

**HOLDINGS (S) LTD**

Registration No.: 199304349M

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

	Third quarter ended 30 September			9 months ended 30 September		
	2013	2012	Change	2013	2012	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<u>INCOME STATEMENT</u>						
Revenue	120,217	46,008	161.3	302,726	199,454	51.8
Cost of sales	(108,278)	(37,015)	192.5	(276,705)	(172,719)	60.2
Gross profit	11,939	8,993	32.8	26,021	26,735	(2.7)
Other operating income	495	221	124.0	2,068	1,259	64.3
Other expense	(73)	(65)	12.3	(61)	(141)	(56.7)
Administrative costs	(2,005)	(2,091)	(4.1)	(5,415)	(6,466)	(16.3)
Other operating costs	(3,492)	(3,882)	(10.0)	(9,487)	(9,516)	(0.3)
Finance costs	(71)	(154)	(53.9)	(217)	(446)	(51.3)
Share of results of associates	3,322	44	N.M	3,298	(365)	N.M
Profit before taxation	10,115	3,066	229.9	16,207	11,060	46.5
Income tax expense	(1,689)	(568)	197.4	(2,765)	(1,932)	43.1
Profit for the period	8,426	2,498	237.3	13,442	9,128	47.3
Attributable to:						
Owners of the parent	8,351	2,373	251.9	13,189	8,797	49.9
Non-controlling interests	75	125	(40.0)	253	331	(23.6)
	8,426	2,498	237.3	13,442	9,128	47.3
N.M. - Not meaningful						

	Third quarter ended 30 September			9 months ended 30 September		
	2013 S\$'000	2012 S\$'000	Change %	2013 S\$'000	2012 S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME						
Profit for the period	8,426	2,498	237.3	13,442	9,128	47.3
Other comprehensive income:						
Foreign currency translation differences	(304)	32	N.M	(209)	(96)	117.7
Other comprehensive income for the period	(304)	32	N.M	(209)	(96)	117.7
Total comprehensive income for the period	8,122	2,530	221.0	13,233	9,032	46.5
Total comprehensive income attributable to:						
Owners of the parent	8,118	2,407	237.3	13,017	8,741	48.9
Non-controlling interests	4	123	(96.7)	216	291	(25.8)
	8,122	2,530	221.0	13,233	9,032	46.5

NOTES TO INCOME STATEMENT

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

Depreciation of property, plant and equipment	1,159	974	19.0	3,465	3,131	10.7
Foreign exchange loss	73	65	12.3	61	141	(56.7)
(Gain)/loss on disposal of property, plant and equipment	(188)	-	N.M	(86)	72	N.M
Interest expense	71	154	(53.9)	217	866	(74.9)
Interest income	(28)	(41)	(31.7)	(153)	(123)	24.4
(Write-back of)/allowance for doubtful receivables (net)	(258)	851	N.M	(203)	634	N.M
Fair value gain on derivatives	-	-	-	-	(420)	(100.0)
Share based compensation expense	99	78	26.9	185	200	(7.5)
Overprovision of income tax in respect of previous years	(2)	-	N.M	(52)	(37)	40.5

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-13 S\$'000	31-Dec-12 S\$'000	30-Sep-13 S\$'000	31-Dec-12 S\$'000
Non-current assets				
Property, plant and equipment	20,490	22,764	282	331
Intangible assets	119	119	-	-
Investments in subsidiaries	-	-	50,632	50,622
Investments in associates	12,911	16,463	92	92
Loan to an associate	26,736	-	-	-
Deferred tax assets	486	486	-	-
Trade receivables	10,202	7,867	-	-
Current assets				
Amounts due from subsidiaries	-	-	17,970	22,973
Development properties	66,593	61,960	-	-
Gross amount due from customers for work-in-progress	44,314	32,720	-	-
Inventories	2,924	2,283	-	-
Trade receivables	70,576	56,692	-	-
Other receivables	4,065	2,743	863	54
Pledged deposits	3,395	3,442	-	-
Cash and cash equivalents	34,627	47,835	765	587
	226,494	207,675	19,598	23,614
Current liabilities				
Amounts due to subsidiaries	-	-	10,875	10,405
Gross amount due to customers for work-in-progress	29,779	17,667	-	-
Trade and other payables	74,497	54,713	119	153
Other liabilities	6,778	4,167	593	1,451
Loans and borrowings	6,828	3,867	-	-
Income tax payable	2,782	2,935	47	40
	120,664	83,349	11,634	12,049
Net current assets	105,830	124,326	7,964	11,565
Non-current liabilities				
Trade payables	7,693	4,872	-	-
Deferred tax liabilities	3,004	2,221	-	-
Loans and borrowings	47,326	55,696	-	-
	118,751	109,236	58,970	62,610
Equity attributable to equity holders of the Company				
Share capital	43,967	43,967	43,967	43,967
Treasury shares	(504)	(416)	(504)	(416)
Share plan reserve	189	135	189	135
Retained earnings	73,877	64,372	15,318	18,924
Foreign currency translation reserve	(685)	(513)	-	-
	116,844	107,545	58,970	62,610
Non-controlling interests	1,907	1,691	-	-
Total equity	118,751	109,236	58,970	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 30/09/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
S\$3,828,000	S\$3,000,000	S\$3,867,000	-

