



HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the First Quarter and Three months Ended 31 March 2013

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		
	2013 S\$'000	2012 S\$'000	Change %
<u>INCOME STATEMENT</u>			
Revenue	78,202	94,338	(17.1)
Cost of sales	(70,959)	(85,241)	(16.8)
Gross profit	7,243	9,097	(20.4)
Other operating income	496	521	(4.8)
Other income	161	9	N.M.
Administrative costs	(1,519)	(1,880)	(19.2)
Other operating costs	(3,684)	(3,359)	9.7
Finance costs	(60)	49	N.M.
Share of results of associates	(47)	17	N.M.
Profit before taxation	2,590	4,454	(41.9)
Income tax expense	(454)	(916)	(50.4)
Profit for the period	2,136	3,538	(39.6)
Attributable to:			
Owners of the parent	2,059	3,507	(41.3)
Non-controlling interests	77	31	148.4
	2,136	3,538	(39.6)
N.M. - Not meaningful			

STATEMENT OF COMPREHENSIVE INCOME

Profit for the period
Other comprehensive income:
Foreign currency translation differences
Other comprehensive income for the period
Total comprehensive income for the period

Total comprehensive income attributable to:

Owners of the parent
Non-controlling interests

First quarter ended 31 March		
2013 S\$'000	2012 S\$'000	Change %
2,136	3,538	(39.6)
(174)	39	N.M.
(174)	39	N.M.
1,962	3,577	(45.1)
1,887	3,543	(46.7)
75	34	120.6
1,962	3,577	(45.1)

NOTES TO INCOME STATEMENT

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

Depreciation of property, plant and equipment
Foreign exchange gain
Loss on disposal of property, plant and equipment
Interest expense
Interest income
Allowance for/(write-back of) doubtful receivables (net)
Fair value gain on derivative
Share based compensation expense
Under provision of income tax in respect of previous years

1,117	1,100	1.5
(161)	(9)	N.M.
-	72	(100.0)
60	371	(83.8)
(55)	(39)	41.0
35	(81)	N.M.
-	(420)	(100.0)
54	62	(12.9)
-	55	(100.0)

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-13	31-Dec-12	31-Mar-13	31-Dec-12
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant & equipment	22,044	22,764	313	331
Intangible assets	119	119	-	-
Investments in subsidiaries	-	-	50,622	50,622
Investments in associates	16,416	16,463	92	92
Deferred tax assets	486	486	-	-
Trade receivables	7,330	7,867	-	-
Current assets				
Amounts due from subsidiaries	-	-	22,674	22,973
Development properties	63,923	61,960	-	-
Gross amount due from customers for work-in-progress	39,560	32,720	-	-
Inventories	1,813	2,283	-	-
Trade receivables	69,827	56,692	-	-
Other receivables	3,252	2,743	63	54
Pledged deposits	3,438	3,442	-	-
Cash and cash equivalents	43,994	47,835	790	587
	225,807	207,675	23,527	23,614
Current liabilities				
Amounts due to subsidiaries	-	-	10,104	10,405
Gross amount due to customers for work-in-progress	29,192	17,667	-	-
Trade and other payables	54,469	54,713	127	153
Other liabilities	5,920	4,167	1,484	1,451
Loans and borrowings	6,342	3,867	-	-
Income tax payable	3,106	2,935	49	40
	99,029	83,349	11,764	12,049
Net current assets	126,778	124,326	11,763	11,565
Non-current liabilities				
Trade payables	5,083	4,872	-	-
Deferred tax liabilities	2,221	2,221	-	-
Loans and borrowings	54,655	55,696	-	-
	111,214	109,236	62,790	62,610
Equity attributable to equity holders of the Company				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(416)	(416)	(416)	(416)
Share plan reserves	151	135	151	135
Retained earnings	66,431	64,372	19,088	18,924
Foreign currency translation reserve	(685)	(513)	-	-
	109,448	107,545	62,790	62,610
Non-controlling interests	1,766	1,691	-	-
Total equity	111,214	109,236	62,790	62,610

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

Amount repayable in one year or less, or on demand

As at 31/03/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
\$4,342,000	\$2,000,000	\$3,867,000	-

Amount repayable after one year

As at 31/03/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
\$54,655,000	-	\$55,696,000	-

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 charges over the property held for sale at Bliss @Kovan, Singapore, plant and equipment and motor vehicles from subsidiaries and fixed deposits from a subsidiary.

