



# HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the financial year ended 31 December 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.

	Financial year ended 31 December		
	2011 S\$'000	2010 S\$'000	Change %
<b><u>INCOME STATEMENT</u></b>			
<b>Revenue</b>	413,323	205,771	100.9
<b>Cost of sales</b>	(371,649)	(174,217)	113.3
<b>Gross profit</b>	41,674	31,554	32.1
Other income	2,285	3,950	(42.2)
Foreign exchange gain/(loss) - net <sup>(1)</sup>	505	(701)	N.M.
Administrative costs <sup>(1)</sup>	(7,565)	(4,584)	65.0
Other operating costs	(14,023)	(12,724)	10.2
Finance costs	(1,684)	(2,988)	(43.6)
Share of results of associates	1,868	7,647	(75.6)
<b>Profit before tax</b>	23,060	22,154	4.1
Income tax expenses	(2,693)	(2,141)	25.8
<b>Profit for the year</b>	<u>20,367</u>	<u>20,013</u>	1.8
<b>Attributable to:</b>			
Owners of the parent	20,120	19,564	2.8
Non-controlling interests	247	449	(45.0)
	<u>20,367</u>	<u>20,013</u>	1.8
N.M. Not meaningful			

<sup>(1)</sup> 2010's foreign exchange loss has been reclassified from 'Administrative costs' to 'Foreign exchange gain/(loss) - net' to conform with current year presentation.

## STATEMENT OF COMPREHENSIVE INCOME

Profit for the year

Other comprehensive income:

Foreign currency translation differences

Other comprehensive income for the year

**Total comprehensive income for the year**

**Total comprehensive income attributable to:**

Owners of the parent

Non-controlling interests

Financial year ended 31 December		
2011 S\$'000	2010 S\$'000	Change %
20,367	20,013	1.8
(673)	333	N.M
(673)	333	N.M
<b>19,694</b>	<b>20,346</b>	(3.2)
19,475	19,921	(2.2)
219	425	(48.5)
<b>19,694</b>	<b>20,346</b>	(3.2)

## NOTES TO INCOME STATEMENT

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

Depreciation of property, plant and equipment

Foreign exchange (gain)/loss, net

Gain on disposal of property, plant and equipment

Interest expense

Interest income

Allowance for doubtful receivables, net

Write-off of trade receivables

Write-off of property, plant and equipment

Impairment loss on property, plant & equipment

Fair value (gain)/loss on derivatives

Write-back of provision for loss in value of land relating to a development property

Overprovision for income tax in respect of previous years

Share based compensation expense

3,874	2,523	53.5
(505)	701	N.M
(270)	(105)	157.1
3,498	2,075	68.6
(183)	(163)	12.3
597	83	619.3
5	543	(99.1)
-	332	N.M
-	12	N.M
(1,814)	842	N.M
-	(1,441)	N.M
(272)	(549)	(50.5)
166	-	N.M

