



HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the Third Quarter and Nine Months Ended 30 September 2011

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 September			9 months ended 30 September		
	2011 S\$'000	2010 S\$'000	Change %	2011 S\$'000	2010 S\$'000	Change %
<u>INCOME STATEMENT</u>						
Revenue	84,373	77,448	8.9	320,577	146,187	119.3
Cost of sales	(77,278)	(70,302)	9.9	(288,964)	(125,876)	129.6
Gross profit	7,095	7,146	(0.7)	31,613	20,311	55.6
Other income	1,650	473	248.8	1,885	1,688	11.7
Administrative costs	(1,448)	(1,729)	(16.3)	(4,281)	(3,683)	16.2
Other operating costs ⁽¹⁾	(3,075)	(2,535)	21.3	(9,774)	(7,796)	25.4
Finance costs ⁽¹⁾	(556)	(780)	(28.7)	(1,638)	(2,801)	(41.5)
Share of results of associates	(36)	1,738	N.M.	2,065	4,849	(57.4)
Profit before tax	3,630	4,313	(15.8)	19,870	12,568	58.1
Income tax expense	(352)	(699)	(49.6)	(2,387)	(1,619)	47.4
Profit for the period	3,278	3,614	(9.3)	17,483	10,949	59.7
Attributable to:						
Owners of the parent	3,200	3,511	(8.9)	17,260	10,688	61.5
Non-controlling interests	78	103	(24.3)	223	261	(14.6)
	3,278	3,614	(9.3)	17,483	10,949	59.7
N.M. - Not meaningful						

⁽¹⁾ 2010's fair value loss on derivative for hedging against risk of interest rate hikes on term loan has been reclassified from 'Other operating costs' to 'Finance costs'. The reclassification was made to be consistent with the presentation for current period which reflects more accurately the total finance costs of the Group.

	Third quarter ended 30 September			9 months ended 30 September		
	2011 S\$'000	2010 S\$'000	Change %	2011 S\$'000	2010 S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME						
Profit for the period	3,278	3,614	(9.3)	17,483	10,949	59.7
Other comprehensive income:						
Foreign currency translation differences	(1,227)	480	N.M	(796)	352	N.M
Other comprehensive income for the period	(1,227)	480	N.M	(796)	352	N.M
Total comprehensive income for the period	2,051	4,094	(49.9)	16,687	11,301	47.7
Total comprehensive income attributable to:						
Owners of the parent	1,973	4,000	(50.7)	16,500	11,147	48.0
Non-controlling interests	78	94	(17.0)	187	154	21.4
	2,051	4,094	(49.9)	16,687	11,301	47.7

NOTES TO INCOME STATEMENT

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

Depreciation of property, plant and equipment	981	605	62.1	2,767	1,751	58.0
Foreign currency exchange (gain)/loss (net)	(1,317)	565	N.M	(668)	485	N.M
(Gain)/loss on disposal of property, plant and equipment	(40)	4	N.M	(149)	5	N.M
Interest expense	999	551	81.3	2,698	1,507	79.0
Interest income	(110)	(45)	144.4	(331)	(64)	417.2
(Write-back of)/allowance for doubtful receivables (net)	(145)	(312)	(53.5)	373	(225)	N.M
Write-off of property, plant and equipment	-	122	N.M	-	425	N.M
Fair value (gain)/loss on derivative	(443)	211	N.M	(1,059)	1,257	N.M
Write-back of provision for loss in value of land relating to a development property	-	(187)	N.M	-	(646)	N.M.
Overprovision of income tax in respect of previous years	-	-	-	(107)	(337)	(68.2)

