

KEONG HONG HOLDINGS LIMITED

Unaudited Financial Statement For The Fourth Quarter and Twelve Months Ended 30 September 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), NINE MONTHS 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 Fourth Quarter ended			Group Twelve Months ended		
	30/09/2015 Unaudited S\$'000	30/09/2014 Unaudited S\$'000	+(-) %	30/09/2015 Unaudited S\$'000	30/09/2014 Audited S\$'000	+(-) %
Revenue	75,980	84,897	(10.5%)	280,289	272,881	2.7%
Cost of sales	(68,775)	(76,331)	(9.9%)	(250,489)	(242,292)	3.4%
Gross profit	7,205	8,566	(15.9%)	29,800	30,589	(2.6%)
Other income	2,075	1,592	30.3%	5,596	2,778	101.4%
Administration expenses	(5,319)	(3,547)	50.0%	(11,741)	(8,843)	32.8%
Finance costs	(872)	(107)	715.0%	(1,346)	(320)	320.6%
Share of results of joint ventures, net of tax	3	(200)	n.m.	3	(550)	n.m.
Share of results of associate, net of tax	19,609	(53)	n.m.	19,137	(36)	n.m.
Profit before income tax	22,701	6,251	263.2%	41,449	23,618	75.5%
Income tax expense	525	(1,860)	n.m.	(2,639)	(4,221)	(37.5%)
Profit after tax for the financial year	23,226	4,391	428.9%	38,810	19,397	100.1%
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating of foreign operations	59	17	247.1%	109	12	808.3%
Net loss on fair value changes of available-for-sale financial assets	(150)	-	n.m.	(150)	-	n.m.
Share of other comprehensive income of associate	212	-	n.m.	212	-	n.m.
Other comprehensive income for the financial year, net of tax	121	17	611.8%	171	12	1325.0%
Total comprehensive income for the financial year	23,347	4,408	429.7%	38,981	19,409	100.8%
Profit attributable to:						
Owners of the parent	22,531	4,409	411.0%	38,099	19,673	93.7%
Non-controlling interests	695	(18)	n.m.	711	(276)	n.m.
	23,226	4,391	428.9%	38,810	19,397	100.1%
Total comprehensive income attributable to:						
Owners of the parent	22,623	4,418	412.1%	38,217	19,679	94.2%
Non-controlling interests	724	(10)	n.m.	764	(270)	n.m.
	23,347	4,408	429.7%	38,981	19,409	100.8%

n.m. denotes not meaningful

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

	Group Fourth quarter ended			Group Twelve Months ended		
	30/09/2015 Unaudited S\$'000	30/09/2014 Unaudited S\$'000	+(-) %	30/09/2015 Unaudited S\$'000	30/09/2014 Audited S\$'000	+(-) %
	Depreciation of plant and equipment	1,233	589	109.3%	3,902	2,243
Amortisation of intangible asset	4	4	-	16	12	33.3%
Amortisation of bond issuance cost	69	-	n.m.	69	-	n.m.
Operating lease expenses	43	170	(74.7%)	499	665	(25.0%)
Professional fees	152	25	508.0%	464	426	8.9%
Fair value gain on financial assets at fair value through profit or loss	-	(48)	n.m.	-	(48)	n.m.
Fair value (gain)/loss on derivative on convertible bond	54	101	(47.1%)	(82)	505	n.m.
Share option expense	168	128	31.3%	549	479	14.6%
(Gain) /Loss on disposal of plant and equipment	(177)	-	n.m.	(310)	(1)	n.m.
Unrealised Foreign exchange gain	(808)	(51)	1484.3%	(1,054)	(118)	793.2%
Realised Foreign exchange gain	(80)	(11)	627.3%	(80)	(11)	627.3%
(Over) / Under provision of tax in respect of prior years	-	(616)	n.m.	-	(616)	n.m.
Interest income	(465)	(1,062)	(56.2%)	(2,048)	(1,588)	29.0%

