

KEONG HONG HOLDINGS LIMITED

Unaudited Financial Statement For the Financial Year Ended 30 September 2013

Keong Hong Holdings Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 16 December 2011. The initial public offering of the Company (the "IPO") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor" or "PPCF").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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

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 12 months ended		Increase/ (Decrease)
	30/09/2013 Unaudited S\$'000	30/09/2012 Audited S\$'000	%
Revenue	146,622	167,360	(12.4%)
Cost of sales	(116,198)	(138,055)	(15.8%)
Gross profit	30,424	29,305	3.8%
Other income	1,324	1,541	(14.1%)
Administration expenses	(6,384)	(6,681)	(4.4%)
Finance costs	(62)	(63)	(1.6%)
Share of results of joint ventures, net of tax	1	-	n.m.
Share of results of associate, net of tax	-	(200)	n.m.
Profit before income tax	25,303	23,902	5.9%
Income tax expense	(3,943)	(4,606)	(14.4%)
Profit after tax for the financial year	21,360	19,296	10.7%
Other comprehensive income:			
Exchange differences on translating of foreign operations	44	(150)	n.m.
Income tax on other comprehensive income	-	-	n.m.
Other comprehensive income for the financial year, net of tax	44	(150)	n.m.
Total comprehensive income for the financial year	21,404	19,146	11.8%
Profit attributable to:			
Owners of the parent	21,645	20,015	8.1%
Non-controlling interests	(285)	(719)	60.4%
	21,360	19,296	10.7%
Total comprehensive income attributable to:			
Owners of the parent	21,668	19,938	8.7%
Non-controlling interests	(264)	(792)	66.7%
	21,404	19,146	11.8%

n.m. denotes not meaningful

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

	Group 12 months ended		Increase/ (Decrease) %
	30/09/2013 Unaudited S\$'000	30/09/2012 Audited S\$'000	
Depreciation of plant and equipment	2,441	2,919	(16.4%)
Amortisation of intangible asset	10	2	400%
Bad third parties trade receivables written off	3	2	50%
Operating lease expenses	143	93	53.8%
Professional fees	158	658	(76.0%)
Fair value gains on financial assets at fair value through profit or loss	(142)	(21)	576.2%
Foreign exchange losses - net	218	78	179.5%
Overprovision of tax in respect of prior years	112	-	n.m.
Gain on disposal of plant and equipment	-	(86)	n.m.
Interest income	(682)	(458)	48.9%

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 As at		Company As at	
	30/09/2013 Unaudited S\$'000	30/09/2012 Audited S\$'000	30/09/2013 Unaudited S\$'000	30/09/2012 Audited S\$'000
Non-current assets				
Plant and equipment	5,914	3,511	-	-
Investment in associate	-	-	-	-
Investments in joint ventures	290	89	-	-
Investments in subsidiaries	-	-	20,618	20,618
Intangible assets	236	242	-	-
Financial assets, held-to-maturity	7,839	2,839	5,000	-
	14,279	6,681	25,618	20,618
Current assets				
Financial assets at fair value through profit or loss	745	603	-	-
Amount due from associate	21,605	19,775	-	-
Amount due from joint ventures	28,541	-	-	-
Trade and other receivables	54,264	42,504	-	-
Current income tax recoverable	289	283	-	-
Prepayments	84	46	7	3
Cash and cash equivalents	18,217	56,095	4,721	4,626
	123,745	119,306	4,728	4,629
Less:				
Current liabilities				
Due to contract customers	25,438	28,978	-	-
Due to subsidiaries	-	-	5,011	-
Trade and other payables	38,851	40,571	237	203
Bank borrowing	3,005	-	-	-
Finance lease payables	586	509	-	-
Current income tax payable	4,011	4,158	-	-
	71,891	74,216	5,248	203
Net current assets/(liabilities)	51,854	45,090	(520)	4,426
Less:				
Non-current liabilities				
Finance lease payables	930	345	-	-
Deferred tax liabilities	167	74	-	-
	1,097	419	-	-
	65,036	51,352	25,098	25,044
Capital and reserves				
Share capital	23,836	23,836	23,836	23,836
Treasury shares	(2,140)	-	(2,140)	-
Other reserves	(4,824)	(4,847)	-	-
Accumulated profits	47,341	31,276	3,402	1,208
Equity attributable to owners of the parent	64,213	50,265	25,098	25,044
Non-controlling interests	823	1,087	-	-
Total equity	65,036	51,352	25,098	25,044

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

Amount repayable in one year or less, or on demand

As at 30/09/2013 Unaudited		As at 30/9/2012 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,005	-	-	-

Amount repayable after one year

As at 30/09/2013 Unaudited		As at 30/9/2012 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Details of collateral:

The bank borrowing is secured by a corporate guarantee and project proceeds in respect of one of the Company's construction projects.

