



HOLDINGS (S) LTD

Registration No.: 199304349M

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

| | Third quarter ended 30 September | | | 9 months ended 30 September | | |
|---------------------------------------|----------------------------------|-----------------|---------------|-----------------------------|-----------------|---------------|
| | 2012 S\$'000 | 2011 S\$'000 | Change % | 2012 S\$'000 | 2011 S\$'000 | Change % |
| <u>INCOME STATEMENT</u> | | | | | | |
| Revenue | 46,008 | 84,373 | (45.5) | 199,454 | 320,577 | (37.8) |
| Cost of sales | (37,015) | (77,278) | (52.1) | (172,719) | (288,964) | (40.2) |
| Gross profit | 8,993 | 7,095 | 26.8 | 26,735 | 31,613 | (15.4) |
| Other operating income ⁽¹⁾ | 221 | 333 | (33.6) | 1,259 | 1,217 | 3.5 |
| Other (expense)/income ⁽¹⁾ | (65) | 1,317 | N.M | (141) | 668 | N.M |
| Administrative costs | (2,091) | (1,448) | 44.4 | (6,466) | (4,281) | 51.0 |
| Other operating costs | (3,882) | (3,075) | 26.2 | (9,516) | (9,774) | (2.6) |
| Finance costs | (154) | (556) | (72.3) | (446) | (1,638) | (72.8) |
| Share of results of associates | 44 | (36) | N.M | (365) | 2,065 | N.M |
| Profit before taxation | 3,066 | 3,630 | (15.5) | 11,060 | 19,870 | (44.3) |
| Income tax expense | (568) | (352) | 61.4 | (1,932) | (2,387) | (19.1) |
| Profit for the period | 2,498 | 3,278 | (23.8) | 9,128 | 17,483 | (47.8) |
| Attributable to: | | | | | | |
| Owners of the parent | 2,373 | 3,200 | (25.8) | 8,797 | 17,260 | (49.0) |
| Non-controlling interests | 125 | 78 | 60.3 | 331 | 223 | 48.4 |
| | 2,498 | 3,278 | (23.8) | 9,128 | 17,483 | (47.8) |
| N.M. - Not meaningful | | | | | | |

⁽¹⁾ 3Q11 and 9M11 net foreign exchange gain has been reclassified from 'Other operating income' to 'Other (expense)/income' to conform with current period's presentation

| | Third Quarter Ended 30 September | | | 9 months ended 30 September | | |
|--|----------------------------------|-----------------|-------------|-----------------------------|-----------------|-------------|
| | 2012 S\$'000 | 2011 S\$'000 | Change % | 2012 S\$'000 | 2011 S\$'000 | Change % |
| STATEMENT OF COMPREHENSIVE INCOME | | | | | | |
| Profit for the period | 2,498 | 3,278 | (23.8) | 9,128 | 17,483 | (47.8) |
| Other comprehensive income: | | | | | | |
| Foreign currency translation differences | 32 | (1,227) | N.M | (96) | (796) | (87.9) |
| Other comprehensive income for the period | 32 | (1,227) | N.M | (96) | (796) | (87.9) |
| Total comprehensive income for the period | 2,530 | 2,051 | 23.4 | 9,032 | 16,687 | (45.9) |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the parent | 2,407 | 1,973 | 22.0 | 8,741 | 16,500 | (47.0) |
| Non-controlling interests | 123 | 78 | 57.7 | 291 | 187 | 55.6 |
| | 2,530 | 2,051 | 23.4 | 9,032 | 16,687 | (45.9) |

NOTES TO INCOME STATEMENT

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

| | | | | | | |
|--|------|---------|---------|-------|---------|--------|
| Depreciation of property, plant and equipment | 974 | 981 | (0.7) | 3,131 | 2,767 | 13.2 |
| Foreign exchange loss/(gain) | 65 | (1,317) | N.M | 141 | (668) | N.M |
| (Gain)/loss on disposal of property, plant and equipment | - | (40) | (100.0) | 72 | (149) | N.M |
| Interest expense | 154 | 999 | (84.6) | 866 | 2,698 | (67.9) |
| Interest income | (41) | (110) | (62.7) | (123) | (331) | (62.8) |
| Allowance/(write-back of allowance) for doubtful receivables (net) | 851 | (145) | N.M | 634 | 373 | 70.0 |
| Fair value gain on derivatives | - | (443) | (100.0) | (420) | (1,059) | (60.3) |
| Share based compensation expense | 78 | 62 | 25.8 | 200 | 104 | 92.3 |
| Overprovision of income tax in respect of previous years | - | - | - | (37) | (107) | (65.4) |

