

KEONG HONG HOLDINGS LIMITED

Unaudited Financial Statement For The Third Quarter and Nine Months Ended 30 June 2018

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		
	30/06/2018	30/06/2017	+(-)	30/06/2018	30/06/2017	+(-)
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Revenue	40,463	52,024	(22.2)	112,048	136,208	(17.7)
Cost of sales	(35,912)	(42,623)	(15.7)	(94,084)	(112,156)	(16.1)
Gross profit	4,551	9,401	(51.6)	17,964	24,052	(25.3)
Other income	1,674	557	200.5	6,909	4,479	54.3
Administration expenses	(3,287)	(4,923)	(33.2)	(13,505)	(10,583)	27.6
Finance costs	(1,403)	(800)	75.4	(4,114)	(2,429)	69.4
Share of results of joint venture, net of tax	2,782	1,006	176.5	3,631	469	674.2
Share of results of associate, net of tax	5,167	(547)	n.m.	6,351	(2,222)	n.m.
Profit before income tax	9,484	4,694	102.0	17,236	13,766	25.2
Income tax expense	(1,020)	(1,104)	(7.6)	(1,883)	(3,138)	(40.0)
Profit after tax for the financial year	8,464	3,590	135.8	15,353	10,628	44.5
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating of foreign operations	(95)	(9)	955.6	27	(255)	n.m.
Share of other comprehensive income of joint venture	159	-	n.m.	354	-	n.m.
Share of other comprehensive income of associate	-	71	(100.0)	-	-	n.m.
Other comprehensive income for the financial year, net of tax	64	62	2.8	381	(255)	n.m.
Total comprehensive income for: the financial year	8,528	3,652	133.5	15,734	10,373	51.7
Profit attributable to:						
Owners of the parent	8,583	3,590	139.1	15,275	10,628	43.7
Non-controlling interests	(119)	-	n.m.	78	-	n.m.
	8,464	3,590	135.8	15,353	10,628	44.5
Total Comprehensive income attributable to:						
Owners of the parent	8,647	3,652	136.8	15,656	10,373	50.9
Non-controlling interests	(119)	-	n.m.	78	-	n.m.
	8,528	3,652	133.5	15,734	10,373	51.7

n.m. denotes not meaningful

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

	Group Third Quarter ended			Group Nine Months ended		
	30/06/2018	30/06/2017	+(-)	30/06/2018	30/06/2017	+(-)
	Unaudited	Unaudited		Unaudited	Unaudited	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of intangible asset	5	-	n.m.	15	-	n.m.
Amortisation of bond issuance cost	-	61	(100.0)	-	180	(100.0)
Bad debt written off	-	115	(100.0)	-	115	(100.0)
Depreciation of investment properties	152	81	87.7	450	198	127.3
Depreciation of property, plant and equipment	1,028	1,218	(15.6)	3,720	3,694	0.7
Fair value (gain) / loss on derivative on convertible bond	-	63	(100.0)	-	(116)	(100.0)
Impairment loss on available-for-sale financial assets	-	-	n.m.	2,623	-	n.m.
Operating lease expenses	185	92	101.1	572	274	108.8
Professional fees	160	1,674	(90.4)	693	2,353	(70.5)
Share option expense	43	72	(40.3)	129	206	(37.4)
Foreign exchange (gain) / loss – Net	(378)	299	n.m.	(397)	(115)	245.2
Gain on disposal of plant and equipment	(23)	-	n.m.	(122)	-	n.m.
Interest income	(1,153)	(615)	87.5	(3,153)	(1,856)	69.9

