

KEONG HONG HOLDINGS LIMITED

Unaudited Financial Statement For First Quarter Ended 31 December 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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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 3 months ended		Increase/ (Decrease) %
	31/12/2014 Unaudited S\$'000	31/12/2013 Unaudited S\$'000	
Revenue	73,197	61,591	18.8%
Cost of sales	(65,638)	(53,161)	23.5%
Gross profit	7,559	8,430	(10.3%)
Other income	1,196	286	n.m.
Administration expenses	(1,679)	(1,287)	30.5%
Finance costs	(153)	(33)	n.m.
Share of results of joint ventures, net of tax	-	(200)	n.m.
Share of results of associate, net of tax	(125)	-	n.m.
Profit before income tax	6,798	7,196	(5.5%)
Income tax expense	(1,124)	(1,097)	2.5%
Profit after tax for the financial year	5,674	6,099	(7.0%)
Other comprehensive income: <i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translating of foreign operations	28	12	n.m.
Other comprehensive income for the financial year, net of tax	28	12	n.m.
Total comprehensive income for the financial year	5,702	6,111	(6.7%)
Profit attributable to:			
Owners of the parent	5,671	6,294	(9.9%)
Non-controlling interests	3	(195)	n.m.
	5,674	6,099	(7.0%)
Total comprehensive income attributable to:			
Owners of the parent	5,685	6,300	(9.8%)
Non-controlling interests	17	(189)	n.m.
	5,702	6,111	(6.7%)

n.m. denotes not meaningful

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

	Group 3 months ended		Increase/ (Decrease) %
	31/12/2014 Unaudited S\$'000	31/12/2013 Unaudited S\$'000	
Depreciation of plant and equipment	629	537	17.1%
Amortisation of intangible asset	4	2	100%
Operating lease expenses	140	140	-
Professional fees	88	151	(41.7%)
Unrealised foreign exchange gains – net	(109)	(5)	n.m.
Under/(Over) provision of tax in respect of prior years	2	(54)	n.m.
Gain on disposal of plant and equipment	(133)	-	n.m.
Interest income	(445)	(22)	n.m.

n.m. denotes 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 As at		Company As at	
	31/12/2014 Unaudited S\$'000	30/09/2014 Audited S\$'000	31/12/2014 Unaudited S\$'000	30/09/2014 Audited S\$'000
Non-current assets				
Plant and equipment	17,882	15,194	-	-
Investment in associate	5,626	5,752	-	-
Investments in joint ventures	90	90	-	-
Investments in subsidiaries	-	-	21,574	21,574
Intangible assets	238	243	-	-
Convertible bond	4,678	4,633	4,678	4,633
Derivative on convertible bond	307	307	307	307
Total non-current assets	28,821	26,219	26,559	26,514
Current assets				
Trade and other receivables	169,405	144,228	21	250
Due from contract customers	10,233	12,464	-	-
Current income tax recoverable	304	293	-	-
Prepayments	131	168	12	8
Cash and cash equivalents	31,785	38,726	5,128	5,092
Total currents assets	211,858	195,879	5,161	5,350
Total assets	240,679	222,098	31,720	31,864
Equity				
Share capital	23,836	23,836	23,836	23,836
Treasury shares	(2,537)	(2,425)	(2,537)	(2,425)
Other reserves	(4,325)	(4,339)	479	479
Retained earnings	68,238	62,567	3,216	3,356
Equity attributable to owners of the parent	85,212	79,639	24,994	25,246
Non-controlling interests	514	497	-	-
Total equity	85,726	80,136	24,994	25,246
Non-current liabilities				
Bank borrowings	3,697	2,495	-	-
Finance lease payables	333	326	-	-
Deferred tax liabilities	167	167	-	-
Total non-current liabilities	4,197	2,988	-	-
Current liabilities				
Due to contract customers	18,940	17,127	-	-
Due to subsidiaries	-	-	6,421	6,375
Trade and other payables	111,632	97,862	305	243
Bank borrowings	14,009	18,918	-	-
Finance lease payables	591	604	-	-
Current income tax payable	5,584	4,463	-	-
Total current liabilities	150,756	138,974	6,726	6,618
Total liabilities	154,953	141,962	6,726	6,618
Total equity and liabilities	240,679	222,098	31,720	31,864