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-12 S\$'000 | 31-Dec-11 S\$'000 | 30-Sep-12 S\$'000 | 31-Dec-11 S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 20,077 | 21,254 | 4 | 32 |
| Intangible assets | 119 | 119 | - | - |
| Investments in subsidiaries | - | - | 39,383 | 39,383 |
| Investments in associates | 14,612 | 14,978 | 92 | 92 |
| Deferred tax assets | 486 | 486 | - | - |
| Trade receivables | 6,302 | 7,207 | - | - |
| Other receivables | 1,000 | 1,000 | - | - |
| Current assets | | | | |
| Amounts due from subsidiaries | - | - | 20,928 | 21,045 |
| Development properties | 63,630 | 138,225 | - | - |
| Gross amount due from customers for work-in-progress | 29,923 | 10,952 | - | - |
| Inventories | 2,397 | 2,839 | - | - |
| Trade receivables | 58,694 | 47,397 | - | - |
| Other receivables | 2,147 | 1,560 | 186 | 28 |
| Pledged deposits | 2,087 | 1,709 | - | - |
| Cash and cash equivalents | 48,767 | 51,882 | 659 | 453 |
| | 207,645 | 254,564 | 21,773 | 21,526 |
| Current liabilities | | | | |
| Amounts due to subsidiaries | - | - | 12,866 | 10,373 |
| Gross amount due to customers for work-in-progress | 24,572 | 24,728 | - | - |
| Trade and other payables | 42,730 | 51,379 | 114 | 153 |
| Other liabilities | 5,485 | 4,128 | 466 | 455 |
| Derivatives | - | 420 | - | - |
| Loans and borrowings | 4,651 | 3,420 | - | - |
| Income tax payable | 4,380 | 1,654 | 86 | 26 |
| | 81,818 | 85,729 | 13,532 | 11,007 |
| Net current assets | 125,827 | 168,835 | 8,241 | 10,519 |
| Non-current liabilities | | | | |
| Trade payables | 4,673 | 6,378 | - | - |
| Deferred tax liabilities | 1,836 | 3,664 | - | - |
| Loans and borrowings | 56,940 | 105,523 | - | - |
| Net assets | 104,974 | 98,314 | 47,720 | 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 | 211 | 166 | 211 | 166 |
| Retained earnings | 60,206 | 53,856 | 4,113 | 6,494 |
| Foreign currency translation reserve | (432) | (376) | - | - |
| | 103,381 | 97,012 | 47,720 | 50,026 |
| Non-controlling interests | 1,593 | 1,302 | - | - |
| Total equity | 104,974 | 98,314 | 47,720 | 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 30/09/2012 | | As at 31/12/2011 | |
|------------------|--------------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$3,651,000 | S\$1,000,000 | S\$3,420,000 | - |

Amount repayable after one year

| As at 30/09/2012 | | As at 31/12/2011 | |
|------------------|-----------|------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$56,940,000 | - | S\$105,523,000 | - |

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly obligations under finance leases, banker's acceptances and a land loan. These are secured by a charge over the property held for sale at 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.

