



# HOLDINGS (S) LTD

Registration No.: 199304349M

## Financial Statement for the First Quarter and Three months Ended 31 March 2012

### 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.

	First quarter ended 31 Mar		
	2012 S\$'000	2011 S\$'000	Change %
<b>INCOME STATEMENT</b>			
<b>Revenue</b>	94,338	109,432	(13.8)
<b>Cost of sales</b>	(85,241)	(95,717)	(10.9)
<b>Gross profit</b>	9,097	13,715	(33.7)
Other operating income	521	310	68.1
Other income/(expense) <sup>(1)</sup>	9	(387)	N.M.
Administrative costs <sup>(1)</sup>	(1,880)	(1,134)	65.8
Other operating costs	(3,359)	(3,415)	(1.6)
Finance costs	49	(560)	N.M.
Share of results of associates	17	2,050	(99.2)
<b>Profit before taxation</b>	4,454	10,579	(57.9)
Income tax expenses	(916)	(1,068)	(14.2)
<b>Profit for the period</b>	3,538	9,511	(62.8)
<b>Attributable to:</b>			
Owners of the parent	3,507	9,426	(62.8)
Non-controlling interests	31	85	(63.5)
	3,538	9,511	(62.8)
N.M. - Not meaningful			

<sup>(1)</sup> 1Q2011 foreign exchange loss - net has been reclassified from 'Administrative costs' to 'Other income/(expense)' to conform with current period's presentation

## STATEMENT OF COMPREHENSIVE INCOME

Profit for the period
Other comprehensive income:
Foreign currency translation differences
Other comprehensive income for the period, net of tax
<b>Total comprehensive income for the period</b>

### Total comprehensive income attributable to:

Owners of the parent
Non-controlling interests

First quarter ended 31 March		
2012 S\$'000	2011 S\$'000	Change %
3,538	9,511	(62.8)
39	306	(87.3)
39	306	(87.3)
<b>3,577</b>	<b>9,817</b>	(63.6)
3,543	9,739	(63.6)
34	78	(56.4)
<b>3,577</b>	<b>9,817</b>	(63.6)

## NOTES TO INCOME STATEMENT

The following items have been included in arriving at profit for the period:

Depreciation of property, plant and equipment	1,100	783	40.5
Foreign exchange (gain)/loss	(9)	387	N.M.
Loss/(gain) on disposal of property, plant and equipment	72	(36)	N.M.
Interest expense	371	771	(51.9)
Interest income	(39)	(19)	105.3
(Write-back of)/allowance for doubtful receivables (net)	(81)	50	N.M.
Fair value gain on derivative	(420)	(221)	90.0
Share based compensation expense	62	-	N.M.
Under/(over) provision of income tax in respect of previous years	55	(149)	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.**

	Group		Company	
	31-Mar-12 S\$'000	31-Dec-11 S\$'000	31-Mar-12 S\$'000	31-Dec-11 S\$'000
<b>Non-current assets</b>				
Property, plant & equipment	21,188	21,254	22	32
Intangible assets	119	119	-	-
Investment in subsidiaries	-	-	39,424	39,383
Investment in associates	14,995	14,978	92	92
Deferred tax assets	486	486	-	-
Trade receivables	5,628	7,207	-	-
Other receivables	1,000	1,000	-	-
<b>Current assets</b>				
Amounts due from subsidiaries	-	-	20,762	21,045
Development properties	134,168	138,225	-	-
Gross amount due from customers for work-in-progress	10,878	10,952	-	-
Inventories	3,062	2,839	-	-
Trade receivables	66,865	47,397	-	-
Other receivables	1,275	1,560	35	28
Pledged deposits	1,906	1,709	-	-
Cash and cash equivalents	36,508	51,882	945	453
	<b>254,662</b>	<b>254,564</b>	<b>21,742</b>	<b>21,526</b>
<b>Current liabilities</b>				
Amounts due to subsidiaries	-	-	10,574	10,373
Gross amount due to customers for work-in-progress	28,735	24,728	-	-
Trade and other payables	54,867	51,379	105	153
Other liabilities	5,109	4,128	453	455
Derivatives	-	420	-	-
Loans and borrowings	32,466	3,420	-	-
Income tax payable	1,157	1,654	34	26
	<b>122,334</b>	<b>85,729</b>	<b>11,166</b>	<b>11,007</b>
<b>Net current assets</b>	<b>132,328</b>	<b>168,835</b>	<b>10,576</b>	<b>10,519</b>
<b>Non-current liabilities</b>				
Trade payables	5,230	6,378	-	-
Deferred tax liabilities	4,440	3,664	-	-
Loans and borrowings	64,246	105,523	-	-
<b>Net assets</b>	<b>101,828</b>	<b>98,314</b>	<b>50,114</b>	<b>50,026</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(726)	(601)	(726)	(601)
Share plan reserves	228	166	228	166
Retained earnings	57,363	53,856	6,645	6,494
Foreign currency translation reserve	(340)	(376)	-	-
	100,492	97,012	50,114	50,026
Non-controlling interests	1,336	1,302	-	-
<b>Total equity</b>	<b>101,828</b>	<b>98,314</b>	<b>50,114</b>	<b>50,026</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 31/03/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
\$29,546,000	\$2,920,000	\$3,420,000	-

