

KEONG HONG HOLDINGS LIMITED

Unaudited Financial Statement For The Second Quarter and Six Months Ended 31 March 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 Second Quarter ended			Group First Half ended		
	31/03/2018	31/03/2017	+(-)	31/03/2018	31/03/2017	+(-)
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Revenue	30,764	41,092	(25.1)	71,585	84,183	(15.0)
Cost of sales	(24,889)	(32,958)	(24.5)	(58,172)	(69,533)	(16.3)
Gross profit	5,875	8,134	(27.8)	13,413	14,650	(8.4)
Other income	4,117	2,569	60.3	5,235	4,225	23.9
Administration expenses	(5,552)	(4,130)	34.4	(10,218)	(5,963)	71.4
Finance costs	(1,421)	(745)	90.7	(2,711)	(1,628)	66.5
Share of results of joint venture, net of tax	849	(529)	n.m.	849	(536)	n.m.
Share of results of associate, net of tax	1,516	(1,146)	n.m.	1,184	(1,675)	n.m.
Profit before income tax	5,384	4,153	29.6	7,752	9,073	(14.6)
Income tax expense	(528)	(900)	(41.3)	(863)	(2,035)	(57.6)
Profit after tax for the financial period	4,856	3,253	49.3	6,889	7,038	(2.1)
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating of foreign operations	139	43	223.3	122	(246)	n.m.
Share of other comprehensive income of associate	195	(306)	n.m.	195	(71)	n.m.
Other comprehensive income for the financial year, net of tax	334	(263)	n.m.	317	(317)	n.m.
Total comprehensive income for the financial period	5,190	2,990	73.6	7,206	6,721	7.2
Profit attributable to:						
Owners of the parent	4,936	3,253	51.7	6,692	7,038	(4.9)
Non-controlling interests	(80)	-	n.m.	197	-	n.m.
	4,856	3,253	49.3	6,889	7,038	(2.1)
Total comprehensive income attributable to:						
Owners of the parent	5,270	2,990	76.3	7,009	6,721	4.3
Non-controlling interests	(80)	-	n.m.	197	-	n.m.
	5,190	2,990	73.6	7,206	6,721	7.2

n.m. denotes not meaningful

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

	Group Second quarter ended			Group First Half ended		
	31/03/2018	31/03/2017	+(-)	31/03/2018	31/03/2017	+(-)
	Unaudited S\$'000	Unaudited S\$'000	%	Unaudited S\$'000	Unaudited S\$'000	%
Amortisation of intangible asset	6	-	n.m.	10	-	n.m.
Amortisation of bond issuance cost	-	59	(100.0)	-	119	(100.0)
Depreciation of investment properties	150	67	123.9	298	117	154.7
Depreciation of property, plant and equipment	1,016	1,308	(22.3)	2,242	2,476	(9.5)
Fair value (gain) / loss on derivative on convertible bond	-	(327)	(100.0)	-	(179)	(100.0)
Foreign exchange (gain) / loss – Net	(504)	1,039	n.m.	(18)	(419)	n.m.
Impairment loss on available-for-sale financial assets	2,623	-	n.m.	2,623	-	n.m.
Operating lease expenses	199	91	118.7	387	182	112.6
Professional fees	123	276	(55.4)	533	679	(21.5)
Share option expense	14	63	(77.8)	86	134	(35.8)
Gain on disposal of plant and equipment	(70)	-	n.m.	(99)	-	n.m.
Interest income	(1,028)	(789)	30.3	(2,000)	(1,241)	61.2