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	
	12 months ended	12 months ended
	30/09/2013	30/09/2012
	Unaudited	Audited
	S\$'000	S\$'000
Operating activities		
Profit before income tax	25,303	23,902
Adjustments for:		
Bad third parties trade receivables written off	3	2
Amortisation of intangible assets	10	2
Depreciation of plant and equipment	2,441	2,919
Dividend income	-	(21)
Fair value gain on financial assets at fair value through profit or loss	(142)	(21)
Gain on disposal of plant and equipment	-	(86)
Plant and equipment written off	42	2
Interest income	(682)	(458)
Interest expense	62	63
Share of result of joint ventures	(1)	-
Share of result of associate	-	200
Operating cash flows before movements in working capital	27,036	26,504
Working Capital Changes:		
Trade and other receivables	(13,581)	12,497
Prepayments	(38)	161
Due to contract customers	(3,540)	8,217
Trade and other payables	(1,720)	(19,938)
Cash generated from operations	8,157	27,441
Income tax paid	(3,997)	(2,187)
Net cash generated from operating activities	4,160	25,254
Investing activities		
Investment in joint ventures	(200)	-
Purchase of plant and equipment	(3,332)	(1,836)
Purchase of financial assets, held to maturity	(5,000)	(2,839)
Purchase of intangible assets	(4)	(243)
Proceeds on disposal of plant and equipment	-	122
Dividend received	-	21
Interest received	682	458
Net cash used in investing activities	(7,854)	(4,317)

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	
	12 months ended	
	30/09/2013	30/09/2012
	Unaudited	Audited
	S\$'000	S\$'000
Financing activities		
Fixed deposit unpledged from financial institutions	997	8,519
Proceeds from issuance of shares	-	6,960
Loan to associate	(12)	(4,389)
Loan to joint ventures	(28,541)	-
Proceeds from bank borrowing	3,005	-
Purchase of treasury shares	(2,140)	-
Repayments of finance lease payables	(889)	(796)
Dividends paid	(5,580)	(3,040)
Interest paid	(62)	(63)
Shares buy-back	-	(2,620)
Share issue expenses		(481)
Net cash (used in)/generated from financing activities	(33,222)	4,090
Net change in cash and cash equivalents	(36,916)	25,027
Cash and cash equivalents at the beginning of the financial year	53,854	28,964
Exchange difference on cash and cash equivalents	35	(137)
Cash and cash equivalents at end of the financial year	16,973	53,854

Cash and cash equivalents comprised of:

	12 months ended	
	30/09/2013	30/09/2012
	Unaudited	Audited
	S\$'000	S\$'000
Fixed deposits, cash and bank balances	18,217	56,095
Fixed deposits pledged	(1,244)	(2,241)
	16,973	53,854

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 reserve S\$'000	Merger reserve S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 October 2012	23,836	-	(53)	(4,794)	31,276	50,265	1,087	51,352
Profit for the financial year	-	-	-	-	21,645	21,645	(285)	21,360
Other comprehensive income for the financial year:								
Exchange differences on translating foreign operations	-	-	23	-	-	23	21	44
Total comprehensive income for the financial year	-	-	23	-	21,645	21,668	(264)	21,404
Contribution by and distribution to owners of the parent:								
Dividends	-	-	-	-	(5,580)	(5,580)	-	(5,580)
Purchase of treasury shares	-	(2,140)	-	-	-	(2,140)	-	(2,140)
Total transactions with owners of the parent	-	(2,140)	-	-	(5,580)	(7,720)	-	(7,720)
Balance at 30 September 2013	23,836	(2,140)	(30)	(4,794)	47,341	64,213	823	65,036

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)

Group Audited	Share capital S\$'000	Treasury Shares S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total S\$'000
Balance at 1 October 2011	13,600	-	24	-	15,884	29,508	1,879	31,387
Profit for the financial year	-	-	-	-	20,015	20,015	(719)	19,296
Other comprehensive income for the financial year:								
Exchange differences on translating foreign operations	-	-	(77)	-	-	(77)	(73)	(150)
Total comprehensive income for the financial year	-	-	(77)	-	20,015	19,938	(792)	19,146
Contribution by and distribution to owners of the parent:								
Dividends	-	-	-	-	(3,040)	(3,040)	-	(3,040)
Issuance of shares	6,960	-	-	-	-	6,960	-	6,960
IPO costs capitalised	(481)	-	-	-	-	(481)	-	(481)
Shares buyback	(1,037)	-	-	-	(1,583)	(2,620)	-	(2,620)
Arising from business combination	4,794	-	-	(4,794)	-	-	-	-
Total transactions with owners of the parent	10,236	-	-	(4,794)	(4,623)	819	-	819
Balance at 30 September 2012	23,836	-	(53)	(4,794)	31,276	50,265	1,087	51,352

