

KEONG HONG HOLDINGS LIMITED

Unaudited Financial Statement For The Third Quarter and Nine Months Ended 30 June 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 Third Quarter ended			Group Nine Months ended		
	30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000	+(-) %	30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000	+(-) %
Revenue	52,024	65,641	(20.7)	136,208	190,868	(28.6)
Cost of sales	(42,623)	(54,867)	(22.3)	(112,156)	(162,071)	(30.8)
Gross profit	9,401	10,774	(12.7)	24,052	28,797	(16.5)
Other income	557	1,570	(64.5)	4,479	4,653	(3.7)
Administration expenses	(4,923)	(3,420)	43.9	(10,583)	(10,246)	3.3
Finance costs	(800)	(892)	(10.3)	(2,429)	(2,678)	(9.3)
Share of results of joint ventures, net of tax	1,006	11	n.m.	469	11	n.m.
Share of results of associates, net of tax	(547)	(180)	203.9	(2,222)	(537)	313.8
Profit before income tax	4,694	7,863	(40.3)	13,766	20,000	(31.2)
Income tax expense	(1,104)	(1,708)	(35.4)	(3,138)	(3,980)	(21.2)
Profit after tax for the financial year	3,590	6,155	(41.7)	10,628	16,020	(33.7)
Other comprehensive income: Items that may be reclassified subsequently to profit or loss						
Exchange differences on translating of foreign operations	(9)	262	n.m.	(255)	232	n.m.
Share of other comprehensive income of associate	71	-	n.m.	-	(212)	n.m.
Other comprehensive income for the financial year, net of tax	62	262	(76.3)	(255)	20	n.m.
Total comprehensive income for the financial year	3,652	6,417	(43.1)	10,373	16,040	(35.3)
Profit attributable to:						
Owners of the parent	3,590	5,833	(38.5)	10,628	17,627	(39.7)
Non-controlling interests	-	322	n.m.	-	(1,607)	n.m.
	3,590	6,155	(41.7)	10,628	16,020	(33.7)
Total comprehensive income attributable to:						
Owners of the parent	3,652	6,095	(40.1)	10,373	17,631	(41.2)
Non-controlling interests	-	322	n.m.	-	(1,591)	n.m.
	3,652	6,417	(43.1)	10,373	16,040	(35.3)

n.m. denotes not meaningful

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

	Group			Group		
	Third quarter ended			Nine Months ended		
	30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000	+(-) %	30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000	+(-) %
Amortisation of intangible asset	-	1	n.m.	-	5	n.m.
Amortisation of bond issuance cost	61	60	1.7	180	178	1.1
Bad debt written off	115	-	n.m.	115	-	n.m.
Depreciation of property, plant and equipment	1,299	1,542	(15.8)	3,892	4,676	(16.8)
Fair value (gain)/loss on derivative on convertible bond	64	-	n.m.	(116)	88	n.m.
Operating lease expenses	92	94	(2.1)	274	323	(15.2)
Professional fees	1,673	813	105.8	2,353	1,017	131.4
Share option expense	71	26	173.1	206	159	29.6
Gain on disposal of plant and equipment	-	(210)	n.m.	-	(217)	n.m.
Foreign exchange (gain) / loss - Net	303	(350)	n.m.	(115)	1,351	n.m.
(Over)/Under provision of tax in respect of prior years	-	-	-	-	(105)	n.m.
Interest income	(615)	(534)	15.2	(1,856)	(1,792)	3.6

