



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 31ST MARCH 2014

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

	31.03.2014	31.03.2013	increase/ (decrease)
	S\$'000	S\$'000	%
REVENUE			
Project revenue	285,677	206,135	38.6
Sales of development property	32,511	19,958	62.9
Rental income from investment properties	6,294	5,546	13.5
	324,482	231,639	40.1
Other income	9,465	8,602	10.0
Cost of construction	(290,837)	(193,976)	49.9
Personnel expenses	(9,055)	(10,701)	(15.4)
Depreciation of property, plant and equipment	(1,760)	(1,838)	(4.2)
Finance costs	(3,235)	(1,621)	99.6
Other operating expenses	(6,380)	(6,819)	(6.4)
	(311,267)	(214,955)	44.8
Profit from operations before share of results of associates	22,680	25,286	(10.3)
Share of results of associates	27,658	16,645	66.2
Profit before taxation	50,338	41,931	20.0
Tax expense	(4,638)	(4,314)	7.5
Net profit for the financial year	45,700	37,617	21.5
Attributable to:			
- Owners of the Company	44,534	36,254	22.8
- Non-controlling interests	1,166	1,363	(14.5)
	45,700	37,617	21.5

1 (a) (i) STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	YEAR ENDED		increase/ (decrease)
	31.03.2014	31.03.2013	
	S\$'000	S\$'000	
Net profit for the financial year	45,700	37,617	21.5
Other comprehensive income:			
- Foreign currency translation	2,762	(515)	nm
Other comprehensive income for the financial year, net of tax	2,762	(515)	nm
Total comprehensive income for the financial year	48,462	37,102	30.6
Total comprehensive income attributable to:			
- Owners of the Company	46,651	35,862	30.1
- Non-controlling interests	1,811	1,240	46.0
	48,462	37,102	30.6

nm: not meaningful

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

	GROUP		
	YEAR ENDED		
	31.03.2014	31.03.2013	increase/ (decrease)
	S\$'000	S\$'000	%
The Group's profit before taxation is arrived at after crediting/(charging) the following:			
Interest income	2,725	2,390	14.0
Allowance for doubtful debts	(70)	(8)	nm
Allowance for anticipated losses	-	(1,347)	nm
Gain on fair value adjustments of investment properties	4,022	4,140	(2.9)
Amortisation of club membership	(3)	(2)	50.0
Amortisation of issuance costs on medium term notes	(182)	-	nm
Fair value (loss)/gain on structured deposits	(46)	42	nm
Gain/(loss) on sale of plant and equipment	57	(148)	nm
Gain on dilution of interest in a subsidiary	-	7	(100.0)
Gain on sale of investment property	-	749	(100.0)
Foreign exchange gain/(loss), net	54	(95)	nm
Interest expense	(3,126)	(1,513)	106.6
Profit after taxation but before non-controlling interests as a percentage of turnover	14.08%	16.24%	(13.3)
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 2014 and 31 March 2013	20.52%	20.10%	2.1

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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	10,089	10,485	-	-
Investments in subsidiaries	-	-	57,516	57,516
Interests in associates	127,646	94,034	-	-
Investment properties	116,193	106,836	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,259	2,188	-	-
Amounts due from subsidiaries (non-trade)	-	-	79,016	8,470
Trade receivables	15,418	11,286	-	-
Other receivables	-	2,793	-	-
Club membership	44	47	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	1,056	1,102	-	-
	272,706	228,772	136,532	65,986
Current assets				
Development property	39,849	43,548	-	-
Inventory	2	1	-	-
Trade receivables	32,371	27,352	-	-
Other receivables and deposits	1,351	2,733	29	20
Prepayments	415	304	51	18
Amounts due from subsidiaries (non-trade)	-	-	11	6,011
Construction work-in-progress in excess of progress billings	13,407	8,124	-	-
Fixed deposits	129,172	69,641	31,228	2,000
Cash and bank balances	13,248	11,758	1,777	1,916
	229,815	163,461	33,096	9,965
LIABILITIES				
Current liabilities				
Trade payables	18,487	21,089	-	-
Other payables and accruals	61,243	46,994	4,430	2,613
Deferred income	276	55	-	-
Amount due to a Director of a subsidiary	-	374	-	-
Finance lease obligations	-	18	-	-
Provision for income tax	3,045	3,796	-	-
Progress billings in excess of construction work-in-progress	8,758	8,613	-	-
Bank term loans, secured	36,027	7,881	6,000	6,000
Bills payable to banks, secured	24,466	41,959	-	-
	152,302	130,779	10,430	8,613
Net current assets	77,513	32,682	22,666	1,352