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	Accumulated Profit S\$'000	Total S\$'000
Company (Unaudited)				
Balance at 1 October 2012	23,836	-	1,208	25,044
Total comprehensive income for the financial year	-	-	7,774	7,774
Dividends	-	-	(5,580)	(5,580)
Purchase of treasury shares	-	(2,140)	-	(2,140)
Balance at 30 September 2013	23,836	(2,140)	3,402	25,098
Company (Audited)				
Balance at 1 October 2011	-*	-	(18)	(18)
Total comprehensive income for the financial year	-	-	4,266	4,266
Dividends	-	-	(3,040)	(3,040)
Issue of shares	23,836	-	-	23,836
Balance at 30 September 2012	23,836	-	1,208	25,044

*Not meaningful as the share capital amounted to S\$2.00 comprising 2 shares.

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 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 of the issuer, 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.

	Number of shares	Share capital (S\$)
As at 1 March 2013	160,000,000	23,836,074
Treasury shares	(4,000,000)	
As at 30 September 2013	156,000,000	23,836,074

The Company did not have any treasury shares as at 30 September 2012.

The Company did not have any outstanding convertibles as at 30 September 2012 and 30 September 2013.

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

	30/09/2013 Unaudited	30/9/2012 Audited
Total number of issued shares	160,000,000	160,000,000
Treasury shares	(4,000,000)	-
Total number of issued shares, excluding treasury shares	156,000,000	160,000,000

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of the current financial year reported on.

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 2012.

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 2012, 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	
	12 months ended	
	30/09/2013 Unaudited	30/09/2012 Audited
Profit attributable to owners of the parent (S\$'000)	21,645	20,015
Basic and diluted earnings per share ("EPS") based on weighted/aggregated weighted average number of ordinary shares (cents) ⁽¹⁾⁽²⁾	13.7	14.9
Weighted/Aggregated weighted average number of ordinary shares	157,424,658 ⁽³⁾	134,294,569

Notes:

- (1) The calculation for the basic EPS for the twelve months ended 30 September 2013 is based on the weighted average number of ordinary shares of the Company. The calculation for the basic EPS for the twelve months ended 30 September 2012 is based on aggregated weighted average number of ordinary shares of the Company.
- (2) The basic and diluted EPS were the same as the Group did not have any potentially dilutive securities for the respective financial years.
- (3) The figure was computed taking into account the shares bought back during the financial year.

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	
	30/09/2013 Unaudited	30/09/2012 Audited	30/09/2013 Unaudited	30/09/2012 Audited
Net asset value per ordinary share (cents)	41.2	31.4	16.1	15.7
Number of issued shares excluding treasury shares at the end of the financial year	156,000,000	160,000,000	156,000,000	160,000,000

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

For the 12 months ended 30 September 2013 ("FY2013"), the Group recorded a 12.4% decrease in revenue to S\$146.6 million as compared to S\$167.4 million in the 12 months ended 30 September 2012 ("FY2012"). The decrease was mainly due to lower revenue recognition for ongoing projects as compared to FY2012, as several projects had been substantially completed in FY2012, namely, The Parvis, 8@Woodleigh and The Residence Resort in Maldives. The lower revenue was partially offset by revenue recognition from the Group's new projects such as Terrasse, The Twin Waterfalls and Alexandra Central.

Gross Profit & Gross Profit Margin

Despite the decrease in revenue, gross profit for FY2013 increased by 3.8% or S\$1.1 million to S\$30.4 million as compared to S\$29.3 million in FY2012. The increase in gross profit was mainly due to (i) cost savings from certain projects that had been substantially completed; (ii) reward of S\$0.4 million received from project clients for achieving the agreed CONQUAS⁽¹⁾ score for two (2) of the completed projects; and (iii) variation orders of some of the projects. Accordingly, gross profit margin increased from 17.5% in FY2012 to 20.7% in FY2013.

