

KEONG HONG HOLDINGS LIMITED

Full Year Financial Statement and Dividend Announcement For the Financial Year Ended 30 September 2012

Keong Hong Holdings Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 16 December 2011. The initial public offering of the Company (the "**IPO**") was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**" or "**PPCF**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Background

The Company was incorporated in the Republic of Singapore on 15 April 2008 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "**Group**"), were formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") which involved acquisition and rationalisation of the Group's corporate and shareholding structure prior to the IPO and the Company's listing on Catalist of the SGX-ST. Please refer to the Company's offer document dated 8 December 2011 ("**Offer Document**") for further details on the Restructuring Exercise.

The Company was admitted to the Catalist on 16 December 2011. For the purpose of this announcement, the results of the Group for the financial year ended 30 September 2012 ("**FY2012**"), and the comparative results of the Group for the financial year ended 30 September 2011 ("**FY2011**") represented a combination or aggregation of the financial statements of the Company and its subsidiaries after the Restructuring Exercise, and have been prepared on the assumption that the Group structure following the completion of the Restructuring Exercise has been in place since 1 October 2010.

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 12 months ended		Increase/ (Decrease) %
	30.09.2012 (Unaudited) S\$'000	30.09.2011 (Audited) S\$'000	
Revenue	167,360	189,545	(11.7%)
Cost of sales	(137,985)	(175,707)	(21.5%)
Gross profit	29,375	13,838	112.3%
Other income	1,418	2,739	(48.2%)
Administration expenses	(6,699)	(4,366)	53.4%
Other expenses	-	(158)	n.m.
Finance costs	(63)	(145)	(56.6%)
Share of results of joint ventures	-	140	n.m.
Share of results of associated company	(200)	-	n.m.
Profit before income tax	23,831	12,048	97.8%
Income tax expense	(4,705)	(1,073)	338.5%
Profit after tax for the financial year	19,126	10,975	74.3%
Other comprehensive income:			
Exchange differences on translating of foreign operations	(154)	72	n.m.
Income tax on the comprehensive income	-	-	n.m.
Other comprehensive income for financial year, net of tax	(154)	72	n.m.
Total comprehensive income for the financial year	18,972	11,047	71.7%
Profit attributable to:			
Owners of the parent	19,800	9,374	111.2%
Non-controlling interests	(674)	1,601	n.m.
	19,126	10,975	74.3%
Total comprehensive income attributable to:			
Owners of the parent	19,722	9,411	109.6%
Non-controlling interests	(750)	1,636	n.m.
	18,972	11,047	71.7%

n.m. denotes not meaningful

1(a)(ii) Profit for the year is stated after charging/(crediting):

	Group 12 months ended		Increase/ (Decrease)
	30.09.2012 (Unaudited)	30.09.2011 (Audited)	
	S\$'000	S\$'000	%
Depreciation of plant and equipment ⁽¹⁾	2,917	1,547	88.6%
Amortisation of intangible asset	2	5	(60.0)%
Operating lease expenses	395	242	63.2%
Professional fees	263	638	(58.8)%
Fair value (gains)/losses on financial assets at fair value through profit or loss	(21)	157	n.m.
Foreign exchange losses/(gains) - net	78	(766)	n.m.
Gain on disposal of plant and equipment	(86)	(101)	(14.9)%
Gain on disposal of property held-for-sale	-	(50)	n.m.
Gain on disposal of investment properties	-	(637)	n.m.
Interest income	(458)	(147)	211.6%

n.m. denotes not meaningful

(1) The Group carried out a review of the estimated useful life of its plant and equipment in FY2012 and changed the estimated useful life of two categories of plant and machinery from 10 years to 5 years and 5 years to 3 years respectively. The Group believes the change in estimate will better reflect the economic benefits of those plant and equipment. This change has led to additional depreciation charge of \$1.5 million during the financial year. Should the Group have used the previous estimate of useful life for depreciation, the carrying amount of plant and equipment would have been \$5.0 million instead of \$3.5 million as at the end of the financial year.