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

Amount repayable in one year or less, or on demand

As at 31/12/2014 Unaudited		As at 30/9/2014 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
14,009	-	18,918	-

Amount repayable after one year

As at 31/12/2014 Unaudited		As at 30/9/2014 Audited	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
3,697	-	2,495	-

Details of collateral:

The bank borrowings are secured by a corporate guarantee, a property and project proceeds in respect of the Company's construction projects.

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	
	31/12/2014	31/12/2013
	Unaudited	Unaudited
	S\$'000	S\$'000
Operating activities		
Profit before income tax	6,798	7,196
Adjustments for:		
Amortisation of intangible assets	4	2
Depreciation of plant and equipment	629	537
Gain on disposal of plant and equipment	(133)	-
Interest income	(445)	(22)
Interest expenses	153	33
Accretion of convertible bond discount	(45)	-
Share of result of joint ventures	-	200
Share of result of associates	125	-
Operating cash flows before movements in working capital	7,086	7,946
Working Capital Changes:		
Trade and other receivables	(18,373)	(17,083)
Due from contract customers	2,232	-
Prepayments	37	(5)
Due to contract customers	1,813	3,313
Trade and other payables	13,771	19,476
Cash generated from operations	6,566	13,647
Income tax paid	(3)	(50)
Net cash generated from operating activities	6,563	13,597
Investing activities		
Investment in joint ventures	-	(150)
Purchase of plant and equipment	(3,327)	(627)
Purchase of intangible assets	-	(6)
Proceeds from disposal of plant and equipment	154	-
Loan to associates	(5,521)	-
Loan to joint ventures	(1,283)	(1,513)
Repayment of loan from joint ventures	-	6,551
Interest received	445	22
Net cash used in investing activities	(9,532)	(4,277)

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 (Cont'd)**

	Group	
	3 months ended	
	31/12/2014	31/12/2013
	Unaudited	Unaudited
	S\$'000	S\$'000
Financing activities		
Fixed deposit pledged with financial institutions	(1)	(3)
Proceeds from bank borrowings	(3,707)	-
Purchase of treasury shares	(112)	-
Repayments of finance lease payables	(6)	(147)
Interest paid	(153)	(10)
Net cash used in financing activities	(3,979)	(160)
Net change in cash and cash equivalents	(6,948)	17,714
Cash and cash equivalents at the beginning of the financial year	38,498	16,973
Exchange difference on cash and cash equivalents	6	8
Cash and cash equivalents at end of the financial year	31,556	34,695

Cash and cash equivalents comprised of:

	3 months ended	
	31/12/2014	31/12/2013
	Unaudited	Unaudited
	S\$'000	S\$'000
Fixed deposits, cash and bank balances	31,785	35,943
Fixed deposits pledged	(229)	(1,248)
	31,556	34,695

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	Treasury Shares	Foreign currency translation account	Share option reserve	Merger reserve	Retained earnings	Equity attributable to owners of the parent	Non- controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 October 2014	23,836	(2,425)	(24)	479	(4,794)	62,567	79,639	497	80,136
Profit for the financial period	-	-	-	-	-	5,671	5,671	3	5,674
Other comprehensive income for the financial period:									
Exchange differences on translating foreign operations	-	-	14	-	-	-	14	14	28
Total comprehensive income for the period	-	-	14	-	-	5,671	5,685	17	5,702
Contribution by and distribution to owners of the parent:									
Dividend	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	(112)	-	-	-	-	(112)	-	(112)
Grant of share options to employees	-	-	-	-	-	-	-	-	-
Total transactions with owners of the parent	-	(112)	-	-	-	-	(112)	-	(112)
Balance at 31 December 2014	23,836	(2,537)	(10)	479	(4,794)	68,238	85,212	514	85,726