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.**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-11</b>	<b>31-Dec-10</b>	<b>31-Dec-11</b>	<b>31-Dec-10</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets</b>				
Property, plant & equipment	21,254	19,449	32	69
Intangible assets	119	119	-	-
Investment in subsidiaries	-	-	39,383	39,164
Investment in associates	14,978	22,712	92	92
Deferred tax assets	486	761	-	-
Other receivables	1,000	-	-	-
Trade receivables	7,207	5,214	-	-
<b>Current assets</b>				
Amounts due from subsidiaries	-	-	21,045	19,879
Development properties	138,225	77,015	-	-
Gross amount due from customers for work-in-progress	10,952	9,658	-	-
Inventories	2,839	2,443	-	-
Trade receivables	47,397	52,641	-	-
Other receivables	1,560	11,374	28	11
Pledged deposits	1,709	2,366	-	-
Cash and cash equivalents	51,882	44,864	453	2,647
	<b>254,564</b>	<b>200,361</b>	<b>21,526</b>	<b>22,537</b>
<b>Current liabilities</b>				
Amounts due to subsidiaries	-	-	10,373	10,293
Gross amount due to customers for work-in-progress	24,728	38,619	-	-
Trade and other payables	51,379	61,885	153	80
Other liabilities	4,128	4,224	455	443
Derivatives	420	-	-	-
Loans and borrowings	3,420	2,527	-	-
Income tax payable	1,654	2,138	26	24
	<b>85,729</b>	<b>109,393</b>	<b>11,007</b>	<b>10,840</b>
<b>Net current assets</b>	<b>168,835</b>	<b>90,968</b>	<b>10,519</b>	<b>11,697</b>
<b>Non-current liabilities</b>				
Trade payables	6,378	1,868	-	-
Derivatives	-	2,234	-	-
Deferred tax liabilities	3,664	2,041	-	-
Loans and borrowings	105,523	52,438	-	-
<b>Net assets</b>	<b>98,314</b>	<b>80,642</b>	<b>50,026</b>	<b>51,022</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	43,966	43,966	43,966	43,966
Treasury shares	(601)	(252)	(601)	(252)
Share plan reserve	166	-	166	-
Retained earnings	53,857	35,576	6,495	7,308
Foreign currency translation reserve	(376)	269	-	-
	<b>97,012</b>	<b>79,559</b>	<b>50,026</b>	<b>51,022</b>
Non-controlling interests	1,302	1,083	-	-
<b>Total equity</b>	<b>98,314</b>	<b>80,642</b>	<b>50,026</b>	<b>51,022</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 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$3,420,000	-	S\$2,527,000	-

**Amount repayable after one year**

As at 31/12/2011		As at 31/12/2010	
Secured	Unsecured	Secured	Unsecured
S\$105,523,000	-	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, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Financial year ended	
	31 December	
	2011	2010
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	23,060	22,154
Adjustments for:		
Depreciation of property, plant and equipment	3,874	2,523
Allowance for doubtful receivables, net	597	83
Fair value (gain)/loss on derivatives	(1,814)	842
Interest income	(183)	(163)
Interest expense	3,498	2,075
Gain on disposal of property, plant and equipment	(270)	(105)
Share of results of associates	(1,868)	(7,647)
Write-off of trade receivables	5	543
Write-back of provision for loss in value of land relating to development property	-	(1,441)
Write-off of property, plant and equipment	-	332
Impairment loss on property, plant and equipment	-	12
Foreign currency translation difference	(1,080)	-
Share based compensation expense	166	-
<b>Operating profit before working capital changes</b>	<b>25,985</b>	<b>19,208</b>
Decrease in investment securities	-	13
Increase in development properties	(60,456)	(8,145)
(Decrease)/increase in amount due to customers for work-in-progress, net	(15,185)	12,010
Decrease/(increase) in trade receivables	2,245	(18,417)
Decrease/(increase) in other receivables	8,816	(804)
Decrease in inventories	534	1,532
(Decrease)/increase in trade and other payables	(5,891)	6,058
(Decrease)/increase in other liabilities	(96)	1,500
<b>Cash from operations</b>	<b>(44,048)</b>	<b>12,955</b>
Interest paid	(4,357)	(3,508)
Interest received	183	163
Income tax paid	(1,279)	(1,467)
<b>Net cash (used in)/from operating activities</b>	<b>(49,501)</b>	<b>8,143</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	1,946	1,395
Purchase of property, plant and equipment (Note A)	(4,569)	(3,570)
Acquisition of equity interest in investment in associates	-	(31)
Dividend received from associate	9,600	-
<b>Net cash from/(used in) investing activities</b>	<b>6,977</b>	<b>(2,206)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,839)	(1,973)
Shares purchased held as treasury shares	(349)	(252)
Proceeds from/(repayment of) bank borrowings, net	821	(489)
Proceeds from long term borrowings	68,800	-
Repayment of long term borrowings	(15,675)	(6,800)
Repayment of finance leases	(3,321)	(1,454)
Decrease in pledged deposits	657	-
<b>Net cash from/(used in) financing activities</b>	<b>49,094</b>	<b>(10,968)</b>
Net increase/(decrease) in cash & cash equivalents	6,570	(5,031)
Net effect of exchange rate changes in consolidating subsidiaries	448	352
Cash and cash equivalents at beginning of the year	44,864	49,543
<b>Cash and cash equivalents at end of the year</b>	<b>51,882</b>	<b>44,864</b>