N.M - 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	
	30-Sep-11	31-Dec-10	30-Sep-11	31-Dec-10
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant & equipment	22,296	19,449	41	69
Intangible assets	119	119	-	-
Investment in subsidiaries	-	-	39,164	39,164
Investment in associates	15,178	22,712	92	92
Deferred tax assets	761	761	-	-
Trade receivables	6,118	5,214	-	-
Current assets				
Amounts due from subsidiaries	-	-	19,860	19,879
Development properties	152,413	77,015	-	-
Gross amount due from customers for work-in-progress	12,114	9,658	-	-
Inventories	2,124	2,443	-	-
Trade receivables	44,194	52,641	-	-
Other receivables	1,092	11,374	24	11
Pledged deposits	1,609	2,366	-	-
Cash and cash equivalents	40,984	44,864	1,010	2,647
	254,530	200,361	20,894	22,537
Current liabilities				
Amounts due to subsidiaries	-	-	10,584	10,293
Gross amount due to customers for work-in-progress	23,545	38,619	-	-
Trade and other payables	49,756	61,885	131	80
Other liabilities	5,979	4,224	525	443
Derivatives	1,175	-	-	-
Loans and borrowings	3,430	2,527	-	-
Income tax payable	2,464	2,138	48	24
	86,349	109,393	11,288	10,840
Net current assets	168,181	90,968	9,606	11,697
Non-current liabilities				
Trade payables	5,585	1,868	-	-
Derivatives	-	2,234	-	-
Deferred tax liabilities	2,944	2,041	-	-
Loans and borrowings	108,840	52,438	-	-
Net assets	95,284	80,642	48,903	51,022
Equity attributable to equity holders of the Company				
Share capital	43,966	43,966	43,966	43,966
Treasury shares	(562)	(252)	(562)	(252)
Share plan reserve	104	-	104	-
Retained earnings	50,997	35,576	5,395	7,308
Foreign currency translation reserve	(491)	269	-	-
	94,014	79,559	48,903	51,022
Non-controlling interests	1,270	1,083	-	-
Total equity	95,284	80,642	48,903	51,022

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

Amount repayable in one year or less, or on demand

As at 30/09/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$2,430,000	S\$1,000,000	S\$2,527,000	-

Amount repayable after one year

As at 30/09/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$108,840,000	-	S\$52,438,000	-

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly land loans, obligations under finance leases, bills payables and banker's acceptances. These are secured by charges over the properties held for sale at Lush on Holland Hill and Bliss@Kovan, Singapore, shop offices in Malaysia and fixed deposits from subsidiaries.

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 September		9 months ended 30 September	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Cash flows from operating activities				
Profit before tax	3,630	4,313	19,870	12,568
Adjustments for:				
Depreciation of property, plant and equipment	981	605	2,767	1,751
(Write-back of)/allowance for doubtful receivables (net)	(145)	(312)	373	(225)
Fair value (gain)/loss on derivative	(443)	211	(1,059)	1,257
Interest income	(110)	(45)	(331)	(64)
Interest expense	999	551	2,698	1,507
(Gain)/loss on disposal of plant and equipment	(40)	4	(149)	5
Share of results of associates	36	(1,737)	(2,065)	(4,849)
Write-back of provision for loss in value of land relating to a development property	-	(187)	-	(646)
Write-off of property, plant and equipment	-	122	-	425
Share based compensation expense	62	-	104	-
Operating profit before working capital changes	4,970	3,525	22,208	11,729
Decrease/(increase) in development properties	491	(1,657)	(74,787)	425
(Increase)/decrease in contract work-in-progress (net)	(4,145)	(1,572)	(17,530)	4,684
Decrease/(increase) in trade receivables	17,138	3,740	6,769	(7,482)
Decrease/(increase) in other receivables	617	(4,421)	10,282	(4,450)
(Increase)/decrease in inventories	(800)	(611)	319	898
(Decrease)/increase in trade and other payables	(18,560)	927	(8,495)	(656)
Increase in other liabilities	1,471	496	1,755	1,220
Cash from operations	1,182	427	(59,479)	6,368
Interest paid	(1,134)	(866)	(3,226)	(2,632)
Interest received	110	45	331	64
Income tax paid	(865)	(531)	(1,158)	(1,006)
Net cash (used in)/from operating activities	(707)	(925)	(63,532)	2,794
Cash flows from investing activities:				
Proceeds from disposal of property, plant and equipment	144	-	1,601	940
Purchase of property, plant and equipment (Note A)	(627)	(636)	(4,234)	(2,039)
Acquisition of equity interest in investment in associate	-	-	-	(31)
Dividend received from associate	-	-	9,600	-
Net cash (used in)/from investing activities	(483)	(636)	6,967	(1,130)
Cash flows from financing activities				
Dividends paid	-	(128)	(1,839)	(1,975)
Shares purchased held as treasury shares	(112)	-	(310)	(125)
Proceeds from/(repayment of) bank borrowings, net	-	85	1,000	(404)
Proceeds from long term borrowings	-	-	68,800	-
Repayment of long term borrowings	(7,390)	-	(12,390)	(4,000)
Repayment of finance leases	(619)	(406)	(2,585)	(911)
Net cash (used in)/from financing activities	(8,121)	(449)	52,676	(7,415)
Net decrease in cash & cash equivalents	(9,311)	(2,010)	(3,889)	(5,751)
Net effect of exchange rate changes in consolidating subsidiaries	(519)	553	9	331
Cash and cash equivalents at beginning of the period	50,814	45,580	44,864	49,543
Cash and cash equivalents at end of the period	40,984	44,123	40,984	44,123