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		Company	
	As at		As at	
	30/06/2017 Unaudited S\$'000	30/09/2016 Audited S\$'000	30/06/2017 Unaudited S\$'000	30/09/2016 Audited S\$'000
Non-current assets				
Property, plant and equipment	32,021	36,857	-	-
Investments in subsidiaries	-	-	24,574	24,574
Investment in associates	8,233	7,245	5,610	-
Investments in joint ventures	5,455	15,886	-	-
Intangible assets	309	309	-	-
Available-for-sale financial assets	6,750	6,750	6,750	6,750
Finance lease receivables	804	904	-	-
Deferred tax assets	149	307	-	-
Total non-current assets	53,721	68,258	36,934	31,324
Current assets				
Trade and other receivables	203,807	198,488	3,114	251
Due from subsidiaries	-	-	40,048	46,878
Due from contract customers	13,269	8,856	-	-
Convertible bond	4,912	4,912	4,912	4,912
Derivative on convertible bond	539	423	539	423
Finance lease receivables	130	126	-	-
Current income tax recoverable	317	314	-	-
Prepayments	780	355	4	3
Non-current assets held for sale	851	851	-	-
Cash and cash equivalents	49,430	58,618	1,002	1,158
Total currents assets	274,035	272,943	49,619	53,625
Total assets	327,756	341,201	86,553	84,949
Equity				
Share capital	23,836	23,836	23,836	23,836
Treasury shares	(3,698)	(4,005)	(3,698)	(4,005)
Other reserves	(3,798)	(3,645)	567	465
Retained earnings	123,341	120,163	1,495	7,368
Total equity	139,681	136,349	22,200	27,664
Non-current liabilities				
Bank borrowings	-	1,818	-	-
Finance lease payables	94	162	-	-
Medium term notes	49,772	49,593	49,772	49,593
Provision for reinstatement	232	232	-	-
Total non-current liabilities	50,098	51,805	49,772	49,593
Current liabilities				
Trade and other payables	103,253	110,945	331	1,161
Due to contract customers	19,354	24,881	-	-
Due to subsidiaries	-	-	14,241	6,515
Bank borrowings	11,650	11,872	-	-
Finance lease payables	91	87	-	-
Current income tax payable	3,629	5,262	9	16
Total current liabilities	137,977	153,047	14,581	7,692
Total liabilities	188,075	204,852	64,353	57,285
Total equity and liabilities	327,756	341,201	86,553	84,949

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30/06/2017 Unaudited		As at 30/09/2016 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
11,650	-	11,872	-

Amount repayable after one year

As at 30/06/2017 Unaudited		As at 30/09/2016 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	49,772	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		Group	
	Third Quarter ended 30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000	Nine Months ended 30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000
Operating activities				
Profit before income tax	4,694	7,863	13,766	20,000
Adjustments for:				
Accretion of convertible bond discount	-	(47)	-	(143)
Amortisation of bond issuance cost	61	60	180	178
Amortisation of intangible assets	-	1	-	5
Bad debts written off	115	-	115	-
Depreciation of property, plant and equipment	1,299	1,542	3,892	4,676
Fair value (gain)/loss on derivative on convertible bond	64	-	(116)	88
Gain on disposal of plant and equipment	-	(210)	-	(217)
Interest expenses	800	892	2,428	2,678
Interest income	(615)	(534)	(1,856)	(1,792)
Share option expense	71	26	206	159
Share of result of associates	547	180	2,222	537
Share of result of joint ventures	(1,006)	(11)	(469)	(11)
Operating cash flows before movements in working capital	6,030	9,762	20,368	26,158
Working Capital Changes:				
Trade and other receivables	1,336	9,288	509	24,695
Due from contract customers	2,011	212	(4,414)	(2,309)
Prepayments	52	111	195	26
Due to contract customers	(8,583)	(7,742)	(5,527)	(7,360)
Trade and other payables	6,676	3	(7,691)	(20,971)
Cash generated from operations	7,522	11,634	3,440	20,239
Income tax paid	(2,609)	(1,301)	(4,613)	(2,501)
Net cash generated from / (used in) operating activities	4,913	10,333	(1,173)	17,738
Investing activities				
Investment in associate	-	-	(5,610)	(544)
Investment in joint venture	-	-	(600)	(894)
Disposal of discontinued operation, net of cash disposed	-	106	-	106
Purchase of plant and equipment	(71)	(457)	(186)	(13,077)
Proceeds from disposal of plant and equipment	-	210	-	217
Loan to associates	(1,503)	-	(13,827)	(5,200)
Loan to joint ventures	(6,320)	(17,000)	(15,220)	(57,053)
Repayment of loan from joint ventures	6,000	-	23,513	12,600
Interest received	193	534	808	1,792
Dividend received	9,400	9,200	13,900	9,200
Net cash from / (used in) investing activities	7,699	(7,407)	2,778	(52,853)