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 (cont'd)

Group (Unaudited)	Share capital S\$'000	Treasury Shares S\$'000	Foreign currency translation reserve S\$'000	Merger reserve S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total S\$'000
Balance at 1 October 2013	23,836	(2,140)	(31)	(4,794)	47,569	64,440	768	65,208
Profit for the financial period	-	-	-	-	6,294	6,294	(195)	6,099
Other comprehensive income for the financial period:								
Exchange differences on translating foreign operations	-	-	6	-	-	6	6	12
Total comprehensive income for the financial period	-	-	6	-	6,294	6,300	(189)	6,111
Contribution by and distribution to owners of the parent:								
Dividends	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-
Grant of share options to employees	-	-	-	-	-	-	-	-
Total transactions with owners of the parent	-	-	-	-	-	-	-	-
Balance at 31 December 2013	23,836	(2,140)	(25)	(4,794)	53,863	70,740	579	71,319

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 (cont'd)

	Share capital S\$'000	Treasury Shares S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Company (Unaudited)					
Balance at 1 October 2014	23,836	(2,425)	479	3,356	25,246
Total comprehensive income for the period	-	-	-	(140)	(140)
Dividend	-	-	-	-	-
Share option reserve	-	-	-	-	-
Purchase of treasury shares	-	(112)	-	-	(112)
Balance at 31 December 2014	23,836	(2,537)	479	3,216	24,994
Balance at 1 October 2013	23,836	(2,140)	-	3,686	25,382
Total comprehensive income for the period	-	-	-	(309)	(309)
Dividend	-	-	-	-	-
Share option reserve	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-
Balance at 31 December 2013	23,836	(2,140)	-	3,377	25,073

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 1 October 2014	233,250,000	23,836,074
Share buybacks during the financial period ⁽¹⁾	(300,000)	-
As at 31 December 2014	232,950,000	23,836,074

Note:

(1) On 20 October 2014, the Company purchased 300,000 ordinary shares by way of open market purchases for a total consideration of S\$112,764. These shares were held as treasury shares in the Company as at 31 December 2014.

As at 31 December 2014, the Company held 7,050,000 treasury shares (31 December 2013: 4,000,000 treasury shares). The total number of issued shares (excluding treasury shares) of the Company was 232,950,000 as at 31 December 2014 and 156,000,000 as at 31 December 2013.

Employee Share Option Scheme

On 1 October 2013, the Company granted options to key executives and senior staff pursuant to the Keong Hong Employee Share Option Scheme (the "**Options**"). The total number of Options granted was 4,000,000 at an exercise price of \$0.47 per share.

Following the Proposed Bonus Issue announced on 8 May 2014 and pursuant to the rules of the Company's Options, the Company had announced on 26 May 2014 that total number of Options granted was adjusted from 4,000,000 to 6,000,000 and the exercise price was adjusted from \$0.47 per share to \$0.31 per share.

As at 30 September 2014, the maximum number of new shares that will be issued upon full exercise of the Options are 6,000,000 shares (30 September 2013: Nil). The Options are still within their vesting period and can only be exercised after 24 months from the date of grant.

On 1 December 2014, the Company granted further Options to key executives and senior staff. The total number of Options granted was 825,000 at an exercise price of \$0.315 per share.

As at 31 December 2014, the maximum number of new shares that will be issued upon full exercise of the Options are 6,825,000 shares (30 September 2013: Nil). The Options are still within their vesting period and can only be exercised after 24 months from the date of grant.

Save for the Options, the Company did not have any outstanding convertibles as at 31 December 2014 and 31 December 2013.

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

	31/12/2014 Unaudited	30/9/2014 Audited
Total number of issued shares	240,000,000	240,000,000
Bonus shares		
Treasury shares	(7,050,000)	(6,750,000)
Total number of issued shares, excluding treasury shares	232,950,000	233,250,000

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of the current financial year 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 year 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 2014.