| | Third quarter ended 30 September | | 9 months ended 30 September | |
|--|-------------------------------------|-----------------|--------------------------------|-----------------|
| | 2012 S\$'000 | 2011 S\$'000 | 2012 S\$'000 | 2011 S\$'000 |
| Cash flows from operating activities | | | | |
| Profit before taxation | 3,066 | 3,630 | 11,060 | 19,870 |
| Adjustments for: | | | | |
| Depreciation of property, plant and equipment | 974 | 981 | 3,131 | 2,767 |
| Allowance/(write-back of allowance) for doubtful receivables (net) | 851 | (145) | 634 | 373 |
| Fair value gain on derivatives | - | (443) | (420) | (1,059) |
| Interest income | (41) | (110) | (123) | (331) |
| Interest expense | 154 | 999 | 866 | 2,698 |
| (Gain)/loss on disposal of property, plant and equipment | - | (40) | 72 | (149) |
| Share of results of associates | (44) | 36 | 365 | (2,065) |
| Share based compensation expense | 78 | 62 | 200 | 104 |
| Operating profit before working capital changes | 5,038 | 4,970 | 15,785 | 22,208 |
| Decrease/(increase) in development properties | 60,228 | 491 | 75,023 | (74,787) |
| Decrease in amount due to customers for work-in-progress (net) | (12,550) | (4,145) | (19,127) | (17,530) |
| (Increase)/decrease in trade receivables | (19,280) | 17,138 | (11,026) | 6,769 |
| Decrease/(increase) in other receivables | - | 617 | (587) | 10,282 |
| Decrease/(increase) in inventories | 210 | (800) | 442 | 319 |
| Decrease in trade and other payables | (6,529) | (18,560) | (10,354) | (8,495) |
| Increase in other liabilities | 942 | 1,471 | 1,274 | 1,755 |
| Cash from/(used in) operations | 28,059 | 1,182 | 51,430 | (59,479) |
| Interest paid | (286) | (1,134) | (1,211) | (3,226) |
| Interest received | 41 | 110 | 123 | 331 |
| Income tax paid | (267) | (865) | (1,034) | (1,158) |
| Net cash from/(used in) operating activities | 27,547 | (707) | 49,308 | (63,532) |
| Cash flows from investing activities: | | | | |
| Proceeds from disposal of property, plant and equipment | - | 144 | 9 | 1,601 |
| Purchase of property, plant and equipment (Note A) | (151) | (627) | (800) | (4,234) |
| Dividends income from an associate | - | - | - | 9,600 |
| Net cash (used in)/from investing activities | (151) | (483) | (791) | 6,967 |
| Cash flows from financing activities | | | | |
| Dividends paid on ordinary shares | - | - | (2,447) | (1,839) |
| Purchase of treasury shares | - | (112) | (125) | (310) |
| Proceeds from bank borrowings, net | 1,437 | - | 1,433 | 1,000 |
| Repayment of long term borrowings | (19,465) | (7,390) | (47,765) | (12,390) |
| Proceeds from long term borrowings | - | - | - | 68,800 |
| Repayment of finance leases | (734) | (619) | (2,276) | (2,585) |
| Increase in pledged deposits | (397) | - | (378) | - |
| Net cash (used in)/from financing activities | (19,159) | (8,121) | (51,558) | 52,676 |
| Net increase/(decrease) in cash & cash equivalents | 8,237 | (9,311) | (3,041) | (3,889) |
| Net effect of exchange rate changes in consolidating subsidiaries | 30 | (519) | (74) | 9 |
| Cash and cash equivalents at beginning of the period | 40,500 | 50,814 | 51,882 | 44,864 |
| Cash and cash equivalents at end of the period | 48,767 | 40,984 | 48,767 | 40,984 |

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

| | Third quarter ended 30 September | | 9 months ended 30 September | |
|------------------------------|-------------------------------------|-----------------|--------------------------------|-----------------|
| | 2012 S\$'000 | 2011 S\$'000 | 2012 S\$'000 | 2011 S\$'000 |
| Comprising: | | | | |
| Cash and bank balances | 33,424 | 22,968 | 33,424 | 22,968 |
| Fixed deposits | 17,430 | 19,625 | 17,430 | 19,625 |
| | 50,854 | 42,593 | 50,854 | 42,593 |
| Less: Pledged fixed deposits | (2,087) | (1,609) | (2,087) | (1,609) |
| | 48,767 | 40,984 | 48,767 | 40,984 |

