



# HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the Third Quarter and Nine months Ended 30 September 2009

## PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Third quarter ended 30 Sep			9 months ended 30 Sep		
	2009 S\$'000	2008 S\$'000	Change %	2009 S\$'000	2008 S\$'000	Change %
<b><u>INCOME STATEMENT</u></b>						
Revenue	51,700	47,367	9.1	166,743	180,234	(7.5)
Cost of sales	(45,448)	(44,745)	1.6	(153,085)	(168,333)	(9.1)
<b>Gross profit</b>	<b>6,252</b>	<b>2,622</b>	<b>138.4</b>	<b>13,658</b>	<b>11,901</b>	<b>14.8</b>
Other income	482	258	86.8	1,795	1,060	69.3
Administrative costs	(1,775)	(778)	128.1	(3,634)	(3,953)	(8.1)
Other operating costs	(3,005)	(1,582)	89.9	(6,594)	(4,867)	35.5
Finance costs	(361)	(104)	247.1	(1,540)	(320)	381.3
Share of results of associates	2,111	14	N.M	5,714	70	N.M
<b>Profit before tax</b>	<b>3,704</b>	<b>430</b>	<b>761.4</b>	<b>9,399</b>	<b>3,891</b>	<b>141.6</b>
Income tax expenses	(518)	25	N.M	(1,112)	79	N.M
<b>Profit for the period</b>	<b>3,186</b>	<b>455</b>	<b>600.2</b>	<b>8,287</b>	<b>3,970</b>	<b>108.7</b>
<b>Attributable to:</b>						
Owners of the parent	2,954	363	713.8	8,025	3,834	109.3
Minority interests	232	92	152.2	262	136	92.6
	<b>3,186</b>	<b>455</b>	<b>600.2</b>	<b>8,287</b>	<b>3,970</b>	<b>108.7</b>
N.M. - Not meaningful						

	Third Quarter Ended 30 Sep			9 months ended 30 Sep		
	2009 S\$'000	2008 S\$'000	Change %	2009 S\$'000	2008 S\$'000	Change %
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
Profit for the period	3,186	455	600.2	8,287	3,970	108.7
Other comprehensive income:						
Foreign currency translation differences	317	(79)	N.M	250	160	56.3
Other comprehensive income for the period, net of tax	317	(79)	N.M	250	160	56.3
<b>Total comprehensive income for the period</b>	<b>3,503</b>	<b>376</b>	831.6	<b>8,537</b>	<b>4,130</b>	106.7
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	3,280	287	N.M	8,279	4,019	106.0
Minority interests	223	89	150.6	258	111	132.4
	3,503	376	831.6	8,537	4,130	106.7

#### **NOTES TO INCOME STATEMENT**

The following items have been included in arriving at profit before tax:

Depreciation of property, plant and equipment	548	622	(11.9)	1,721	1,978	(13.0)
Foreign exchange currency adjustment loss (gain)	827	(288)	N.M	748	676	10.7
Loss (gain) on disposal of property, plant and equipment	59	(156)	N.M	(44)	(695)	(93.7)
Interest expense	344	80	330.0	1,445	242	497.1
Interest income from fixed deposits	(93)	(25)	272.0	(283)	(91)	211.0
Allowance for doubtful receivables	146	59	147.5	185	179	3.4
Write-off of property, plant and equipment	-	-	N.M	2	-	N.M
<b>N.M - Not meaningful</b>						

