in FY2017 to S$5.3 million in FY2018, mainly due to the decrease in foreign exchange loss and loss on fair value adjustment of investment properties.

Share of results of associates amounted to a loss of S$3.1 million in FY2018 as compared to a profit of S$8.5 million in FY2017, mainly due to the decrease in sales and percentage of completion recognised on development property projects in Singapore and losses recognised by associates from the sales of development property. The share of results of joint ventures increased by S$5.4 million or 92.6%, mainly due to the profit recognised from a residential development project as the construction progressed.

Tax expense decreased by S$1.1 million or 18.9% from S$5.6 million in FY2017 to S$4.5 million in FY2018, mainly due to the decrease in profit from operations before share of results of associates and joint ventures.

As a result of the above, the Group registered a decrease in net profit attributable to Owners of the Company by S$11.5 million or 28.1% from S$41.0 million in FY2017 to S$29.5 million in FY2018 excluding non-controlling interests.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment ("PPE") increased by S$8.7 million from S$6.7 million as at 31 March 2017 ("FY2017") as compared to S$15.4 million as at 31 March 2018 ("FY2018"), mainly due to on-going construction of a new building to be used for construction business.

Interests in associates increased by S$31.1 million from S$156.5 million as at FY2017 to S$187.6 million as at FY2018, mainly due to an increase in loans to associates to finance development property and investment property projects, offset by share of losses recognised, reclass from non-current assets to current assets on loans and dividends received from associates.

Interests in joint ventures increased by S$37.7 million from S$44.7 million as at FY2017 to S$82.4 million as at FY2018, mainly due to the increase in loans to joint ventures to finance development property and investment property projects and share of profits recognised offset by the reclass from non-current assets to current assets on loans.

Investment properties increased by S$3.8 million from S$120.1 million as at FY2017 to S$123.9 million as at FY2018, mainly due to gain on fair value adjustments and foreign exchange differences from an investment property held in the People's Republic of China ("PRC").

Trade receivables under non-current assets increased from nil as at FY2017 to S$1.6 million as at FY2018, 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 decreased by S$6.2 million from S$33.8 million as at FY2017 to S$27.6 million as at FY2018, mainly due to the decrease in amount of progress claims certified for construction projects in progress.

Based on the progress of construction projects in FY2018 as compared to FY2017, the construction work-in-progress in excess of progress billings increased by S$7.7 million from S$1.9 million in FY2017 to S$9.6 million in FY2018.

Current liabilities

Trade payables under current liabilities decreased by S$2.0 million from S$17.7 million as at FY2017 to S$15.7 million in FY2018. The decrease was mainly due to the decrease in billings from suppliers and subcontractors which will be due for release of payments in the next 12 months for construction projects in progress.

Based on the progress of construction projects as at FY2018 as compared to FY2017, the progress billings in excess of the construction work-in-progress decreased from S$5.9 million as at FY2017 to nil as at FY2018.

Non-current liabilities

Trade payables under non-current liabilities decreased by S$0.8 million from S$1.3 million as at FY2017 to S$0.5 million as at FY2018. 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$56.2 million from S$66.7 million as at FY2017 to S$122.9 million as at FY2018, mainly due to the increase in bank term loans, net of S$19.9 million, bills payable to banks of S$29.6 million and bank overdraft of S$6.7 million.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S$8.5 million during FY2018 mainly arose from operating cash flows before changes in working capital of S$23.0 million and interest income received of S$6.8 million, offset by the increase in working capital of S$14.7 million; payment of income taxes of S$6.1 million and exchange differences of S$0.6 million.

Net cash flows used in investing activities of S$112.9 million during FY2018 mainly arose from the increase in investments and loans injected in associates and joint ventures of S$108.8 million, and purchase of plant and equipment (including a new building under construction) of S$10.7 million, offset by dividends received from associates of S$6.2 million and net proceeds from sale of plant and equipment of S$0.3 million.

Net cash flows generated from financing activities of S$27.5 million during FY2018 mainly arose from net increase in bank borrowings of S$56.2 million, offset by dividends paid of S$14.8 million, increase in pledged fixed deposits of S$5.1 million and interest payment of S$1.9 million.

With the abovementioned, net decrease in cash and cash equivalents during FY2018 was S$76.9 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 FY2018 is in line with the commentary made on 9 February 2018 in paragraph 10 of the third quarter results announcement for 3QFY2018.

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.

Singapore economy is expected to remain on its steady expansion path for 2018, despite downside risks brought about by escalating global trade tensions and rising global interest rates and tightening financial conditions. Growth momentum is expected to remain strong with the slightly improved external demand outlook barring the full materialisation of downside risks.

According to the latest forecast of the Ministry of Trade and Industry ("MTI"), Singapore economy grew 4.4% in the 1st quarter of 2018 with full-year growth expected to come in at 2.5% to 3.5% this year.