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

Cash and bank balances  
 Fixed deposits  
  
 Less: Pledged fixed deposits

Financial year ended 31 December	
2011	2010
S\$'000	S\$'000
30,079	22,660
23,512	24,570
53,591	47,230
(1,709)	(2,366)
<b>51,882</b>	<b>44,864</b>

Note A

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

Total cost of property, plant and equipment acquired  
 Less: Acquisition costs of property, plant and equipment satisfied by:  
     - settlement of trade debts owing by customers  
     - hire purchase arrangements  
 Cash payments

Financial year ended 31 December	
2011	2010
S\$'000	S\$'000
7,046	9,021
(404)	-
(2,073)	(5,451)
4,569	3,570

**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	-	(349)	-	-	-	-	(349)
Total comprehensive income for the year	-	-	20,120	(645)	-	219	19,694
Share based compensation expense	-	-	-	-	166	-	166
Dividends paid	-	-	(1,839)	-	-	-	(1,839)
<b>At 31 December 2011</b>	<b>43,966</b>	<b>(601)</b>	<b>53,857</b>	<b>(376)</b>	<b>166</b>	<b>1,302</b>	<b>98,314</b>
Opening balance at 1 Jan 2010	43,966	-	17,859	(88)	-	785	62,522
Shares purchased held as treasury shares	-	(252)	-	-	-	-	(252)
Total comprehensive income for the year	-	-	19,564	357	-	425	20,346
Dividends paid	-	-	(1,847)	-	-	(127)	(1,974)
<b>At 31 December 2010</b>	<b>43,966</b>	<b>(252)</b>	<b>35,576</b>	<b>269</b>	<b>-</b>	<b>1,083</b>	<b>80,642</b>

Company

	Attributable to equity holders of the Company				
	Share capital S\$'000	Treasury shares S\$'000	Share plan reserve S\$'000	Retained earnings S\$'000	TOTAL EQUITY S\$'000
Opening balance at 1 Jan 2011	43,966	(252)	-	7,308	51,022
Shares purchased held as treasury shares	-	(349)	-	-	(349)
Total comprehensive income for the year	-	-	-	1,026	1,026
Share based compensation expense	-	-	166	-	166
Dividends paid	-	-	-	(1,839)	(1,839)
<b>At 31 December 2011</b>	<b>43,966</b>	<b>(601)</b>	<b>166</b>	<b>6,495</b>	<b>50,026</b>
Opening balance at 1 Jan 2010	43,966	-	-	(4,157)	39,809
Shares purchased held as treasury shares	-	(252)	-	-	(252)
Total comprehensive income for the year	-	-	-	13,312	13,312
Dividends paid	-	-	-	(1,847)	(1,847)
<b>At 31 December 2010</b>	<b>43,966</b>	<b>(252)</b>	<b>-</b>	<b>7,308</b>	<b>51,022</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.**

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 31 December 2011, the issued share capital of the Company was \$43,967,199 comprising 305,772,418 ordinary shares and 2,438,000 treasury shares.

Treasury shares

During the year, the Company acquired 1,438,000 (2010: 1,000,000) 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 2011	1,438,000	349
At 31 December 2011	<u>2,438,000</u>	<u>601</u>

Employee performance share plan

As at 31 December 2011, there were 1,170,000 (31 December 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 2011	1,170,000
At 31 December 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 31 December 2011 was 305,772,418 (31 December 2010: 307,210,418). The total number of treasury shares held as at 31 December 2011 was 2,438,000 (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.**

Save as disclosed in para 1(d)(ii), there were no sales, transfers, disposal, cancellation and/or use of treasury shares during the financial year ended 31 December 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.**

Except as disclosed in paragraph 5 below, 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.**

The Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2011. Changes to the Group's accounting policies have been made as required, in accordance with respective FRSs and INT FRSs.