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	
	30-Sep-09	31-Dec-08	30-Sep-09	31-Dec-08
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant & equipment	14,879	16,774	140	142
Intangible assets	119	119	-	-
Investment securities	94	94	-	-
Investment in subsidiaries	-	-	22,016	22,016
Investment in associates	10,622	4,907	92	92
Deferred tax assets	1,200	1,200	-	-
<b>Current assets</b>				
Investment held for sale	13	13	13	13
Amounts due from subsidiaries	-	-	7,594	5,969
Development properties	66,147	73,930	-	-
Gross amount due from customers for work-in-progress	6,367	6,587	-	-
Inventories	6,622	7,523	-	-
Trade receivables	52,903	54,314	12	-
Other receivables	11,033	12,357	123	78
Cash and fixed deposits	45,960	27,935	1,376	5,908
	189,045	182,659	9,118	11,968
<b>Current liabilities</b>				
Amounts due to subsidiaries	-	-	-	1,965
Gross amount due to customers for work-in-progress	17,990	12,088	-	-
Trade and other payables	67,971	64,477	287	286
Other liabilities	8,479	11,300	5	-
Loans and borrowings	3,521	1,991	20	20
Income tax payable	1,645	1,457	-	-
	99,606	91,313	312	2,271
<b>Net current assets</b>	<b>89,439</b>	<b>91,346</b>	<b>8,806</b>	<b>9,697</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	(1,297)	(1,311)	-	-
Loans and borrowings	(57,798)	(64,409)	(42)	(57)
<b>Net assets</b>	<b>57,258</b>	<b>48,720</b>	<b>31,012</b>	<b>31,890</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	43,966	43,966	43,966	43,966
Retained earnings (Accumulated losses)	12,532	4,507	(12,954)	(12,076)
Foreign currency translation reserve	(88)	(343)	-	-
	56,410	48,130	31,012	31,890
Minority interests	848	590	-	-
<b>Total equity</b>	<b>57,258</b>	<b>48,720</b>	<b>31,012</b>	<b>31,890</b>

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

**Amount repayable in one year or less, or on demand**

As at 30/09/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$1,521,000	S\$2,000,000	S\$1,991,000	-

**Amount repayable after one year**

As at 30/09/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$57,798,000	-	S\$64,409,000	-

**Details of any collateral**

The secured borrowings repayable within one year and after one year comprise mainly a land loan, bank overdrafts and banker's acceptances. These are secured by charges over the property held for sale at No. 19 & 21 Holland Hill, Singapore, shop offices in Malaysia and fixed deposits from a subsidiary.

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

	Third quarter ended 30 Sep		9 months ended 30 Sep	
	2009 S\$'000	2008 S\$'000	2009 S\$'000	2008 S\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	3,704	430	9,399	3,891
Adjustments for:				
Depreciation of property, plant and equipment	548	622	1,721	1,978
Allowance for doubtful receivables	146	59	185	179
Interest income	(93)	(25)	(283)	(91)
Interest expense	344	104	1,445	320
Loss (Gain) on disposal of plant and equipment	59	(156)	(44)	(695)
Share of results of associates	(2,111)	(14)	(5,714)	(70)
Write-off of property, plant and equipment	-	-	2	-
<b>Operating profit before working capital changes</b>	<b>2,597</b>	<b>1,020</b>	<b>6,711</b>	<b>5,512</b>
Decrease/(increase) in development properties	7,742	(581)	7,783	(1,955)
Decrease in contract work-in-progress	4,998	7,938	6,122	6,310
Decrease/(increase) in trade receivables	(5,986)	(6,791)	1,226	(1,380)
Decrease in other receivables	1,475	821	1,339	1,510
Decrease/(increase) in inventories	(1,470)	(3,466)	901	(5,753)
(Decrease)/increase in trade and other payables	(8,367)	13,884	3,494	5,496
Decrease in other liabilities	1,003	(3,028)	(2,836)	(85)
<b>Cash from operations</b>	<b>1,992</b>	<b>9,797</b>	<b>24,740</b>	<b>9,655</b>
Interest paid	(344)	(104)	(1,445)	(320)
Interest received	93	25	283	91
Income tax paid	(433)	21	(938)	102
<b>Net cash from operating activities</b>	<b>1,308</b>	<b>9,739</b>	<b>22,640</b>	<b>9,528</b>
<b>Cash flows from investing activities:</b>				
Proceeds from disposal of property, plant and equipment	-	-	772	1,510
Purchase of property, plant and equipment	(150)	(116)	(580)	(2,386)
<b>Net cash from/(used in) investing activities</b>	<b>(150)</b>	<b>(116)</b>	<b>192</b>	<b>(876)</b>
<b>Cash flows from financing activities</b>				
(Repayment of)/proceeds from bank borrowings, net	2,734	(4,319)	2,251	1,099
Repayment of long term borrowings	(690)	-	(6,070)	-
Repayment of finance leases	(211)	(705)	(1,263)	(2,407)
Increase/(decrease) of pledged deposits	72	(442)	560	(10)
<b>Net cash (used in)/from financing activities</b>	<b>1,905</b>	<b>(5,466)</b>	<b>(4,522)</b>	<b>(1,318)</b>
Net effect of exchange rate changes in consolidating subsidiaries	345	(54)	276	84
Net increase in cash & cash equivalents	3,408	4,103	18,586	7,418
Cash and cash equivalents at beginning of the period	41,942	21,074	26,764	17,759
<b>Cash and cash equivalents at end of the period</b>	<b>45,350</b>	<b>25,177</b>	<b>45,350</b>	<b>25,177</b>
Comprising:				
Cash and bank balances	29,438	8,951	29,438	8,951
Fixed deposits	16,522	18,444	16,522	18,444
	45,960	27,395	45,960	27,395
Less: Pledged fixed deposits	(610)	(2,218)	(610)	(2,218)
	<b>45,350</b>	<b>25,177</b>	<b>45,350</b>	<b>25,177</b>

