



HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the Second Quarter and Half Year Ended 30 June 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.

	Second quarter ended 30 June			Half Year ended 30 June		
	2012 S\$'000	2011 S\$'000	Change %	2012 S\$'000	2011 S\$'000	Change %
<u>INCOME STATEMENT</u>						
Revenue	59,108	126,773	(53.4)	153,446	236,205	(35.0)
Cost of sales	(50,463)	(115,969)	(56.5)	(135,704)	(211,686)	(35.9)
Gross profit	8,645	10,804	(20.0)	17,742	24,519	(27.6)
Other operating income	516	574	(10.1)	1,038	884	17.4
Other expense ⁽¹⁾	(85)	(262)	(67.6)	(76)	(649)	(88.3)
Administrative costs ⁽¹⁾	(2,494)	(1,690)	47.6	(4,374)	(2,834)	54.3
Other operating costs	(2,274)	(3,284)	(30.8)	(5,634)	(6,698)	(15.9)
Finance costs	(341)	(533)	(36.0)	(292)	(1,083)	(73.0)
Share of results of associates	(427)	51	N.M	(410)	2,101	N.M
Profit before taxation	3,540	5,660	(37.5)	7,994	16,240	(50.8)
Income tax expense	(448)	(966)	(53.6)	(1,364)	(2,035)	(33.0)
Profit for the period	3,092	4,694	(34.1)	6,630	14,205	(53.3)
Attributable to:						
Owners of the parent	2,917	4,634	(37.1)	6,424	14,061	(54.3)
Non-controlling interests	175	60	191.7	206	144	43.1
	3,092	4,694	(34.1)	6,630	14,205	(53.3)
N.M. - Not meaningful						

⁽¹⁾ 2Q11 and 6M11 net foreign exchange loss has been reclassified from 'Administrative costs' to 'Other expense' to conform with current period's presentation

	Second Quarter Ended 30 June			Half Year ended 30 June		
	2012 S\$'000	2011 S\$'000	Change %	2012 S\$'000	2011 S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME						
Profit for the period	3,092	4,694	(34.1)	6,630	14,205	(53.3)
Other comprehensive income:						
Foreign currency translation differences	(167)	125	N.M	(128)	431	N.M
Other comprehensive income for the period	(167)	125	N.M	(128)	431	N.M
Total comprehensive income for the period	2,925	4,819	(39.3)	6,502	14,636	(55.6)
Total comprehensive income attributable to:						
Owners of the parent	2,791	4,788	(41.7)	6,334	14,527	(56.4)
Non-controlling interests	134	31	332.3	168	109	54.1
	<u>2,925</u>	<u>4,819</u>	<u>(39.3)</u>	<u>6,502</u>	<u>14,636</u>	<u>(55.6)</u>

NOTES TO INCOME STATEMENT

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

Depreciation of property, plant and equipment	1,055	1,003	5.2	2,155	1,786	20.7
Foreign exchange loss	85	262	(67.6)	76	649	(88.3)
Loss/(gain) on disposal of property, plant and equipment	-	(73)	(100.0)	72	(109)	(166.1)
Interest expense	341	927	(63.2)	713	1,699	(58.0)
Interest income	(44)	(202)	(78.2)	(82)	(221)	(62.9)
(Write-back of)/allowance for doubtful receivables (net)	(136)	468	(129.1)	(217)	518	(141.9)
Fair value gain on derivatives	-	(394)	(100.0)	(420)	(616)	(31.8)
Share based compensation expense	60	42	42.9	122	42	190.5
(Over)/underprovision of income tax in respect of previous years	(91)	43	(311.6)	(37)	(106)	(65.1)

