



KSH Holdings Limited

(Company Registration Number: 200603337G)

(Incorporated in the Republic of Singapore on 9 March 2006)



UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED

30th JUNE 2009

1 (a) A statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

INCOME STATEMENT	THE GROUP		
	First Quarter Ended		increase/ (decrease) %
	30 June 2009	30 June 2008	
	S\$'000	S\$'000	
REVENUES			
Project revenue	58,652	84,293	(30)
Rental income from investment properties	1,120	876	28
Rental income from development property	183	1	nm
	59,955	85,170	(30)
Other income	206	281	(27)
Cost of construction	(51,517)	(77,863)	(34)
Personnel expenses	(2,042)	(1,700)	20
Depreciation of property, plant and equipment	(400)	(331)	21
Finance costs	(1,354)	(1,209)	12
Other operating expenses	(1,262)	(1,201)	5
	(56,575)	(82,304)	(31)
Profit from operations before share of results of associates	3,586	3,147	14
Share of results of associates	(3)	(64)	(95)
Profit before taxation	3,583	3,083	16
Tax expense	(843)	(744)	13
Net profit	2,740	2,339	17
Net profit attributable to :			
Equity holders of the Company	2,739	2,353	16
Minority interests	1	(14)	(107)
	2,740	2,339	17

(i) **Notes to the income statement**

The Group's profit before taxation is arrived at after crediting/(charging) the following :-

	THE GROUP		
	First Quarter Ended		increase/ (decrease) %
	30 June 2009	30 June 2008	
	S\$'000	S\$'000	
Interest income	23	47	(51)
Write back for doubtful debts	75	-	nm
Allowance for doubtful debts	(55)	(211)	nm
Loss from fair value adjustment of investment properties	-	(6)	nm
Amortisation of club membership	(1)	(1)	-
Amortisation of issuance costs on convertible notes	(182)	(52)	250
Loss on redemption of convertible notes	(487)	-	nm
Gain on dilution of interest in a subsidiary	-	7	nm
Net gain on sale of property, plant and equipment	2	1	100
Foreign exchange gain, net	187	22	750
Interest expense	(1,317)	(1,208)	9
Profit after taxation but before minority interests as a percentage of turnover	4.57%	2.75%	66
Profit after taxation attributable to equity holders of the Company as a percentage of the Group's Issued Capital and Reserves before Minority Interests at 30 June 2009 and 30 June 2008	2.89%	2.60%	11

nm : Not meaningful

(II) STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2009

	THE GROUP		increase/ (decrease) %
	First Quarter Ended		
	30 June 2009	30 June 2008	
	S\$'000	S\$'000	
Net profit	2,740	2,339	17
Other comprehensive income : -			
Exchange differences on translating foreign operations	(3,512)	559	(728)
Total comprehensive income for the period	(772)	2,898	(127)
Total comprehensive income attributable to :			
Equity holders of the Company	119	2,812	(96)
Minority interests	(891)	86	(1,136)
	(772)	2,898	(127)

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2009

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.