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		Group	
	Third Quarter ended 30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000	Nine Months ended 30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000
Financing activities				
Finance lease receivables	54	31	117	93
Repayment of Finance Lease payables	(22)	(29)	(64)	(190)
Proceeds from loans & borrowings	6,000	-	9,000	5,276
Repayments of loans & borrowings	(5,697)	(3,486)	(10,644)	(5,348)
Issue of treasury shares	-	-	203	998
Dividend paid	(575)	(1,146)	(7,450)	(10,313)
Interest paid	(1,450)	(1,640)	(2,328)	(3,429)
Net cash used in financing activities	(1,690)	(6,270)	(11,166)	(12,913)
Net change in cash and cash equivalents	10,922	(3,344)	(9,561)	(48,028)
Cash and cash equivalents at the beginning of the period	38,807	55,945	58,618	100,569
Exchange difference on cash and cash equivalents	(299)	(870)	373	(810)
Cash and cash equivalents at end of the financial year	49,430	51,731	49,430	51,731

Cash and cash equivalents comprised of:

	30/06/2017 Unaudited S\$'000	30/06/2016 Unaudited S\$'000
Fixed deposits, cash and bank balances	<u>49,430</u>	<u>51,731</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

Group (Unaudited)	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 reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Balance at 1 October 2016	23,836	(4,005)	798	540	(4,794)	(75)	(114)	120,163	136,349
Profit for the financial period	-	-	-	-	-	-	-	10,628	10,628
Other comprehensive income for the financial period:									-
Exchange differences on translating foreign operations	-	-	(255)	-	-	-	-	-	(255)
Share of other comprehensive income of joint venture	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(255)	-	-	-	-	10,628	10,373
Contribution by and distribution to owners of the parents:									
Dividends	-	-	-	-	-	-	-	(7,450)	(7,450)
Issue of treasury shares	-	307	-	(104)	-	-	-	-	203
Share option expense	-	-	-	206	-	-	-	-	206
Total transactions with owners of the parent	-	307	-	102	-	-	-	(7,450)	(7,041)
Balance at 30 June 2017	23,836	(3,698)	543	642	(4,794)	(75)	(114)	123,341	139,681

- 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

Group (Unaudited)	Share capital	Treasury shares	Foreign currency translation accounts	Share option reserve	Merger reserve	Available-for-sale reserve	Other reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 April 2017	23,836	(3,698)	552	571	(4,794)	(75)	(185)	120,326	136,533
Profit for the financial period	-	-	-	-	-	-	-	3,590	3,590
Other comprehensive income for the financial period:									-
Exchange differences on translating foreign operations	-	-	(9)	-	-	-	-	-	(9)
Share of other comprehensive income of joint venture	-	-	-	-	-	-	71	-	71
Total comprehensive income for the period	-	-	(9)	-	-	-	71	3,590	3,652
Contribution by and distribution to owners of the parents:									
Dividends	-	-	-	-	-	-	-	(575)	(575)
Issue of treasury shares	-	-	-	-	-	-	-	-	-
Share option expense	-	-	-	71	-	-	-	-	71
Total transactions with owners of the parent	-	-	-	71	-	-	-	(575)	(504)
Balance at 30 June 2017	23,836	(3,698)	543	642	(4,794)	(75)	(114)	123,341	139,681