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	
	30/06/2018 Unaudited S\$'000	30/09/2017 Audited S\$'000	30/06/2018 Unaudited S\$'000	30/09/2017 Audited S\$'000
Non-current assets				
Property, plant and equipment	20,543	23,061	236	-
Investment properties	23,511	23,321	-	-
Investments in subsidiaries	-	-	28,830	28,830
Investment in associates	14,245	7,894	5,610	5,610
Investments in joint ventures	5,247	3,572	-	-
Intangible assets	247	253	-	-
Available-for-sale financial assets	53,484	56,107	6,600	6,600
Finance lease receivables	670	772	-	-
Other receivables	1,000	1,000	1,000	1,000
Deferred tax assets	80	81	-	-
Total non-current assets	119,027	116,061	42,276	42,040
Current assets				
Inventories	2,395	2,323	-	-
Trade and other receivables	258,877	223,757	47,323	46,065
Due from contract customers	12,509	31,894	-	-
Finance lease receivables	134	131	-	-
Current income tax recoverable	313	312	-	-
Prepayments	436	593	35	2
Fixed deposits pledged	525	525	-	-
Cash and cash equivalents	53,115	76,800	21,404	26,989
Total currents assets	328,304	336,335	68,762	73,056
Total assets	447,331	452,396	111,038	115,096
Equity				
Share capital	25,061	25,061	25,061	25,061
Treasury shares	(3,657)	(3,657)	(3,657)	(3,657)
Other reserves	(3,759)	(4,269)	542	413
Retained earnings	186,808	176,762	1,041	4,830
Non-controlling interests	2,695	2,617	-	-
Total equity	207,148	196,514	22,987	26,647
Non-current liabilities				
Other payables	1,345	1,345	-	-
Finance lease payables	370	123	142	-
Medium term notes	84,248	84,075	84,248	84,075
Provision for reinstatement	245	239	-	-
Deferred tax liabilities	193	193	-	-
Total non-current liabilities	86,401	85,975	84,390	84,075
Current liabilities				
Trade and other payables	113,883	149,125	3,632	4,366
Bank borrowings	37,634	14,519	-	-
Finance lease payables	155	119	25	-
Current income tax payable	2,110	6,144	4	8
Total current liabilities	153,782	169,907	3,661	4,374
Total liabilities	240,183	255,882	88,051	88,449
Total equity and liabilities	447,331	452,396	111,038	115,096

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

As at 30/06/2018 Unaudited		As at 30/09/2017 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
37,634	-	14,519	-

Amount repayable after one year

As at 30/06/2018 Unaudited		As at 30/09/2017 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	84,248	-	84,075

Details of collateral:

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

The unsecured borrowing relates to net proceeds of S\$84.1 million from the issuance of S\$85.0 million 4-year Fixed Rate Notes ("**Series 2 Term Notes**") on 15 September 2017 under Keong Hong Holdings Limited S\$150 million Multicurrency Medium Term Note Programme. The Series 2 Term Notes bear fixed interest of 5.75 per cent per annum payable semi-annually in arrear and will mature on 15 September 2021.