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 As at		Company As at	
	30/09/2012 Unaudited S\$'000	30/09/2011 Audited S\$'000	30/09/2012 Unaudited S\$'000	30/09/2011 Audited S\$'000
ASSETS				
Non-current assets				
Plant and equipment	3,511	4,645	-	-
Investment in associate	-	200	-	-
Investment in joint venture	89	89	-	-
Investment in subsidiaries	-	-	20,618	-
Intangible asset	20	1	-	-
Deferred tax assets	-	45	-	-
Financial assets held-to-maturity	1,250	-	-	-
	4,870	4,980	20,618	-
Current assets				
Financial assets at fair value through profit or loss	603	582	-	-
Trade and other receivables	62,694	70,596	3	1
Cash and cash equivalents	57,684	39,725	4,626	6
	120,981	110,903	4,629	7
Less:				
Current liabilities				
Due to contract customers	28,978	20,761	-	-
Trade and other payables	40,509	60,509	178	25
Finance lease payables	509	798	-	-
Current income tax payable	4,258	1,501	-	-
	74,254	83,569	178	25
Net current assets/(liabilities)	46,727	27,334	4,451	(18)
Less:				
Non-current liabilities				
Finance lease payables	345	852	-	-
Deferred tax liabilities	74	74	-	-
	419	926	-	-
	51,178	31,388	25,069	(18)
Capital and reserves				
Share capital	23,836	13,600	23,836	-*
Foreign currency translation account	(54)	24	-	-
Accumulated profits	26,266	15,884	1,233	(18)
Equity attributable to owners of the parent	50,048	29,508	25,069	(18)
Non-controlling interests	1,130	1,880	-	-
Total equity	51,178	31,388	25,069	(18)

* Not meaningful as the share capital amounted to S\$2.00 comprising 2 shares.

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

Amount repayable in one year or less, or on demand

As at 30/9/2012 (Unaudited)		As at 30/9/2011 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

Amount repayable after one year

As at 30/9/2012 (Unaudited)		As at 30/9/2011 (Audited)	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	-	-	-

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group	
	12 months ended	
	30/09/2012	30/09/2011
	Unaudited	Audited
	S\$'000	S\$'000
Operating activities		
Profit before income tax	23,831	12,048
Adjustments for:		
Amortisation of intangible asset	2	5
Depreciation of plant and equipment	2,919	1,546
Dividend income from financial assets at fair value through profit or loss	(21)	(2)
Fair value loss/(gain) on financial assets at fair value through profit or loss	(21)	157
Gain on disposal of plant and equipment	(86)	(101)
Gain on disposal of financial assets at fair value through profit or loss	-	(34)
Gain on disposal of property held for sale	-	(50)
Interest income	(458)	(147)
Interest expense	63	145
Gain on disposal of investment properties	-	(637)
Share of results of an associate	200	-
Share of results of joint venture	-	(140)
Write-off of property, plant and equipment	2	-
Write –back of allowance for doubtful third parties trade receivable	-	(4)
Operating cash flows before movements in working capital	26,431	12,786
Trade and other receivables	7,766	(16,958)
Due to contract customers	8,217	6,497
Trade and other payables	(20,003)	9,258
Cash generated from operations	20,411	11,383
Income tax paid	(1,902)	(1,224)
Net cash generated from operating activities	20,509	10,359
Investing activities		
Investment in associate	-	(200)
Purchase of plant and equipment	(1,836)	(904)
Purchase of intangible asset	(21)	(1)
Proceeds on disposal of plant and equipment	122	235
Proceeds from disposal of financial assets at fair value through profit or loss	-	599
Proceeds on disposal of investment properties	-	5,937
Proceeds from disposal of property held for sale	-	700
Proceeds from profit and capital withdrawal of investment in joint ventures	-	575
Purchase of financial assets held-to-maturity	(1,250)	-
Dividend received	21	2
Interest received	458	147
Net cash (used in)/generated from investing activities	(2,506)	7,090