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	
	31/03/2018	30/09/2017	31/03/2018	30/09/2017
	Unaudited	Audited	Unaudited	Audited
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	21,461	23,061	248	-
Investment properties	23,722	23,321	-	-
Investments in subsidiaries	-	-	28,830	28,830
Investment in associates	9,078	7,894	5,610	5,610
Investments in joint ventures	2,616	3,572	-	-
Intangible assets	252	253	-	-
Available-for-sale financial assets	53,484	56,107	6,600	6,600
Finance lease receivables	707	772	-	-
Other receivables	1,000	1,000	1,000	1,000
Deferred tax assets	77	81	-	-
Total non-current assets	112,397	116,061	42,288	42,040
Current assets				
Inventories	2,396	2,323	-	-
Trade and other receivables	226,932	223,757	45,106	46,065
Due from contract customers	8,385	31,894	-	-
Finance lease receivables	131	131	-	-
Current income tax recoverable	301	312	-	-
Prepayments	422	593	43	2
Fixed deposits pledged	525	525	-	-
Cash and cash equivalents	65,730	76,800	24,512	26,989
Total currents assets	304,822	336,335	69,661	73,056
Total assets	417,219	452,396	111,949	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	(3,866)	(4,269)	499	413
Retained earnings	179,388	176,762	1,446	4,830
Non-controlling interests	2,814	2,617	-	-
Total equity	199,740	196,514	23,349	26,647
Non-current liabilities				
Other payables	1,345	1,345	-	-
Finance lease payables	437	123	147	-
Medium term notes	84,418	84,075	84,418	84,075
Provision for reinstatement	242	239	-	-
Deferred tax liabilities	193	193	-	-
Total non-current liabilities	86,635	85,975	84,565	84,075
Current liabilities				
Trade and other payables	110,180	149,125	4,002	4,366
Bank borrowings	16,652	14,519	-	-
Finance lease payables	130	119	25	-
Current income tax payable	3,882	6,144	8	8
Total current liabilities	130,844	169,907	4,035	4,374
Total liabilities	217,479	255,882	88,600	88,449
Total equity and liabilities	417,219	452,396	111,949	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 31/03/2018 Unaudited		As at 30/09/2017 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
16,652	-	14,519	-

Amount repayable after one year

As at 31/03/2018 Unaudited		As at 30/09/2017 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	84,418	-	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	
	Second Quarter ended 31/03/2018 Unaudited S\$'000	31/03/2017 Unaudited S\$'000	Half Year ended 31/03/2018 Unaudited S\$'000	31/03/2017 Unaudited S\$'000
Operating activities				
Profit before income tax	5,384	4,153	7,752	9,073
Adjustments for:				
Amortisation of intangible assets	6	-	10	-
Amortisation of bond issuance cost	-	59	-	119
Depreciation of investment properties	150	67	298	117
Depreciation of property, plant and equipment	1,016	1,308	2,242	2,476
Impairment loss on available-for-sale financial assets	2,623	-	2,623	-
Fair value (gain) / loss on derivative on convertible bond	-	(327)	-	(179)
Gain on disposal of plant and equipment	(70)	-	(99)	-
Interest income	(1,028)	(789)	(2,000)	(1,241)
Interest expenses	1,421	745	2,711	1,628
Unrealised foreign exchange	(501)	1,043	(16)	(414)
Share option expense	14	63	86	134
Share of results of joint venture, net of tax	(849)	529	(849)	536
Share of result of associates, net of tax	(1,516)	1,146	(1,184)	1,675
Operating cash flows before movements in working capital	6,650	7,997	11,574	13,924
Working Capital Changes:				
Inventories	(246)	-	(73)	-
Trade and other receivables	5,355	9,681	7,350	(412)
Due from contract customers	10,114	(7,330)	23,344	(6,425)
Prepayments	15	97	175	142
Provisions	119	-	119	-
Due to contract customers	-	(3,019)	-	3,056
Trade and other payables	(32,384)	(8,794)	(38,843)	(14,367)
Cash (used in) / generated from operations	(10,377)	(1,368)	3,646	(4,082)
Income tax (paid)/ refunded	(3,042)	(2,455)	(3,120)	(2,004)
Net cash (used in) / generated from operating activities	(13,419)	(3,823)	526	(6,086)
Investing activities				
Investment in associate	-	(5,610)	-	(5,610)
Investment in joint ventures	-	-	-	(600)
Purchase of plant and equipment	(464)	(4)	(519)	(114)
Purchase of intangible assets	-	-	(8)	-
Proceeds from finance lease receivables	32	-	65	-
Proceeds from disposal of plant and equipment	-	-	11	-
Loan to associates	(10)	(7,924)	(6,667)	(12,325)
Loan to joint ventures	(2,760)	(5,540)	(5,520)	(8,900)
Repayment of loan from joint ventures	-	-	-	17,513
Interest received	133	197	288	615
Dividend received	1,423	800	4,623	4,500
Net cash used in investing activities	(1,646)	(18,081)	(7,727)	(4,921)