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Trade payables	7,792	3,885	-	-
Other payables and accruals	543	177	-	-
Amounts due to subsidiaries (non-trade)	-	-	1,887	-
Bank term loans, secured	10,892	38,037	-	-
Term notes, unsecured	73,931	-	73,931	-
Deferred tax liabilities	18,541	17,065	-	-
	<u>111,699</u>	<u>59,164</u>	<u>75,818</u>	<u>-</u>
NET ASSETS	<u>238,520</u>	<u>202,290</u>	<u>83,380</u>	<u>67,338</u>
EQUITY				
Equity attributable to Owners of the Company				
Share capital	50,915	50,915	50,915	50,915
Translation reserve	1,848	(269)	-	-
Accumulated profits	161,205	126,767	30,309	14,267
Other reserves	3,033	2,989	2,156	2,156
	<u>217,001</u>	<u>180,402</u>	<u>83,380</u>	<u>67,338</u>
Non-controlling interests	21,519	21,888	-	-
TOTAL EQUITY	<u>238,520</u>	<u>202,290</u>	<u>83,380</u>	<u>67,338</u>

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

The amount repayable in one year or less, or on demand			
At 31.03.2014		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
60,493	-	49,858	-

The amount repayable after one year			
At 31.03.2014		At 31.03.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,892	73,931	38,037	-

Details of any collaterals:

The Group's borrowings are secured by inter alia:

- 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) A 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 year.

STATEMENT OF CASH FLOWS

	GROUP	
	YEAR ENDED	
	31.03.2014	31.03.2013
	S\$'000	S\$'000
Operating activities		
Profit before taxation	50,338	41,931
Adjustments:		
Depreciation of property, plant and equipment	1,760	1,838
Amortisation of club membership	3	2
Amortisation of issuance costs on medium term notes	182	-
(Gain)/loss on sale of plant and equipment	(57)	148
Gain on sale of investment property	-	(749)
Gain on fair value adjustments of investment properties	(4,022)	(4,140)
Fair value loss/(gain) on structured deposits	46	(42)
Gain on dilution of interest in a subsidiary	-	(7)
Allowance for doubtful debts	70	8
Interest expense	3,126	1,513
Interest income	(2,725)	(2,390)
Share of results of associates	(27,658)	(16,645)
Operating cash flows before changes in working capital	21,063	21,467
Decrease/(increase) in:		
Development property	3,699	7,084
Inventory	(1)	1
Trade and other receivables, deposits and prepayments	(7,914)	(6,427)
Construction work-in-progress, net	(5,138)	(1,561)
Increase in:		
Trade and other payables	15,533	326
Deferred income	221	55
Cash flows generated from operations	27,463	20,945
Income taxes paid	(4,367)	(3,452)
Interest income received	2,725	2,390
Exchange differences	509	143
Net cash flows generated from operating activities	26,330	20,026
Investing activities		
Purchase of plant and equipment	(1,378)	(1,828)
Purchase of investment properties	(2,178)	(907)
Proceeds from sale of plant and equipment	75	5
Proceeds from sale of investment property	-	3,388
Investments in associates	(153)	(1,174)
Loans receivable	-	(2,793)
Loans due from associates, net	(3,018)	(8,233)
Amounts due from associates	-	(2,325)
Decrease in structured deposits	-	2,000
Net cash flows used in investing activities	(6,652)	(11,867)
Financing activities		
Dividends paid	(10,342)	(7,445)
Acquisition of non-controlling interests	(1,890)	-
Proceeds from warrants exercised	-	96
Proceeds from issuance of medium term notes	73,749	-
Proceeds from shares placement	-	13,895
Purchase of treasury shares	-	(1,695)
Proceeds from bank term loans	2,109	3,054
Repayment of bank term loans	(1,359)	(11,103)
Proceeds from bills payable to banks	-	21,025
Repayment of bills payable to banks	(17,493)	-
Interest paid	(3,126)	(1,513)
Repayment of lease obligations	(18)	(558)
Increase in pledged fixed deposits	(69)	(2,052)
Net cash flows generated from financing activities	41,561	13,704
Net increase in cash and cash equivalents	61,239	21,863
Effect of exchange rate changes on cash and cash equivalents	(287)	(30)
Cash and cash equivalents at beginning of financial year	65,454	43,621
Cash and cash equivalents at end of financial year (Note A)	126,406	65,454
Note A: Cash and cash equivalents at end of financial year comprise:		
	31.03.2014	31.03.2013
	S\$'000	S\$'000
Cash and bank balances	13,248	11,758
Fixed deposits	129,172	69,641
	142,420	81,399
Less: Pledged fixed deposits	(16,014)	(15,945)
Cash and cash equivalents	126,406	65,454