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	
	30/09/2015 Unaudited S\$'000	30/09/2014 Audited S\$'000	30/09/2015 Unaudited S\$'000	30/09/2014 Audited S\$'000
Non-current assets				
Plant and equipment	29,217	15,194	-	-
Investment in associate	22,602	5,752	-	-
Investments in joint ventures	93	90	-	-
Investments in subsidiaries	-	-	21,574	21,574
Intangible assets	227	243	-	-
Finance lease receivables	1,030			
Convertible bond	4,809	4,633	4,809	4,633
Derivative on convertible bond	389	307	389	307
Financial assets, available for sale	6,675	-	6,675	-
Total non-current assets	65,042	26,219	33,446	26,514
Current assets				
Trade and other receivables	164,537	144,228	9,387	250
Due from contract customers	6,711	12,464	-	-
Finance lease receivables	124			
Current income tax recoverable	329	293	-	-
Prepayments	96	168	3	8
Cash and cash equivalents	100,569	38,726	46,218	5,092
Total currents assets	272,366	195,879	55,608	5,350
Total assets	337,408	222,098	89,054	31,864
Equity				
Share capital	23,836	23,836	23,836	23,836
Treasury shares	(5,728)	(2,425)	(5,728)	(2,425)
Other reserves	(3,734)	(4,339)	1,028	479
Retained earnings	96,651	62,567	9,283	3,356
Equity attributable to owners of the parent	111,025	79,639	28,419	25,246
Non-controlling interests	1,261	497	-	-
Total equity	112,286	80,136	28,419	25,246
Non-current liabilities				
Loans & borrowings	54,830	2,495	49,355	-
Finance lease payables	250	326	-	-
Deferred tax liabilities	167	167	-	-
Total non-current liabilities	55,247	2,988	49,355	-
Current liabilities				
Due to contract customers	31,275	17,127	-	-
Due to subsidiaries	-	-	10,094	6,375
Trade and other payables	124,092	97,862	1,170	243
Loans & borrowings	11,671	18,918	-	-
Finance lease payables	214	604	-	-
Current income tax payable	2,623	4,463	16	-
Total current liabilities	169,875	138,974	11,280	6,618
Total liabilities	225,122	141,962	60,635	6,618
Total equity and liabilities	337,408	222,098	89,054	31,864

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

Amount repayable in one year or less, or on demand

As at 30/09/2015 Unaudited		As at 30/9/2014 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
11,671	-	18,918	-

Amount repayable after one year

As at 30/09/2015 Unaudited		As at 30/9/2014 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,475	49,355	2,495	-

Details of collateral:

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

The unsecured borrowings relates to net proceeds of S\$49.4 million from the issuance of S\$50 million 3-year Fixed Rate Notes ("**Term Notes**") on 15 June 2015 under Keong Hong Holdings Limited S\$150 million Multicurrency Medium Term Note Programme. The Term Notes bear interest of 6.00 per cent per annum payable semi-annually in arrear and will mature on 15 June 2018.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Fourth Quarter ended 30/09/2015 Unaudited S\$'000	Group Quarter ended 30/09/2014 Unaudited S\$'000	Group Twelve Months ended 30/09/2015 Unaudited S\$'000	Group Months ended 30/09/2014 Audited S\$'000
Operating activities				
Profit before income tax	22,701	6,251	41,449	23,618
Adjustments for:				
Amortisation of intangible assets	4	4	16	12
Depreciation of plant and equipment	1,233	589	3,902	2,243
Amortisation of bond issuance cost	69	-	69	-
Fair value gain on financial assets at fair value through profit or loss	-	(48)	-	(48)
Fair value (gain)/loss on derivative on convertible bond	54	101	(82)	505
Disposal of financial assets held to maturity	-	58	-	58
Loss / (Gain) on disposal of plant and equipment	(177)	-	(310)	(1)
Fixed Asset written off	-	2	(594)	2
Share option expense	168	128	549	479
Interest income	(465)	(1,062)	(2,048)	(1,588)
Interest expenses	872	107	1,346	320
Accretion of convertible bond discount	(45)	(40)	(175)	(161)
Share of result of joint ventures	(3)	200	(3)	550
Share of result of associates	(19,609)	53	(19,137)	36
Operating cash flows before movements in working capital	4,802	6,343	24,982	26,025
Working Capital Changes:				
Trade and other receivables	(2,234)	(13,365)	(12,044)	(27,162)
Due from contract customers	17,206	(11,407)	5,753	(3,468)
Prepayments	62	(93)	72	(84)
Due to contract customers	3,430	14,623	14,147	8,209
Trade and other payables	2,570	19,525	26,229	48,341
Cash generated from operations	25,836	15,626	59,139	51,861
Income tax paid	(451)	(455)	(4,479)	(3,770)
Net cash generated from operating activities	25,385	15,171	54,660	48,091
Investing activities				
Investment in associates	-	(5,788)	-	(5,788)
Investment in joint ventures	-	-	-	(350)
Purchase of plant and equipment	(4,657)	(5,633)	(17,133)	(11,520)
Purchase of intangible assets	-	(9)	-	(19)
Purchase of financial assets, available for sale	-	-	(6,825)	-
Proceeds from financial assets held to maturity	-	2,781	-	2,781
Proceeds from financial assets through profit & loss	-	805	-	805
Proceeds from disposal of plant and equipment	-	-	155	1
Loan to associates	(1,152)	(12,347)	(17,344)	(12,388)
Loan to joint ventures	(3,346)	(1,358)	(7,737)	(26,678)
Repayment of loan from associates	16,818	-	16,818	-
Repayment of loan from joint ventures	-	2,000	-	11,451
Dividend income	2,500	-	2,500	-
Interest received	465	1,062	2,048	1,588
Net cash generated from / (used in) investing activities	10,628	(18,487)	(27,518)	(40,117)

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 Fourth Quarter ended		Group Twelve Months ended	
	30/09/2015 Unaudited S\$'000	30/09/2014 Unaudited S\$'000	30/09/2015 Unaudited S\$'000	30/09/2014 Audited S\$'000
Financing activities				
Fixed deposit pledged with financial institutions	-	(228)	(2)	1,016
Additions to finance lease receivables	(1,154)		(1,154)	-
Proceeds from loans & borrowings	6	7,351	53,327	18,408
Repayments of loans & borrowings	(4,572)	-	(8,308)	-
Purchase of treasury shares	(1,150)	-	(3,303)	(285)
Repayments of finance lease payables	(154)	(148)	(466)	(586)
Dividend paid	-	-	(4,077)	(4,675)
Interest paid	(872)	(107)	(1,346)	(320)
Net cash (used in)/ generated from financing activities	(7,896)	6,868	34,671	13,558
Net change in cash and cash equivalents	28,117	3,552	61,813	21,532
Cash and cash equivalents at the beginning of the period	72,206	34,951	38,497	16,973
Exchange difference on cash and cash equivalents	17	(6)	30	(8)
Cash and cash equivalents at end of the financial year	100,340	38,497	100,340	38,497

Cash and cash equivalents comprised of:

	30/09/2015 Unaudited S\$'000	30/09/2014 Audited S\$'000
Fixed deposits, cash and bank balances	100,569	38,726
Fixed deposits pledged	(229)	(229)
	<u>100,340</u>	<u>38,497</u>