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	
	Second Quarter ended		Half Year ended	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
	Unaudited	Unaudited	Unaudited	Unaudited
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities				
Fixed deposit pledged with financial institutions	-	-	(525)	-
Proceeds from finance lease receivables	-	31	-	63
Proceeds from loans & borrowings	5,263	2,000	5,263	3,000
Repayments of loans & borrowings	(1,265)	(944)	(3,371)	(4,947)
Issued of treasury shares	-	204	-	204
Dividend paid	(4,066)	(6,875)	(4,066)	(6,875)
Repayments of finance lease payables	(2)	(22)	(46)	(43)
Interest paid	(2,481)	(54)	(2,568)	(878)
Net cash used in financing activities	(2,551)	(5,660)	(5,313)	(9,476)
Net change in cash and cash equivalents	(17,616)	(27,564)	(12,514)	(20,483)
Cash and cash equivalents at the beginning of the financial period	82,766	66,414	77,325	58,618
Exchange difference on cash and cash equivalents	580	(43)	919	672
Cash and cash equivalents at end of the financial period	65,730	38,807	65,730	38,807

Cash and cash equivalents comprised of:

	31/03/2018	31/03/2017
	Unaudited	Unaudited
	S\$'000	S\$'000
Fixed deposits, cash and bank balances	66,255	38,807
Fixed deposits pledged	(525)	-
	65,730	38,807

- 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	-	-	-	-	-	-	-	6,692	6,692	197	6,889
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	122	-	-	-	-	-	122	-	122
Share of other comprehensive income of associate	-	-	-	-	-	-	195	-	195	-	195
Total comprehensive income for the period	-	-	122	-	-	-	195	6,692	7,009	197	7,206
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(4,066)	(4,066)	-	(4,066)
Issued of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share option expense	-	-	-	86	-	-	-	-	86	-	86
Total transactions with owners of the parent	-	-	-	86	-	-	-	(4,066)	(3,980)	-	(3,980)
Balance at 31 March 2018	25,061	(3,657)	651	725	(4,794)	(529)	81	179,388	196,926	2,814	199,740

- 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 January 2018	25,061	(3,657)	512	711	(4,794)	(529)	(114)	178,518	195,708	2,894	198,602
Profit for the financial period	-	-	-	-	-	-	-	4,936	4,936	(80)	4,856
Other comprehensive income for the financial period:											
Exchange differences on translating foreign operations	-	-	139	-	-	-	-	-	139	-	139
Share of other comprehensive income of associate	-	-	-	-	-	-	195	-	195	-	195
Total comprehensive income for the period	-	-	139	-	-	-	195	4,936	5,270	(80)	5,190
Contribution by and distribution to owners of the parents:											
Dividends	-	-	-	-	-	-	-	(4,066)	(4,066)	-	(4,066)
Issued of treasury shares	-	-	-	-	-	-	-	-	-	-	-
Share option expense	-	-	-	14	-	-	-	-	14	-	14
Total transactions with owners of the parent	-	-	-	14	-	-	-	(4,066)	(4,052)	-	(4,052)
Balance at 31 March 2018	25,061	(3,657)	651	725	(4,794)	(529)	81	179,388	196,926	2,814	199,740

- 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	-	-	-	-	-	-	-	7,038	7,038
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	(246)	-	-	-	-	-	(246)
Share of other comprehensive income of joint venture	-	-	-	-	-	-	(71)	-	(71)
Total comprehensive income for the period	-	-	(246)	-	-	-	(71)	7,038	6,721
Contribution by and distribution to owners of the parents:									
Dividends	-	-	-	-	-	-	-	(6,875)	(6,875)
Issue of treasury shares	-	307	-	(103)	-	-	-	-	204
Share option expense	-	-	-	134	-	-	-	-	134
Total transactions with owners of the parent	-	307	-	31	-	-	-	(6,875)	(6,537)
Balance at 31 March 2017	23,836	(3,698)	552	571	(4,794)	(75)	(185)	120,326	136,533

- 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 January 2017	23,836	(4,005)	509	611	(4,794)	(75)	121	123,948	140,151
Profit for the financial period	-	-	-	-	-	-	-	3,253	3,253
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	43	-	-	-	-	-	43
Share of other comprehensive income of joint venture	-	-	-	-	-	-	(306)	-	(306)
Total comprehensive income for the period	-	-	43	-	-	-	(306)	3,253	2,990
Contribution by and distribution to owners of the parents:									
Dividends	-	-	-	-	-	-	-	(6,875)	(6,875)
Issued of treasury shares	-	307	-	(103)	-	-	-	-	204
Share option expense	-	-	-	63	-	-	-	-	63
Total transactions with owners of the parent	-	307	-	(40)	-	-	-	(6,875)	(6,608)
Balance at 31 March 2017	23,836	(3,698)	552	571	(4,794)	(75)	(185)	120,326	136,533