1(c) Consolidated statement of cash flows (continued)

	Third quarter ended 30 September		9 months ended 30 September	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Comprising:				
Cash and bank balances	22,968	17,343	22,968	17,343
Fixed deposits	19,625	29,156	19,625	29,156
	42,593	46,499	42,593	46,499
Less: Pledged fixed deposits	(1,609)	(2,376)	(1,609)	(2,376)
	40,984	44,123	40,984	44,123

Note A

The Group acquired property, plant and equipment through the following arrangements:

	Third quarter ended 30 September		9 months ended 30 September	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Total cost of property, plant and equipment acquired	1,253	955	7,115	4,339
Less: Acquisition costs of property, plant and equipment satisfied by:				
- settlement of trade debts owing by customers	-	-	(401)	-
- hire purchase arrangements	(626)	(319)	(2,480)	(2,300)
Cash payments	627	636	4,234	2,039

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

	Attributable to equity holders of the Parent						TOTAL EQUITY S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Share plan reserve S\$'000	Non- controlling interests S\$'000	
Opening balance at 1 Jan 2011	43,966	(252)	35,576	269	-	1,083	80,642
Shares purchased held as treasury shares	-	(164)	-	-	-	-	(164)
Total comprehensive income for the period	-	-	9,426	313	-	78	9,817
Balance at 31 Mar and 1 Apr 2011	43,966	(416)	45,002	582	-	1,161	90,295
Shares purchased held as treasury shares	-	(34)	-	-	-	-	(34)
Share based compensation expense	-	-	-	-	42	-	42
Dividends paid	-	-	(1,839)	-	-	-	(1,839)
Total comprehensive income for the period	-	-	4,634	154	-	31	4,819
Balance at 30 Jun and 1 Jul 2011	43,966	(450)	47,797	736	42	1,192	93,283
Shares purchased held as treasury shares	-	(112)	-	-	-	-	(112)
Share based compensation expense	-	-	-	-	62	-	62
Total comprehensive income for the period	-	-	3,200	(1,227)	-	78	2,051
Closing balance at 30 Sep 2011	43,966	(562)	50,997	(491)	104	1,270	95,284
Opening balance at 1 Jan 2010	43,966	-	17,859	(88)	-	785	62,522
Shares purchased held as treasury shares	-	(125)	-	-	-	-	(125)
Total comprehensive income for the period	-	-	4,490	120	-	113	4,723
Balance at 31 Mar and 1 Apr 2010	43,966	(125)	22,349	32	-	898	67,120
Dividends paid	-	-	(1,847)	-	-	-	(1,847)
Total comprehensive income for the period	-	-	2,687	(278)	-	75	2,484
Balance at 30 Jun and 1 Jul 2010	43,966	(125)	23,189	(246)	-	973	67,757
Dividends paid	-	-	-	-	-	(128)	(128)
Total comprehensive income for the period	-	-	3,511	489	-	94	4,094
Closing balance at 30 Sep 2010	43,966	(125)	26,700	243	-	939	71,723