Note A

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

| | Third quarter ended 30 September | | 9 months ended 30 September | |
|--|-------------------------------------|-----------------|--------------------------------|-----------------|
| | 2012 S\$'000 | 2011 S\$'000 | 2012 S\$'000 | 2011 S\$'000 |
| Total cost of property, plant and equipment acquired | 201 | 1,253 | 2,058 | 7,115 |
| Less: Acquisition costs of property, plant and equipment satisfied by: | | | | |
| - settlement of trade debts owing by customers | - | - | - | (401) |
| - hire purchase arrangements | (50) | (626) | (1,258) | (2,480) |
| Cash payments | 151 | 627 | 800 | 4,234 |

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 | | | |
| 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 |
| Balance at 30 Jun and 1 Jul 2012 | 43,967 | (571) | 57,833 | (466) | 133 | 1,470 | 102,366 |
| Share based compensation expense | - | - | - | - | 78 | - | 78 |
| Total comprehensive income for the period | - | - | 2,373 | 34 | - | 123 | 2,530 |
| Balance at 30 Sep 2012 | 43,967 | (571) | 60,206 | (432) | 211 | 1,593 | 104,974 |
| 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 |
| Balance at 30 Jun and 1 Jul 2011 | 43,967 | (450) | 47,796 | 736 | 42 | 1,192 | 93,283 |
| Purchase of treasury shares | - | (112) | - | - | - | - | (112) |
| Share based compensation expense | - | - | - | - | 62 | - | 62 |
| Total comprehensive income for the period | - | - | 3,200 | (1,227) | - | 78 | 2,051 |
| Balance at 30 Sep 2011 | 43,967 | (562) | 50,996 | (491) | 104 | 1,270 | 95,284 |

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

| 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 |
| 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 |
| Balance at 30 Jun and 1 Jul 2012 | 43,967 | (571) | 133 | 4,218 | 47,747 |
| Share based compensation expense | - | - | 78 | - | 78 |
| Total comprehensive income for the period | - | - | - | (105) | (105) |
| Balance at 30 Sep 2012 | 43,967 | (571) | 211 | 4,113 | 47,720 |
| 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) |
| Balance at 30 Jun and 1 Jul 2011 | 43,967 | (450) | 42 | 5,602 | 49,161 |
| Purchase of treasury shares | - | (112) | - | - | (112) |
| Share based compensation expense | - | - | 62 | - | 62 |
| Total comprehensive income for the period | - | - | - | (208) | (208) |
| Balance at 30 Sep 2011 | 43,967 | (562) | 104 | 5,394 | 48,903 |

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 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 3Q12, the Company acquired Nil (3Q11: 490,000) 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 30 September 2012 was 2,397,000 (as at 30 September 2011: 2,249,000).

| | No. of shares | S\$'000 |
|---|---------------|---------|
| 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 September 2012 | 2,397,000 | 571 |

Employee performance share plan

As at 30 September 2012, there were 1,865,000 (as at 30 September 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 | <u>(585,000)</u> |
| At 30 September 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 September 2012 was 305,813,418 (as at 31 December 2011: 305,772,418). The total number of treasury shares held as at 30 September 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 nine months ended 30 September 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 | <u>(585,000)</u> |
| At 30 September 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 | Third Quarter Ended 30 September | | 9 months Ended 30 September | | |
|---|--|--|---------------|--------------------------------|---------------|------|
| | | 2012 Cents | 2011 Cents | 2012 Cents | 2011 Cents | |
| Earnings per ordinary share of the Group attributable to shareholders | | | | | | |
| (a) | Based on the weighted average number of ordinary shares in issue | (1) | 0.78 | 1.04 | 2.88 | 5.63 |
| (b) | On a fully diluted basis (detailing any adjustment made to earnings) | (2) | 0.77 | 1.04 | 2.86 | 5.63 |

Note

(1) Weighted average number of shares of 305,673,641 (2011: 306,482,165) takes into account the weighted average effect of changes in treasury shares transactions during the period.