Amount repayable after one year

As at 30/09/2013		As at 31/12/2012	
Secured	Unsecured	Secured	Unsecured
S\$47,326,000	-	S\$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 (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	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Cash flows from operating activities				
Profit before taxation	10,115	3,066	16,207	11,060
Adjustments for:				
Depreciation of property, plant and equipment	1,159	974	3,465	3,131
(Write-back of)/allowance for doubtful receivables (net)	(258)	851	(203)	634
Bad debts written-off	-	-	1	-
Fair value gain on derivatives	-	-	-	(420)
Interest income	(28)	(41)	(153)	(123)
Interest expense	71	154	217	866
(Gain)/loss on disposal of property, plant and equipment	(188)	-	(86)	72
Share of results of associates	(3,322)	(44)	(3,298)	365
Share based compensation expense	99	78	185	200
Operating profit before working capital changes	7,648	5,038	16,335	15,785
(Increase)/decrease in development properties	(2,255)	60,228	(3,983)	75,023
(Increase)/decrease in amount due from customers for work-in-progress (net)	(10,007)	(12,550)	518	(19,127)
Decrease/(increase) in trade receivables	3,607	(19,280)	(16,017)	(11,026)
Increase in other receivables	(530)	-	(1,322)	(587)
(Increase)/decrease in inventories	(40)	210	(641)	442
Increase/(decrease) in trade and other payables	15,846	(6,529)	22,605	(10,354)
Increase in other liabilities	2,413	942	2,611	1,274
Cash from operations	16,682	28,059	20,106	51,430
Interest paid	(281)	(286)	(867)	(1,211)
Interest received	28	41	153	123
Income tax paid	(925)	(267)	(2,135)	(1,034)
Net cash from operating activities	15,504	27,547	17,257	49,308
Cash flows from investing activities:				
Proceeds from disposal of property, plant and equipment	188	-	413	9
Purchase of property, plant and equipment (Note A)	(328)	(151)	(953)	(800)
Investment in an associate	(350)	-	(350)	-
Dividends received from an associate	7,200	-	7,200	-
Net cash from/(used in) investing activities	6,710	(151)	6,310	(791)
Cash flows from financing activities				
Loan to an associate	(26,736)	-	(26,736)	-
Dividends paid on ordinary shares	-	-	(3,684)	(2,447)
Purchase of treasury shares	-	-	(219)	(125)
Proceeds from bank borrowings, net	2,724	1,437	3,652	1,433
Repayment of long term borrowings	(4,500)	(19,465)	(7,000)	(47,765)
Repayment of finance leases	(930)	(734)	(2,659)	(2,276)
Increase in pledged deposits	-	(397)	-	(378)
Net cash used in financing activities	(29,442)	(19,159)	(36,646)	(51,558)
Net (decrease)/increase in cash & cash equivalents	(7,228)	8,237	(13,079)	(3,041)
Net effect of exchange rate changes in consolidating subsidiaries	(143)	30	(129)	(74)
Cash and cash equivalents at beginning of the period	41,998	40,500	47,835	51,882
Cash and cash equivalents at end of the period	34,627	48,767	34,627	48,767
<u>Comprising:</u>				
Cash and bank balances	18,960	33,424	18,960	33,424
Fixed deposits	19,062	17,430	19,062	17,430
	38,022	50,854	38,022	50,854
Less: Pledged fixed deposits	(3,395)	(2,087)	(3,395)	(2,087)
	34,627	48,767	34,627	48,767

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

Note A

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

	Third quarter ended 30 September		9 months ended 30 September	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
Total cost of property, plant and equipment acquired	343	201	1,585	2,058
Less: Hire purchase arrangements	-	(50)	(617)	(1,258)
Net exchange differences	(15)	-	(15)	-
Cash payments	328	151	953	800