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

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

STATEMENT OF CHANGES IN EQUITY

GROUP	Attributable to Owners of the Company							Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Other reserves S\$'000	Equity attributable to Owners of the Company, total S\$'000	Non-controlling interests S\$'000	
At 1 April 2012	39,483	(222)	123	97,678	2,044	139,106	21,231	160,337
Net profit for the financial year	-	-	-	36,254	-	36,254	1,363	37,617
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	(392)	-	-	(392)	(123)	(515)
Other comprehensive income for the financial year	-	-	(392)	-	-	(392)	(123)	(515)
Total comprehensive income for the financial year	-	-	(392)	36,254	-	35,862	1,240	37,102
<u>Contributions by and distributions to owners</u>								
Conversion to shares by warrant holders	96	-	-	-	-	96	-	96
Purchase of treasury shares	-	(1,695)	-	-	-	(1,695)	-	(1,695)
Proceeds from shares placement	12,222	1,031	-	-	642	13,895	-	13,895
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(6,862)	-	(6,862)	-	(6,862)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(583)	(583)
Cancellation of shares held in treasury	(886)	886	-	-	-	-	-	-
Transfer to other reserves	-	-	-	(303)	303	-	-	-
Total contributions by and distributions to owners	11,432	222	-	(7,165)	945	5,434	(583)	4,851
At 31 March 2013	50,915	-	(269)	126,767	2,989	180,402	21,888	202,290
At 1 April 2013	50,915	-	(269)	126,767	2,989	180,402	21,888	202,290
Net profit for the financial year	-	-	-	44,534	-	44,534	1,166	45,700
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	2,117	-	-	2,117	645	2,762
Other comprehensive income for the financial year	-	-	2,117	-	-	2,117	645	2,762
Total comprehensive income for the financial year	-	-	2,117	44,534	-	46,651	1,811	48,462
<u>Contributions by and distributions to owners</u>								
Acquisition of non-controlling interests without a change in control	-	-	-	-	(107)	(107)	(1,783)	(1,890)
Interim and final tax-exempt dividends on ordinary shares	-	-	-	(9,945)	-	(9,945)	(397)	(10,342)
Transfer to other reserves	-	-	-	(151)	151	-	-	-
Total contributions by and distributions to owners	-	-	-	(10,096)	44	(10,052)	(2,180)	(12,232)
At 31 March 2014	50,915	-	1,848	161,205	3,033	217,001	21,519	238,520