1(d)(i) A statement of changes in equity (continued)

Company

	Attributable to equity holders of the Company				Total equity S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Share plan reserve S\$'000	Retained earnings/ (accumulated losses) S\$'000	
Opening balance at 1 Jan 2011	43,966	(252)	-	7,308	51,022
Shares purchased held as treasury shares	-	(164)	-	-	(164)
Total comprehensive income for the period	-	-	-	190	190
Balance at 31 Mar and 1 Apr 2011	43,966	(416)	-	7,498	51,048
Shares purchased held as treasury shares	-	(34)	-	-	(34)
Share based compensation expense	-	-	42	-	42
Dividends paid	-	-	-	(1,839)	(1,839)
Total comprehensive income for the period	-	-	-	(56)	(56)
Balance at 30 Jun and 1 Jul 2011	43,966	(450)	42	5,603	49,161
Shares purchased held as treasury shares	-	(112)	-	-	(112)
Share based compensation expense	-	-	62	-	62
Total comprehensive income for the period	-	-	-	(208)	(208)
Closing balance at 30 Sep 2011	43,966	(562)	104	5,395	48,903
Opening balance at 1 Jan 2010	43,966	-	-	(4,157)	39,809
Shares purchased held as treasury shares	-	(125)	-	-	(125)
Total comprehensive income for the period	-	-	-	(64)	(64)
Balance at 31 Mar and 1 Apr 2010	43,966	(125)	-	(4,221)	39,620
Dividends paid	-	-	-	(1,847)	(1,847)
Total comprehensive income for the period	-	-	-	2,070	2,070
Balance at 30 Jun and 1 Jul 2010	43,966	(125)	-	(3,998)	39,843
Total comprehensive income for the period	-	-	-	173	173
Closing balance at 30 Sep 2010	43,966	(125)	-	(3,825)	40,016

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.

Share capital

There have been no changes to the issued share capital of the Company since the end of the previous financial year. As at 30 September 2011, the issued share capital of the Company was \$43,967,199 comprising 305,961,418 ordinary shares and 2,249,000 treasury shares.

Treasury shares

During 3Q11, the Company acquired 490,000 (3Q10: Nil) ordinary shares of the Company by way of market purchases on the Singapore Exchange and held as treasury shares.

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January 2011	1,000,000	252
Purchased in 1Q11	630,000	164
Purchased in 2Q11	129,000	34
Purchased in 3Q11	490,000	112
At 30 September 2011	<u>2,249,000</u>	<u>562</u>

Employee performance share plan

As at 30 September 2011, there were 1,170,000 (as at 30 September 2010: Nil) performance shares granted and outstanding (being contingent award) to eligible employees and directors under the BBR Share Plan.

	<u>No. of performance shares</u>
At 1 January 2011	-
Granted in 2Q11	1,170,000
At 30 September 2011	<u>1,170,000</u>

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 2011 was 305,961,418 (as at 31 December 2010: 307,210,418). The total number of treasury shares held as at 30 September 2011 was 2,249,000 (as at 31 December 2010: 1,000,000).

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 2011.

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 reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2010.

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.

There are no changes in accounting policies and methods of computation.

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.**

	Third Quarter Ended		9 Months Ended	
	30 September		30 September	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	Cents	Cents	Cents	Cents
Earnings per ordinary share of the Group attributable to shareholders				
(a) Based on the weighted average number of ordinary shares in issue	1.04	1.14	5.63	3.47
(b) On a fully diluted basis (detailing any adjustment made to earnings)	1.04	1.14	5.63	3.47

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 306,482,165 shares (2010: 307,863,733).

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**

	Group		Company	
	<u>30.9.11</u>	<u>31.12.10</u>	<u>30.9.11</u>	<u>31.12.10</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	30.73	25.90	15.98	16.58

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 – Third Quarter 2011 ('3Q11') vs Third Quarter 2010 ('3Q10')

Group revenue grew from \$77.4 million in 3Q10 to \$84.4 million in 3Q11 while net profit attributable to equity holders decreased to \$3.2 million in 3Q11 from \$3.5 million in the previous corresponding quarter.