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 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 Mar and 1 Apr 2013	43,967	(416)	66,431	(685)	151	1,766	111,214
Treasury shares reissued pursuant to employee share plan	-	131	-	-	(131)	-	-
Purchase of treasury shares	-	(219)	-	-	-	-	(219)
Share based compensation expense	-	-	-	-	9	-	9
Dividends paid on ordinary shares	-	-	(3,684)	-	-	-	(3,684)
Total comprehensive income for the period	-	-	2,779	233	-	137	3,149
Balance at 30 Jun and 1 Jul 2013	43,967	(504)	65,526	(452)	29	1,903	110,469
Share based compensation expense	-	-	-	-	160	-	160
Total comprehensive income for the period	-	-	8,351	(233)	-	4	8,122
Balance at 30 Sep 2013	43,967	(504)	73,877	(685)	189	1,907	118,751
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

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 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 Mar and 1 Apr 2013	43,967	(416)	151	19,088	62,790
Treasury shares reissued pursuant to employee share plan	-	131	(131)	-	-
Purchase of treasury shares	-	(219)	-	-	(219)
Share based compensation expense	-	-	9	-	9
Dividends paid on ordinary shares	-	-	-	(3,684)	(3,684)
Total comprehensive income for the period	-	-	-	125	125
Balance at 30 Jun and 1 Jul 2013	43,967	(504)	29	15,529	59,021
Share based compensation expense	-	-	160	-	160
Total comprehensive income for the period	-	-	-	(211)	(211)
Balance at 30 Sep 2013	43,967	(504)	189	15,318	58,970
Balance at 1 Jan 2012	43,967	(601)	166	6,494	50,026
Share based compensation expense	-	(125)	-	-	(125)
Purchase of treasury shares	-	-	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
Purchase of treasury shares	-	-	78	-	78
Total comprehensive income for the period	-	-	-	(105)	(105)
Balance at 30 Sep 2012	43,967	(571)	211	4,113	47,720

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 2013, the issued share capital of the Company was \$43,967,199 comprising 306,238,418 ordinary shares and 1,972,000 treasury shares.

Treasury shares

During 3Q13, the Company acquired Nil (3Q12: Nil) 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 2013 was 1,972,000 (as at 30 September 2012: 2,397,000).

	<u>No. of shares</u>	<u>S\$'000</u>
At 1 January 2013	1,812,000	416
Purchased in 2Q13	800,000	219
Less: Performance shares vested in 2Q13	(640,000)	(131)
At 30 September 2013	<u>1,972,000</u>	<u>504</u>

Employee performance share plan

As at 30 September 2013, there were 2,050,000 (as at 30 September 2012: 1,865,000) 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
Less: Performance shares vested in 2Q13	(640,000)
Granted in 3Q13	1,410,000
At 30 September 2013	<u>2,050,000</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 2013 was 306,238,418 (as at 31 December 2012: 306,398,418). The total number of treasury shares held as at 30 September 2013 was 1,972,000 (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.

Movement of treasury shares during the nine months ended 30 September 2013 is as follows:

	<u>No. of shares</u>
At 1 January 2013	1,812,000
Purchased in 2Q13	800,000
Less: Performance shares vested in 2Q13	(640,000)
At 30 September 2013	<u>1,972,000</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 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.**

	Note	Third Quarter Ended 30 September		9 months Ended 30 September		
		2013 Cents	2012 Cents	2013 Cents	2012 Cents	
Earnings per ordinary share of the Group attributable to shareholders						
(a)	Based on the weighted average number of ordinary shares in issue	(1)	2.73	0.78	4.30	2.88
(b)	On a fully diluted basis (detailing any adjustment made to earnings)	(2)	2.71	0.77	4.28	2.86

Note

(1) Weighted average number of shares of 306,399,733 (30 September 2012: 305,673,641) takes into account the weighted average effect of changes in treasury shares transactions during the period.

(2)

	9 months Ended 30 September	
	2013	2012
Weighted average number of ordinary shares for basic earnings per share computation	306,399,733	305,673,641
Effect of dilution – performance shares	2,050,000	1,865,000
Weighted average number of ordinary shares for diluted earnings per share computation	308,449,733	307,538,641

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	
	30.9.13 Cents	31.12.12 Cents	30.9.13 Cents	31.12.12 Cents
Net asset value per ordinary share based on issued capital at the end of the period	38.15	35.10	19.26	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.**

Income Statement Review – Third Quarter 2013 ('3Q13') vs Third Quarter 2012 ('3Q12')

Group revenue increased to \$120.2 million in 3Q13 from \$46.0 million in 3Q12 and net profit attributable to equity holders jumped to \$8.4 million for 3Q13 compared to \$2.5 million for 3Q12.