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 30/06/2018 Unaudited S\$'000	30/06/2017 Unaudited S\$'000	Nine Months ended 30/06/2018 Unaudited S\$'000	30/06/2017 Unaudited S\$'000
Operating activities				
Profit before income tax	9,484	4,694	17,236	13,766
Adjustments for:				
Amortisation of intangible assets	5	-	15	-
Amortisation of bond issuance cost	-	61	-	180
Bad debts written off	-	115	-	115
Depreciation of investment properties	152	81	450	198
Depreciation of property, plant and equipment	1,028	1,218	3,270	3,694
Impairment loss on available-for-sale financial assets	-	-	2,623	-
Fair value (gain) / loss on derivative on convertible bond	-	63	-	(116)
Gain on disposal of plant and equipment	(23)	-	(122)	-
Interest income	(1,153)	(615)	(3,153)	(1,856)
Interest expenses	1,398	800	4,109	2,428
Unrealised foreign exchange	(5)	-	(21)	-
Share option expense	43	72	129	206
Share of results of joint venture, net of tax	(2,782)	(1,006)	(3,631)	(469)
Share of result of associates, net of tax	(5,167)	547	(6,351)	2,222
Operating cash flows before movements in working capital	2,980	6,030	14,554	20,368
Working Capital Changes:				
Inventories	(1)	-	(74)	-
Trade and other receivables	732	1,335	8,082	509
Due from contract customers	(3,943)	2,011	19,401	(4,414)
Prepayments	(11)	53	164	195
Provisions	60	-	179	-
Due to contract customers	-	(8,583)	-	(5,527)
Trade and other payables	2,203	6,676	(36,640)	(7,691)
Cash generated from operations	2,020	7,522	5,666	3,440
Income tax paid	(2,796)	(2,609)	(5,916)	(4,613)
Net cash (used in) / generated from operating activities	(776)	4,913	(250)	(1,173)
Investing activities				
Investment in associate	-	-	-	(5,610)
Investment in joint ventures	(350)	-	(350)	(600)
Purchase of plant and equipment	(41)	(72)	(560)	(186)
Purchase of intangible assets	-	-	(8)	-
Proceeds from finance lease receivables	33	-	98	-
Proceeds from disposal of plant and equipment	-	-	11	-
Loan to associates	(6,547)	(1,502)	(13,214)	(13,827)
Loan to joint ventures	(24,256)	(6,320)	(29,776)	(15,220)
Repayment of loan from joint ventures	-	6,000	-	23,513
Interest received	103	193	391	808
Dividend received	660	9,400	5,283	13,900
Net cash (used in) / generated from investing activities	(30,398)	7,699	(38,125)	2,778

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 30/06/2018 Unaudited S\$'000	30/06/2017 Unaudited S\$'000	Nine Months ended 30/06/2018 Unaudited S\$'000	30/06/2017 Unaudited S\$'000
Financing activities				
Fixed deposit pledged with financial institutions	-	-	(525)	-
Proceeds from finance lease receivables	-	54	-	117
Proceeds from loans & borrowings	24,477	6,000	29,740	9,000
Repayments of loans & borrowings	(3,609)	(5,697)	(6,980)	(10,644)
Issued of treasury shares	-	-	-	203
Dividend paid	(1,163)	(575)	(5,229)	(7,450)
Repayments of finance lease payables	(65)	(22)	(111)	(64)
Interest paid	(83)	(1,450)	(2,651)	(2,328)
Net cash (used in) / generated from financing activities	19,557	(1,690)	14,244	(11,166)
Net change in cash and cash equivalents	(11,617)	10,922	(24,131)	(9,561)
Cash and cash equivalents at the beginning beginning of the financial period	65,730	38,807	77,325	58,618
Exchange difference on cash and cash equivalents	(998)	(299)	(79)	373
Cash and cash equivalents at end of the financial period	53,115	49,430	53,115	49,430

Cash and cash equivalents comprised of:

	30/06/2018 Unaudited S\$'000	30/06/2017 Unaudited S\$'000
Fixed deposits, cash and bank balances	53,640	49,430
Fixed deposits pledged	(525)	-
	53,115	49,430

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

	Share capital S\$'000	Treasury shares S\$'000	Foreign currency translation accounts S\$'000	Share option reserve S\$'000	Merger reserve S\$'000	Available-for-sale reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total S\$'000
Group (Unaudited)											
Balance at 1 October 2017	25,061	(3,657)	529	639	(4,794)	(529)	(114)	176,762	193,897	2,617	196,514
Profit for the financial period	-	-	-	-	-	-	-	15,275	15,275	78	15,353
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	27	-	-	-	-	-	27	-	27
Share of other comprehensive income of joint venture	-	-	-	-	-	-	354	-	354	-	354
Total comprehensive income for the period	-	-	27	-	-	-	354	15,275	15,656	78	15,734
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(5,229)	(5,229)	-	(5,229)
Issued of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share option expense	-	-	-	129	-	-	-	-	129	-	129
Total transactions with owners of the parent	-	-	-	129	-	-	-	(5,229)	(5,100)	-	(5,100)
Balance at 30 June 2018	25,061	(3,657)	556	768	(4,794)	(529)	240	186,808	204,453	2,695	207,148