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

Group (Unaudited)	Share capital	Treasury Shares	Foreign currency translation account	Share option reserve	Merger reserve	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2014	23,836	(2,425)	(24)	479	(4,794)	62,567	79,639	497	80,136
Profit for the financial period	-	-	-	-	-	38,099	38,099	711	38,810
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	56	-	-	-	56	53	109
Net loss on fair value changes of available for sale financial assets						(150)	(150)		(150)
Share of other comprehensive income of associates						212	212	-	212
Total comprehensive income for the period	-	-	56	-	-	38,161	38,217	764	38,981
Contribution by and distribution to owners of the parent:									
Dividends	-	-	-	-	-	(4,077)	(4,077)	-	(4,077)
Purchase of treasury shares	-	(3,303)	-	-	-	-	(3,303)	-	(3,303)
Grant of share options to employees	-	-	-	549	-	-	549	-	549
Total transactions with owners of the parent	-	(3,303)	-	549	-	(4,077)	(6,831)	-	(6,831)
Balance at 30 September 2015	23,836	(5,728)	32	1,028	(4,794)	96,651	111,025	1,261	112,286

Group (Unaudited)	Share capital	Treasury Shares	Foreign currency translation account	Share option reserve	Merger reserve	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2015	23,836	(4,578)	2	860	(4,794)	74,058	89,384	537	89,921
Profit for the financial period	-	-	-	-	-	22,531	22,531	695	23,226
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	30	-	-	-	30	29	59
Net loss on fair value changes of available for sale financial assets						(150)	(150)	-	(150)
Share of comprehensive income for the associates						212	212	-	212
Total comprehensive income for the period	-	-	30	-	-	22,743	22,623	724	23,347
Contribution by and distribution to owners of the parent:									
Dividends	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(1,150)	-	-	-	-	(1,150)	-	(1,150)
Grant of share options to employees	-	-	-	168	-	-	168	-	168
Total transactions with owners of the parent	-	(1,150)	-	168	-	-	(982)	-	(982)
Balance at 30 September 2015	23,836	(5,728)	32	1,028	(4,794)	96,651	111,025	1,261	112,286

Group (Audited)	Share capital	Treasury Shares	Foreign currency translation account	Share option reserve	Merger reserve	Retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2013	23,836	(2,140)	(31)	-	(4,794)	47,569	64,440	768	65,208
Profit for the financial period	-	-	-	-	-	19,673	19,673	(276)	19,397
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	7	-	-	-	7	5	12
Total comprehensive income for the period	-	-	7	-	-	19,673	19,680	(271)	19,409
Contribution by and distribution to owners of the parent:									
Dividends	-	-	-	-	-	(4,675)	(4,675)	-	(4,675)
Purchase of treasury shares	-	(285)	-	-	-	-	(285)	-	(285)
Grant of share options to employees	-	-	-	479	-	-	479	-	479
Total transactions with owners of the parent	-	(285)	-	479	-	(4,675)	(4,481)	-	(4,481)
Balance at 30 September 2014	23,836	(2,425)	(24)	479	(4,794)	62,567	79,639	497	80,136

Group (Unaudited)	Share capital	Treasury Shares	Foreign currency translation account	Share option reserve	Merger reserve	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2014	23,836	(2,425)	(33)	351	(4,794)	58,158	75,093	507	75,600
Profit for the financial period	-	-	-	-	-	4,409	4,409	(18)	4,391
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	9	-	-	-	9	8	17
Total comprehensive income for the period	-	-	9	-	-	4,409	4,418	(10)	4,407
Contribution by and distribution to owners of the parent:									
Dividends	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Grant of share options to employees	-	-	-	128	-	-	128	-	128
Total transactions with owners of the parent	-	-	-	128	-	-	128	-	128
Balance at 30 September 2014	23,836	(2,425)	(24)	479	(4,794)	62,567	79,639	497	80,136