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2014

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

COMPANY	Share capital S\$'000	Treasury shares S\$'000	Accumulated profits S\$'000	Other reserves S\$'000	Total equity S\$'000
At 1 April 2012	39,483	(222)	22,204	1,514	62,979
Net loss for the financial year	-	-	(1,075)	-	(1,075)
Total comprehensive income for the financial year	-	-	(1,075)	-	(1,075)
<u>Contributions by and distributions to owners</u>					
Conversion to shares by warrant holders	96	-	-	-	96
Purchase of treasury shares	-	(1,695)	-	-	(1,695)
Cancellation of shares held in treasury	(886)	886	-	-	-
Interim and final tax-exempt dividends on ordinary shares	-	-	(6,862)	-	(6,862)
Proceeds from shares placement	12,222	1,031	-	642	13,895
Issuance of ordinary shares pursuant to scrip dividend scheme	-	-	-	-	-
Total contributions by and distributions to owners	11,432	222	(6,862)	642	5,434
At 31 March 2013	50,915	-	14,267	2,156	67,338
At 1 April 2013	50,915	-	14,267	2,156	67,338
Net profit for the financial year	-	-	25,987	-	25,987
Total comprehensive income for the financial year	-	-	25,987	-	25,987
<u>Contributions by and distributions to owners</u>					
Interim and final tax-exempt dividends on ordinary shares	-	-	(9,945)	-	(9,945)
Total contributions by and distributions to owners	-	-	(9,945)	-	(9,945)
At 31 March 2014	50,915	-	30,309	2,156	83,380

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.

On 3 April 2009, the Company issued 176,245,000 warrants at an issue price of S\$0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.10 for each new share on the basis of one warrant for every one existing ordinary share in the capital of the Company. The exercise price and the number of warrants held by each warrant holder may be adjusted under certain terms and conditions being met. The warrants have expired at 5.00 pm on 2 April 2012.

As at 2 April 2012, 952,282 warrants were converted to 952,282 new ordinary shares of the Company, thus bringing the Company's total issued share capital to 351,220,223 ordinary shares excluding treasury shares (as at 31 March 2012: 350,267,941 ordinary shares). The 425,229 outstanding warrants, which have not been exercised, have lapsed, and these warrants have ceased to be valid at 5.00 pm on 2 April 2012.

On 6 August 2012, the Company allotted and issued 35,223,084 bonus shares (comprising 34,823,084 new shares and 400,000 treasury shares) pursuant to the Bonus Issue.

During FY2013, the Company acquired 6,690,000 (FY2012: 1,011,000) ordinary shares by way of market purchases on the Singapore Exchange and which were then held as treasury shares.

On 2 October 2012, the Company cancelled 4,000,000 treasury shares to enhance shareholders' value.

In March 2013, the Company entered into a placement agreement, pursuant to which there was an issuance of 30,899,000 new shares and transfer of 4,101,000 existing issued shares in the capital of the Company which were held as treasury shares at an issue price of S\$0.408 per placement share.

The total number of issued shares as at 31 March 2014 was 414,353,307 shares (as at 31 March 2013: 414,353,307 shares).

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

Total number of issued shares excluding treasury shares:	<u>Number of shares</u>
Balance as at 31 March 2012 and 1 April 2012	
- Ordinary Shares	350,267,941
- Warrants	1,377,511
during the 1st quarter FY2013	
Issuance of new shares upon exercising of warrants	
- Ordinary Shares	952,282
- Warrants	(952,282)
Purchase of treasury shares	
- Ordinary Shares	(1,489,000)
during the 2nd quarter FY2013	
Purchase of treasury shares	
- Ordinary Shares	(3,716,000)
Bonus shares issued on 6 August 2012	
- Ordinary Shares to public shareholders	35,223,084
- Ordinary Shares as treasury shares	(400,000)
during the 3rd quarter FY2013	
Purchase of treasury shares	
- Ordinary Shares	(1,485,000)
during the 4th quarter FY2013	
Issuance of new shares pursuant to placement agreement	
- Ordinary Shares	35,000,000
Balance as at 31 March 2013 and 31 March 2014	
- Ordinary Shares	414,353,307

As at 31 March 2014 and 31 March 2013, there were no treasury shares held by the Company.

SHARE CAPITAL

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.