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.

#### STATEMENT OF CHANGES IN EQUITY

##### Group

	Attributable to equity holders of the Parent			Total S\$'000	Minority interests S\$'000	TOTAL EQUITY S\$'000
	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000			
Opening balance at 1 Jan 2009	43,966	4,507	(343)	48,130	590	48,720
Total comprehensive income for the period		2,774	(29)	2,745	12	2,757
Balance at 31 Mar and 1 Apr 2009	43,966	7,281	(372)	50,875	602	51,477
Total comprehensive income for the period as previously reported	-	1,790	(42)	1,748	23	1,771
Prior period adjustment	-	507	-	507	-	507
As restated	-	2,297	(42)	2,255	23	2,278
Balance at 30 Jun and 1 Jul 2009	43,966	9,578	(414)	53,130	625	53,755
Total comprehensive income for the period		2,954	326	3,280	223	3,503
<b>Closing balance at 30 Sep 2009</b>	<b>43,966</b>	<b>12,532</b>	<b>(88)</b>	<b>56,410</b>	<b>848</b>	<b>57,258</b>
Opening balance at 1 Jan 2008	43,966	855	(511)	44,310	527	44,837
Total comprehensive income for the period		1,435	202	1,637	32	1,669
Balance at 31 Mar and 1 Apr 2008	43,966	2,290	(309)	45,947	559	46,506
Total comprehensive income for the period		2,037	59	2,096	(10)	2,086
Balance at 31 May and 1 Jun 2008	43,966	4,327	(250)	48,043	549	48,592
Total comprehensive income for the period		363	(76)	287	89	376
<b>Closing balance at 30 Sep 2008</b>	<b>43,966</b>	<b>4,690</b>	<b>(326)</b>	<b>48,330</b>	<b>638</b>	<b>48,968</b>

##### Note A

Interest expense from term-loan was overstated by \$507,000 in the previous quarter

##### Company

	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Opening balance at 1 Jan 2009	43,966	(12,076)	31,890
Total comprehensive income for the period		(248)	(248)
Balance at 31 Mar and 1 Apr 2009	43,966	(12,324)	31,642
Total comprehensive income for the period		(324)	(324)
Balance at 30 Jun and 1 Jul 2009	43,966	(12,648)	31,318
Total comprehensive income for the period		(306)	(306)
<b>Closing balance at 30 Sep 2009</b>	<b>43,966</b>	<b>(12,954)</b>	<b>31,012</b>
Opening balance at 1 Jan 2008	43,966	(11,987)	31,979
Total comprehensive income for the period		(185)	(185)
Balance at 31 Mar and 1 Apr 2008	43,966	(12,172)	31,794
Total comprehensive income for the period		(194)	(194)
Balance at 31 May and 1 Jun 2008	43,966	(12,366)	31,600
Total comprehensive income for the period		(244)	(244)
<b>Closing balance at 30 Sep 2008</b>	<b>43,966</b>	<b>(12,610)</b>	<b>31,356</b>

- 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 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.**

There have been no changes to the issued share capital of the Company since the end of the previous financial period. As at 30 September 2009, the issued share capital of the Company was S\$43,967,199 comprising 1,541,052,278 ordinary shares.