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

Group (Unaudited)	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
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	-	-	-	-	-	-	-	17,627	17,627	(1,607)	16,020
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	216	-	-	-	-	-	216	16	232
Share of other comprehensive income of associates	-	-	-	-	-	-	(212)	-	(212)	-	(212)
Total comprehensive income for the period	-	-	216	-	-	-	(212)	17,627	17,631	(1,591)	16,040
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(10,313)	(10,313)	-	(10,313)
Issued of treasury shares	-	1,723	-	(725)	-	-	-	-	998	-	998
Share option expense	-	-	-	159	-	-	-	-	159	-	159
Total transactions with owners of the parent	-	1,723	-	(566)	-	-	-	(10,313)	(9,156)	-	(9,156)
Changes to ownership interests in subsidiaries:											
Acquisition of interests without change in control	-	-	-	-	-	-	-	(776)	(776)	314	(462)
								(776)	(776)	314	(462)
Balance at 30 June 2016	23,836	(4,005)	695	463	(4,794)	(150)	-	103,121	119,166	-	119,166

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

Group (Unaudited)	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
Balance at 1 April 2016	23,836	(4,005)	433	437	(4,794)	(150)	-	98,434	114,191	-	114,191
Profit for the financial period	-	-	-	-	-	-	-	5,833	5,833	322	6,155
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	262	-	-	-	-	-	262	-	262
Share of other comprehensive income of associates	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	262	-	-	-	-	5,833	6,095	322	6,417
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(1,146)	(1,146)	-	(1,146)
Share option expense	-	-	-	26	-	-	-	-	26	-	26
Total transactions with owners of the parent	-	-	-	26	-	-	-	(1,146)	(1,120)	-	(1,120)
Changes to ownership interests in subsidiaries:											
Acquisition of interests without change in control	-	-	-	-	-	-	-	-	-	(322)	(322)
								-	-	-	-
Balance at 30 June 2016	23,836	(4,005)	695	463	(4,794)	(150)	-	103,121	119,166	-	119,166

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
Company (Unaudited)						
Balance at 1 October 2016	23,836	(4,005)	540	(75)	7,368	27,664
Total comprehensive income for the period	-	-	-	-	1,577	1,577
Dividends	-	-	-	-	(7,450)	(7,450)
Issue of treasury shares	-	307	(104)	-	-	203
Share option expense	-	-	206	-	-	206
Balance at 30 June 2017	23,836	(3,698)	642	(75)	1,495	22,200
Balance at 1 October 2015	23,836	(5,728)	1,029	(150)	9,433	28,420
Total comprehensive income for the period	-	-	-	-	1,355	1,355
Dividends	-	-	-	-	(10,313)	(10,313)
Issue of treasury shares	-	1,723	(725)	-	-	998
Share option expense	-	-	159	-	-	159
Balance at 30 June 2016	23,836	(4,005)	463	(150)	475	20,619

	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
Company (Unaudited)						
Balance at 30 April 2017	23,836	(3,698)	571	(75)	1,042	21,676
Total comprehensive income for the period	-	-	-	-	1,028	1,028
Dividends	-	-	-	-	(575)	(575)
Share option expense	-	-	71	-	-	71
Balance at 30 June 2017	23,836	(3,698)	642	(75)	1,495	22,200
Balance at 30 April 2016	23,836	(4,005)	437	(150)	157	20,275
Total comprehensive income for the period	-	-	-	-	1,464	1,464
Dividends	-	-	-	-	(1,146)	(1,146)
Share option expense	-	-	26	-	-	26
Balance at 30 June 2016	23,836	(4,005)	463	(150)	475	20,619

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.

	Number of issued shares (excluding Treasury Shares)	Share capital (S\$)
As at 1 April 2017	229,820,000	23,836,074
As at 30 June 2017	229,820,000	23,836,074

As at 30 June 2017, there were 6,605,000 outstanding options issued under Employee Share Option Scheme (the "ESOS") (30 June 2016: 7,030,000), which are convertible into 6,605,000 (30 June 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 30 June 2017 and 30 June 2016 respectively. Save for the options, the Company did not have any outstanding convertibles as at 30 June 2017 and 30 June 2016.

As at 30 June 2017, the Company held 10,180,000 treasury shares (30 June 2016: 10,830,000 treasury shares) representing 4.24% (30 June 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 30 June 2017 and 30 June 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.