(2)

| | 9 months Ended 30 September | |
|---|-----------------------------|-------------|
| | 2012 | 2011 |
| Weighted average number of ordinary shares for basic earnings per share computation | 305,673,641 | 306,482,165 |
| Effect of dilution – performance shares | 1,865,000 | - |
| Weighted average number of ordinary shares for diluted earnings per share computation | 307,538,641 | 306,482,165 |

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 | |
|---|------------------|-------------------|------------------|-------------------|
| | 30.9.12 Cents | 31.12.11 Cents | 30.9.12 Cents | 31.12.11 Cents |
| Net asset value per ordinary share based on issued capital at the end of the period | 33.81 | 30.05 | 15.60 | 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 – Third Quarter 2012 ('3Q12') vs Third Quarter 2011 ('3Q11')

3Q12 Group revenue was \$46.0 million compared to \$84.4 million in 3Q11, with net profit attributable to owners of the parent at \$2.4 million in the current period, compared to \$3.2 million in the previous corresponding period.

Group revenue in 3Q12 was lower due mainly to decreased revenue recognised from general construction projects and property development. Revenue from general construction division was higher in 3Q11 because a number of projects were in their active stage of construction last year, three of which had been completed in early 2012, resulting in lower revenue for the current quarter. Lush on Holland Hill, a property development project that was fully sold, was granted Temporary Occupation Permit (TOP) and revenue from this project was fully recognised as at 30 June 2012.

Gross profit increased to \$9.0 million in 3Q12 from \$7.1 million in 3Q11, with improved gross margins of 19.5% in the current quarter compared with 8.4% in 3Q11. Margins were higher across all business segments in 3Q12 while those recorded in the previous corresponding quarter were mainly affected by lower margins from general construction activities.

Other operating income for 3Q12 decreased to \$0.2 million from \$0.3 million in 3Q11 due to lower gains on asset disposal and equipment rental to a subcontractor for execution of the Group's project. Other expense/income comprises foreign exchange loss or gains. In 3Q12, a marginal foreign exchange loss was incurred compared to \$1.3 million foreign exchange gain in 3Q11. The latter was due to recognition of foreign currency translation reserves to the Income Statement upon closure of the Group's overseas branches in 2011.

Administrative costs for 3Q12 rose to \$2.1 million from \$1.4 million in 3Q11 mainly due to advertising and sales commission expenses for its property development at Bliss@Kovan. Other operating costs increased by \$0.8 million from \$3.1 million in 3Q11 to \$3.9 million in 3Q12, due largely to significantly higher provision for doubtful receivables (net).

Finance costs decreased to \$154,000 in 3Q12 from \$556,000 in 3Q11 because term loan interest for purchase of land for development of Bliss@Kovan were capitalised to development properties as from 1 August 2012 when construction commenced. Finance cost was also higher in 3Q11 due to interest-rate derivative cost comprising interest expense less fair value gain adjustment for a derivative instrument which expired in March 2012.

Income tax expense in 3Q12 increased to \$0.6 million from \$0.4 million in 3Q11 as a result of higher tax provided in the current quarter after adjusting for non-deductible provision for doubtful receivables.

Income Statement Review – 9 months 2012 ('9M12') vs 9 months 2011 ('9M11')

Group revenue was \$199.5 million in 9M12 compared to \$320.6 million in 9M11 and net profit attributable to owners of the parent was \$8.8 million in the current period compared to \$17.3 million in the previous corresponding period.

The lower revenue in 9M12 was mainly attributable to decreased revenue recognised from property development with TOP granted for Lush on Holland Hill and general construction projects, after three major projects were completed in early 2012. In contrast, 9M11's strong revenue was mainly due to general construction projects in their active stage of construction.

Gross profit decreased to \$26.7 million in 9M12 from \$31.6 million in 9M11 as a result of lower revenue in the current period. However, gross profit margin for the current period was higher at 13.4% compared with 9.9% recorded in 9M11, due mainly to difference in project mix.

In 9M12, we incurred \$0.1 million foreign exchange loss compared to a foreign exchange gain of \$0.7 million in 9M11 which was mainly attributable to recognition of foreign currency translation reserves to the Income Statement upon closure of the Group's overseas branches in 2011.

Administrative cost increased to \$6.5 million in 9M12 from \$4.3 million in 9M11, mainly due to advertising and sales commission expenses for property development and higher depreciation charges for construction equipment purchased in 2012. Other operating costs decreased to \$9.5 million in 9M12 from \$9.8 million in 9M11 because of lower staff bonus provision for 2012, partially offset by higher provision for doubtful receivables (net) in the current period.