The increase in revenue was mainly due to revenue progressively recognised for sold units from the property development segment, partially offset by lower revenue from general construction activities in this quarter.

Although revenue increased, gross profit remained the same over the two comparative periods at \$7.1 million as a result of lower gross margins recorded for general construction activities in the current quarter. Compared to last year, margins have been affected by rising cost of construction components, such as concrete, steel and workers' salaries.

Other income increased to \$1.7 million in 3Q11 from \$0.5 million in 3Q10, mainly due to foreign currency exchange gains. In 3Q11, upon the closure of the Group's overseas branches, their respective foreign currency translation reserves were transferred to exchange gains in the Income Statement.

Administrative cost in 3Q11 was \$1.4 million as compared to \$1.7 million in the previous corresponding period. In 3Q10, administrative costs included foreign exchange losses of \$0.6 million whereas in the current period, foreign exchange gains were recorded and included in other income. The decrease in administrative costs was partially offset by higher depreciation charges in the current period.

Other operating costs increased to \$3.1 million in 3Q11 from \$2.5 million in the previous corresponding quarter due to increase in staff remuneration as a result of additional headcount in tandem with a growing order book and rental expenses for warehouse space.

Finance costs in 3Q11 decreased to \$0.6 million as compared to \$0.8 million in 3Q10 mainly due to change in fair value on interest-rate derivative. Fair value loss of \$0.2 million was recorded in 3Q10 whereas a fair value gain of \$0.4 million was registered in the current quarter. However, this gain was partially offset by an increase in interest expense from term loan for the development property at Bliss@Kovan on Simon Lane.

Share of results in associates in 3Q11 and 3Q10 were mainly attributable to the Group's share of expenses and profit from sold units, respectively from Tennessee Pte Ltd in respect of the property development project at 8 Nassim Hill.

Income tax expense in 3Q11 halved to \$0.35 million from 3Q10 as a result of lower profits recorded in the current quarter.

Income Statement Review – 9 months 2011 ('9M11') vs 9 months 2010 ('9M10')

Group revenue more than doubled to \$320.6 million in 9M11 from \$146.2 million in 9M10, while gross profit increased by 55.6% to \$31.6 million in 9M11 from \$20.3 million in 9M10, and net profit attributable to shareholders rose to \$17.3 million from \$10.7 million over the two comparative periods.

The higher revenue achieved in 9M11 was mainly attributable to revenue contribution from various general construction projects in their active stage of construction and from revenue progressively recognised since first quarter 2011 from Lush on Holland Hill, a property development project.

Gross profit increased to \$31.6 million in the current period from \$20.3 million in the previous corresponding period as a result of higher revenue. However, gross profit margin for the current period at 9.9% was lower than the gross profit margin of 13.9% recorded in 9M10 due to different project mix.

Other income increased to \$1.9 million in 9M11 from \$1.7 million in 9M10, mainly due to foreign currency exchange gains. Upon the closure of the Group's overseas branches, their respective foreign currency translation reserves were transferred to exchange gains in the Income Statement.

Administrative cost increased to \$4.3 million in 9M11 from \$3.7 million, attributable to higher depreciation charges from purchases of construction equipment during the year. Other operating costs increased by 25.4% to \$9.8 million in 9M11 from \$7.8 million in the previous corresponding period, due largely to increase in staff remuneration, provision for doubtful receivables and higher rental charges for warehouse space.

Finance costs for 9M11 was \$1.6 million, down \$1.2 million from \$2.8 million in 9M10. As discussed earlier, the Group incurred fair value loss on interest-rate derivative for 9M10 but recorded a fair value gain in the current period. This fair value gain was partially offset by an increase in interest expense from term loan for the development property at Bliss@Kovan on Simon Lane.

The Group's share of results from associates decreased to \$2.1 million in 9M11 from \$4.8 million in the previous corresponding period. Profits from associates relate mainly to the property development project at 8 Nassim Hill.

The Group recorded higher income tax expense of \$2.4 million in the current period as compared with \$1.6 million in 9M10, in line with higher taxable profits recorded in 9M11.