	30/06/2017 Unaudited	30/09/2016 Audited
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:

	Number of Treasury Shares
As at 1 October 2016	10,830,000
Transfer of treasury shares pursuant to the exercise of options under the ESOS ⁽¹⁾	(650,000)
As at 30 June 2017	10,180,000

Note:

(1) On 17 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.

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	
	Third Quarter ended		Nine Months ended	
	30/06/2017 Unaudited	30/06/2016 Unaudited	30/06/2017 Unaudited	30/06/2016 Unaudited
Profit attributable to owners of the parent (S\$'000)	3,590	5,833	10,628	17,627
(i) Earnings per share ("EPS") – Basic (Singapore cents) ⁽¹⁾	1.56	2.55	4.63	7.73
Weighted average number of ordinary shares ⁽³⁾	229,820,000	229,170,000	229,422,381	228,139,964
(ii) Earnings per share ("EPS") – Diluted (Singapore cents) ⁽²⁾	1.52	2.47	4.50	7.50
Weighted average number of ordinary shares ⁽³⁾	236,409,615	236,200,000	236,016,575	234,949,069

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	
	30/06/2017 Unaudited	30/09/2016 Audited	30/06/2017 Unaudited	30/09/2016 Audited
Net asset value per ordinary share (Singapore cents)	60.78	59.50	9.66	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 decreased by 20.7% to S\$52.0 million in third quarter ended 30 June 2017 ("3Q2017") as compared to S\$65.6 million in the corresponding period ended 30 June 2016 ("3Q2016"). For 9 months ended 30 June 2017 ("9M2017"), revenue decreased by 28.6% to S\$136.2 million as compared to S\$190.9 million in the corresponding period ended 30 June 2016 ("9M2016"). 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 3Q2017 decreased by 12.7% or S\$1.4 million to S\$9.4 million as compared to S\$10.8 million in 3Q2016. For 9M2017, gross profit decreased by 16.5% or S\$4.7 million to S\$24.1 million as compared to S\$28.8 million in 9M2016.

The Group achieved a higher gross profit margin of 18.1% in 3Q2017 as compared to 16.4% in 3Q2016 and a higher gross profit margin of 17.7% in 3Q2017 as compared to 15.1% in 3Q2016. The improvement in gross profit margin was mainly attributable to better project management and cost control.

Other Income

Other income decreased by 64.5% or S\$1.0 million from S\$1.6 million in 3Q2016 to S\$0.6 million in 3Q2017, due mainly to lower project management fee of S\$0.6 million, fair value loss of S\$0.1 million on convertible bond and absence of gain on disposal of plant and equipment of S\$0.2 million.

For 9M2017, other income decreased by 3.7% or S\$0.2 million to S\$4.5 million as compared to S\$4.7 million in 9M2016. The decrease was mainly due to absence of gain on disposal of plant and equipment of S\$0.2 million.

Administration Expenses

Administration expenses increased by 43.9% or S\$1.5 million to S\$4.9 million in 3Q2017 as compared to 3Q2016 which was mainly due to higher foreign exchange loss of \$0.7 million and legal and professional fee of \$0.6 million. For 9M2017, administration expenses increased by 3.3% or S\$0.3 million as compared to 9M2016.

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

Finance costs decreased by 10.3% or S\$0.1 million in 3Q2017 and 9.3% or S\$0.2 million in 9M2017 as compared to 3Q2016 and 9M2016 respectively. The decrease was mainly due to lower interest expenses as a result of settlement of bank borrowings during the period.

Profit before Income Tax

As a result of lower revenue and higher share of loss of associates, partially offset by higher share of profit of joint ventures, the Group's profit before tax decreased by 40.3% or S\$3.2 million to S\$4.7 million in 3Q2017 as compared to \$7.9 million in 3Q2016, and by 31.2% or S\$6.2 million to \$13.8 million in 9M2017 as compared to S\$20.0 million in 9M2016.