	No. of treasury shares
	YEAR ENDED
	31.03.2014
Balance as at 31 March 2012 and 1 April 2012	1,011,000
Purchase of treasury shares	6,690,000
Bonus shares issued on 6 August 2012 as treasury shares	400,000
Cancellation of shares held in treasury	(4,000,000)
Disposal of treasury shares	(4,101,000)
Balance as at 31 March 2013 and 31 March 2014	-

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 financial statements for the audited financial year ended 31 March 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 adoption of the new/revised FRS and INT FRS is currently assessed to have no significant impact on the financial position and the results of the current year and prior year of the Group.

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	
	31.03.2014	31.03.2013
	(cents)	(cents)
a) On a basic basis	10.75	9.48
b) On a fully diluted basis	10.75	9.48
	S\$'000	S\$'000
Group's profit for the financial year attributable to Owners of the Company used in the computation of basic EPS	44,534	36,254
Group's adjusted profit for the financial year attributable to Owners of the Company used in the computation of diluted EPS	44,534	36,254
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS	414,353,307	382,243,936
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS	414,353,307	382,243,936

EARNINGS PER SHARE

- 6 Basic earnings per share ("EPS") amounts are calculated by dividing the Group's profit after taxation attributable to Owners of the Company by the weighted average number of ordinary shares taking into account the weighted average effect of changes in treasury shares transactions during the financial year.

Diluted EPS is calculated based on the Group's profit for the financial year attributable to Owners of the Company divided by the weighted average number of ordinary shares taking into account the weighted average effect of changes in treasury shares transactions during the financial year in issue adjusted for the effects of all the dilutive potential ordinary shares, being the outstanding warrants.

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 31.03.2014	as at 31.03.2013	as at 31.03.2014	as at 31.03.2013
Net asset value per ordinary share (cents)	52.37	43.54	20.12	16.25
Issue share capital excluding treasury shares at the end of the year	414,353,307	414,353,307	414,353,307	414,353,307

REVIEW OF THE PERFORMANCE OF THE GROUP

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

INCOME STATEMENT

FY2014 vs FY2013

Revenue

The Group had a total revenue of S\$324.5 million for the financial year ended 31 March 2014 ("FY2014"), an increase of S\$92.9 million or 40.1% compared to S\$231.6 million registered in the corresponding financial year ended 31 March 2013 ("FY2013"). This increase was mainly due to the increase in revenue from the construction business of S\$79.6 million or 38.6% from S\$206.1 million in FY2013 to S\$285.7 million in FY2014. In addition, revenue from sales of development property increased by S\$12.5 million or 62.9% from S\$20.0 million in FY2013 to S\$32.5 million in FY2014. While revenue from rental income from investment properties increased by S\$0.8 million or 13.5% from S\$5.5 million in FY2013 to S\$6.3 million in FY2014.

Other income

Other income increased by S\$0.9 million or 10.0% from S\$8.6 million in FY2013 to S\$9.5 million in FY2014, The increase was mainly due to the increase in management fees from associates, increase in foreign exchange gain and interest income from associates. The increase was partially offset by the decrease in gain on sale of investment property in the People's Republic of China ("PRC").

REVIEW OF THE PERFORMANCE OF THE GROUP

INCOME STATEMENT

Operating expenses

Cost of construction increased by S\$96.8 million or 49.9% from S\$194.0 million in FY2013 to S\$290.8 million in FY2014. The increase was mainly due to the increase in revenue for the construction business and revenue recognised from the development property business.

Personnel expenses decreased by S\$1.6 million or 15.4% from S\$10.7 million in FY2013 to S\$9.1 million in FY2014 mainly due to the decrease in provision of bonuses for staff and workers after offset by the increase in salaries and wages for staff and workers.

There were no significant differences in depreciation of property, plant and equipment between FY2014 and FY2013.

Finance costs increased by S\$1.6 million or 99.6% from S\$1.6 million in FY2013 to S\$3.2 million in FY2014 due to interest on term notes issued during FY2014 and increase in interest rates.