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	-	-	-	-	682	682
Dividends	-	-	-	-	(4,066)	(4,066)
Share option expense	-	-	86	-	-	86
Balance at 31 March 2018	25,061	(3,657)	725	(226)	1,446	23,349
Balance at 1 October 2016	23,836	(4,005)	540	(75)	7,368	27,664
Total comprehensive income for the period	-	-	-	-	549	549
Dividends	-	-	-	-	(6,875)	(6,875)
Share option expense	-	-	134	-	-	134
Issue of treasury shares	-	307	(103)	-	-	204
Balance at 31 March 2017	23,836	(3,698)	571	(75)	1,042	21,676

	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 January 2018	25,061	(3,657)	711	(226)	3,311	25,200
Total comprehensive income for the period	-	-	-	-	2,201	2,201
Dividends	-	-	-	-	(4,066)	(4,066)
Share option expense	-	-	14	-	-	14
Balance at 31 March 2018	25,061	(3,657)	725	(226)	1,446	23,349
Balance at 1 January 2017	23,836	(4,005)	611	(75)	7,423	27,790
Total comprehensive income for the period	-	-	-	-	494	494
Dividends	-	-	-	-	(6,875)	(6,875)
Share option expense	-	-	63	-	-	63
Issue of treasury shares	-	307	(103)	-	-	204
Balance at 31 March 2017	23,836	(3,698)	571	(75)	1,042	21,676

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 January 2018	232,385,000	25,060,824
Movement	-	-
As at 31 March 2018	232,385,000	25,060,824

As at 31 March 2018, there were 6,255,000 outstanding options issued under Employee Share Option Scheme (the “ESOS”) (31 March 2017: 5,905,000), which are convertible into 6,255,000 (31 March 2017: 5,905,000) shares. The total number of issued shares excluding treasury shares of the Company was 232,385,000 and 229,820,000 as at 31 March 2018 and 31 March 2017 respectively. Save for the options, the Company did not have any outstanding convertibles as at 31 March 2018 and 31 March 2017.

As at 31 March 2018, the Company held 10,180,000 treasury shares (31 March 2017: 10,180,000 treasury shares) representing 4.20% (31 March 2017: 4.24%) of the total number of issued shares (including treasury shares) of 242,565,000 shares. The Company does not have any subsidiary holdings as at the periods ended 31 March 2018 and 31 March 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.

	31/03/2018 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 31 March 2018

	Number of Treasury Shares
As at 1 October 2017	10,180,000
Sales, transfers, disposals and/or cancellation	-
As at 31 March 2018	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 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 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	
	Second Quarter ended		Half Year ended	
	31/03/2018 Unaudited	31/03/2017 Unaudited	31/03/2018 Unaudited	31/03/2017 Unaudited
Profit attributable to owners of the parent (S\$'000)	4,936	3,253	6,692	7,038
(i) Earnings per share ("EPS") – Basic (Singapore cents) ⁽¹⁾	2.12	1.42	2.88	3.07
Weighted average number of ordinary shares ⁽³⁾	232,385,000	229,227,778	232,385,000	229,198,571
(ii) Earnings per share ("EPS") – Diluted (Singapore cents) ⁽²⁾	2.10	1.38	2.85	2.98
Weighted average number of ordinary shares ⁽³⁾	234,884,960	235,725,000	234,703,139	235,820,055

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	
	31/03/2018 Unaudited	30/09/2017 Audited	31/03/2018 Unaudited	30/09/2017 Audited
Net asset value per ordinary share (Singapore cents)	84.74	83.44	10.05	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

Revenue decreased by 25.1% to S\$30.8 million in second quarter ended 31 March 2018 (“**2Q2018**”) as compared to S\$41.1 million in the corresponding period ended 31 March 2017 (“**2Q2017**”). For 6 months ended 31 March 2018 (“**1H2018**”), revenue decreased by 15.0% to S\$71.6 million as compared to S\$84.2 million in the corresponding period ended 31 March 2017 (“**1H2017**”). 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

In tandem with the decrease in revenue, gross profit for 2Q2018 decreased by 27.8% or S\$2.2 million to S\$5.9 million as compared to S\$8.1 million in 2Q2017. For 1H2018, gross profit decreased by 8.4% or S\$1.3 million to S\$13.4 million compared to S\$14.7 million in 1H2017.

The gross profit margin of the Group was as follow:

2Q2018	2Q2017	1H2018	1H2017
19.1%	19.80%	18.70%	17.40%

Other Income

Other income increased by 60.3% or S\$1.5 million in 2Q2018 and 23.9% or S\$1.0 million in 1H2018. 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 increased by 34.4% or S\$1.5 million to S\$5.6 million in 2Q2018 as a result of impairment loss on available-for-sale financial asset of S\$2.6 million and offset by foreign exchange gain of S\$0.5 million.