Review of Financial Position

Non-Current Assets

Property, plant and equipment decreased from S\$36.9 million as at 30 September 2016 to S\$32.0 million as at 30 June 2017 due to depreciation expenses of S\$3.9 million and unrealized foreign currency loss on translation of foreign operation amounting to S\$1.0 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\$5.3 million from S\$198.5 million as at 30 September 2016 to S\$203.8 million as at 30 June 2017. This was mainly due to increase in shareholders loan of S\$29.0 million extended to joint ventures and associates. The increase was partially offset by repayment of shareholders' loan of S\$23.5m from joint ventures.

The increase in amount due from contract customer of S\$4.4 million was due to increase in unbilled revenue for work done in 3Q2017.

Current Liabilities

As at 30 June 2017, current liabilities decreased by S\$15.1 million from S\$153.0 million as at 30 September 2016 to S\$138.0 million as at 30 June 2017. Trade and other payables decreased by S\$7.7 million while amount due to contract customers decreased by S\$5.5 million, bank borrowings decreased by S\$0.2 million and provision for income tax decreased by S\$1.6 million.

The working capital of the Group strengthened by S\$16.2 million from S\$119.9 million as at 30 September 2016 to S\$136.1 million as at 30 June 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 30 June 2017 was due mainly to repayment of bank borrowings.

Review of Cash Flow Statement

For 3Q2017, the Group generated a positive operating cash flow of S\$6.0 million before movements in the working capital. After taking into consideration of changes in the working capital, which included a decrease of S\$1.3 million in trade and other receivables, a decrease of S\$2.0 million in amount due from contract customers, an increase of S\$6.7 million in trade and other payables and a decrease in amount due to contract customers of S\$8.6 million, the Group recorded a net cash inflow of S\$4.9 million from operations.

For 3Q2017, the Group generated net cash of S\$7.7 million from investing activities. This was mainly attributable to dividend income of S\$9.4 and repayment from joint ventures of S\$6.0 million and partially offset by loan of S\$7.8 million extended to associate and joint ventures.

Net cash used in financing activities of S\$1.7 million in 3Q2017 was mainly due to interest payment of S\$1.5 million and dividend payment of S\$0.6 million and partially offset by net bank borrowings of S\$0.3 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's current construction pipeline includes Parc Life, Seaside Residences, Raffles Hospital extension and Pullman Maldives Maamutaa Resort. As at 30 June 2017, our construction order book stood at S\$433 million.

In a press release dated 14 July 2017, the Ministry of Trade and Industry (MTI) reported that the construction sector contracted by 5.6 per cent in April to June 2017,

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)**

Building Construction (Cont'd)

following the 6.1 per cent decline in January to March¹. In view of the continued weakness in both private sector and public sector construction activities, the outlook for the construction industry remains challenging.

Property Development and Investment

The Group's joint venture residential development, Seaside Residences condominium has been well received with 55% of the units sold to date. The Group's other joint venture residential development, Parc Life Executive Condominium has achieved sales to date of 52%.

Latest data from the Urban Redevelopment Authority (URA) released on 28 July 2017 shows a surge in private home sales, with 6,905 private homes sold in the second quarter. In the first half of 2017, 12,107 units were transacted, up 63.7 per cent from first half of 2016². On the other hand, there were also keen competition in recent government land sales. The Group will continue to tender for land sales for residential development.

Hotel Development and Investment

Mercure Maldives Kooddoo Resort has obtained its hotel operating license on 25 July 2017 and will be officially open for guests in the second half of 2017.

11. **Dividend**

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date.

Not applicable.

¹ Ministry of Trade and Industry, "Singapore's GDP Grew by 2.5 Per Cent in the Second Quarter of 2017." https://www.mti.gov.sg/NewsRoom/SiteAssets/Pages/Singapore%E2%80%99s-GDP-Grew-by-2.5-Per-Cent-in-the-Second-Quarter-of-2017/AdvEst_2Q17.pdf

² Urban Redevelopment Authority, "Release of 2nd Quarter 2017 real estate statistics." <https://www.ura.gov.sg/uol/media-room/news/2017/Jul/pr17-51>

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 3Q2017.

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 30 June 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
11 August 2017