Share of results of associates increased by S\$11.1 million or 66.2% from S\$16.6 million in FY2013 to S\$27.7 million in FY2014 mainly due to the contribution from property development projects in Singapore.

Tax expenses increased in FY2014 as compared to FY2013 due to the reversal adjustment made on provision for deferred tax on the sale of investment property in FY2013.

As a result of the above, the Group registered an increase of net profit attributable to Owners of the company of S\$8.2 million or 22.8% from S\$36.3 million in FY2013 to S\$44.5 million in FY2014.

STATEMENT OF FINANCIAL POSITION

Non-current assets

Interests in associates increased by S\$33.6 million from S\$94.0 million in FY2013 to S\$127.6 million in FY2014 due to the share of results of associates, additional investments in associates and additional loans to finance the property development projects.

Investment properties increased by S\$9.4 million from S\$106.8 million in FY2013 to S\$116.2 million in FY2014 mainly due to gain on fair value adjustments of investment properties and additional cost paid for the investment properties under construction in Singapore as well as foreign exchange translation.

Trade receivables under non-current assets increased by S\$4.1 million from S\$11.3 million in FY2013 to S\$15.4 million in FY2014. This was mainly due to additional retention sum receivables from on-going construction projects.

Other receivables of S\$2.8 million in FY2013 for the deposits placed for acquisition of shares in an associate decreased to nil in FY2014 as the acquisition has been completed and shares were allotted during FY2014.

Current assets

Development property decreased by S\$3.7 million from S\$43.5 million in FY2013 to S\$39.8 million in FY2014 as the increase in progress billing from sales was more than the increase in cost incurred for the development during FY2014.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENT OF FINANCIAL POSITION

Current assets

Trade receivables under current assets increased by S\$5.0 million from S\$27.4 million in FY2013 to S\$32.4 million in FY2014 mainly due to the increase in construction projects in progress.

Other receivables and deposits decreased by S\$1.3 million from S\$2.7 million in FY2013 to S\$1.4 million in FY2014 mainly due to the decrease in deposits placed for share acquisition of a subsidiary and deposits placed relating to the construction business.

With an increase in construction business and based on the progress of construction projects in FY2014 as compared to FY2013, the construction work-in-progress in excess of progress billings increased by S\$5.3 million from S\$8.1 million in FY2013 to S\$13.4 million in FY2014.

Current liabilities

Trade payables under current liabilities decreased by S\$2.6 million from S\$21.1 million in FY2013 to S\$18.5 million in FY2014. This decrease was due mainly to the decrease in billings from suppliers and subcontractors for construction projects which will be due for release of payments in the next 12 months.

Other payables and accruals increased by S\$14.2 million from S\$47.0 million in FY2013 to S\$61.2 million in FY2014. This increase was mainly due to the increase in accruals made for unbilled construction costs.

Non-current liabilities

Trade payables under non-current liabilities increased by S\$3.9 million from S\$3.9 million in FY2013 to S\$7.8 million in FY2014. This increase was mainly due to the increase in retention sums from subcontractors for construction projects as construction activities have increased.

Total Group's borrowings

Total borrowings increased by S\$57.4 million from S\$87.9 million in FY2013 to S\$145.3 million in FY2014, mainly due to the increase in term notes of S\$73.9 million and increase in net bank term loans of S\$1.0 million. This was partially offset by the decrease in use of bills payable to banks of S\$17.5 million.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities of S\$26.3 million during FY2014 arose mainly from operating cash flows before changes in working capital of S\$21.1 million, decrease in working capital of S\$6.4 million, and interest income received of S\$2.7 million, partially offset by payment made for income taxes of S\$4.4 million.

Net cash flows used in investing activities of S\$6.7 million during FY2014 arose mainly from the increases in loans due from associates, net of S\$3.0 million, purchase of investment properties of S\$2.2 million and purchase of plant and equipment of S\$1.4 million.