**Amount repayable after one year**

As at 31/03/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
\$64,246,000	-	\$105,523,000	-

**Details of any collateral**

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

	First quarter ended 31 Mar	
	2012 S\$'000	2011 S\$'000
<b>Cash flows from operating activities</b>		
Profit before taxation	4,454	10,579
Adjustments for:		
Depreciation of property, plant and equipment	1,100	783
(Write-back of)/allowance for doubtful receivables (net)	(81)	50
Fair value gain on derivative	(420)	(221)
Interest income	(39)	(19)
Interest expense	371	771
Loss/(gain) on disposal of property, plant and equipment	72	(36)
Share of results of associates	(17)	(2,050)
Share based compensation expense	62	-
<b>Operating profit before working capital changes</b>	<b>5,502</b>	<b>9,857</b>
Decrease/(increase) in development properties	4,181	(65,216)
Increase/(decrease) in amount due to customers for work-in-progress (net)	4,081	(17,053)
(Increase)/decrease in trade receivables	(17,808)	4,447
Decrease in other receivables	285	9,889
(Increase)/decrease in inventories	(223)	740
Increase in trade and other payables	2,340	4,129
Increase in other liabilities	981	1,341
<b>Cash used in operations</b>	<b>(661)</b>	<b>(51,866)</b>
Interest paid	(495)	(988)
Interest received	39	19
Income tax paid	(637)	(3)
<b>Net cash used in operating activities</b>	<b>(1,754)</b>	<b>(52,838)</b>
<b>Cash flows from investing activities:</b>		
Dividend income from associate	-	9,600
Proceeds from disposal of property, plant and equipment	9	45
Purchase of property, plant and equipment (Note A)	(442)	(2,381)
<b>Net cash (used in)/from investing activities</b>	<b>(433)</b>	<b>7,264</b>
<b>Cash flows from financing activities</b>		
Shares purchase held as treasury shares	(125)	(164)
Proceeds from bank borrowings, net	2,853	268
Proceeds from long term borrowings	-	68,800
Repayment of long term borrowings	(15,000)	(5,000)
Repayment of finance leases	(755)	(1,377)
Increase in pledged deposits	(197)	-
<b>Net cash (used in)/from financing activities</b>	<b>(13,224)</b>	<b>62,527</b>
Net (decrease)/increase in cash & cash equivalents	(15,411)	16,953
Net effect of exchange rate changes in consolidating subsidiaries	37	351
Cash and cash equivalents at beginning of the period	51,882	44,864
<b>Cash and cash equivalents at end of the period</b>	<b>36,508</b>	<b>62,168</b>
<u>Comprising:</u>		
Cash and bank balances	19,954	34,336
Fixed deposits	18,460	30,164
	38,414	64,500
Less: Pledged fixed deposits	(1,906)	(2,332)
	<b>36,508</b>	<b>62,168</b>

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

### 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:  
     - hire purchase arrangements  
 Cash payments

First quarter ended 31 Mar	
2012 S\$'000	2011 S\$'000
1,114	2,879
(672)	(498)
442	2,381

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 EQUITY S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Share plan reserve	Non- controlling interests S\$'000	
<b>Opening balance at 1 January 2012</b>	43,967	(601)	53,856	(376)	166	1,302	98,314
Purchase of treasury shares	-	(125)	-	-	-	-	(125)
Share-based compensation expense	-	-	-	-	62	-	62
Total comprehensive income for the period	-	-	3,507	36	-	34	3,577
<b>Closing balance at 31 March 2012</b>	43,967	(726)	57,363	(340)	228	1,336	101,828
<b>Opening balance at 1 January 2011</b>	43,967	(252)	35,575	269	-	1,083	80,642
Purchase of treasury shares	-	(164)	-	-	-	-	(164)
Total comprehensive income for the period	-	-	9,426	313	-	78	9,817
<b>Closing balance at 31 March 2011</b>	43,967	(416)	45,001	582	-	1,161	90,295