- (1) *The Construction Quality Assessment System ("CONQUAS") was introduced by the Building & Construction Authority ("BCA") since 1989. CONQUAS was designed to:*
- Standardise quality assessment to benchmark quality of construction projects;*
 - Measure quality of constructed works against workmanship standards and specification;*
- and*
- Improve the quality standards of the Singapore's construction industry.*

Other Income

Other income in FY2013 was S\$0.2 million or 14.1% lower than FY2012 due mainly to lower income from miscellaneous works and rental of equipment. The decrease was offset by fair value gains on financial assets at fair value of \$0.1 million.

Administrative Expenses

Administrative expenses decreased by S\$0.3 million from S\$6.7 million in FY2012 to S\$6.4 million in FY2013 mainly due to higher professional fees of S\$0.5 million incurred in FY2012 pursuant to the initial public offering of the Company which did not recur in FY2013. The decrease was offset by foreign exchange losses of \$0.2 million incurred during the financial year.

Depreciation Expenses

Depreciation expenses in FY2013 decreased by S\$0.5 million as compared to FY2012 as certain items of plant and equipment were fully depreciated in FY2013.

Profit before tax

As a result of higher gross profit and lower administrative expenses in FY2013, the Group posted an increase of 5.9% or S\$1.4 million in net profit, from S\$23.9 million in FY2012 to S\$25.3 million in FY2013.

Review of Financial Position

Non-Current Assets

The increase in plant and equipment of S\$2.4 million, from S\$3.5 million as at 30 September 2012 to S\$5.9 million as at 30 September 2013, was mainly due to the acquisition of additional plant and machinery, such as tower cranes and telescopic handler in FY2013, partially offset by assets written off and depreciation expenses.

In August 2013, the Group subscribed for a convertible bond of S\$5.0 million in Kori Holdings Limited. As a result, financial assets held-to-maturity increased from S\$2.8 million in FY2012 to S\$7.8 million at the end of FY2013.

Current Assets

Trade and other receivables increased by S\$11.8 million from S\$42.5 million as at 30 September 2012 to S\$54.3 million as at 30 September 2013. The increase was mainly due to progress billing billed at the end of September 2013 and accrual of unbilled revenue for work done and certified in September 2013.

Amount due from associates and joint venture companies increased by S\$30.4 million in FY2013 mainly as a result of shareholders' loans given to Oasis Development Pte Ltd ("Oasis") and MKH (Punggol) Pte Ltd ("MKH"). Oasis was set up with JBE Holdings Pte Ltd in January 2013 for the joint development of Skypark Residences Executive Condominium at Sembawang Crescent/Sembawang Drive. MKH was incorporated in August 2013 for the development of an executive condominium located at Punggol Central/Edgedale Plains Lot 2596W MK21, of which the joint venture arrangement with Master Contract Services Pte. Ltd and JBE Holdings Limited for the joint development of this project was announced in October 2013.

Current Liabilities

The decrease in current liabilities of S\$2.3 million from S\$74.2 million as at 30 September 2012 to S\$71.9 million as at 30 September 2013 was attributable mainly to the decrease in trade and other payables of S\$1.7 million and lower amount due to contract customers of S\$3.5 million as a result of completion of several projects in FY2012. The decrease was partially offset by bank borrowings of S\$3.0 million for working capital requirements of a particular project.

Non-Current Liabilities

The increase in non-current liabilities of S\$0.7 million from S\$0.4 million as at 30 September 2012 to S\$1.1 million as at 30 September 2013 was mainly due to the increase in finance lease payables of S\$0.6 million for the financing of plant and machinery acquired and an increase in deferred tax liabilities of S\$0.1 million.

The working capital of the Group improved by S\$6.8 million from S\$45.1 million as at 30 September 2012 to S\$51.9 million as at 30 September 2013.

Review of Cash Flow Statement

For FY2013, the Group generated positive operating cash flows of S\$27.0 million before movements in working capital. After taking into account changes in working capital, which included mainly the increase in trade and other receivables of S\$13.6 million, decrease in trade and other payables and amount due to contract customers of S\$5.3 million, as well as income tax payment of S\$4.0 million, the Group generated a net cash inflow from operating activities of S\$4.2 million.

Net cash used in investing activities of S\$7.9 million was due mainly to the acquisition of plant and machinery of S\$3.3 million and subscription of a S\$5 million convertible bond issued by Kori Holdings Limited, a company listed on the Catalist of the SGX-ST. This was partially offset by interest received of S\$0.7 million.

Net cash used in financing activities of S\$33.2 million in FY2013 was mainly due to shareholder's loan of S\$28.6 million provided to the Company's associates and joint venture companies, dividend payment of S\$5.6 million and purchase of treasury shares which amounted to S\$2.1 million. This was mainly partially offset by proceeds from bank borrowings of S\$3.0 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.