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-Jun-12 S\$'000	31-Dec-11 S\$'000	30-Jun-12 S\$'000	31-Dec-11 S\$'000
Non-current assets				
Property, plant & equipment	20,850	21,254	13	32
Intangible assets	119	119	-	-
Investments in subsidiaries	-	-	39,383	39,383
Investments in associates	14,568	14,978	92	92
Deferred tax assets	486	486	-	-
Trade receivables	6,849	7,207	-	-
Other receivables	1,000	1,000	-	-
Current assets				
Amounts due from subsidiaries	-	-	20,526	21,045
Development properties	123,647	138,225	-	-
Gross amount due from customers for work-in-progress	20,954	10,952	-	-
Inventories	2,607	2,839	-	-
Trade receivables	39,718	47,397	-	-
Other receivables	2,147	1,560	124	28
Pledged deposits	1,690	1,709	-	-
Cash and cash equivalents	40,500	51,882	918	453
	231,263	254,564	21,568	21,526
Current liabilities				
Amounts due to subsidiaries	-	-	12,959	10,373
Gross amount due to customers for work-in-progress	28,153	24,728	-	-
Trade and other payables	48,029	51,379	115	153
Other liabilities	4,460	4,128	162	455
Derivatives	-	420	-	-
Loans and borrowings	16,259	3,420	-	-
Income tax payable	1,561	1,654	73	26
	98,462	85,729	13,309	11,007
Net current assets	132,801	168,835	8,259	10,519
Non-current liabilities				
Trade payables	5,907	6,378	-	-
Deferred tax liabilities	4,354	3,664	-	-
Loans and borrowings	64,046	105,523	-	-
Net assets	102,366	98,314	47,747	50,026
Equity attributable to equity holders of the Company				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(571)	(601)	(571)	(601)
Share plan reserve	133	166	133	166
Retained earnings	57,833	53,856	4,218	6,494
Foreign currency translation reserve	(466)	(376)	-	-
	100,896	97,012	47,747	50,026
Non-controlling interests	1,470	1,302	-	-
Total equity	102,366	98,314	47,747	50,026

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

Amount repayable in one year or less, or on demand

As at 30/06/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
S\$16,259,000	-	S\$3,420,000	-

Amount repayable after one year

As at 30/06/2012		As at 31/12/2011	
Secured	Unsecured	Secured	Unsecured
S\$64,046,000	-	S\$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 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.

	Second quarter ended 30 June		Half Year ended 30 June	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Cash flows from operating activities				
Profit before taxation	3,540	5,660	7,994	16,240
Adjustments for:				
Depreciation of property, plant and equipment	1,055	1,003	2,155	1,786
(Write-back of)/allowance for doubtful receivables (net)	(136)	468	(217)	518
Fair value gain on derivatives	-	(394)	(420)	(616)
Interest income	(44)	(202)	(82)	(221)
Interest expense	341	927	713	1,699
(Gain)/loss on disposal of property, plant and equipment	-	(73)	72	(109)
Share of results of associates	427	(51)	410	(2,101)
Share based compensation expense	60	42	122	42
Operating profit before working capital changes	5,243	7,380	10,747	17,238
Decrease/(increase) in development properties	10,614	(10,062)	14,795	(75,278)
(Decrease)/increase in amount due to customers for work-in-progress (net)	(10,658)	3,669	(6,577)	(13,385)
Decrease/(increase) in trade receivables	26,062	(14,816)	8,254	(10,369)
(Increase)/decrease in other receivables	(872)	(225)	(587)	9,665
Decrease in inventories	455	378	232	1,119
(Decrease)/increase in trade and other payables	(6,165)	5,989	(3,825)	10,065
(Decrease)/increase in other liabilities	(649)	(1,057)	332	284
Cash from/(used in) operations	24,030	(8,744)	23,371	(60,661)
Interest paid	(430)	(1,156)	(926)	(2,092)
Interest received	44	202	82	221
Income tax paid	(130)	(290)	(767)	(293)
Net cash from/(used in) operating activities	23,514	(9,988)	21,760	(62,825)
Cash flows from investing activities:				
Proceeds from disposal of property, plant and equipment	-	1,412	9	1,457
Purchase of property, plant and equipment (Note A)	(207)	(1,227)	(649)	(3,607)
Dividends income from an associate	-	-	-	9,600
Net cash (used in)/from investing activities	(207)	185	(640)	7,450
Cash flows from financing activities				
Dividends paid on ordinary shares	(2,447)	(1,839)	(2,447)	(1,839)
Purchase of treasury shares	-	(34)	(125)	(198)
(Repayment of)/proceeds from bank borrowings, net	(2,857)	732	(4)	1,000
Repayment of long term borrowings	(13,300)	-	(28,300)	-
Proceeds from long term borrowings	-	-	-	63,800
Repayment of finance leases	(787)	(589)	(1,542)	(1,966)
Decrease in pledged deposits	216	-	19	-
Net cash (used in)/from financing activities	(19,175)	(1,730)	(32,399)	60,797
Net increase/(decrease) in cash & cash equivalents	4,132	(11,533)	(11,279)	5,422
Net effect of exchange rate changes in consolidating subsidiaries	(140)	179	(103)	528
Cash and cash equivalents at beginning of the period	36,508	62,168	51,882	44,864
Cash and cash equivalents at end of the period	40,500	50,814	40,500	50,814