- 1(d)(iii) To show the total 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.**

The total number of issued shares excluding treasury shares as at 30 September 2009 was 1,541,052,278 (as at 31 December 2008: 1,541,052,278). The Company did not hold any treasury shares as at 30 September 2009 and 31 December 2008.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the nine months ended 30 September 2009.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the auditors.

- 3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matters).**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2008.

- 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 the new and Revised Singapore Financial Reporting Standards ("FRS") that are mandatory for financial years beginning on or after 1 January 2009, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there are no material impacts on the retained earnings of the Group as at 1 January 2009.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Third Quarter Ended 30 Sep</b>		<b>Nine Months Ended 30 Sep</b>	
	<b>2009 Cents</b>	<b>2008 Cents</b>	<b>2009 Cents</b>	<b>2008 Cents</b>
Earnings per ordinary share of the Company attributable to shareholders :				
(a) Based on the weighted average number of ordinary shares on issue	0.19	0.02	0.52	0.25
(b) On a fully diluted basis (detailing any adjustment made to the earnings)	0.19	0.02	0.52	0.25

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 1,541,052,278 shares (2008: 1,541,052,278 shares).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**

- (a) **current financial period reported on; and**  
(b) **immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>30/09/2009 Cents</b>	<b>31/12/2008 Cents</b>	<b>30/09/2009 Cents</b>	<b>31/12/2008 Cents</b>
Net asset value per ordinary share based on issued capital at the end of the period	3.66	3.15	2.01	2.07

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 followings:-**

- (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.**

Income Statement Review – 9 months 2009 ('9M09') vs 9 months 2008 ('9M08')

Although Group revenue decreased marginally by 7.5%, net profit after tax doubled from \$4.0 million to \$8.3 million for the period 9M09 as compared with 9M08.

The decrease in revenue for 9M09 was mainly due to a decline in revenue recognised from building and civil works. However, gross margin for 9M09 increased to 8.2% against 6.6% recorded in 9M08, contributed by higher returns from specialist engineering projects, both in Singapore and Malaysia.

Other income increased by 69.3% or \$0.7 million over the period, mainly attributable to rental received from temporary lease of Nos. 19 and 21 Holland Hill and higher fixed deposit interest earned.

Other operating costs rose by 35.5% or \$1.7 million from 9M08 due to higher staff remuneration as a result of increased headcount and salaries including provisions for bonuses in the current quarter given the improved financial performance of the Group. In addition, increased professional fees were incurred for services rendered during the earlier part of the financial year in connection with the Company's share purchase mandate and amendments to the Company's memorandum and articles of association.

Finance costs rose from \$0.3 million in 9M08 to \$1.5 million in 9M09, due mainly to interests for term-loan on land for the group's property development project at Nos.19 & 21 Holland Hill. Interest was charged against leasing income for the period that the property had been temporarily leased to a third party for eight months ended August 2009. Demolition and construction works for this project is expected to commence before the end of 2009.



Our share of results from associate jumped to \$5.7 million in 9M09 from \$0.1 million in 9M08, in line with the good progress at No. 8 Nassim Hill property development undertaken by our associate, Tennessee Pte Ltd.

Income tax expense increased due to increased profits at our subsidiaries in Singapore and Malaysia.

Share of minority interests' profits also saw an increase as profitability in our 80% owned subsidiary in Malaysia grew during the period.

#### Income Statement Review – Third Quarter 2009 ('3Q09') vs Third Quarter 2008 ('3Q08')

Group revenue for 3Q09 as compared with 3Q08 increased by 9.1% or \$4.3 million. Gross profit showed marked improvement, increasing by 138.4% or \$3.6 million in 3Q08 to \$6.3 million in 3Q09. This is mainly due to increased contribution from specialist engineering projects both in Singapore and Malaysia. Specialist projects typically enjoy higher margins compared to general construction projects. Additionally, the Group has implemented a stringent cost monitoring system to keep project costs in check.