Construction sector shrank 5.0% year-on-year for the sixth consecutive quarter, even as GDP grew year on year. However an impending increase in building demand is expected in Singapore, as The Building and Construction Authority ("BCA") predicted in January that S$26 billion to S$31 billion of construction contracts could be awarded this year, up from S$24.5 billion last year. About 60% of the total projected demand is supposed to come from the public sector.

The collective sales boom will also soon see opportunities for builders in Singapore. So far this year, the total collective sales transaction value for 27 residential sites and 1 industrial sites amount to S$8.81 billion, higher than the 30 collective sales sites of S$8.7 billion transacted last year. A lot of construction activity from these collective sales are expected in the near future.

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.

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.

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.

According to the Urban Redevelopment Authority ("URA"), private home prices increased by 3.9% in 1st quarter 2018, marks the steepest quarter-on-quarter gain since 2nd quarter 2010. Prices of landed properties rose by 1.9% in the 1st quarter 2018 compared with the 0.5% increase in the previous quarter. While, prices of non-landed properties rose by 4.4% compared with the 0.8% increase in the previous quarter. According to URA, developers sold 1,581 units of new private housing in 1st quarter 2018, fewer compared to 1,864 units in the previous quarter.

The office market in Singapore for sale and rental has also improved. Rentals of office space rose 2.6% in the 1st quarter of 2018 over the 4th quarter of last year. Prices of office space increased by 1.3% in the 1st quarter 2018, a slower pace of increase compared with the 2.7% incresae recorded in 4th quarter 2017. The island-wide office vacancy rate decreased slightly to 12.5% as at the end of 1st quarter 2018 from 12.6% as at the end of the previous quarter.

Sale and rental of retail space remains weak. According to URA, price of retail space slightly rose by 0.1% in the 1st quarter of 2018, softer than the 1% increase in the preceding quarter while rentals of retail space rose by the same 0.1% which improved from the 0.5% decrease last year. The islandwide vacancy rate of retail space increased from 7.4% as at the end of 4th quarter in 2017 to 7.5% as at the end of 1st quarter 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$542.0 million as at 31 March 2018.

The projects launched by associates and joint ventures under the Group as at 31 March 2018 for which construction has not been completed and those for 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	98.9%
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	68.5%
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	66.7%
9	Rezi35	49.00%	Residential	Percentage of Completion	79.5%
Overseas					
1	Liang Jing Ming Ju Phase 4 - Sequoia Mansion	45.00%	Residential *(Commercial and Office excluded)*	Completion	98.5%

As at 31 March 2018, subject to cancellation of contracts, approximately 96.5% 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$85.9 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 FY2018.

Given its prime location at the Raffles Place precinct, the Group's investment in the Prudential Tower, a Grade A office building, along with other investment properties held in Singapore and overseas, will 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 FY2019.

REVIEW OF THE PERFORMANCE OF THE GROUP

DIVIDENDS

11 (a) Current financial period reported on

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

	(Tax Exempt 1-Tier)		
Name of Dividend	Interim Ordinary	Final Ordinary	Total
Dividend Type	Cash	Cash	Cash
Dividend Rate	1.00 cent per ordinary share	1.20 cents per ordinary share	2.20 cents per ordinary share

(b) Corresponding Period of the Immediately Preceding Financial Year

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

	(Tax Exempt 1-Tier)			
Name of Dividend	Interim Ordinary	Final Ordinary		Total
Dividend Type	Cash	Cash	Cash Special	Cash & Cash Special
Dividend Rate	1.25 cents per ordinary share	1.50 cents per ordinary share	0.50 cent per ordinary share	3.25 cents per ordinary share

(c) Date payable

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

(d) Books closure date

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

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

Not applicable.