Statement of Financial Position Review

The net book value of the Group's property, plant and machinery increased by \$2.9 million or 14.6% from \$19.4 million as at 31 December 2010 to \$22.3 million as at 30 September 2011. During the period, the Group acquired a piece of leasehold land for storage and provision of engineering services and also other construction equipment after disposal of some aged fixed assets.

Investments in associates decreased from \$22.7 million as at 31 December 2010 to \$15.2 million as at 30 September 2011, after Tennessee Pte Ltd ("Tennessee") distributed dividends in the first half of 2011.

Development properties rose to \$152.4 million as at 30 September 2011 from \$77.0 million as at 31 December 2010, due largely to acquisition of land for development of Bliss@Kovan at Simon Lane and costs for ongoing construction at Lush on Holland Hill, partially offset by progressive payments received for sold units at the two development properties.

Trade receivables, current & non-current, decreased by \$7.6 million or 13.0% to \$50.3 million as at 30 September 2011 from \$57.9 million as at 31 December 2010, because trade collections were relatively prompt up to 30 September 2011. Other receivables decreased significantly from \$11.4 million as at 31 December 2010 to \$1.1 million as at 30 September 2011 after Tennessee repaid a shareholders' loan to the Group.

Cash and cash equivalents as at 30 September 2011 decreased by \$3.9 million to \$41.0 million from \$44.9 million as at 31 December 2010, mainly due to payments (net after borrowings) on completion of the purchase of the development property at Simon Lane, prepayments in respect of early settlement for property development term loan, purchases of leasehold land and construction equipment, and dividends paid to shareholders. Cash outflows were partially offset by dividends received and repayment of shareholders' loan from Tennessee.

Current and non-current trade and other payables as at 30 September 2011 decreased by 13.2% to \$55.3 million from \$63.8 million as at 31 December 2010 because certain major general construction projects were nearing completion and project costs had been substantially paid to suppliers and subcontractors. Similarly, net amounts due to customers for work-in-progress decreased to \$11.4 million as at 30 September 2011 from \$29.0 million as at 31 December 2010 as work-in-progress for these projects were substantially recognised as revenue and costs.

Liability for interest-rate derivative to hedge against the risk of interest rate hikes for term loan decreased by \$1.0 million from \$2.2 million as at 31 December 2010 to \$1.2 million as at 30 September 2011 due to fair value gain on derivative in the current period. Total bank loans and borrowings increased by \$57.3 million during the current nine months period to \$112.3 million, mainly due to increase in borrowings of \$68.8 million for the purchase of the development property at Simon Lane and partially offset by prepayments of an existing term loan.

Provision for taxation and deferred tax liabilities rose by \$1.2 million to \$5.4 million as at 30 September 2011, in tandem with higher profits recorded during the period.

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 14 October 2011, the Ministry of Trade and Industry announced that based on advanced estimates, the economy in the third quarter of 2011 grew by 5.9 per cent on a year-on-year basis, an improvement from the 1.0 per cent growth in the second quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 1.3 per cent, after contracting by 6.3 per cent in the previous quarter. The construction sector grew marginally by 0.4 per cent on a year-on-year basis in the third quarter, following the growth of 1.5 per cent in the preceding quarter. On a sequential basis, the construction sector contracted by 11.5 per cent, following two consecutive quarters of expansion. This was largely due to a decline in private sector building activities. In view of the estimated moderate growth in the Singapore economy and the construction sector in 3Q11, increasing local and foreign competition and expected increase in labour and material costs, the outlook for the construction industry is expected to be challenging in the next 12 months.

The Group will continue to focus on its core business by leveraging its strong track record and competency in building construction and civil engineering to secure more public sector projects as well as to explore ways of enhancing cost effectiveness and optimise its efficiency in the management of potential and on-going projects. The Group continues to conduct feasibility studies to undertake new property development projects.

As at the date of this announcement, the Group has an order book of \$483 million, predominantly in Singapore and Malaysia. The Group expects to remain profitable for FY 2011.

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.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions "IPTs", 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.

No IPT mandate has been obtained pursuant to Rule 920(1).

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 2011 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