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	Retained earnings S\$'000	Total S\$'000
Company (Unaudited)					
Balance at 1 October 2014	23,836	(2,425)	479	3,356	25,246
Total comprehensive income for the period	-	-	-	10,004	10,004
Dividends	-	-	-	(4,077)	(4,077)
Grant of share options to employees	-	-	549	-	549
Purchase of treasury shares	-	(3,303)	-	-	(3,303)
Balance at 30 September 2015	23,836	(5,728)	1,028	9,283	28,419
Company (Audited)					
Balance at 1 October 2013	23,836	(2,140)	-	3,686	25,382
Total comprehensive income for the period	-	-	-	4,345	4,345
Dividends	-	-	-	(4,675)	(4,675)
Grant of share options to employees	-	-	479	-	479
Balance at 30 September 2014	23,836	(2,425)	479	3,356	25,246

	Share capital S\$'000	Treasury Shares S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Company (Unaudited)					
Balance at 1 July 2015	23,836	(4,578)	860	1,422	21,540
Total comprehensive income for the period	-	-	-	7,861	7,861
Dividends	-	-	-	-	-
Grant of share options to employees	-	-	168	-	168
Purchase of treasury shares	-	(1,150)	-	-	(1,150)
Balance at 30 September 2015	23,836	(5,728)	1,028	9,283	28,419
Company (Unaudited)					
Balance at 1 July 2014	23,836	(2,425)	-	78	21,489
Total comprehensive income for the period	-	-	-	3,278	3,278
Dividends	-	-	-	-	-
Grant of share options to employees	-	-	479	-	479
Purchase of treasury shares	-	-	-	-	-
Balance at 30 September 2014	23,836	(2,425)	479	3,356	25,246

- 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 July 2015	228,450,000	23,836,074
Shares buyback during the financial period ⁽¹⁾	(2,500,000)	-
As at 30 September 2015	225,950,000	23,836,074

Note:

(1) In July 2015, the Company purchased an aggregate of 2,500,000 ordinary shares by way of open market purchases at the following considerations:

Date of purchase	Number of shares purchased	Considerations
6 July 2015	2,000,000	S\$920,000
8 July 2015	500,000	S\$230,000
Total	2,500,000	S\$1,150,000

As at 30 September 2015, the Company held 14,050,000 treasury shares (30 September 2014: 6,750,000 treasury shares). The total number of issued shares (excluding treasury shares) of the company was 225,950,000 as at 30 September 2015 and 233,250,000 as at 30 September 2014.

Employee Share Option Scheme (the "Options")

The number of Options outstanding was 6,825,000, convertible into 6,825,000 shares as at 30 September 2015 and 6,000,000 Options as at 30 September 2014 convertible into 6,000,000 shares.

Save for the Options, the Company did not have any outstanding convertibles as at 30 September 2015 and 30 September 2014.

- 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

	30/09/2015 Unaudited	30/9/2014 Audited
Total number of issued shares	240,000,000	240,000,000
Treasury shares	(14,050,000)	(6,750,000)
Total number of issued shares, excluding treasury shares	225,950,000	233,250,000

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 2014.

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 2014, 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	
	Fourth Quarter ended		Twelve Months ended	
	30/09/2015 Unaudited	30/09/2014 Unaudited	30/09/2015 Unaudited	30/09/2014 Audited
Profit attributable to owners of the parent (S\$'000)	22,531	4,409	38,099	19,673
(i) Earnings per share ("EPS") - Basic (Singapore cents) ⁽¹⁾	9.96	1.89	16.48	11.07
Weighted average number of ordinary shares ⁽³⁾	226,254,348	233,250,000	231,191,342	177,653,912
(ii) Earnings per share ("EPS") – Diluted (Singapore cents) ⁽²⁾	9.67	1.89	16.02	10.80
Weighted average number of ordinary shares ⁽³⁾	233,079,348	239,250,000	237,878,466	182,212,817

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.
- (2) The calculation for the diluted EPS is based on the weighted average number of ordinary shares of the Company after adjusting for dilution assuming the Options are fully exercised and converted 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.