	Group	
	12 months ended	
	30.09.2012	30.09.2011
	Unaudited	Audited
	S\$'000	S\$'000
Financing activities		
Fixed deposit pledged with financial institutions	8,520	2,449
Net proceeds from issuance of shares	6,479	5,200
Share buyback	(2,621)	-
Repayments of bank borrowings	-	(1,284)
Repayments of obligations under finance leases	(796)	(1,152)
Dividends paid	(3,040)	(7,999)
Interest paid	(63)	(145)
Net cash generated from/(used in) financing activities	8,479	(2,931)
Net change in cash and cash equivalents	26,482	14,518
Cash and cash equivalents at the beginning of the financial year	28,964	14,466
Cash and cash equivalents at the beginning of the financial year	(3)	(20)
Cash and cash equivalents at end of the financial year	55,443	28,964

Cash and cash equivalents comprised of:

	12 months ended	
	30.09.2012	30.09.2011
	Unaudited	Audited
	S\$'000	S\$'000
Fixed deposit, cash and bank balances	57,684	39,725
Fixed deposits pledged	(2,241)	(10,761)
	55,443	28,964

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 (Unaudited)	Share capital S\$'000	Foreign currency translation account S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 1 October 2011	13,600	24	15,884	29,508	1,880	31,388
Profit for the year	-	-	19,800	19,800	(674)	19,126
Other comprehensive income for the financial year:						
Exchange differences on translating foreign operations	-	(78)	-	(78)	(76)	(154)
Total comprehensive income for the financial year	-	(78)	19,800	19,722	(750)	18,972
Contribution by and distribution to owners of the parent:						
Dividends	-	-	(3,040)	(3,040)	-	(3,040)
Issuance of shares	6,960	-	-	6,960	-	6,960
IPO costs capitalised	(481)	-	-	(481)	-	(481)
Shares buyback	(1,037)	-	(1,584)	(2,621)	-	(2,621)
Arising from business combination	4,794	-	(4,794)	-	-	-
Total transactions with owners of the parent	10,236	-	(9,418)	818	-	818
Balance at 30 September 2012	23,836	(54)	26,266	50,048	1,130	51,178

Group (Audited)	Share capital S\$'000	Foreign currency translation account S\$'000	Accumulated profits S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 1 October 2010	8,400	(13)	7,209	15,596	244	15,840
Profit for the year	-	-	9,374	9,374	1,601	10,975
Other comprehensive income for the financial year:						
Exchange differences on translating foreign operations	-	37	-	37	35	72
Total comprehensive income for the financial year	-	37	9,374	9,411	1,636	11,047
Contribution by and distribution to owners of the parent:						
Dividends	-	-	(699)	(699)	-	(699)
Issuance of shares	5,200	-	-	5,200	-	5,200
Total transactions with owners of the parent	5,200	-	(699)	4,501	-	4,501
Balance at 30 September 2011	<u>13,600</u>	<u>24</u>	<u>15,884</u>	<u>29,508</u>	<u>1,880</u>	<u>31,388</u>

	Share capital S\$'000	Accumulated losses S\$'000	Total S\$'000
Company (Unaudited)			
Balance at 1 October 2011	-*	(18)	(18)
Total comprehensive income for the year	-	4,291	4,291
Dividend paid	-	(3,040)	(3,040)
Issue of shares	23,836	-	23,836
Balance at 30 September 2012	23,836	1,233	25,069
Company (Audited)			
Balance at 1 October 2010	-*	(5)	(5)
Total comprehensive income for the year	-	(13)	(13)
Balance at 30 September 2011	-*	(18)	(18)

*Not meaningful as the share capital amounted to S\$2.00 comprising 2 shares.

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 well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

	Number of shares	Share capital (S\$)
As at 31 March 2012 and 30 September 2012	160,000,000	23,836,074

There was no change in the Company's share capital from 31 March 2012 up to 30 September 2012.

The Company did not have any outstanding convertibles and treasury shares 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.