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

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

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

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

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments

	GROUP				
	Construction	Property development and management	Others	Eliminations	Total
FY2018	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
REVENUE					
- external sales	126,558	6,086	-	-	132,644
Segment results	22,589	3,375	(3,853)	-	22,111
Share of results of associates and joint ventures	-	7,970	(1)	-	7,969
Interest income	544	12	6,242	-	6,798
Finance costs	(659)	(301)	(1,245)	-	(2,205)
Profit before taxation	22,474	11,056	1,143	-	34,673
Tax expense					(4,512)
Non-controlling interests					(688)
Net profit attributable to Owners of the Company					**29,473**
Segment assets	246,878	124,665	87,043	(191,709)	266,877
Interests in associates	-	194,667	6,527	-	201,194
Interests in joint ventures	-	112,228	-	-	112,228
Total assets					**580,299**
Segment liabilities	64,590	22,826	128,005	(143,183)	72,238
Borrowings	55,375	7,629	59,885	-	122,889
Unallocated liabilities					22,956
Total liabilities					**218,083**
Other segment information :					
Capital expenditures	10,695	5	-	-	10,700
Depreciation of property, plant and equipment	1,695	18	-	-	1,713
FY2017					
REVENUE					
- external sales	193,596	5,668	-	-	199,264
Segment results	34,511	2,133	(6,836)	-	29,808
Share of results of associates and joint ventures	-	14,158	75	-	14,233
Interest income	763	12	4,695	-	5,470
Finance costs	(990)	(869)	(677)	-	(2,536)
Profit/(loss) before taxation	34,284	15,434	(2,743)	-	46,975
Tax expense					(5,564)
Non-controlling interests					(436)
Net profit attributable to Owners of the Company					**40,975**
Segment assets	234,991	120,162	82,227	(121,603)	315,777
Interests in associates	-	150,171	6,333	-	156,504
Interests in joint ventures	-	44,657	-	-	44,657
Total assets					**516,938**
Segment liabilities	73,355	21,902	63,978	(75,912)	83,323
Borrowings	47,749	9,451	9,525	-	66,725
Unallocated liabilities					24,057
Total liabilities					**174,105**
Other segment information :					
Capital expenditures	404	69	-	-	473
Depreciation of property, plant and equipment	1,944	18	-	-	1,962

Geographical segments

	GROUP								
	Singapore	Malaysia	Vietnam	Japan	Australia	England, United Kingdom	The People's Republic of China	Eliminations	Total
FY2018	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
REVENUE	126,870	-	-	-	-	-	5,774	-	132,644
Segment assets	214,773	303	-	-	897	3	87,987	(37,086)	266,877
Interests in associates	153,434	(1)	693	1,377	2,885	16,273	26,533	-	201,194
Interests in joint ventures	112,228	-	-	-	-	-	-	-	112,228
Total assets									**580,299**
Other segment information :									
Capital expenditures	10,695	-	-	-	-	-	5	-	10,700

	Singapore	Malaysia	Vietnam	Japan	Australia	England, United Kingdom	The People's Republic of China	Eliminations	Total
FY2017	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
REVENUE	193,943	-	-	-	-	-	5,321	-	199,264
Segment assets	246,189	278	-	1,425	800	-	109,378	(42,293)	315,777
Interests in associates	113,502	-	693	-	2,885	12,525	26,899	-	156,504
Interests in joint ventures	44,657	-	-	-	-	-	-	-	44,657
Total assets									**516,938**
Other segment information :									
Capital expenditures	404	-	-	-	-	-	69	-	473

16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

REVENUE

by Business segments

Revenue contributed by construction business decreased by S$67.0 million from S$193.6 million in FY2017 to S$126.6 million in FY2018 due to the decrease in revenue from construction business.

by Geographical segments

Revenue contributed by Singapore decreased by S$67.0 million from S$193.9 million in FY2017 to S$126.9 million in FY2018 mainly due to the decrease in revenue from construction business.

Profit Before Taxation

by Business segments

Profit before taxation from construction business decreased by S$11.8 million from S$34.3 million in FY2017 to S$22.5 million in FY2018 due to the decrease in revenue from construction business.

Profit before taxation from property development and management decreased by S$4.3 million from S$15.4 million in FY2017 to S$11.1 million in FY2018, mainly due to the decrease of S$12.2 million contribution from the development property project - Liang Jing Ming Ju Phase 4 - Sequoia Mansion in Beijing, PRC; S$3.8 million on preliminary cost incurred on a development project in Gaobeidian of PRC; S$3.6 million of provision provided for impairment loss on unsold properties in Singapore by associates and the decrease in sales and percentage of completion recognised on development property projects in Singapore, offset by the profit recognised from the residential development project - High Park Residences as the construction progressed.

Profit before taxation from others business increased by S$3.8 million from a loss of S$2.7 million in FY2017 to a profit of S$1.1 million in FY2018, due to an increase in interest income.

17 A breakdown of sales as follows:

	GROUP		
	31.3.2018	**31.3.2017**	% increase/(decrease)
	S$'000	**S$'000**	
Sales reported for first half year	52,975	129,662	(59)
Operating profit after taxation before deducting non-controlling interests reported for the first half year	10,438	18,353	(43)
Sales reported for second half year	79,669	69,602	14
Operating profit after taxation before deducting non-controlling interests reported for the second half year	19,723	23,058	(14)
Total Sales	132,644	199,264	(33)
Operating profit after taxation before deducting non-controlling interests reported for full year	30,161	41,411	(27)

18 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:

	31.3.2018	**31.3.2017**
Ordinary shares	**S$'000**	**S$'000**
Interim	5,697	5,697
Final	6,837	9,116
Total :	**12,534**	**14,813**

** Proposed final dividend to be approved at the Company's forthcoming Annual General Meeting by the Shareholders.

19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board

Choo Chee Onn
Executive Chairman and Managing Director

30 May 2018