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	
	30/09/2015 Unaudited	30/09/2014 Audited	30/09/2015 Unaudited	30/09/2014 Audited
Net asset value per ordinary share (Singapore cents)	49.14	34.14	12.58	10.82
Number of issued shares excluding treasury shares at the end of the financial year	225,950,000	233,250,000	225,950,000	233,250,000

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 10.5% in fourth quarter ended 30 September 2015 (“**4Q2015**”) to S\$76.0 million as compared to S\$84.9 million in fourth quarter ended 30 September 2014 (“**4Q2014**”).

For the 12 months ended 30 September 2015 (“**12M2015**”), the Group recorded a 2.7% increase in revenue to S\$280.3 million as compared to S\$272.9 million in the corresponding period ended 30 September 2014 (“**12M2014**”). The increase in 12M2015 was due to higher revenue recognition for ongoing projects such as J Gateway, Skypark Residences, The Amore at Edgedale Plains/Punggol Central & Parc Life EC.

Gross Profit & Gross Profit Margin

Gross profit in 4Q2015 decreased by 15.9% to S\$7.2 million . Gross profit margin decreased from 10.1% in 4Q2014 to 9.5% in 4Q2015 mainly due to lower margin for new projects in the initial stages of construction and higher costs incurred for The Terrase project.

For 12M2015, gross profit decreased by 2.6% from S\$30.6 million in 12M2014 to S\$29.8 million in 12M2015. Gross profit margin decreased from 11.2% in 12M2014 to 10.6% in 12M2015 due mainly to higher operating costs such as higher wages, labour levies, safety compliance costs and higher depreciation expenses of S\$1.7 million as a result of increase in plant and machinery.

Other Income

Other income increased from S\$1.6 million in 4Q2014 to S\$2.1 million in 4Q2015, and from S\$2.8 million in 12M2014 to S\$5.6 million in 12M2015. The increase was due mainly to higher interest income, higher project management fee and foreign exchange gain due to appreciation of US dollars against Singapore dollars of S\$0.9 million for 12M2015.

Administration Expenses

Administration expenses increased by 50.0% or S\$1.8 million to S\$5.3 million in 4Q2015. For 12M2015, administrative expenses increased by 32.8% or S\$2.9 million from S\$8.8 million in 12M2014 to S\$11.7 million in 12M2015. The increase in 12M2015 was due mainly to project management fee incurred for our projects in Maldives and higher staff cost.

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 S\$0.8 million to S\$0.9 million and S\$1.0 million to S\$1.3 million in 4Q2015 and 12M2015 respectively due to higher bank borrowings and interest accrued for the Term Notes.

Profit before Income Tax

The group recorded a share of results of S\$19.6 million from its associates in 4Q2015 of which S\$19.9 million was contributed by Punggol Residences Pte Ltd, due to TOP of Twin Waterfalls Executive Condominium. With the share of results from associates, the Group achieved a net profit before tax of S\$22.7 million in 4Q2015 as compared to S\$6.3 million in 4Q2014. For 12M2015, the Group's net profit before tax increased by 75.5% to S\$41.4 million as compared to S\$23.6 million in 12M2014.

Review of Financial Position

Non-Current Assets

Plant and equipment increased from S\$15.2 million as at 30 September 2014 to S\$29.2 million as at 30 September 2015. The increase of S\$14.0 million was mainly attributable to capital expenditure of S\$17.1 million on acquisition of plant and equipment as well as the development cost for the Company's light industry factory at Sungei Kadut which had received temporary occupation permit ("**TOP**") on 10 September 2015. The increase was partially offset by depreciation expense of S\$3.9 million.

The investment in associates increased from S\$5.8 million as at 30 September 2014 to S\$22.6 million as at 30 September 2015. The increase was mainly due to the share of TOP profit of S\$17.4 million from associate Punggol Residences Pte Ltd.

On 17 March 2015, the Company acquired 15 million shares in Kori Holdings Ltd. The investment of S\$6.8 million was classified as financial assets, available for sale.