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

	Second quarter ended 30 June		Half Year ended 30 June	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Comprising:				
Cash and bank balances	14,516	16,638	14,516	16,638
Fixed deposits	27,674	36,492	27,674	36,492
	42,190	53,130	42,190	53,130
Less: Pledged fixed deposits	(1,690)	(2,316)	(1,690)	(2,316)
	40,500	50,814	40,500	50,814

Note A

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

	Second quarter ended 30 June		Half Year ended 30 June	
	2012 S\$'000	2011 S\$'000	2012 S\$'000	2011 S\$'000
Total cost of property, plant and equipment acquired	743	2,983	1,857	5,862
Less: Acquisition costs of property, plant and equipment satisfied by:				
- settlement of trade debts owing by customers	-	(401)	-	(401)
- hire purchase arrangements	(536)	(1,355)	(1,208)	(1,854)
Cash payments	207	1,227	649	3,607

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	Share plan reserve S\$'000	Non-controlling interests S\$'000	
				currency translation reserve S\$'000			
Opening balance at 1 Jan 2012	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
Balance at 31 Mar and 1 Apr 2012	43,967	(726)	57,363	(340)	228	1,336	101,828
Treasury shares reissued pursuant to employee share plan	-	155	-	-	(155)	-	-
Share based compensation expense	-	-	-	-	60	-	60
Dividends paid on ordinary shares	-	-	(2,447)	-	-	-	(2,447)
Total comprehensive income for the period	-	-	2,917	(126)	-	134	2,925
Closing balance at 30 Jun 2012	43,967	(571)	57,833	(466)	133	1,470	102,366
Opening balance at 1 Jan 2011	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
Balance at 31 Mar and 1 Apr 2011	43,967	(416)	45,001	582	-	1,161	90,295
Purchase of treasury shares	-	(34)	-	-	-	-	(34)
Share based compensation expense	-	-	-	-	42	-	42
Dividends paid on ordinary shares	-	-	(1,839)	-	-	-	(1,839)
Total comprehensive income for the period	-	-	4,634	154	-	31	4,819
Closing balance at 30 Jun 2011	43,967	(450)	47,796	736	42	1,192	93,283

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 S\$'000	Total equity S\$'000	
Opening balance at 1 Jan 2012	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	
Balance at 31 Mar and 1 Apr 2012	43,967	(726)	228	6,645	50,114	
Treasury shares reissued pursuant to employee share plan	-	155	(155)	-	-	
Share based compensation expense	-	-	60	-	60	
Dividends paid on ordinary shares	-	-	-	(2,447)	(2,447)	
Total comprehensive income for the period	-	-	-	20	20	
Closing balance at 30 Jun 2012	43,967	(571)	133	4,218	47,747	
Opening balance at 1 Jan 2011	43,967	(252)	-	7,307	51,022	
Purchase of treasury shares	-	(164)	-	-	(164)	
Total comprehensive income for the period	-	-	-	190	190	
Balance at 31 Mar and 1 Apr 2011	43,967	(416)	-	7,497	51,048	
Purchase of treasury shares	-	(34)	-	-	(34)	
Share based compensation expense	-	-	42	-	42	
Dividends paid on ordinary shares	-	-	-	(1,839)	(1,839)	
Total comprehensive income for the period	-	-	-	(56)	(56)	
Closing balance at 30 Jun 2011	43,967	(450)	42	5,602	49,161	

- 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 June 2012, the issued share capital of the Company was \$43,967,199 comprising 305,813,418 ordinary shares and 2,397,000 treasury shares.

Treasury shares

During 2Q12, the Company acquired Nil (2Q11: 129,000) ordinary shares of the Company by way of market purchases on the Singapore Exchange and held as treasury shares. Pursuant to the Employee performance share plan, 585,000 (2Q11: Nil) performance shares granted in 2011 vested in 2Q12 and were transferred from treasury shares to ordinary shares. The number of treasury shares held as at 30 June 2012 was 2,397,000 (as at 30 June 2011: 1,759,000).