For 1H2018, administration expenses increased by 71.4% or S\$4.2 million as compared to 1H2017 due mainly to impairment loss on available-for-sale financial asset of S\$2.6 million, higher staff and administrative expenses of S\$1.1 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 90.7% or S\$0.7 million in 2Q2018 and 66.5% or S\$1.1 million in 1H2018 as compared to the corresponding period in 2Q2017 and 1H2017 respectively. The Increase was due mainly to higher interest payable for the Series 2 Term Notes issued in September 2017.

Profit before Income Tax

Despite lower revenue in 2Q2018, profit before income tax increased by 29.6% to S\$5.4 million as compared to S\$4.2 million in 2Q2017 due to share of profits of S\$2.4 million from joint ventures and associates in 2Q2018.

As a result of lower revenue and other income, coupled with higher expenses, the Group's profit before tax decreased by 14.6% to S\$7.8 million in 1H2018 as compared to S\$9.1 million in 1H2017.

Review of Financial Position

Non-Current Assets

Property, plant and equipment decreased from S\$23.1 million as at 30 September 2017 to S\$21.5 million as at 31 March 2018. This was due to depreciation expenses of S\$2.2 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\$3.1 million from S\$223.8 million as at 30 September 2017 to S\$226.9 million as at 31 March 2018. This was mainly due to an increase in shareholders loan of S\$6.7 million extended to associate which was offset by a decrease in trade receivables of S\$3.6 million.

The decrease in amount due from contract customer of S\$23.5 million was due to a decrease in unbilled revenue for work done in 2Q2018.

Current Liabilities

As at 31 March 2018, current liabilities decreased by S\$39.1 million to S\$130.8 million as compared to S\$169.9 million as at 30 September 2017. Trade and other payables and provision for income tax decreased by S\$38.9 million and S\$2.3 million respectively while bank borrowings increased by S\$2.1 million.

The working capital of the Group strengthened by S\$7.6 million from S\$166.4 million as at 30 September 2017 to S\$174.0 million as at 31 March 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\$0.6 million from S\$86.0 million as at 30 September 2017 to S\$86.6 million as at 31 March 2018 due mainly to interest accrued for medium term notes and higher finance lease payables.

Review of Cash Flow Statement

For 2Q2018, the Group generated a positive operating cash flow of S\$6.7 million before movements in the working capital. After taking into account changes in working capital, comprising mainly of a decrease of S\$5.4 million in trade and other receivables, a decrease of S\$10.1 million in amount due from contract customers and a decrease of S\$32.4 million in trade and other payables, the Group incurred a net cash outflow of S\$13.4 million from operations.

Net cash used in investing activities of S\$1.6 million in 2Q2018 was mainly attributable to loan extended to associates and joint ventures of S\$2.8 million and purchase of plant and equipment of S\$0.5 million which was partially offset by dividend and interest income of S\$1.6 million.

Net cash used in financing activities of S\$2.6 million in 2Q2018 was mainly due to dividend and interest payments of S\$4.1 million and S\$2.5 million respectively which was partially offset by a net bank borrowing of S\$4.0 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.**

Building Construction

The Group has been awarded a contract for the erection of part 4-storey and part 10-storey building with two basements for National Skin Centre and reconstruction of the existing 5-storey building with basement for National Healthcare Group Offices at 1 Mandalay Road.

As of 31 March 2018, the Group's construction order book stood at approximately \$394.0 million.

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)**

Property Development and Investment

Parc Life Executive Condominium has attained sales of approximately 95.0% to date and has obtained its TOP on 29 March 2018. Seaside Residences Condominium has achieved sales of 80.0% to date.

While the outlook for Singapore property market has improved over the last few months, we remain prudent in land acquisition and will continue to look out for viable property development and investment projects in Singapore and overseas.

Hotel Development and Investment

Mercure Maldives Kooldoo Hotel has performed above our expectations since its opening in September 2017 and the management is cautiously optimistic on its performance in the current financial year.

Construction of Pullman Maldives Maamutaa Resort is progressing in accordance to schedule.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend	Interim
Type of Dividend	Cash
Dividend Amount per share	0.5 cents
Tax rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend	Interim
Type of Dividend	Cash
Dividend Amount per share	0.25 cents
Tax rate	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 a general mandate for IPT. There was no IPT in 2Q2018.

- 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 31 March 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
11 May 2018