The following are the new or amended FRSs that are relevant to the Group:

- INT FRS 115 Agreements for the Construction of Real Estate;
- Revised FRS 24 Related party disclosures; and
- Improvements to FRSs issued in 2010.

The adoption of the above FRSs and INT FRSs did not have any significant impact on the financial statements of the Group.

**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>Financial year ended 31 Dec</b>	
	<u>2011</u> Cents	<u>2010</u> Cents
Earnings per ordinary share of the Group attributable to shareholders		
(a) Based on the weighted average number of ordinary shares in issue	6.57	6.36
(b) On a fully diluted basis (detailing any adjustment made to earnings)	6.57	6.36

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 306,305,886 shares (2010: 307,755,062).

**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>	
	<u>30.12.11</u> Cents	<u>31.12.10</u> Cents	<u>30.12.11</u> Cents	<u>31.12.10</u> Cents
Net asset value per ordinary share based on issued capital at the end of the year	31.73	25.90	16.36	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 – Financial year ended 31 December 2011 ('FY11') vs financial year ended 31 December 2010 ('FY10')

Group revenue doubled to \$413.3 million in FY11 from \$205.8 million in FY10, while gross profit increased by 32.1% to \$41.7 million in FY11 from \$31.6 million in FY10. Net profit attributable to shareholders rose to \$20.1 million from \$19.6 million over the two comparative years.

The higher revenue achieved in FY11 was mainly attributable to revenue contribution from various general construction projects which were in their active stage of construction and from revenue progressively recognised since first quarter 2011 from Lush on Holland Hill, a property development project. Revenue from general construction and specialized engineering in FY11 grew 68.7% and 28.5% respectively, from FY10.

Gross profit increased to \$41.7 million in FY11 compared to \$31.6 million in the previous corresponding year as a result of higher revenue. However, gross profit margin of 10.1% for FY11 was lower than the gross profit margin of 15.3% recorded in FY10 mainly due to different project mix. Project margins in FY11 have also been affected by rising cost of construction components, such as concrete and steel, and workers' salaries

Other income decreased to \$2.3 million in FY11 from \$4.0 million in FY10, the higher amount recorded in the previous corresponding year was due to a write-back of provision for loss in land relating to property development.

In FY11, foreign exchange currency gains comprise mainly of foreign currency translation reserves transferred to exchange gains in the Income Statement upon the closure of the Group's overseas branches. Exchange loss in FY10 was mainly recorded by its Sri Lanka branch office due to the weakening of the rupee.

Administrative cost increased to \$7.6 million in FY11 from \$4.6 million, mainly attributable to commissions for housing agents relating to the Group's property development projects, and higher depreciation charges from purchases of construction equipment during FY11. Other operating costs increased by 10.2% to \$14.0 million in FY11 from the previous corresponding year. This was due to increases in staff remuneration as a result of additional headcount in tandem with a growing order book and rental for warehousing space, which were partially offset by lower write-off of trade receivables as compared to FY10.

Finance costs for FY11 was \$1.7 million compared to \$3.0 million in FY10, mainly attributable to a fair value loss on interest-rate derivative recorded in FY10 versus a fair value gain in FY11. This fair value gain was partially offset by an increase in interest expense from a term loan for the development property at Bliss@Kovan on Simon Lane.

The Group's share of results from associates decreased to \$1.9 million in FY11 from \$7.6 million in the previous corresponding year. Profits from associates relate mainly to the Group's share of profit at 8 Nassim Hill.

The Group recorded higher income tax expense of \$2.7 million in FY11 as compared with \$2.1 million in FY10, in line with higher taxable profits recorded in FY11.