Net cash flows generated from financing activities of S\$41.6 million during FY2014 arose mainly from net proceeds from issuance of medium term notes of S\$73.7 million, partially offset by dividends payment of S\$10.3 million, acquisition of non-controlling interests of S\$1.9 million, repayment of bills payable to banks of S\$17.5 million and interest payment of S\$3.1 million.

As a result of the above-mentioned, net increase in cash and cash equivalents during FY2014 was S\$61.2 million.

REVIEW OF THE PERFORMANCE OF THE GROUP

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 FY2014 is in line with the commentary made on 11 February 2014 in paragraph 10 of the third quarter and nine months financial period results announcement for 3QFY2014.

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.

As per recent announcement made by the Ministry of Trade and Industry ("MTI"), Singapore's economy continued to perform well in the first quarter of year 2014 with a 4.9% year-on-year basis in the first quarter. MTI forecasts that global economy is expected to continue to improve modestly in year 2014 with a growth forecast maintained at 2% to 4% supported by a sustained recovery in United States of America ("USA") and Eurozone economies.

Nevertheless, MTI has highlighted that uncertainties in USA on tightening of monetary conditions which could adversely affect emerging market economies and the risk in the People's Republic of China ("PRC") that policy moves to rein in credit growth may lead to a sharper-than-expected economic slowdown if the policies are not well calibrated. Taking these factors into consideration, growth forecast for the Singapore economy by MTI is maintained at 2% to 4% for the year of 2014.

The Building and Construction Authority ("BCA") forecasts that total construction demand in year 2014 is likely to be between S\$31.0 billion and S\$38.0 billion due to the expansion in the public sector demand as well as stronger institutional and civil engineering construction works. Nevertheless, construction demand from the private sector is projected to be soften as residential property demand and prices has continued to moderate on the back of the cumulative effect of various cooling measures. According to MTI, the construction sector expanded by 6.7% on a year-on-year basis, slower than 7.3% growth on the preceding quarter. The moderation in growth was largely due to weakness in private sector of construction activities.

Construction costs are likely to continue the uptrend as a result of rising cost pressures due to progressive tightening of manpower policies, more stringent regulatory controls on construction industries and increase of construction material costs. Finance costs and other operating costs are also expected to increase due to higher interest rates and increase in costs such as rental, utilities, transportation and etc. The Group will continue to monitor and prudently manage the construction and other operating costs in view of the challenges ahead.

The Group has an order book on construction projects in Singapore of more than S\$410.0 million as at 31 March 2014. In addition, launched property development projects under the Group has so far either met or exceeded expectations in both sales volumes and prices.

In view of the above and barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2015.

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**

Name of Dividend Dividend Type Dividend Rate	(Tax Exempt 1-Tier)		
	Interim Ordinary Cash	Final Ordinary Cash	Total Cash
	1.25 cents per ordinary share	1.75 cents per ordinary share	3.0 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**

Name of Dividend Dividend Type Dividend Rate	(Tax Exempt 1-Tier)		
	Interim Ordinary Cash	Final Ordinary Cash	Total Cash
	1.35 cents per ordinary share	1.15 cents per ordinary share	2.5 cents per ordinary share

(c) Date payable

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

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

Not applicable.