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January 2012	2,438,000	601
Purchased in 1Q12	544,000	125
Less: Performance shares vested in 2Q12	(585,000)	(155)
At 30 June 2012	<u>2,397,000</u>	<u>571</u>

Employee performance share plan

As at 30 June 2012, there were 1,865,000 (as at 30 June 2011: 1,170,000) 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 2Q12	1,280,000
Less: Performance shares vested in 2Q12	(585,000)
At 30 June 2012	<u>1,865,000</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 June 2012 was 305,813,418 (as at 31 December 2011: 305,772,418). The total number of treasury shares held as at 30 June 2012 was 2,397,000 (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.**

Movement of treasury shares during the six months ended 30 June 2012 is as follows:

	<u>No. of shares</u>
At 1 January 2012	2,438,000
Purchased in 1Q12	544,000
Less: Performance shares vested in 2Q12	(585,000)
At 30 June 2012	<u>2,397,000</u>

- 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	Second Quarter Ended 30 June		Half year Ended 30 June	
		<u>2012</u> Cents	<u>2011</u> Cents	<u>2012</u> Cents	<u>2011</u> Cents
Earnings per ordinary share of the Group attributable to shareholders					
(a) Based on the weighted average number of ordinary shares in issue	(1)	0.95	1.51	2.10	4.59
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(2)	0.95	1.51	2.09	4.59

Note

(1) Weighted average number of shares of 305,602,984 (2011: 306,608,589) takes into account the weighted average effect of changes in treasury shares transactions during the period.

(2)

	Half year Ended 30 June	
	<u>2012</u>	<u>2011</u>
Weighted average number of ordinary shares for basic earnings per share computation	305,602,984	306,608,589
Effect of dilution – performance shares	1,865,000	-
Weighted average number of ordinary shares for diluted earnings per share computation	307,467,984	306,608,589

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>30.6.12</u> Cents	<u>31.12.11</u> Cents	<u>30.6.12</u> Cents	<u>31.12.11</u> Cents
Net asset value per ordinary share based on issued capital at the end of the period	32.99	30.05	15.61	16.04

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 – Second Quarter 2012 ('2Q12') vs Second Quarter 2011 ('2Q11')

2Q12 Group revenue decreased to \$59.1 million from \$126.8 million in 2Q11, with net profit attributable to equity holders also declining to \$2.9 million from \$4.6 million over the two comparative periods.

Group revenue in 2Q12 was lower due mainly to decreased revenue recognised from general construction projects, and partially offset by higher revenue from property development and specialised engineering divisions. Revenue from general construction division was higher in 2Q11 because a number of projects were in their active stage of construction last year, of which two had since been completed in early 2012, resulting in lower revenue for the current period.

Gross profit decreased by \$2.2 million to \$8.6 million in 2Q12 from \$10.8 million in 2Q11 as a result of lower revenue. However, the Group recorded higher gross profit margin of 14.6% in the current quarter as compared with 8.5% in the previous corresponding quarter, mainly due to difference in project mix.

Other operating income for the two comparative periods remained almost unchanged while foreign exchange losses recorded under Other expense was \$85,000 in 2Q12, down from \$262,000 in 2Q11. The exchange loss in 2Q11 was mainly attributable to currency loss for SGD denominated borrowings by the Thailand subsidiary and Sri Lanka branch. The Sri Lanka branch was closed last year.

Administrative costs rose to \$2.5 million in 2Q12 compared to \$1.7 million in 2Q11 mainly due to higher depreciation charges for construction equipment and marketing expenses for property development. Other operating costs decreased by \$1.0 million from \$3.3 million in 2Q11 to \$2.3 million in 2Q12. The higher amount incurred in 2Q11 was due to significantly higher provision for doubtful receivables and store rental expense as a result of a temporary extension of leasehold premises in Singapore while the new warehousing and storage yard was under renovation.

Finance costs decreased to \$0.3 million in 2Q12 from \$0.5 million in 2Q11 because costs related to the interest-rate derivative comprising interest expense, less fair value gain adjustment was no longer applicable in 2Q12 when the financial instrument expired in March 2012.

The group recorded \$0.4 million as its share of associates' loss in 2Q12, mainly attributable to operating expenses incurred by its 48% held property development company, Tennessee Pte Ltd.