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	
	2013 S\$'000	2012 S\$'000
Cash flows from operating activities		
Profit before taxation	2,590	4,454
Adjustments for:		
Depreciation of property, plant and equipment	1,117	1,100
Allowance for/(write-back of) doubtful receivables (net)	35	(81)
Fair value gain on derivative	-	(420)
Interest income	(55)	(39)
Interest expense	60	371
Loss on disposal of property, plant and equipment	-	72
Share of results of associates	47	(17)
Share based compensation expense	54	62
Operating profit before working capital changes	3,848	5,502
(Increase)/decrease in development properties	(1,743)	4,181
Decrease in amount due from customers for work-in-progress (net)	4,685	4,081
Increase in trade receivables	(12,633)	(17,808)
(Increase)/decrease in other receivables	(548)	285
Decrease/(increase) in inventories	470	(223)
(Decrease)/increase in trade and other payables	(33)	2,340
Increase in other liabilities	1,753	981
Cash used in operations	(4,201)	(661)
Interest paid	(280)	(495)
Interest received	55	39
Income tax paid	(283)	(637)
Net cash used in operating activities	(4,709)	(1,754)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	9
Purchase of property, plant and equipment (Note A)	(365)	(442)
Net cash used in investing activities	(365)	(433)
Cash flows from financing activities		
Shares purchase held as treasury shares	-	(125)
Proceeds from bank borrowings, net	2,678	2,853
Repayment of long term borrowings	(500)	(15,000)
Repayment of finance leases	(779)	(755)
Increase in pledged deposits	-	(197)
Net cash from/(used in) financing activities	1,399	(13,224)
Net decrease in cash & cash equivalents	(3,675)	(15,411)
Net effect of exchange rate changes in consolidating subsidiaries	(166)	37
Cash and cash equivalents at beginning of the period	47,835	51,882
Cash and cash equivalents at end of the period	43,994	36,508
<u>Comprising:</u>		
Cash and bank balances	13,757	19,954
Fixed deposits	33,675	18,460
	47,432	38,414
Less: Pledged fixed deposits	(3,438)	(1,906)
	43,994	36,508

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 satisfied by hire purchase arrangements
 Cash payments

First quarter ended 31 Mar	
2013	2012
S\$'000	S\$'000
400	1,114
(35)	(672)
365	442

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 S\$'000	Non-controlling interests S\$'000	
Balance at 1 January 2013	43,967	(416)	64,372	(513)	135	1,691	109,236
Share-based compensation expense	-	-	-	-	16	-	16
Total comprehensive income for the period	-	-	2,059	(172)	-	75	1,962
Balance at 31 March 2013	43,967	(416)	66,431	(685)	151	1,766	111,214
Balance at 1 January 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 March 2012	43,967	(726)	57,363	(340)	228	1,336	101,828

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 January 2013	43,967	(416)	135	18,924	62,610
Share-based compensation expense	-	-	16	-	16
Total comprehensive income for the period	-	-	-	164	164
Balance at 31 March 2013	43,967	(416)	151	19,088	62,790
Balance at 1 January 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 March 2012	43,967	(726)	228	6,645	50,114

- 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 2013, the issued share capital of the Company was \$43,967,199 comprising 306,398,418 ordinary shares and 1,812,000 treasury shares.

Treasury shares

During 1Q13, the Company acquired Nil (1Q12: 544,000) 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 2013 was 1,812,000 (as at 31 March 2012: 2,982,000).

	<u>No. of shares</u>	<u>S\$'000</u>
At 31 December 2012	1,812,000	416
Purchased in 1Q13	-	-
At 31 March 2013	<u>1,812,000</u>	<u>416</u>

Employee performance share plan

As at 31 March 2013, there were 1,280,000 (as at 31 March 2012: 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 2013	1,280,000
Granted in 1Q13	-
At 31 March 2013	<u>1,280,000</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 2013 was 306,398,418 (as at 31 December 2012: 306,398,418). The total number of treasury shares held as at 31 March 2013 was 1,812,000 (as at 31 December 2012: 1,812,000).

- 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 2013.

- 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 2012.

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.

	<u>Note</u>	<u>First Quarter Ended 31 March</u>	
		<u>2013</u> Cents	<u>2012</u> Cents
Earnings per ordinary share of the Company attributable to shareholders			
(a) Based on the weighted average number of ordinary shares in issue	(1)	0.67	1.15
(b) On a fully diluted basis (detailing any adjustment made to earnings)	(2)	0.67	1.14

Note

(1) Weighted average number of shares of 306,398,418 (2012: 305,611,121) takes into account the weighted average effect of changes in treasury shares transactions during the period

(2)

	<u>First Quarter Ended 31 March</u>	
	<u>2013</u>	<u>2012</u>
Weighted average number of ordinary shares for basic earnings per share computation	306,398,418	305,611,121
Effect of dilution – performance shares	1,280,000	1,170,000
Weighted average number of ordinary shares for diluted earnings per share computation	307,678,418	306,781,121

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

	<u>Group</u>		<u>Company</u>	
	<u>31.3.13</u> Cents	<u>31.12.12</u> Cents	<u>31.3.13</u> Cents	<u>31.12.12</u> Cents
Net asset value per ordinary share based on issued capital at the end of the period	35.72	35.10	20.49	20.43

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 2013 ('1Q13') vs First Quarter 2012 ('1Q12')

Group revenue for 1Q13 was lower at \$78.2 million relative to \$94.3 million in 1Q12. Net profit attributable to equity holders of the Company for 1Q13 also decreased to \$2.1 million from \$3.5 million for the same period last year.