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

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

14 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	Elimination	Total
FY2014	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE					
- external sales	285,677	38,805	-	-	<u>324,482</u>
Segment results	21,034	5,902	(3,746)	-	23,190
Share of results of associates	-	27,619	39	-	27,658
Interest income	223	74	2,428	-	2,725
Finance costs	(1,155)	(522)	(1,558)	-	<u>(3,235)</u>
Profit/(loss) before taxation	20,102	33,073	(2,837)	-	50,338
Tax expense					(4,638)
Non-controlling interests					<u>(1,166)</u>
Net profit attributable to Owners of the Company					<u>44,534</u>
Segment assets	184,075	44,831	216,218	(70,249)	374,875
Interests in associates	-	122,514	5,132	-	127,646
Total assets					<u>502,521</u>
Segment liabilities	85,195	49,206	29,729	(67,032)	97,098
Bank borrowings	26,556	34,869	83,891	-	145,316
Unallocated liabilities					21,587
Total liabilities					<u>264,001</u>
Other segment information :					
Capital expenditures	1,372	6	-	-	1,378
Investment properties	-	-	2,178	-	2,178
Depreciation of property, plant and equipment	1,716	44	-	-	1,760
FY2013					
REVENUE					
- external sales	206,279	25,360	-	-	<u>231,639</u>
Segment results	21,743	6,816	(4,042)	-	24,517
Share of results of associates	-	16,646	(1)	-	16,645
Interest income	79	32	2,279	-	2,390
Finance costs	(994)	(531)	(96)	-	<u>(1,621)</u>
Profit/(loss) before taxation	20,828	22,963	(1,860)	-	41,931
Tax expense					(4,314)
Non-controlling interests					<u>(1,363)</u>
Net profit attributable to Owners of the Company					<u>36,254</u>
Segment assets	203,159	71,356	161,031	(137,347)	298,199
Interests in associates	-	89,101	4,933	-	94,034
Total assets					<u>392,233</u>
Segment liabilities	72,951	47,683	73,155	(112,601)	81,188
Bank borrowings	44,435	35,368	8,092	-	87,895
Unallocated liabilities					20,860
Total liabilities					<u>189,943</u>
Other segment information :					
Capital expenditures	1,818	10	-	-	1,828
Investment properties	-	-	907	-	907
Depreciation of property, plant and equipment	1,797	41	-	-	1,838

Geographical segments

GROUP

	Singapore	Malaysia	Cambodia	The People's Republic of China	Elimination	Total
<u>FY2014</u>	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
REVENUE	318,307	-	-	6,175	-	324,482
Segment assets	289,217	1,527	-	107,615	(23,484)	374,875
Interests in associates	102,613	1,414	9,752	13,867	-	127,646
Total assets						502,521
Other segment information :						
Capital expenditures	1,372	-	-	6	-	1,378
Investment properties	2,178	-	-	-	-	2,178
 <u>FY2013</u>						
REVENUE	226,237	-	-	5,402	-	231,639
Segment assets	212,876	566	-	100,294	(15,537)	298,199
Interests in associates	84,483	-	-	9,551	-	94,034
Total assets						392,233
Other segment information :						
Capital expenditures	1,818	-	-	10	-	1,828
Investment properties	907	-	-	-	-	907

15 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 increased by S\$79.5 million from S\$206.3 million in FY2013 to S\$285.8 million in FY2014 with the progress of on-going projects and new projects commenced in FY2014.

Revenue contributed by property development and management business increased by S\$13.3 million from S\$25.4 million in FY2013 to S\$38.7 million in FY2014 mainly due to significant increases in sales and higher recognition on percentage of construction completion on project.

by Geographical segments

Revenue contributed by Singapore increased by S\$92.1 million from S\$226.2 million in FY 2013 to S\$318.3 million in FY2014 mainly due to the increase in contribution from construction business and property development business.

Profit Before Taxation

by Business segments

Profit before taxation from property development and management business increased by S\$10.0 million from S\$23.0 million in FY2013 to S\$33.0 million in FY2014, mainly due to the contribution from property development project with significant increases in sales and higher recognition on percentage of construction completion on project.

16 A breakdown of sales as follows:

	GROUP		
	31.03.2014	31.03.2013	% increase/(decrease)
	S\$'000	S\$'000	
Sales reported for first half year	172,310	112,465	53
Operating profit after taxation before deducting non-controlling interests reported for the first half year	23,768	14,356	66
Sales reported for second half year	152,172	119,174	28
Operating profit after taxation before deducting non-controlling interests reported for the second half year	21,932	23,261	(6)
Total Sales	324,482	231,639	40
Operating profit after taxation before deducting non-controlling interests reported for full year	45,700	37,617	21

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

	31.03.2014	31.03.2013
	S\$'000	S\$'000
Ordinary shares		
Interim	5,179	5,121
Final	7,251 **	4,765
Total :	12,430	9,886

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

- 18 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

26 May 2014