Other income for 3Q09 almost doubled to \$0.5 million from 3Q08 as the Group received rental income from Nos. 19 & 21 Holland Hill and higher rental income from partially subletting its premises.

Administration costs increased by \$1.0 million to \$1.8 million in 3Q09 from \$0.8 million in 3Q08 due mainly to foreign exchange loss of \$0.8 million in 3Q09 compared to an exchange gain of \$0.3 million in 3Q08. Higher staff remuneration and provision for bonuses in 3Q09 over 3Q08 led to an increase of 89.9% in other operating costs over the period. Interest expense from term-loan for land mainly contributed to the \$0.3 million increase in finance costs.

Income tax expense rose due to higher profits recorded during the current quarter.

#### Statement of Financial Position Review

The Group's property, plant and machinery decreased by 11.3% or \$1.9 million from 31 December 2008 to 30 September 2009, due mainly to depreciation charged and asset disposals. Investments in associates grew more than two-fold to \$10.6 million, mainly attributable to the Group's share of healthy profits recognised by our associate from its development at No. 8 Nassim Hill.

Following the launch of the Group's "Lush on Holland Hill" development project at Nos. 19 & 21 Holland Hill, close to 45% of units were sold and progress payments received. Consequently, progress payments received were set-off against costs of development properties which resulted in development properties decreasing from \$73.9 million as at 31 December 2008 to \$66.1 million as at 30 September 2009. Construction is expected to commence and costs incurred from December 2009 onwards.

Cash and fixed deposits grew a healthy 64.5% or \$18.0 million from \$27.9 million nine months ago to \$46.0 million as at 30 September 2009. This was mainly attributable to improved net cash from operating activities of \$22.6 million, up from \$9.5 million recorded for 9M08. Net cash from operating activities was offset by repayments towards bank borrowings totalling \$5.1 million in the nine months ended 30 September 2009.

Gross amount due to customers for work-in-progress increased by 48.8% from \$12.1 million as at 31 December 2008 to \$18.0 million as at 30 September 2009, mainly attributable to more progress billings in relation to certain projects which were in the active stage of construction. Trade and other payables rose by \$3.5 million over nine months to \$68.0 million as at 30 September 2009, due mainly to an increase in accrued project costs for some major projects in progress.

Total bank loans and borrowings decreased by \$5.1 million during the current period as the group made a lump-sum payment and monthly instalments against its term-loan for the land at Nos. 19 & 21 Holland Hill.

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

The results reported herein are in line with our announcement in the previous quarter.

**10. A commentary at the date of the announcement of the significant trends and 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.**

On 12 October 2009, the Ministry of Trade and Industry revised its official growth forecast for Singapore's GDP for 2009 from a contraction of between 4.0% and 6.0% that it had forecast earlier, to a contraction of between 2.0% and 2.5%. With the gradual recovery of the Singapore economy, coupled with the strong pipeline of committed public sector projects such as the Downtown Line, institutional buildings and various public housing projects, the outlook for the construction industry is expected to remain positive for the next 12 months.

The Group will continue to focus on its core business by leveraging on its steady track record and capabilities in building construction and civil engineering to secure more public sector projects as well as to explore ways of enhancing cost effectiveness and to optimise its efficiency in the managing of upcoming and on-going projects. The Group is also conducting feasibility studies to undertake new property development projects.

As at the date of this announcement, the Group has an order book of \$381 million, predominantly in Singapore and Malaysia. The Group expects to remain profitable for FY 2009.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared/recommended for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommended for the current financial period.

**CONFIRMATION BY THE BOARD**

We, Tan Kheng Hwee Andrew and Carrie Luk Kai Lai, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 September 2009 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW  
Group Chief Executive Officer



CARRIE LUK KA LAI  
Non-Executive Director

Singapore