#### 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
<b>Opening balance at 1 January 2012</b>	43,967	(601)	166	6,494	50,026
Purchase of treasury shares	-	(125)	-	-	(125)
Share-based compensation expense	-	-	62	-	62
Total comprehensive income for the period	-	-	-	151	151
<b>Closing balance at 31 March 2012</b>	43,967	(726)	228	6,645	50,114
<b>Opening balance at 1 January 2011</b>	43,967	(252)	-	7,307	51,022
Purchase of treasury shares	-	(164)	-	-	(164)
Total comprehensive income for the period	-	-	-	190	190
<b>Closing balance at 31 March 2011</b>	43,967	(416)	-	7,497	51,048

**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 March 2012, the issued share capital of the Company was \$43,967,199 comprising 305,228,418 ordinary shares and 2,982,000 treasury shares.

Treasury shares

During 1Q12, the Company acquired 544,000 (1Q11:630,000) ordinary shares of the Company by way of market purchases on the Singapore Exchange and held as treasury shares. The number of treasury shares held as at 31 March 2012 was 2,982,000 (as at 31 March 2011: 1,630,000).

	<u>No. of shares</u>	<u>S\$'000</u>
At 31 December 2011	2,438,000	601
Purchased in 1Q12	544,000	125
At 31 March 2012	<u>2,982,000</u>	<u>726</u>

Employee performance share plan

As at 31 March 2012, there were 1,170,000 (1Q11: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 2012	1,170,000
Granted in 2012	-
At 31 March 2012	<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 March 2012 was 305,228,418 (as at 31 December 2011: 305,772,418). The total number of treasury shares held as at 31 March 2012 was 2,982,000 (as at 31 December 2011: 2,438,000).

**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 three months ended 31 March 2012.

**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 2011.

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.**

	Note	First Quarter Ended 31 March	
		2012 Cents	2011 Cents
Earnings per ordinary share of the Company attributable to shareholders			
(a) Based on the weighted average number of ordinary shares in issue	(1)	1.15	3.07
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(2)	1.14	3.07

Note

(1) Weighted average number of shares of 305,611,121 (2011: 306,663,696) takes into account the weighted average effect of changes in treasury shares transactions during the period

(2)

	First Quarter Ended 31 March	
	2012	2011
Weighted average number of ordinary shares for basic earnings per share computation	305,611,121	306,663,696
Effect of dilution – performance shares	1,170,000	-
Weighted average number of ordinary shares for diluted earnings per share computation	306,781,121	306,663,696

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	
	31.3.12 Cents	31.12.11 Cents	31.3.12 Cents	31.12.11 Cents
Net asset value per ordinary share based on issued capital at the end of the period	32.92	31.73	16.42	16.36



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.**

#### Comprehensive Income Statement Review – First quarter 2012 ('1Q12') vs First Quarter 2011 ('1Q11')

Group revenue for 1Q12 was \$94.3 million relative to \$109.4 million in 1Q11, due mainly to lower revenue from general construction projects and property development. Compared with 1Q11, the volume of general construction projects in their active stage of construction has slowed in the current quarter, resulting in a reduction in revenue recognition for work done. Revenue from property development for the current and corresponding period was attributable to Lush on Holland Hill. Higher revenue was recorded in 1Q11 based on revenue recognition on progressive work done.

Gross profit for 1Q12 was \$9.1 million compared to \$13.7 million in 1Q11 due to lower profit contributions from the three business segments. Gross profit margin for 1Q12 stood at 9.6% compared with 12.5% for 1Q11 as a result of thinner margins for ongoing projects due to rising manpower costs and material prices, with no corresponding increase in contract revenue to offset increased project costs. Recently secured projects were at very competitive prices due to active participation by local and foreign contractors.

Other operating income rose to \$0.5 million in 1Q12 from \$0.3 million in 1Q11, mainly due to plant and equipment rental income from a subcontractor.