## Statement of Financial Position Review

The net book value of the Group's property, plant and machinery increased by \$1.8 million or 9.3% from \$19.4 million as at 31 December 2010 to \$21.3 million as at 31 December 2011. The increase in FY11 was attributable to acquisition of a piece of leasehold land for storage and provision of engineering services, and other construction equipment, and partially offset by disposal of aged fixed assets.

Investments in associates decreased to \$15.0 million as at 31 December 2011 from \$22.7 million as at 31 December 2010, after Tennessee Pte Ltd ("Tennessee") distributed dividends in the first half of 2011.

Development properties rose to \$138.2 million as at 31 December 2011 from \$77.0 million as at 31 December 2010. This was due largely to acquisition of land for development of Bliss@Kovan at Simon Lane and costs for ongoing construction at Lush on Holland Hill, which were partially offset by progressive payments received for sold units at the two development properties.

Trade receivables, current and non-current, decreased by \$3.3 million or 5.6% to \$54.6 million as at 31 December 2011 from \$57.9 million as at 31 December 2010, because trade collections were relatively prompt up to 31 December 2011. Other receivables, including non-current portion, decreased significantly from \$11.4 million as at 31 December 2010 to \$2.6 million as at 31 December 2011 after Tennessee repaid a shareholders' loan to the Group.

Cash and cash equivalents as at 31 December 2011 increased by \$7.0 million to \$51.9 million from \$44.9 million as at 31 December 2010, mainly from dividends received and repayment of a shareholders' loan from Tennessee. Cash inflows were partially offset by payments (net after borrowings) for 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.

Current and non-current trade and other payables as at 31 December 2011 decreased to \$57.8 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 \$13.8 million as at 31 December 2011 from \$29.0 million as at 31 December 2010 attributable to increasing stages of completion for certain major projects which have been translated into revenue and costs recognition.

Liability for interest-rate derivative to hedge against the risk of interest rate hikes for term loan decreased to \$0.4 million from \$2.2 million as at 31 December 2010 due to fair value gain on derivative in FY11. Total bank loans and borrowings increased by \$54.0 million in FY11 to \$108.9 million as at 31 December 2011. This was mainly due to an increase in borrowings of \$68.8 million for the purchase of the development property at Simon Lane and was partially offset by prepayments of an existing term loan.

Provision for taxation and deferred tax liabilities rose by \$1.1 million to \$5.3 million as at 31 December 2011, in tandem with higher profits recorded in FY11.

**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 previous announcement.

**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 16 February 2012, the Ministry of Trade and Industry (MTI) announced that the economy in the fourth quarter of 2011 grew by 3.6 per cent on a year-on-year basis, compared to the 6.0 per cent growth in the third quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 2.5 per cent, following the 2.0 per cent gain in the previous quarter. For the whole of 2011, the Singapore economy expanded by 4.9 per cent, in line with MTI's growth forecast of around 5.0 per cent for the year.

The construction sector grew by 2.9 per cent on a year-on-year basis, up from 2.4 per cent in the preceding quarter. On a sequential basis, the construction sector contracted by an annualised rate of 2.2 per cent, mainly due to a decline in private residential and commercial building activities.

According to the Building and Construction Authority (BCA), total construction demand in Singapore was S\$32.3 billion for 2011, with 46.1 per cent of contribution from the public sector. Civil engineering projects for both public and private sectors accounted for 20.1 per cent of the total demand. BCA is forecasting the overall construction demand of between S\$21.0 billion and S\$27.0 billion for 2012. Public sector construction orders are expected to contribute between S\$13.0 billion and S\$15.0 billion, with civil engineering works accounting for between S\$4.6 billion and S\$5.7 billion. The support is likely to come from the continued strong public housing development demand as well as construction demand for institutional buildings and civil engineering projects.