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

	Share capital S\$'000	Treasury shares S\$'000	Foreign currency translation accounts S\$'000	Share option reserve S\$'000	Merger reserve S\$'000	Available-for-sale reserve S\$'000	Other reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total S\$'000
Group (Unaudited)											
Balance at 1 April 2018	25,061	(3,657)	651	725	(4,794)	(529)	81	179,388	196,926	2,814	199,740
Profit for the financial period	-	-	-	-	-	-	-	8,583	8,583	(119)	8,464
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	(95)	-	-	-	-	-	(95)	-	(95)
Share of other comprehensive income of joint venture	-	-	-	-	-	-	159	-	159	-	159
Total comprehensive income for the period	-	-	(95)	-	-	-	159	8,583	8,647	(119)	8,528
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(1,163)	(1,163)	-	(1,163)
Issued of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share option expense	-	-	-	43	-	-	-	-	43	-	43
Total transactions with owners of the parent	-	-	-	43	-	-	-	(1,163)	(1,120)	-	(1,120)
Balance at 30 June 2018	25,061	(3,657)	556	768	(4,794)	(529)	240	186,808	204,453	2,695	207,148

- 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 (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 2017	25,061	(3,657)	639	(226)	4,830	26,647
Total comprehensive income for the period	-	-	-	-	1,440	1,440
Dividends	-	-	-	-	(5,229)	(5,229)
Share option expense	-	-	129	-	-	129
Balance at 30 June 2018	25,061	(3,657)	768	(226)	1,041	22,987
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)
Share option expense	-	-	206	-	-	206
Issue of treasury shares	-	307	(104)	-	-	203
Balance at 30 June 2017	23,836	(3,698)	642	(75)	1,495	22,200

	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 April 2018	25,061	(3,657)	725	(226)	1,446	23,349
Total comprehensive income for the period	-	-	-	-	758	758
Dividends	-	-	-	-	(1,163)	(1,163)
Share option expense	-	-	43	-	-	43
Balance at 30 June 2018	25,061	(3,657)	768	(226)	1,041	22,987
Balance at 1 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

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 2018	232,385,000	25,060,824
Movement	-	-
As at 30 June 2018	232,385,000	25,060,824

As at 30 June 2018, there were 9,155,000 outstanding options issued under Employee Share Option Scheme (the "ESOS") (30 June 2017: 6,605,000), which are convertible into 9,155,000 (30 June 2017: 6,605,000) shares. The total number of issued shares excluding treasury shares of the Company was 232,385,000 and 229,820,000 as at 30 June 2018 and 30 June 2017 respectively. Save for the options, the Company did not have any outstanding convertibles as at 30 June 2018 and 30 June 2017.

As at 30 June 2018, the Company held 10,180,000 treasury shares (30 June 2017: 10,180,000 treasury shares) representing 4.20% (30 June 2017: 4.24%) of the total number of issued shares (including treasury shares) of 242,565,000 shares (30 June 2017: 240,000,000 shares). The Company does not have any subsidiary holdings as at the periods ended 30 June 2018 and 30 June 2017.

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.

	30/06/2018 Unaudited	30/09/2017 Audited
Total number of issued shares	242,565,000	242,565,000
Treasury shares	(10,180,000)	(10,180,000)
Total number of issued shares, excluding treasury shares	232,385,000	232,385,000

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:

As at 1 October 2017
Sales, transfers, disposals and/or cancellation
As at 30 June 2018

Number of Treasury Shares
10,180,000
-
10,180,000

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

There are 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 2017.