1(d)(iii) To show the 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

	Company 30/09/2012	Company 30/09/2011
Total number of issued shares excluding treasury shares	160,000,000	2

The Company did not have any treasury shares as at 30 September 2012 and as at 30 September 2011.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable. The Company did not have treasury shares during or as at the end of the current financial period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

Except as disclosed in note (5) below, the financial results for the current financial period reported on have been presented using the same accounting policies and methods of computation as in the Company’s most recently audited financial statement as set out in the Annual Report for the financial year ended 30 September 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

The Group has adopted all new and revised Financial Reporting Standard (“**FRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to its operations and effective for annual periods beginning on or after 1 October 2011, where applicable.

The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group’s accounting policies and has no material/significant impact on the financial statements of the Group for the current reporting period or prior years reporting period.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

- (a) Based on the weighted average number of ordinary shares on issue; and
 (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	12 months ended	
	30 September 2012 (unaudited)	30 September 2011 (audited)
Basic and diluted earnings per share (“ EPS ”) based on aggregated weighted average number of ordinary shares (cents) ⁽¹⁾⁽³⁾	14.7	97.7
Aggregated weighted average number of ordinary shares	134,294,569	9,598,009
Basic and diluted EPS based on post-IPO number of ordinary shares (cents) ⁽²⁾⁽³⁾	12.4	5.9
Post-IPO number of ordinary shares	160,000,000	160,000,000

Notes:

- (1) The calculation for the basic EPS for the respective financial period is based on the actual aggregated weighted average number of ordinary shares in issue in the respective financial period.
 (2) For comparison and illustrative purposes, the calculation for the basic EPS for the respective financial period is based on the post-IPO share capital of 160,000,000 shares in issue.
 (3) The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30 September 2012 (Unaudited)	30 September 2011 (Audited)	30 September 2012 (Unaudited)	30 September 2011 (Audited)
Net asset value per ordinary share (cents)	31.3	284.6	15.7	NM
Number of ordinary shares	160,000,000	10,369,699 ⁽¹⁾	160,000,000	2
Net asset value per ordinary share (cents) ⁽²⁾	31.3	18.4	15.7	NM
Number of ordinary shares ⁽²⁾	160,000,000	160,000,000	160,000,000	160,000,000

NM – Not Meaningful

Notes:

- ⁽¹⁾ Based on the paid-up share capital of the Company and the aggregation of the Group's interest in the paid-up capital of its subsidiaries.
- ⁽²⁾ For comparison and illustrative purposes, the net asset value per share was calculated based on the post-IPO share capital of 160,000,000 ordinary shares.

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 following:-

- (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.**

Review of the performance

Revenue

For the 12 months ended 30 September 2012 ("**FY2012**"), the Group recorded a 11.7% decrease in revenue to S\$167.4 million as compared to S\$189.5 million in the 12 months ended 30 September 2011 ("**FY2011**"). The decrease of approximately S\$22.1 million was mainly due to lower revenue recognition from projects which received Temporary Occupation Permit at the end of FY2011, namely, The Martin Place Residences, the Singapore Institute of Management Projects, as well as projects which the Group had completed towards the end of FY2012, including The Parvis, 8@Woodleigh and Falhumaafushi Resort in Maldives. The lower revenue was partially offset by revenue recognition from new projects such as Paterson 2, The Terrasse, The Twinwater Falls and Koodoo Airport in Maldives.

Gross Profit & Gross Profit Margin

Gross profit for FY2012 increased by more than two-fold or S\$15.5 million to S\$29.4 million as compared to S\$13.8 million in FY2011. Correspondingly, gross profit margin for FY2012 improved to 17.6% from 7.3% in FY2011. The improvement in gross profit and gross profit margin were due to the completion of a few projects with higher profit margin in FY2012.

Other Income

Other income in FY2012 was S\$1.3 million or 48.2% lower than FY2011 due mainly to the absence of gain from disposal of investment properties in FY2012 (S\$0.6 million in FY2011) and a foreign exchange loss of S\$0.08 million as compared to a foreign exchange gain of S\$0.8 million in FY2011.