The sharp increase of \$74.2 million for 3Q13 group revenue over 3Q12 was mainly due to higher revenue recognised from general construction and property development. Most of the group's general construction projects are in their active stage of construction and have contributed to higher revenue during the current quarter. For property development, progressive revenue for Bliss @Kovan was recognised in 3Q13, compared to none for 3Q12 because construction for Bliss @Kovan has not commenced at that time while Lush on Holland Hill was completed in 2Q12. Revenue from specialised engineering also improved due to more on-going projects in Malaysia.

Gross profit for 3Q13 increased to \$11.9 million from \$9.0 million for 3Q12 due mainly to higher contribution from property development, partially offset by lower profits from general construction activities, which decreased as a result of rising manpower and subcontractors' costs. The Group has commenced recognition of profits from its development property, Bliss @Kovan as construction progress has reached the active stage as at 30 September 2013.

Other operating income more than doubled to \$0.5 million in 3Q13 from \$0.2 million in 3Q12 mainly due to higher office rental income and gain on disposal of piling equipment.

Administrative costs decreased marginally to \$2.0 million in 3Q13 from \$2.1 million in 3Q12 because of higher sales commissions incurred for Bliss @Kovan in 3Q12 compared to the current quarter. Other operating costs decreased by \$0.4 million from \$3.9 million in 3Q12 to \$3.5 million in 3Q13, due largely to significantly lower allowance for doubtful receivables (net) and partially offset by increase in staff remuneration in 3Q13.

Finance costs decreased to \$71,000 in 3Q13 from \$154,000 in 3Q12 because term loan interests for purchase of land for development of Bliss @Kovan were not expensed to the income statement, but capitalised to development property in the current period, whereas interest expensed in 3Q12 were incurred prior to commencement of construction.

The Group's share of results of associates increased to \$3.3 million in 3Q13 as compared to \$44,000 in 3Q12, mainly attributable to its 48% share of profits in Tennessee Pte Ltd for units sold at 8 Nassim Hill in the current quarter.

Income tax expense in 3Q13 rose to \$1.7 million from \$0.6 million in 3Q12 due to higher tax provision for increased profits in 3Q13.

Income Statement Review – 9 months 2013 ('9M13') vs 9 months 2012 ('9M12')

Group revenue increased by 51.8% to \$302.7 million for 9M13 from \$199.5 million for 9M12 and net profit attributable to shareholders also rose by 49.9% to \$13.2 million in the current period relative to \$8.8 million in 9M12.

The increase in revenue for 9M13 was largely attributable to higher revenue recognised from general construction and specialised engineering projects, and partially offset by lower property development revenue. Most of the group's projects are in their active stage of construction, with some specialised projects approaching the completion stage. Revenue from Bliss @Kovan, a property development project, was lower in 9M13 as compared to strong revenue contribution from Lush on Holland Hill in 9M12, a project completed in the first half of 2012.

Although gross profit for 9M13 and 9M12 were almost unchanged at \$26.0 million and \$26.7 million respectively, margins decreased to 8.6% in 9M13 from 13.4% in 9M12, mainly due to difference in project mix and lower profit margins from general construction projects. Project margins were affected by escalating workers' and subcontractors' cost, and consequential costs from project delays as a result of labour shortages. However, the group registered higher gross profits from specialised engineering projects in 9M13.

Other operating income rose to \$2.1 million in 9M13 from \$1.3 million in 9M12, mainly due to administrative fees received from the training and testing centres and project management fees.

Other expense of \$61,000 and \$141,000 in 9M13 and 9M12 respectively, was mainly attributable to foreign exchange differences for SGD denominated borrowings by a subsidiary in Thailand.

Administrative costs in 9M13 was lower at \$5.4 million compared to \$6.5 million in 9M12 because of substantially lower advertisement and sales commissions incurred for Bliss @Kovan in 9M13, in line with lower marketing activities for the project during the period. Other operating cost for the two periods were almost unchanged at \$9.5 million due to lower allowance of doubtful receivables and offset by higher manpower costs.

Finance costs halved to \$0.2 million in 9M13 from \$0.4 million in 9M12, mainly due to term loan interest being capitalised to property development for 9M13, but such interest were expensed to finance cost prior to commencement of construction in the previous corresponding period.