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 2017, 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	
	30/06/2018 Unaudited	30/06/2017 Unaudited	30/06/2018 Unaudited	30/06/2017 Unaudited
Profit attributable to owners of the parent (S\$'000)	8,583	3,590	15,275	10,628
(i) Earnings per share ("EPS") – Basic (Singapore cents) ⁽¹⁾	3.69	1.56	6.57	4.63
Weighted average number of ordinary shares ⁽³⁾	232,385,000	229,820,000	232,385,000	229,422,381
(ii) Earnings per share ("EPS") – Diluted (Singapore cents) ⁽²⁾	3.65	1.52	6.50	4.50
Weighted average number of ordinary shares ⁽³⁾	235,052,617	236,409,615	234,842,104	236,016,575

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	
	30/06/2018 Unaudited	30/09/2017 Audited	30/06/2018 Unaudited	30/09/2017 Audited
Net asset value per ordinary share (Singapore cents)	87.98	83.44	9.89	11.47
Number of issued shares excluding treasury shares	232,385,000	232,385,000	232,385,000	232,385,000

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 22.2% to S\$40.4 million in third quarter ended 30 June 2018 (“**3Q2018**”) as compared to S\$52.0 million in the corresponding period ended 30 June 2017 (“**3Q2017**”). For 9 months ended 30 June 2018 (“**9M2018**”), revenue decreased by 17.7% to S\$112.0 million as compared to S\$136.2 million in the corresponding period ended 30 June 2017 (“**9M2017**”). The decrease in revenue was mainly due to lower recognition of revenue from construction projects as some of the projects, such as Parc Life and Raffles Hospital Extension had largely been completed in the previous financial year. The decrease in revenue was partially offset by higher revenue contribution from the construction of Seaside Residences condominium at Siglap and Pullman Maamutaa resort in Maldives.

Gross Profit & Gross Profit Margin

As a result of lower revenue, gross profit for 3Q2018 decreased by 51.6% to S\$4.6 million as compared to S\$9.4 million in 3Q2017. For 9M2018, gross profit decreased by 25.3% or S\$6.1 million to S\$18.0 million compared to S\$24.1 million in 9M2017.

The gross profit margin of the Group was as follow:

3Q2018	3Q2017	9M2018	9M 2017
11.20%	18.10%	16.00%	17.70%

Other Income

Other income increased by 200.5% or S\$1.1 million in 3Q2018 and 54.3% or S\$2.4 million in 9M2018. The increases in both periods were due mainly to dividend income received from joint venture company and from our investment in available-for-sale financial asset. The increases were offset by lower project management fee from associate.

Administration Expenses

Administration expenses decreased by 33.2% or S\$1.6 million to S\$3.3 million in 3Q2018 mainly due to lower professional and legal fees of S\$1.5 million.

For 9M2018, administration expenses increased by 27.6% or S\$2.9 million as compared to 9M2017 due mainly to impairment loss on available-for-sale financial asset of S\$2.6 million and higher depreciation expense of S\$0.3 million.

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 increased by 75.4% or S\$0.6 million in 3Q2018 and 69.4% or S\$1.7 million in 9M2018 as compared to the corresponding period in 3Q2017 and 9M2017 respectively. The Increase was due mainly to higher interest expense for the Series 2 Term Notes issued in September 2017.

Profit before Income Tax

Despite lower revenue in 3Q2018, profit before income tax increased by 102.0% to S\$9.5 million as compared to S\$4.7 million in 3Q2017 due to share of profits of S\$7.9 million from joint ventures and associates in 3Q2018.

As a result of higher other income, coupled with share of profits of S\$10 million from joint ventures and associates, the Group's profit before tax increased by 25.2% to S\$17.3 million in 9M2018 as compared to S\$13.8 million in 9M2017.

Review of Financial Position

Non-Current Assets

Property, plant and equipment decreased from S\$23.1 million as at 30 September 2017 to S\$20.5 million as at 30 June 2018. This was due to depreciation expenses of S\$3.2 million and unrealized foreign currency loss on translation of foreign operation amounting to S\$0.3 million. The decrease was partially offset by increase in acquisition of plant and equipment of approximately S\$0.9 million.

Current Assets

Trade and other receivables increased by S\$35.1 million from S\$223.8 million as at 30 September 2017 to S\$258.9 million as at 30 June 2018. This was mainly due to an increase in shareholders loan of S\$43.0 million extended to associate and joint venture which was offset by a decrease in trade receivables of S\$7.9 million.