While construction demand in Singapore appears to be healthy, the global economic outlook is expected to remain subdued with major Asian economies also likely to see slower growth, according to the MTI. It is maintaining its 2012 economic growth forecast at between 1.0 and 3.0 per cent. In view of the estimated moderate growth in the Singapore economy, 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 \$590 million, predominantly in Singapore and Malaysia.

## 11. Dividend

### **(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

The Board of Directors recommends a one-tier tax-exempt first and final dividend for approval by shareholders at the forthcoming annual general meeting to be convened.

### **(b) (i) Amount per share – 0.8 cents per share**

**(ii) Previous corresponding period – 0.6 cents per share**

### **(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived (if the dividend is not taxable in the hands of shareholders, this must be stated)**

The proposed first and final dividend is tax exempt.

### **(d) The date the dividend is payable**

The proposed first and final dividend will be paid on 18 May 2012 if approved at the Annual General Meeting to be held on 27 April 2012.

- (e) **The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Registrable transfers received by the Company's share registrar, Boardroom Corporate and Advisory Services Pte Ltd, at 50 Raffles Place, Singapore Land Tower, #32-01, Singapore 048623, up to 5.00 pm on 9 May 2012, will be registered before entitlement to the dividend are determined.

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

Not applicable

## **PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13. **Segmented revenue and results for business or geographical 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) Business segments

The Group has 3 primary business segments that are organised and managed separately : specialised engineering, general construction and property development.

### *Specialised engineering*

This segment is in the business of post-tensioning, laying stay cable systems for structural engineering applications, piling and foundation systems, heavy lifting, bridge design and construction, maintenance, repair and retrofitting.

### *General construction*

This segment is in the business of design and build, general building construction and civil and structural engineering construction.

### *Property development*

This segment is in the business of property development, focusing on developing residential properties.

## **Analysis**

Segment revenue and expenses, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Inter-segment transfers of revenue and expenses include transfers between business segments and are eliminated on consolidation. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties.

<b><u>Business segment</u></b>	<b><u>Specialised Engineering</u></b> \$'000	<b><u>General Construction</u></b> \$'000	<b><u>Property Development</u></b> \$'000	<b><u>Total</u></b> \$'000
<b><u>2011</u></b>				
External revenue	78,871	243,168	91,256	<b>413,295</b>
Inter-segment revenue	20,090	36,153	-	<b>56,243</b>
Interest income	90	81	12	<b>183</b>
Interest expense	112	85	3,301	<b>3,498</b>
Depreciation of property, plant & equipment	2,160	1,677	-	<b>3,837</b>
Share of results of associates	147	2	1,719	<b>1,868</b>
<b>Other non-cash items:</b>				
Allowance for doubtful receivables, net	597	-	-	<b>597</b>
Write-off of trade receivables	5	-	-	<b>5</b>
Fair value gain on derivatives	-	-	(1,814)	<b>(1,814)</b>
Share based compensation expense	52	57	-	<b>109</b>
Segment profit before tax	8,595	6,612	9,060	<b>24,267</b>
Income tax expenses/(credit)	909	(45)	1,837	<b>2,701</b>
<b>Assets</b>				
Investment in associates	520	-	14,458	<b>14,978</b>
Additions to property, plant & equipment	4,004	2,638	-	<b>6,642</b>
Segment assets	49,615	75,328	174,152	<b>299,095</b>
Segment liabilities	32,063	60,828	107,771	<b>200,662</b>
<b><u>2010</u></b>				
External revenue	61,603	144,140	-	<b>205,743</b>
Inter-segment revenue	16,538	-	-	<b>16,538</b>
Interest income	102	56	3	<b>161</b>
Interest expense	34	86	1,949	<b>2,069</b>
Depreciation of property, plant & equipment	581	1,887	-	<b>2,468</b>
Share of results of associates	103	-	7,544	<b>7,647</b>
<b>Other non-cash items:</b>				
(Write-back of)/allowance for doubtful receivables, net	(238)	321	-	<b>83</b>
Write-off of trade receivables	419	-	-	<b>419</b>
Write-off of property, plant & equipment	-	332	-	<b>332</b>
Fair value loss on derivatives	-	-	842	<b>842</b>
Write-back of provision for loss in value of land relating to a development property	-	-	1,441	<b>1,441</b>
Segment profit before tax	10,339	9,137	5,067	<b>24,543</b>
Income tax expenses	839	1,232	54	<b>2,125</b>
<b>Assets</b>				
Investment in associates	373	-	22,339	<b>22,712</b>
Additions to property, plant & equipment	3,409	5,612	-	<b>9,021</b>
Segment assets	35,688	96,575	113,592	<b>245,855</b>
Segment liabilities	26,186	87,863	53,375	<b>167,424</b>