Administrative Expenses

Administrative expenses increased by S\$2.3 million from S\$4.4 million in FY2011 to S\$6.7 million in FY2012 due mainly due to higher staff costs and additional compliance expenses pursuant to the listing of the Company.

Other expenses

Other expenses in FY2011 related to revaluation loss on financial assets at fair value through profit or loss which were denominated in United States Dollar. In FY2012, there was a revaluation gain on such financial assets which was classified under "Other Income".

Depreciation expenses

Depreciation expenses in FY2012 increased by 88.6% as compared to FY2011 mainly attributable to the changes in the estimated useful life of two categories of plant and machinery to a shorter depreciation period.

Finance costs

Finance costs decreased from S\$0.1 million in FY2011 to S\$0.06 million in FY2012 as the Group has no bank borrowings in FY2012. The finance costs of S\$0.06 million relate to interest expenses for hire purchase.

Profit before tax

As a result of a higher gross profit generated during the year, the Group posted an increase of 97.8% or S\$11.8 million in net profit, from S\$12.0 million in FY2011 to S\$23.8 million in FY2012. Net profit before tax margin improved from 6.4% in FY2011 to 14.2% in FY2012.

Review of Financial Position

Non-Current Assets

During FY2012, the Group purchased corporate bonds which amounted to S\$1.3 million to maximise yield returns and with the intention of holding the financial assets for investment purpose.

The Group's share of losses from its investment in associated accompany amounted to S\$0.2 million during FY2012. As a result, the investment in associate as at 30 September 2012 was fully written down from S\$0.2 million as at 30 September 2011.

The decrease in plant and equipment of S\$1.1 million from S\$4.6 million as at 30 September 2011 to S\$3.5 million as at 30 September 2012 was mainly due to higher depreciation expenses during FY2012.

Current Assets

Trade and other receivables decreased by S\$7.9 million from S\$70.6 million as at 30 September 2011 to S\$62.7 million at the end of FY2012 mainly due to the decrease in revenue as a result of completion of several projects in FY2012.

Current Liabilities

The decrease in current liabilities of S\$9.3 million from S\$83.6 million as at 30 September 2011 to S\$74.3 million as at 30 September 2012 was due mainly to the decrease in trade and other payables of S\$20.0 million as a result of completion of several projects in FY2012. The decrease in current liabilities was partially offset by the increase in amount due to contract customers of S\$8.2 million in FY2012 as compared to that in FY2011 as a result of higher progress billing as at 30 September 2012.

Non-Current Liabilities

The decrease in non-current liabilities of S\$0.5 million from S\$0.9 million as at 30 September 2011 to S\$0.4 million as at 30 September 2012 was due to lower finance lease during FY2012.

The Group had a positive working capital of S\$46.7 million as at 30 September 2012 as compared to S\$27.3 million as at 30 September 2011.

Review of Cash Flow Statement

For FY2012, the Group generated net cash of S\$20.5 million from operating activities, attributed mainly to improved operating cash flows before changes in working capital, lower trade and other receivables and higher amount due to contract customers, and was partially offset by the decrease in trade and other payables of S\$20.0 million.

Net cash used in investing activities of S\$2.5 million was due mainly to acquisition of plant and machinery of S\$1.8 million and corporate bonds of S\$1.3 million, partially offset by interest received of S\$0.5 million.

Net cash generated from financing activities of S\$8.5 million in FY2012 was mainly due to net proceeds from issuance of shares of S\$6.5 million and reduction in pledged fixed deposits with financial institutions of S\$8.5 million. This was partially offset by dividends payment of S\$3.0 million and share buyback as part of the Restructuring Exercise prior to IPO of S\$2.6 million

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the 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.

Despite the global economic uncertainty, Singapore's economy is expected to grow by about 1.5% in 2012. Based on the preliminary estimates from the Ministry of Trade and Industry ("MTI") released on 16 November 2012, the Singapore's economy grew by 0.3% on a year-on-year basis in the third quarter of 2012, as compared to a 2.5% growth in the second quarter of 2012. The construction sector grew by 7.7% and 12.3% on a year-on-year basis in the third quarter and second quarter of 2012 respectively. It remains the strongest performing sector among all the economic sectors in Singapore.