Income tax expense in 2Q12 decreased to \$0.4 million from \$1.0 million in 2Q11 as a result of lower profits recorded during the current quarter.

Income Statement Review – 6 months 2012 ('6M12') vs 6 months 2011 ('6M11')

Group revenue decreased by 35.0% to \$153.4 million in the 6M12 from \$236.2 million in 6M11 and net profit attributable to shareholders was \$6.4 million in the current period relative to \$14.1 million in the previous corresponding period.

The group recorded lower revenue in 6M12, mainly attributable to decreased revenue recognised from general construction projects, after two major projects were completed in early 2012. In contrast, 6M11's strong revenue was mainly due to general construction projects in their active stage of construction.

Gross profit decreased to \$17.7 million in 6M12 from \$24.5 million in 6M11 as a result of lower revenue in the current period. However, gross profit margin for the current period was higher at 11.6% compared with 10.4% recorded in 6M11, due mainly to difference in project mix.

Other operating income rose to \$1.0 million in 6M12 from \$0.9 million in 6M11, mainly due to plant and equipment rental income from a subcontractor.

Foreign exchange loss under Other expense for 6M11 was mainly attributable to currency loss for SGD denominated borrowings by the Thailand subsidiary and Sri Lanka branch. The branch office was closed last year.

Administrative cost increased to \$4.4 million in 6M12 from \$2.8 million in 6M11, attributable to marketing expenses for property development and higher depreciation charges for construction equipment purchased in 6M12. Other operating costs decreased by 15.9% to \$5.6 million in 6M12 from \$6.7 million in 6M11. As in 2Q12, the high overheads in 6M11 was due largely to significantly higher provision for doubtful receivables and rental expense for temporary storage.

In 6M12, the Group's finance costs was lower at \$0.3 million as compared to \$1.1 million in the previous corresponding period due to reduced interest-rate derivative expense.

The Group's share of results from associates in 6M12 was a net loss of \$0.4 million, mainly due to its share of operating expenses in Tennessee Pte Ltd.

The Group recorded lower income tax expense of \$1.4 million for 6M12 in line with lower profits achieved for the current period.

Statement of Financial Position Review

The Group's property, plant and equipment decreased marginally to \$20.9 million as at 30 June 2012 from \$21.3 million as at 31 December 2011 because of depreciation charges during the six months, offset partially by acquisition of construction equipment.

The value of development properties stood at \$123.6 million as at 30 June 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.

Amount due from customers for work-in-progress (which represents costs and profits in excess of billings taken up) have increased to \$21.0 million as at 30 June 2012 from \$11.0 million as at end of 2011. The increase was mainly attributable to start-up costs and materials on site for certain major general construction projects.

Trade receivables, current and non-current, decreased by \$8.0 million to \$46.6 million as at 30 June 2012 from \$54.6 million as at 31 December 2011. Trade receivables have decreased mainly due to lower revenue.

Cash and cash equivalents decreased to \$40.5 million as at 30 June 2012 from \$51.9 million as at 31 December 2011, due largely to progressive settlement of term loan of \$28.3 million, offset partially by progressive receipts from sold units at Lush On Holland Hill and Bliss@Kovan, and trade collections.

Current and non-current trade and other payables as at 30 June 2012 decreased to \$53.9 million from \$57.8 million as at 31 December 2011. This was mainly due to completion of two major construction projects which resulted in lower project costs payable as at 30 June 2012.

Total bank loans and borrowings decreased by \$28.6 million during the current period, mainly due to \$28.3 million of term loans repaid in respect of early settlement for Lush on Holland Hill and Bliss@Kovan. Since January 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.

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 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 13 July 2012, the Ministry of Trade and Industry announced that based on advanced estimates, the economy in the second quarter of 2012 grew at a modest pace of 1.9 per cent on a year-on-year basis, following from the 1.4 per cent growth in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 1.1 per cent, compared to the 9.4 per cent expansion in the previous quarter. The construction sector grew by 5.1 per cent on a year-on-year basis in the second quarter of 2011, following growth of 6.9 per cent in the preceding quarter. The sector is also expected to post a marginal annualised growth rate of 0.3 per cent on a sequential basis, supported by ongoing public civil engineering works. In view of the estimated moderate growth of the Singapore economy and the construction sector in 2Q12, coupled with increasing 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 approximately \$773 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 30 June 2012 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