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 2013, 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	
	3 months ended	
	31/12/2014 Unaudited	31/12/2013 Unaudited
Profit attributable to owners of the parent (S\$'000)	5,671	6,294
(i) Earnings per share ("EPS") - Basic (Singapore cents) ⁽¹⁾	2.43	2.69
Weighted average number of ordinary shares	233,011,957 ⁽³⁾	233,750,000 ⁽³⁾
(ii) Earnings per share ("EPS") – Diluted (Singapore cents) ⁽²⁾	2.37	2.69
Weighted average number of ordinary shares	239,153,258 ⁽³⁾	233,750,000 ⁽³⁾

Notes:

- (1) The calculation for the basic EPS for first quarter ended 31 December 2014 and 31 December 2013 is based on the weighted average number of ordinary shares of the Company.
- (2) The calculation for the diluted EPS is based on the weighted average number of ordinary shares of the Company after adjusting for dilution assuming the Options are fully exercised into ordinary shares of the Company.
- (3) The figure was computed taking into account the shares bought back during the relevant financial period.

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	
	31/12/2014 Unaudited	30/09/2014 Audited	31/12/2014 Unaudited	30/09/2014 Audited
Net asset value per ordinary share (Singapore cents)	36.6	34.1	10.7	10.8
Number of issued shares excluding treasury shares at the end of the financial year	232,950,000	233,250,000	232,950,000	233,250,000

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 3 months ended 31 December 2014 (“**1Q2015**”), the Group recorded a 18.8% increase in revenue to S\$73.2 million as compared to S\$61.6 million in the corresponding period ended 31 December 2013 (“**1Q2014**”). The increase was mainly due to higher revenue recognition for ongoing projects such as Alexandra Central, J Gateway, Skypark Residences and The Amore at Edgedale Plains/Punggol Central.

Gross Profit & Gross Profit Margin

Gross profit for 1Q2015 decreased by 10.3% or S\$0.8 million to S\$7.6 million as compared to S\$8.4 million in 1Q2014.

The gross profit margin decreased from 13.7% in 1Q2014 to 10.3% in 1Q2015 due mainly to higher operating costs such as higher wages, labour levies, safety compliance and staff training and development. Lower margin from projects that are in their early stage of construction also contributed to the decrease in gross margin.

Other Income

Other income increased from S\$0.3 million in 1Q2014 to S\$1.2 million in 1Q2015 due mainly to higher interest income, management fee and gain on disposal of plant and equipment in 1Q2015.

Administrative Expenses

Administrative expenses increased by S\$0.4 million from S\$1.3 million in 1Q2014 to S\$1.7 million in 1Q2015 due mainly to management fee for our projects in Maldives and higher professional fees paid in 1Q2015

Finance Costs

Finance costs increased by approximately S\$0.1 million in 1Q2015 as compared to 1Q2014 due to increase in bank borrowings.

Profit before income tax

Despite higher revenue, the Group's net profit before tax decreased by S\$0.4 million or 5.5% to S\$ 6.8 million in 1Q2015 as compared to S\$7.2 million in 1Q2014, due to lower gross margin and higher administration expenses.

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. (Cont'd)**

Review of Financial Position

Non-Current Assets

Plant and equipment increased from S\$15.2 million as at 30 September 2014 to S\$17.9 million as at 31 December 2014. The increase of S\$2.7 million was attributable to capital expenditure of S\$3.3 million on acquisition of plant and equipment and development cost for the Company's light industry factory at Sungei Kadut that is currently in progress. The increase was partially offset by depreciation expense of S\$0.6 million.

Current Assets

Trade and other receivables increased by S\$25.2 million from S\$144.2 million as at 30 September 2014 to S\$169.4 million as at 31 December 2014. The increase was mainly due to increase in progress billings for work completed and retention sum receivable. The Group also extended additional shareholder's loan of S\$6.8 million to associates and joint ventures. The increase in current assets was partially offset by a decrease in amount due from contract customers of S\$2.2 million.