Based on the latest numbers released by the Ministry of Trade and Industry ("MTI") on 21 November 2013⁽¹⁾, the Singapore economy grew by 5.8% year-on-year in the third quarter of 2013 ("3Q2013"), compared to 4.4% in the previous quarter ("2Q2013"). MTI expects the Singapore economy to grow by 3.5% to 4.0% in 2013, and by 2.0% to 4.0% in 2014.

The construction sector recorded a year-on-year growth of 5.3% in the 3Q2013, which was moderately lower than the 6.7% year-on-year growth in the third quarter of 2012. The sector contracted by 2.5% in 3Q2013, on a quarter-on-quarter seasonally-adjusted annualised basis, a sharp contrast from the 20.3% growth in 2Q2013⁽¹⁾.

For 2014 and 2015, BCA has projected the average construction demand to be between S\$20 billion and S\$28 billion per annum⁽²⁾, marginally lower than the S\$26 billion to S\$32 billion projected for 2013. Private residential construction demand is projected to continue to soften following the implementation of various property cooling measures as well as the significant supply of completed housing units over the next few years.

Moving forward, the Group expects the construction industry to continue to face challenges such as rising business costs, shortages of skilled workers and increase in foreign workers' levy. Nevertheless, the Group remains positive of its prospects and is cautiously optimistic of its performance in the next 12 months.

To mitigate the risk of increasingly challenging environment, the Group has taken steps to form strategic partnerships and alliances with reputable industry players to take on bigger property development projects as well as expansion into new markets. The Group's overseas ventures in Maldives will also provide an alternate revenue stream that will add to the Group's overall competitive business position.

The Group has an order book on construction projects of approximately \$611 million as at 30 September 2013. The Group's construction projects in the pipeline include The Terrasse, Paterson 2, J Gateway, Twin Waterfalls, SkyPark Residences as well as Alexandra Central. The Group is also the joint developer for Twin Waterfalls, SkyPark Residences and the new executive condominium project located at Punggol Central/Edgedale Plains.

(1) http://www.mti.gov.sg/ResearchRoom/SiteAssets/Pages/Economic-Survey-of-Singapore-Third-Quarter-2013/PR_3Q13.pdf

(2) http://www.bca.gov.sg/newsroom/others/pr16012013_CP.pdf

11. Dividend

(a) Current Financial Period Reported On

Yes.

Name of Dividend	Final
Type of Dividend	Cash
Dividend Amount per share (cents)	2.0
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

Name of Dividend	Final	Special
Type of Dividend	Cash	Cash
Dividend Amount per share (cents)	1.5	1.5
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(c) Date payable

To be announced at a later date.

(d) Books closure date.

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

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

Not applicable.

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

The Group does not have general mandate for IPT. There was no IPT in FY2013.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. **Segmented revenue and results for operating 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.**

(a) By Activities

No segmented information is presented based on business segment as the Group operates in only one business segment, namely the construction segment, and derives its operating revenue solely from this segment.

(b) By Geographical Regions

	FY2013 S\$'000	FY2012 S\$'000
Turnover		
- Singapore	145,104	138,731
- Maldives	1,518	28,629
	<u>146,622</u>	<u>167,360</u>
Non-current Assets		
- Singapore	14,227	6,539
- Maldives	52	142
	<u>14,279</u>	<u>6,681</u>
Capital Expenditures		
- Singapore	4,887	1,841
- Maldives	-	17
	<u>4,887</u>	<u>1,858</u>

Revenue derived from Maldives decreased by S\$27.1 million in FY2013 as compared to FY2012 as the projects were substantially completed in FY2012.

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.**

Please see section 14 above.

16. A breakdown of sales

	<u>Group</u>		Increase / (Decrease) %
	FY2013 S\$'000	FY2012 S\$'000	
Sales reported for first half year	52,789	95,173	(44.5%)
Profit after tax before deducting minority interests reported for first half year	5,745	5,379	6.8%
Sales reported for second half year	93,834	72,187	30.0%
Profit after tax before deducting minority interests reported for second half year	15,615	13,917	12.2%

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

	FY2013 \$'000	FY2012 \$'000
Ordinary Shares		
- Interim	780	800
- Final	3,120*	2,400
- Special	-	2,400
Total	<u>3,900</u>	<u>5,600</u>

* The final dividend for FY2013 is subject to shareholders' approval at the forthcoming annual general meeting of the Company.

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 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

As at the date of this announcement, there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board

Leo Ting Ping Ronald
Executive Chairman and Chief Executive Officer
28 November 2013