MTI has forecast that Singapore's economy will grow by around 1.0% to 3.0% in 2013 given the sluggish global economy. The Building and Construction Authority ("BCA") has projected the average construction demand in 2013 and 2014 to remain strong at between S\$19 billion and S\$27 billion respectively, which is comparable to the scale projected for 2012 at between S\$22 billion and S\$28 billion. The demand is likely to be supported by private sector investments as well as public sector construction demand in public housing, healthcare and educational facilities and rail infrastructure.

The Group expects to see major challenges resulting from increasing business costs, shortages of experienced and skilled manpower to support the strong construction demand as well as the ability to attract local talent at the professional, managerial and executive level. The Group nevertheless remains positive of its prospects in the next 12 months

As at 30 September 2012, the Group had a strong order book of S\$339 million, with the estimated completion date for some projects stretching up to 2014. The project pipeline includes the S\$70 million Paterson 2 condominium at Paterson Road, the S\$110 million Terrasse condominium at Serangoon and the S\$162 million Twin Waterfalls executive condominium at Punggol.

11. Dividend

(a) Current Financial Period Reported On

Yes.

Name of Dividend	Interim	Final	Special
Type of Dividend	Cash	Cash	Cash
Dividend Amount per share (cents)	0.5	1.5	1.5
Tax rate	Tax exempt (one-tier)	Tax exempt (one-tier)	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Yes.

Name of Dividend	First & Final
Type of Dividend	Cash
Dividend Amount per share	1.4 cents
Tax rate	Tax exempt (one-tier)

(c) Date payable

To be announced at a later date.

(d) Books closure date.

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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.

The Group does not have general mandate for IPT. There were no IPTs of \$100,000 or more for FY2012.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) By Activities

No segmented information is presented based on business segment as the Group operates in only one business segment, namely the construction segment, and derives its operating revenue solely from this segment.

(b) By Geographical Regions

	FY2012	FY2011
	S\$'000	S\$'000
Turnover		
- Singapore	138,995	149,227
- Maldives	28,365	40,318
	<u>167,360</u>	<u>189,545</u>
Non-current Assets		
- Singapore	4,723	391
- Maldives	184	4,589
	<u>4,907</u>	<u>4,980</u>
Capital Expenditures		
- Singapore	1,938	699
- Maldives	17	212
	<u>1,955</u>	<u>911</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Not applicable.

16. A breakdown of sales

	Group		Increase /
	FY2012	FY2011	(Decrease)
	S\$'000	S\$'000	%
Sales reported for first half year	95,173	99,673	(4.5%)
Profit after tax before deducting minority interests reported for first half year	5,379	4,594	17.1%
Sales reported for second half year	72,187	89,872	(19.7%)
Profit after tax before deducting minority interests reported for second half year	13,747	6,381	115.4%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year	Previous Full Year
	2012	2011
	\$'000	\$'000
Ordinary Shares		
- Interim	800	-
- Final	2,400*	2,240
- Special	2,400*	-
Total	<u>5,600</u>	<u>2,240</u>

* These dividends are proposed by the Company's management and are subject to shareholders' approval in the upcoming annual general meeting.

18. Update on use of IPO proceeds

Pursuant to the IPO, the Company received total proceeds of S\$6.48 million and as at the date of this announcement, the IPO proceeds has been utilised as follows:

Intended Usage in accordance with the Offer Document	Allocation (S\$'000)	Amount utilised (S\$'000)	Amount unutilised (S\$'000)
Merger and acquisition	1,500	32	1,468
General working capital	3,543	-	3,543
IPO expenses	1,437	1,336	101
TOTAL	6,480	1,368	5,112

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

As at the date of this announcement, there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board

Leo Ting Ping Ronald
Executive Chairman and Chief Executive Officer
28 November 2012