Other income/(expense) comprised foreign exchange differences. Foreign exchange loss in 1Q11 was mainly attributable to currency loss for SGD denominated borrowings by a Sri Lanka branch, which was closed last year. No significant foreign exchange difference was recorded in this quarter.

Administrative costs rose to \$1.9 million in 1Q12 compared to \$1.1 million in 1Q11 mainly due to higher depreciation charges for construction equipment and marketing expenses for property development. Finance costs for 1Q12 was a net credit of \$49,000 as compared to \$0.6 million in 1Q11 because the Group reversed its fair value loss on interest-rate derivative of \$0.4 million recorded in the last quarter of 2011 upon final settlement of the derivative in 1Q12. The reversal was partially offset by interest expense incurred for the development property at Bliss@Kovan on Simon Lane. Such interest expense will be charged to the income statement as finance costs until construction commences, which is expected to be in the second half of 2012. Thereafter, interest expense relating to the development project will be capitalised as part of development cost.

The Group's share of results of associates for 1Q11 was mainly due to development property units sold at 8 Nassim Hill. There were no units sold in 1Q12, hence the significantly lower share of results of associates in the quarter.

Income tax expenses decreased from \$1.1 million in 1Q11 to \$0.9 million in 1Q12 mainly due to lower profits recorded in the current period.

#### Statement of Financial Position Review

The Group's property, plant and equipment decreased marginally to \$21.2 million as at 31 March 2012 from \$21.3 million as at 31 December 2011 because of depreciation charges during the first quarter, offset partially by acquisition of a crane.

Value of development properties was \$134.2 million as at 31 March 2012, compared with \$138.2 million as at 31 December 2011, due to progressive payments received for sold units at Lush on Holland Hill and Bliss@Kovan on Simon Lane, and partially offset by ongoing construction costs at Lush on Holland Hill and other development costs.

Trade receivables, current and non-current, increased by \$17.9 million to \$72.5 million as at 31 March 2012 from \$54.6 million as at 31 December 2011 due to substantial work completed for ongoing general construction projects and invoiced to customers at the end of March 2012.

Cash and cash equivalents, including pledged deposits, stood at \$38.4 million as at 31 March 2012 compared to \$53.6 million as at 31 December 2011, due largely to early settlement of term loan of \$15.0 million.

Current and non-current trade and other payables as at 31 March 2012 rose by 4.1% to \$60.1 million from \$57.8 million as at 31 December 2011. Net amount due to customers for work-in-progress (which represents billings in excess of costs and profits taken up) increased by \$4.1 million to 17.9 million as at 31 March 2012 from \$13.8 million as at 31 December 2011, mainly due to increased progress billings for general construction projects.

Total bank loans and borrowings decreased by \$12.2 million during the current period, mainly due to \$15.0 million of term loans repaid in respect of early settlement, partially offset by drawdown of bank borrowings for working capital. As at 31 March 2012, term loan outstanding for Lush on Holland Hill has been reclassified from non-current borrowings to current borrowings as it is expected to be repaid within one year.

Provision for taxation decreased by \$0.5 million from \$1.7 million as at 31 December 2011 to \$1.2 million as at 31 March 2012, due mainly to taxes paid in the current quarter against provisions. Deferred tax liability rose to \$4.4 million from \$3.7 million as at 31 December 2011 after providing for deferred tax on income recognised in respect of units sold at Lush on 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 previous announcement for financial year 2011.

**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 13 April 2012, the Ministry of Trade and Industry announced that based on advance estimates, the economy in the first quarter of 2012 grew by 1.6 per cent on a year-on-year basis, compared to 3.6 per cent in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 9.9 per cent, a reversal from the contraction of 2.5 per cent in the previous quarter. The construction sector grew by 6.2 per cent on a year-on-year basis, compared to 2.9 per cent in the preceding quarter. On a sequential basis, the construction sector surged 24.6 per cent, an improvement from the contraction of 2.2 per cent in the preceding quarter. This was primarily due to a pick-up in residential construction activities.

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 FY 2012.

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 approximately \$555 million, predominantly in Singapore and Malaysia. The Group expects to remain profitable for FY 2012.

**11. Dividend**

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

No.

**(b) (i) Amount per share – Not applicable**

**(ii) Previous corresponding period – Not applicable**

(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)**

Not applicable

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

Not applicable

(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**

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 31 March 2012 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW  
Executive Director and Chief Executive Officer



CARRIE LUK KA LAI  
Non-Executive Director

Singapore