Current Assets

Trade and other receivables and amount due from contract customers increased by S\$14.5 million from S\$156.7 million as at 30 September 2014 to S\$171.2 million as at 30 September 2015. The increase was mainly due to increase in trade receivables of S\$12 million and additional shareholders loan of S\$25.1 million extended to associates and joint ventures. The increase was partially offset by repayment of shareholders loan of S\$16.8 million from associate and decrease in amount due from contract customers of S\$5.8 million as a result of higher volume of work carried out for on-going projects on hand.

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)**

The increase in cash and cash equivalent of S\$61.8 million is largely attributable to the cash proceeds received from the Term Notes as well as the repayment of shareholders' loan of S\$16.8 million from an associate.

Current Liabilities

Current liabilities increased by S\$30.4 million from S\$139.0 million as at 30 September 2014 to S\$169.9 million as at 30 September 2015. This was mainly due to increase in trade and other payables and amount due to contract customers of S\$26.2 million and S\$14.1 million respectively as a result of faster certification of work done for projects on hand. The increase was partially offset by a decrease in bank borrowings and finance lease payables of S\$7.2 million and S\$0.4 million respectively.

The working capital of the Group has increased from S\$56.9 million as at 30 September 2014 to S\$102.5 million as at 30 September 2015.

Non-Current Liabilities

The increase in non-current liabilities of S\$52.3 million from S\$3.0 million as at 30 September 2014 to S\$55.2 million as at 30 September 2015 was due mainly to the net proceeds of S\$49.4 million from the issuance of the Term Notes and bank borrowings for the development cost of the Company's light industry factory at Sungei Kadut.

Review of Cash Flow Statement

For 12M2015, the Group generated positive operating cash flows of S\$25.0 million before movements in working capital. After taking into consideration changes in working capital, which included increase in trade and other receivables of S\$12.0 million and decrease in due from contract customers totaling S\$5.8 million, and increase in trade and other payables and amount due to contract customers totaling S\$40.4 million, the Group generated a net cash inflow from operating activities of S\$54.7 million.

Net cash used in investing activities of S\$27.5 million in 12M2015 was mainly due to capital expenditure of S\$17.1 million for acquisition of plant and equipment and development cost for the construction of the Company's light industry factory at Sungei Kadut, additional loans made to associates and joint ventures of S\$25.1 million and acquisition of 15 million shares in Kori Holdings Ltd amounted to S\$6.8 million. This increase was partially offset by repayment of loans and dividends income received from one of group's associates totaling S\$19.3 million.

Net cash generated from financing activities of S\$34.7 million in 12M2015 was mainly due to net proceeds from issuance of the Term Notes and bank borrowings of S\$53.3 million. This was partially offset by finance lease receivables, repayment of bank borrowings and financial lease of S\$8.8 million, purchase of treasury shares of S\$3.3 million, dividend payment to shareholders of S\$4.1 million as well as interest payment of approximately S\$1.3 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Building Construction

The Group's current construction projects pipeline include Maldives' Kooddoo Airport, Mercure Maldives Kooddoo Resort, Pullman Maldives Maamutaa Resort, SkyPark Residences, The Amore, J Gateway, Parc Life and Raffles Hospital's new 20-storey medical tower.

As at 30 September 2015, the Group's construction order book stood at approximately S\$462 million, providing the Group with a sustainable flow of activities through the financial year ended 30 September 2018.

Amid continuing fragility in the recovery of global economy and a significant slowdown in domestic residential property market, the Group foresees the building construction environment to remain challenging due to intense competition in clinching new contracts and rising labour costs. Nonetheless, the Group is optimistic on its building construction business for 2016 given the pipeline of contracts it has secured and its proven track record. Going forward, the Group will put more emphasis on commercial property construction, particularly in the medical and healthcare sector; and explore suitable opportunities overseas.

Property Development and Investment

The Group's 20%-owned and 15%-owned executive condominium development SkyPark Residences and The Amore are currently 92% and 46% sold respectively. Both SkyPark Residences and The Amore are expected to obtain TOP in 2016.