The lower revenue for 1Q13 was due mainly to lower revenue from property development, which was partially offset by higher specialised engineering revenue compared to 1Q12. The higher revenue from property development for 1Q12 was attributable to Lush on Holland Hill which was in its active stage of construction, whereas construction for Bliss @Kovan is still in its preliminary stage in 1Q13 and revenue contribution is not yet significant. Higher revenue was recorded for specialised engineering segment, mainly from bored piling works in the current quarter.

Gross profit and margin for 1Q13 was \$7.2 million and 9.3% respectively, compared to \$9.1 million and 9.6% respectively for 1Q12. The decline in 1Q13's gross profit and margin were mainly from the property development segment. As Bliss @Kovan is still in its early stage of construction, profits from this project will be recognised in subsequent quarters as construction progresses. However, gross profit contribution from specialised projects has increased for 1Q13 due to more projects in progress in Malaysia.

In 1Q13, other income comprised mainly foreign exchange gains from SGD denominated loans to a Thailand subsidiary due to the appreciation of the Thai baht to the SGD.

Administrative costs decreased to \$1.5 million in 1Q13 from \$1.9 million in 1Q12 because there were no marketing expenses in relation to Bliss @Kovan, compared to substantial advertisement costs and sales commissions incurred for this development in 1Q12. Other operating cost rose by 9.7% to \$3.7 million in 1Q13 from \$3.4 million in 1Q12 due mainly to higher remuneration expense and lower doubtful debts recovered and written back in the current quarter.

The Group incurred finance costs, mainly hire purchase interest of \$60,000 for 1Q13 compared to a net credit of \$49,000 for the same period last year. The credit in 1Q12 was due to a reversal of its fair value loss on interest-rate derivative and partially offset by interest expense incurred for the development property at Bliss @Kovan.

The Group's share of loss from associates amounted to \$47,000 in 1Q13, mainly attributable to net operating expenses incurred by Tennessee Pte Ltd.

Income tax expenses decreased to \$0.5 million for 1Q13 from \$0.9 million in 1Q12 due to lower profits recorded in the current period.

Statement of Financial Position Review

The Group's property, plant and equipment decreased to \$22.0 million as at 31 March 2013 from \$22.8 million as at 31 December 2012 mainly due to depreciation charges in the first quarter.

Development properties increased to \$63.9 million as at 31 March 2013, compared with \$62.0 million as at 31 December 2012, due to Bliss @Kovan.

Amount due from customers for work-in-progress (which represents costs and profits in excess of billings taken up) increased to \$39.6 million as at 31 March 2013 from \$32.7 million as at end of 2012. The increase was mainly attributable to preliminary construction costs incurred in excess of progress billings for a major project which is in its early stage of construction in Malaysia.

Trade receivables, current and non-current, increased by \$12.6 million to \$77.2 million as at 31 March 2013 from \$64.6 million as at 31 December 2012 mainly due to substantial work completed for ongoing general construction projects towards end March 2013, of which billings to customers were not yet due for payment.

Other receivables rose to \$3.3 million as at 31 March 2013 from \$2.7 million as at 31 December 2012 due to cash advances to subcontractors and for plant and equipment purchases for use by new projects in Malaysia.

Cash and cash equivalents, and pledged deposits, stood at \$47.4 million as at 31 March 2013 compared to \$51.3 million as at 31 December 2012, due mainly to net cash of \$4.7 million used in operations.

Amount due to customers for work-in-progress (which represents billings in excess of costs and profits taken up) increased to \$29.2 million as at 31 March 2013 from \$17.7 million as at 31 December 2012, mainly due to increased progress billings for general construction projects. Other liabilities were \$5.9 million as at 31 March 2013 compared with \$4.2 million as at 31 December 2012, attributable to provisions for the current period.

Total bank loans and borrowings increased by \$1.4 million during the current quarter, mainly due to short-term borrowings to fund project start-up costs and partially offset by term loan repayments for Bliss @Kovan.

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 2012.

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 April 2013, the Ministry of Trade and Industry announced that based on advance estimates, the economy in the first quarter of 2013 contracted by 0.6 per cent on a year-on-year basis, compared to 1.5 per cent in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 1.4 per cent, a reversal from the 3.3 per cent growth in the previous quarter. The construction sector grew by 7.0 per cent on a year-on-year basis, compared to 5.8 per cent in the preceding quarter. On a sequential basis, the construction sector expanded by an annualised rate of 15.1 per cent, an improvement from the contraction of 3.9 per cent in the preceding quarter. The rebound was primarily due to a recovery in the private sector building activities.

Although the construction sector recorded modest growth, the outlook for this industry is expected to be challenging in the next 12 months with increasing competition and expected increases in labour and material costs. Construction gross margins are expected to be lean and shortage of skilled and unskilled workers may affect the future progress of projects.

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 \$1.1 billion, predominantly in Singapore and Malaysia. The Group expects to remain profitable for FY 2013.

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 2013 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