Current Liabilities

Current liabilities increased by S\$11.8 million from S\$139.0 million as at 30 September 2014 to S\$150.8 million as at 31 December 2014. This was attributable mainly to increase in income tax provision of S\$1.1 million, increase in trade and other payables and amount due to contract customers of S\$13.8 million and S\$1.8 million respectively as a result of higher volume of work carried out for on-going projects on hand. The increase was partially offset by a decrease in bank borrowings of S\$4.9 million.

Non-Current Liabilities

The increase in non-current liabilities of S\$1.2 million from S\$3.0 million as at 30 September 2014 to S\$4.2 million as at 31 December 2014 was due to bank borrowings of S\$1.2 million for the development cost of the Company's light industry factory at Sungei Kadut.

The working capital of the Group strengthened by S\$4.2 million from S\$56.9 million as at 30 September 2014 to S\$61.1 million as at 31 December 2014.

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. (Cont'd)**

Review of Cash Flow Statement

For 1Q2015, the Group generated positive operating cash flows of S\$7.1 million before movements in working capital. After taking into consideration of changes in working capital, which included mainly the increase in trade and other receivables of S\$18.4 million, decrease in due from contract customers of S\$2.2 million, increase in trade and other payables and amount due to contract customers totaling S\$15.6 million, the Group generated a net cash inflow from operating activities of S\$6.6 million.

Net cash used in investing activities of S\$9.5 million in 1Q2015 was attributable mainly to capital expenditure of S\$3.3 million for acquisition of plant and equipment and development cost for the construction of the Company's light industry factory at Sungei Kadut as well as the additional loans made to associates and joint ventures of S\$6.8 million. In addition, the group received interest amounted to S\$0.4 million and cash from disposal of plant and equipment amounted to S\$0.2 million in 1Q2015.

Net cash used in financing activities of S\$4.0 million in 1Q2015 was due mainly to repayment of bank borrowings of S\$3.7 million, share-buyback of S\$0.1 million and interest payment of approximately S\$0.2 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.**

The average construction demand, according to the Building and Construction Authority's ("BCA") forecast for 2015 is between S\$29 billion to S\$36 billion in 2015, which is below the total construction demand for 2014's S\$37.7 billion. Public sector projects are expected to account for an estimated 60% of the total construction demand¹. However, private sector construction demand will continue to soften amidst a slowdown in private homes sales due to various factors such as the Government's property cooling measures, a surge in new home completions, rising interest rates and a lacklustre leasing market.

The Group currently has three main business segments: a) building construction, b) property development and c) hotel and resort development. To expand our revenue streams, we intend to look into undertaking high-value infrastructure projects, especially in the MRT segment, through possible joint ventures and/or suitable acquisitions.

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. (Cont'd)**

The landscape for the next 12 months is expected to be more challenging. We nonetheless remain confident of our ability to meet the challenges of the near future due in part to new and ongoing projects which will extend till 2017. The Terrasse and The Alexandra Central Phase 1 have already obtained their Temporary Occupation Permits on 24 November 2014 and 11 December 2014 respectively. Alexandra Central Phase 2 is expected to be completed by the end of March 2015. Several of our construction projects will also be completed in 2015 allowing for further revenue recognition. Furthermore, we will also be recognising the first tranche of revenue from our property development project, Twin Waterfalls, in 2015.

1 BCA News Release - "Public sector projects to sustain construction demand in 2015" (http://www.bca.gov.sg/Newsroom/pr08012015_BCA.html)

11. **Dividend**

(a) Current Financial Period Reported On

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date.

Not applicable.

12. **If no dividend has been declared/recommendeded, 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 a general mandate for IPT. There was no IPT in 1Q2015.

14. Confirmation Pursuant to Rule 705(5) of the Listing Manual

To the best of its knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial results of the Company and the Group for the three months ended 31 December 2014 presented in this announcement, to be false or misleading in any material aspect.

By Order of the Board

Leo Ting Ping Ronald
Executive Chairman and Chief Executive Officer
10 February 2015