The Group's share of associates' profits for 9M13 was \$3.3 million, mainly attributable to its 48% share of profits in Tennessee Pte Ltd for units sold at 8 Nassim Hill in the current period. In 9M12, share of losses from associates was \$0.4 million, largely due to operating expenses in the same development.

Income tax expense increased to \$2.8 million for 9M13 from \$1.9 million in 9M12 due to higher profits recorded in the current period.

Statement of Financial Position Review

The Group's property, plant and equipment decreased to \$20.5 million as at 30 September 2013 from \$22.8 million as at 31 December 2012 mainly due to depreciation charges in the nine months from January 2013.

Investments in associates decreased to \$12.9 million as at 30 September 2013 from \$16.5 million as at 31 December 2012, after Tennessee Pte Ltd, a 48% owned associate, distributed dividends during 3Q13.

As at 30 September 2013, non-current loan to an associate of \$26.7 million was attributable to advances to the Group's 35% owned associate, Lakehomes Pte Ltd, to finance the acquisition of land from HDB at Yuan Ching/Tao Ching Road for development of executive condominiums. Please refer to BBR's announcement on the SGX website dated 5 August 2013.

Development property increased to \$66.6 million as at 30 September 2013 compared with \$62.0 million as at 31 December 2012, due mainly to construction costs at Bliss @Kovan, partially offset by progress claims for sold units.

Amount due from customers for work-in-progress (which represents costs and profits in excess of billings taken up) increased to \$44.3 million as at 30 September 2013 from \$32.7 million as at end of 2012. The increase was mainly attributable to substantial preliminary construction costs incurred in excess of progress billings for a major bridge project in Malaysia.

The group's inventories rose to \$2.9 million as at 30 September 2013 from \$2.3 million as at 31 December 2012 to cater to a growing order book. Trade receivables, current and non-current, increased by 25.1% to \$80.8 million as at 30 September 2013 from \$64.6 million as at 31 December 2012, mainly due to increase in revenue derived from numerous projects in their active stage of construction.

Other receivables rose to \$4.1 million as at 30 September 2013 from \$2.7 million as at 31 December 2012 due to deposits paid for services at project sites and plant and equipment purchases.

Cash and cash equivalents, and pledged deposits, decreased to \$38.0 million as at 30 September 2013 from \$51.3 million as at 31 December 2012, mainly attributable to shareholder's loans to its 35% owned associate, Lakehomes Pte Ltd, for purchase of land at Yuan Ching/Tao Ching Road for executive condominium development and repayment of term loan for Bliss @Kovan, and partially offset by cash received from operating activities.

Current and non-current trade and other payables as at 30 September 2013 increased to \$82.2 million from \$59.6 million as at 31 December 2012, consistent with more general construction projects in their active stage of construction. Similarly, amount due to customers for work-in-progress (which represents billings in excess of costs and profits taken up) increased to \$29.8 million as at 30 September 2013 from \$17.7 million as at 31 December 2012 because of improved progress billings from these projects.

Other liabilities increased to \$6.8 million as at 30 September 2013 compared with \$4.2 million as at 31 December 2012, attributable to provisions for the current period.

Total bank loans and borrowings decreased by \$5.4 million to \$54.2 million as at 30 September 2013 from \$59.6 million as at 31 December 2012, mainly due to term loan repayments for Bliss @Kovan and partially offset by short-term borrowings to bridge funding requirements at Lakehomes Pte Ltd.

Deferred taxation increased to \$3.0 million as at 30 September 2013 from \$2.2 million as at 31 December 2012 due to tax provision for Bliss @Kovan payable upon completion of the development.

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 14 Oct 2013, the Ministry of Trade and Industry announced that based on advanced estimates, the economy grew by 5.1 per cent on a year-on-year basis in the third quarter of 2013, compared to 4.2 per cent in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy contracted by 1.0 per cent, compared to the 16.9 per cent expansion in the previous quarter. The construction sector grew by 3.6 per cent on a year-on-year basis, compared to 6.9 per cent growth in the previous quarter. The slowdown was mainly due to weaker public sector construction activities, which partially offset robust construction activities in the private sector. On a quarter-on-quarter basis, the sector contracted at an annualised rate of 8.8 per cent, in contrast to the 20.9 per cent expansion in the previous quarter.

In view of the estimated contraction of the construction sector in 3Q13, coupled with increasing competition and expected increase in labour costs due to foreign worker shortages, 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 \$1.0 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/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 2013 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