Finance costs for 9M12 decreased to \$0.4 million as compared to \$1.6 million in the previous corresponding period due to lower interest-rate derivative expense (net) and term loan interest for land purchased at Bliss@Kovan, because interest expense incurred as from 1 August 2012 was capitalised to property development properties upon commencement of construction.

In 9M12, the Group's share of net losses from associates was \$0.4 million, mainly due to its share of operating expenses in Tennessee Pte Ltd.

The Group recorded lower income tax expense of \$1.9 million for 9M12 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 \$20.1 million as at 30 September 2012 from \$21.3 million as at 31 December 2011 because of depreciation charges during the nine months, offset partially by acquisition of construction equipment.

The value of development properties decreased to \$63.6 million as at 30 September 2012 from \$138.2 million as at 31 December 2011, due to completion of Lush on Holland Hill. The Group currently has one ongoing property development, namely Bliss@Kovan.

Amount due from customers for work-in-progress (which represents costs and profits in excess of billings taken up) increased to \$29.9 million as at 30 September 2012 from \$11.0 million as at end of 2011. The increase was mainly attributable to substantial construction materials purchased at site for ongoing general construction projects and start-up costs incurred for other newly secured projects.

Trade receivables, current and non-current, increased by \$10.4 million to \$65.0 million as at 30 September 2012 from \$54.6 million as at 31 December 2011. The increase is attributable to balance of proceeds from Lush on Holland Hill which will be due partially upon issuance of Certificate of Statutory Completion and balance upon expiry of defects period.

Other receivables, current and non-current, rose to \$3.1 million as at 30 September 2012 from \$2.6 million, due mainly to additional recoverable payments and deposits for operations in line with a larger order book.

Cash and cash equivalents decreased to \$48.8 million as at 30 September 2012 from \$51.9 million as at 31 December 2011, due largely to progressive settlement of term loans, and offset partially by net cash received from operating activities, with progressive billings from development property, Lush on Holland Hill as the major contributor.

Current and non-current trade and other payables as at 30 September 2012 decreased to \$47.4 million from \$57.8 million as at 31 December 2011. This was mainly due to completion of three major general construction projects which resulted in lower project costs payable as at 30 September 2012.

Other liabilities were \$5.5 million as at 30 September 2012 compared with \$4.1 million as at 31 December 2011, attributable to provisions for the current period.

Total bank loans and borrowings decreased from \$108.9 million as at 31 December 2011 to \$61.6 million as at 30 September 2012, mainly due to repayment of term loans of \$47.8 million in respect of Lush on Holland Hill and Bliss@Kovan.

Income tax payable increased to \$4.4 million as at 30 September 2012 from \$1.7 million as at 31 December 2011 as a result of higher income tax provision in the current period and reclassification of deferred tax liabilities recorded in 2011 for property sales 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 12 October 2012, the Ministry of Trade and Industry estimates that Singapore economy grew at a modest pace of 1.3 per cent on a year-on-year basis in the third quarter of 2012, compared to 2.3 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 1.5 per cent, compared to the 0.2 per cent expansion in the second quarter. Economic growth in the second quarter was better than expected, resulting in an upward revision of quarter-on-quarter annualised growth from the preliminary estimates of -0.7 per cent to 0.2 per cent. The revision was due to new data from the construction sector, which registered higher certified progress payments from private sector industrial and residential projects. As a result, growth of the construction sector was significantly stronger at 14.3 per cent in the second quarter, compared to the preliminary estimates of 0.9 per cent growth.

The construction sector grew by 8.6 per cent on a year-on-year basis in the third quarter, moderating from 10.1 per cent in the preceding quarter. On a quarter-on-quarter basis, the sector contracted by an annualised rate of 7.5 per cent. This was largely due to a decline in private sector building activities.

In view of the estimated moderate growth of the Singapore economy and the construction sector in 3Q12, coupled with increasing competition and expected increases 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 \$770 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/recommendeded for the current financial period.

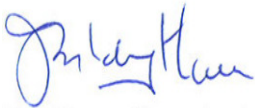
13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions "IPTs", the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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 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