Reconciliations

	<u>2011</u>	<u>2010</u>
	\$'000	\$'000
<b>Revenue</b>		
Total revenue for reportable segments	469,538	222,281
Management fee from an associate	28	28
Elimination of intersegment revenue	(56,243)	(16,538)
	<u>413,323</u>	<u>205,771</u>
<b>Profit before tax</b>		
Total profit before tax for reportable segments	24,267	24,543
Management fee from an associate	28	28
Unallocated amounts:		
Other corporate income	1,018	33
Finance costs	-	(6)
Other corporate expenses	(2,253)	(2,444)
	<u>23,060</u>	<u>22,154</u>
<b>Assets</b>		
Total assets for reportable segments	299,095	245,855
Other unallocated amounts	513	2,761
	<u>299,608</u>	<u>248,616</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	200,662	167,424
Other liabilities	-	-
Other unallocated amounts	632	550
	<u>201,294</u>	<u>167,974</u>

Other material items	<u>2011</u>			<u>2010</u>		
	<u>Reportable</u>	<u>Adjustments</u>	<u>Entity totals</u>	<u>Reportable</u>	<u>Adjustments</u>	<u>Entity totals</u>
	segment totals			segment totals		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	183	-	183	161	2	163
Interest expense	3,498	-	3,498	2,069	6	2,075
Depreciation	3,837	37	3,874	2,468	55	2,523
Allowance for doubtful receivables, net	597	-	597	83	-	83
Write-off of trade receivables	5	-	5	419	124	543
Share based compensation expense	109	57	166	-	-	-
Additions to property, plant & equipment	6,642	-	6,642	9,021	-	9,021

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's non-current assets. Segment revenue is analysed based on the location of assets producing the revenues.

	Revenue		Non-current assets	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<u>Countries</u>				
Singapore	386,336	180,734	42,017	44,255
Malaysia	26,987	25,037	2,929	3,737
Sri Lanka	-	-	-	165
Others	-	-	98	98
	<u>413,323</u>	<u>205,771</u>	<u>45,044</u>	<u>48,255</u>

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to Paragraph 8 above.

**15. A breakdown of sales**

GROUP	Year ended 31 December		Increase/ (Decrease)
	2011 S\$'000	2010 S\$'000	%
(a) Sales reported for the first half year	236,205	68,740	243.6
(b) Operating profit after tax before deducting non-controlling interest reported for the first half year	14,205	7,335	93.7
(c) Sales reported for the second half year	177,118	137,031	29.3
(d) Operating profit after tax before deducting non-controlling interest reported for the second half year	6,162	12,678	(51.4)



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

	Latest Full Year 2011 S\$'000	Previous Full Year 2010 S\$'000
Ordinary	2,446	1,843
Preference	-	-
Total:	<u>2,446</u>	<u>1,843</u>

**17. If the Group has obtained a general mandate from shareholders for 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).

<b>Name of interested person</b>	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
<u>Licence Fee</u> BBR VT International Ltd (A related corporation of BBR Holding Ltd., Switzerland, a controlling shareholder of the Company)	193	Nil

**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(11).**

Pursuant to Rule 704 of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is related to the director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Tan Kheng Hwee, Andrew  
Executive Director

28 February 2012