The decrease in amount due from contract customer of S\$19.4 million was due to a decrease in unbilled revenue for work done in 3Q2018.

Current Liabilities

Current liabilities decreased from S\$169.9 million as at 30 September 2017 to S\$153.8 million as at 30 June 2018. Trade and other payables and provision for income tax decreased by S\$35.2 million and S\$4.0 million respectively while bank borrowings increased by S\$23.1 million.

The working capital of the Group strengthened by S\$8.1 million from S\$166.4 million as at 30 September 2017 to S\$174.5 million as at 30 June 2018.

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

Non-current liabilities increased by S\$0.4 million from S\$86.0 million as at 30 September 2017 to S\$86.4 million as at 30 June 2018 due mainly to interest accrued for medium term notes and higher finance lease payables.

Review of Cash Flow Statement

For 3Q2018, the Group generated a positive operating cash flow of S\$3.0 million before movements in the working capital. After taking into account changes in working capital, comprising mainly of a decrease of S\$0.7 million in trade and other receivables, an increase of S\$3.9 million in amount due from contract customers and an increase of S\$2.2 million in trade and other payables, the Group generated a net cash outflow of S\$0.8 million from operations after payment of income tax.

Net cash used in investing activities of S\$30.4 million in 3Q2018 was mainly attributable to loan extended to associates and joint ventures of S\$30.8 million and investment in joint venture of S\$0.4 million which was partially offset by dividend and interest income of S\$0.8 million.

Net cash generated from financing activities of S\$19.6 million in 3Q2018 was mainly due to higher net bank borrowings of \$20.9 million which was partially offset by dividend and interest payments of S\$1.2 million and S\$0.1 million respectively.

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

Advance estimates from the Ministry of Trade and Industry (MTI) released on 13 July 2018 showed the construction industry shrunk by 4.4 per cent year-on-year in the second quarter, as weakness in private sector construction activities persisted. While this marked the sector's eight straight quarter of contraction, the decline eased from the previous quarter's negative 5.2 per cent ¹.

The Group remains cautiously optimistic and expects to see a pick-up in private sector construction activities in the next 6 to 9 months when the en bloc projects start awarding construction contracts.

As of 30 June 2018, the Group's construction order book stood at approximately \$359.9 million.

Property Development and Investment

The Government announced on 5 July 2018 that it is raising Additional Buyer's Stamp Duty (ABSD) rates and tightening loan-to-value (LTV) limits on residential property purchases.

These new property cooling measures will likely dampen the private residential market sentiments and activity in the near term.

Parc Life Executive Condominium has attained sales of approximately 98.7% to date. Seaside Residences Condominium has achieved sales of 84.0% to date.

Hotel Development and Investment

Tourist arrivals to Maldives in 1H2018 reached 726,515, registering an impressive growth of 10.5% compared with 1H2017. Europe has remained the top source of visitor arrivals, accounting for 51.3% of visitor arrivals, and Asia Pacific currently accounts for 40.0% of visitor arrivals. The top five tourist generating markets in 1H2018 were China, Germany, United Kingdom, Italy and India ².

The Group remains cautiously optimistic on Mercure Maldives Kooldoo Hotel's performance in the current financial year.

¹ Ministry of Trade and Industry, "Singapore's GDP Grew by 3.8 Per Cent in the Second Quarter of 2018".
<https://www.singstat.gov.sg/-/media/files/news/advgrp2q2018.pdf>

² Ministry of Tourism, Republic of Maldives.

<https://docs.google.com/viewerng/viewer?url=http://www.tourism.gov.mv/packages/june-2018/?wpdmdl%3D13736%26ind%3DEuB3Elt1qCsmroTP7SVzkwfOLVBXWKAOXXGu3qBrLzM>

- 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.
- 12. If no dividend has been declared/recommendeded, 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 3Q2018.
- 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 third quarter and nine months ended 30 June 2018 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
13 August 2018