The Group will launch its 20%-owned executive condominium development Parc Life in January 2016.

The Group has also made its maiden venture into Vietnam with a residential development in Nha Be, Ho Chi Minh City. The Group holds a 15% share in this joint venture project, which is expected to be launched in 2016.

With rising costs of development and an impending oversupply of residential homes in Singapore, the outlook for private residential development remains challenging in the next 12 months. Moving forward, the Group will focus on seeking property investment opportunities overseas to further expand its business and diversify its revenue sources.

Hotel and Resort Development

The Group's 68-villa Mercure Maldives Kooddoo Resort is expected to be completed in the second quarter of 2016. Construction of the upscale 120-villa Pullman Maldives Maamutaa Resort will commence in 2016 and is expected to be completed in 2018.

The Holiday Inn Express Singapore Katong and Hotel Indigo Singapore Katong are expected to be operational in 2016. Besides the two hotels, the mixed-used development project at the former Joo Chiat Police Station site also includes food and beverage outlets and retail shops.

The Group will continue its expansion into hotel and resort development to further boost its recurring income.

11. Dividend

(a) Current Financial Period Reported On

Yes.

Name of Dividend	Interim	Final
Type of Dividend	Cash	Cash
Dividend Amount per share (Singapore cents)	0.5	4.0
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

Name of Dividend	Interim	Final
Type of Dividend	Cash	Cash
Dividend Amount per share (Singapore cents)	1.0	1.25
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 a general mandate for IPT.

Name of interested person	Aggregate value of all interested person transactions conducted during the financial year (excluding transactions below \$100,000 and transactions conducted under the Shareholders’ Mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$’000	S\$’000
WongPartnership LLP ⁽¹⁾	106	Nil

(1) Mr Lionel Leo, our non-executive director, is a partner in WongPartnership LLP.

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

Business segments

	FY2015 S\$’000	FY2014 S\$’000
Turnover		
- Buildings and construction	280,289	272,267
- Others	-	614
	<u>280,289</u>	<u>272,881</u>
Segment Profit /(Loss)		
- Buildings and construction	22,515	24,586
- Property Development	19,140	(586)
- Others	(206)	(394)
	<u>41,449</u>	<u>23,618</u>
Non-current Assets		
- Buildings and construction	42,347	20,377
- Property Development	22,695	5,842
	<u>65,042</u>	<u>26,219</u>

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. (Con'td)

(b) By Geographical Regions

Turnover

- Singapore	266,370	271,784
- Maldives	13,919	1,097
	<u>280,289</u>	<u>272,881</u>

Non-current Assets

- Singapore	64,031	25,920
- Maldives	1,011	299
	<u>65,042</u>	<u>26,219</u>

Capital Expenditures

- Singapore	28,206	8,955
- Maldives	1,011	297
	<u>29,217</u>	<u>9,252</u>

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 15 above.

The Group had recognized its first maiden contribution from its property development business through share of result from its associate, Punggol Residences Pte Ltd, as a result of the TOP of Twin Waterfalls executive condominium.

Revenue from Maldives has increased to S\$14.6 million in FY2015 due to the projects in Maldives are in their active stage of construction in FY2015 as compared to FY2014.

16. A breakdown of sales

	<u>Group</u>		Increase / (Decrease)
	FY2015 S\$'000	FY2014 S\$'000	%
Sales reported for first half year	141,386	118,030	19.8%
Profit after tax before deducting minority interests reported for first half year	9,167	8,552	7.2%
Sales reported for second half year	138,903	154,851	(10.3%)
Profit after tax before deducting minority interests reported for second half year	29,643	10,845	173.3%

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

	FY2015	FY2014
	\$'000	\$'000
Ordinary Shares		
- Interim	1,165	1,555
- Final	9,038*	2,916
Total	<u>10,203</u>	<u>4,471</u>

* The final dividend for FY2015 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
27 November 2015