STATEMENTS OF FINANCIAL POSITION

	The Group		The Company	
	30 June 2009 S\$'000	31 March 2009 S\$'000	30 June 2009 S\$'000	31 March 2009 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,121	11,761	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associates	7,752	8,099	-	-
Investment properties	97,597	101,853	-	-
Loan due from an associate	15,963	15,736	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,348	2,454	-	-
Amount due from subsidiaries (non-trade)	-	-	26,018	24,529
Trade receivables	10,792	11,825	-	-
Club membership	56	56	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	1,890	1,890	-	-
	148,520	153,675	83,534	82,045
Current assets				
Development property	64,846	64,710	-	-
Trade receivables	24,687	22,626	-	-
Other receivables and deposits	1,581	2,598	43	49
Prepayments	1,634	1,599	328	514
Construction work-in-progress in excess of progress billings	7,389	6,887	-	-
Fixed deposits	21,875	21,866	4,526	4,723
Cash and bank balances	32,668	40,533	2,155	14,827
	154,680	160,819	7,052	20,113
LIABILITIES				
Current liabilities				
Trade payables	15,954	14,283	-	-
Other payables and accruals	46,484	48,967	502	1,383
Amount due to a Director of a subsidiary	321	336	-	-
Amount due to subsidiaries (non-trade)	-	-	25,001	22,995
Amount due to joint venture partners (non-trade)	-	75	-	-
Finance lease obligations	1,728	1,506	-	-
Provision for income tax	5,498	4,621	-	-
Progress billings in excess of construction work-in-progress	13,552	10,498	-	-
Bank term loans, secured	2,014	2,074	-	-
Bank overdrafts, secured	512	1,999	-	-
Bills payable to banks, secured	19,038	15,797	-	-
Convertible notes - liability component	-	18,444	-	18,444
Convertible notes - embedded derivative component	-	351	-	351
	105,101	118,951	25,503	43,173
Net current assets / (liabilities)	49,579	41,868	(18,451)	(23,060)
Non-current liabilities				
Trade payables	8,482	7,700	-	-
Other payables and accruals	130	138	-	-
Amount due to subsidiaries (non-trade)	-	-	34,129	31,175
Finance lease obligations	3,004	3,251	-	-
Bank term loans, secured	58,871	59,617	-	-
Deferred tax liabilities	13,138	13,757	-	-
	83,625	84,463	34,129	31,175
NET ASSETS	114,474	111,080	30,954	27,810
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	26,122	21,956	26,122	21,956
Translation reserve	3,753	6,370	-	-
Accumulated profits	64,929	62,190	4,832	5,854
Other reserves	42	45	-	-
	94,846	90,561	30,954	27,810
Minority interests	19,628	20,519	-	-
TOTAL EQUITY	114,474	111,080	30,954	27,810

GROUP'S BORROWINGS AND DEBT SECURITIES

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 June 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
23,292	-	21,376	18,444

Amount repayable after one year			
As at 30 June 2009		As at 31 March 2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
61,875	-	62,868	-

Details of any collateral :

The Group's borrowings are secured by way of :

- 1) Assignment of progress payments from the developer for certain on-going construction projects ;
- 2) Letters of assignment of certain progress payments and retention monies due to the Group ;
- 3) Joint and several personal guarantees of the directors of the Company ;
- 4) Corporate guarantees issued by the Company and a subsidiary ;
- 5) First legal mortgage on the Group's investment properties and leasehold factory building ;
- 6) Charge on fixed deposits and structured deposits ;
- 7) First charge over the contract proceeds/project account arising from the construction project financed ;
- 8) A first legal mortgage over the development property of a joint venture ;
- 9) Legal assignment of sales proceeds from the development property of a joint venture ;
- 10) Legal assignment of tenancy, rental, lease and licence agreements from development property of a joint venture ;
- 11) Legal assignment of the construction contract(s) and performance bonds from development property of a joint venture ;
- 12) Legal assignment of fire insurance policy from development property of a joint venture ;
- 13) Corporate guarantee from all the shareholders of a joint venture in equal share ratio ; and
- 14) Debenture over all present and future assets of a joint venture.

UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2009

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	THE GROUP	
	First Quarter Ended	
	30 June 2009	30 June 2008
	S\$'000	S\$'000
Operating activities		
Profit before taxation	3,583	3,083
Adjustments :		
Depreciation of property, plant and equipment	399	332
Amortisation of club membership	1	1
Amortisation of issuance costs on convertible notes	182	52
Loss on redemption of convertible notes	487	-
Gain on sale of property, plant and equipment	(2)	(1)
Gain on dilution of interest in a subsidiary	-	(7)
Loss from fair value adjustment of investment properties	-	6
Allowance for doubtful debts	55	211
Write back for doubtful debts	(75)	-
Interest expense	1,317	1,208
Interest income	(23)	(47)
Share of results of associates	3	64
Operating cash flows before changes in working capital	5,927	4,902
Decrease/(increase) in :		
Development property	(136)	(388)
Consumable stock	-	3
Trade and other receivables, deposits and prepayments	(212)	(16,911)
Work-in-progress, net	2,551	(2,352)
Increase/(decrease) in :		
Trade and other payables	(127)	15,770
Cash flows generated from operations	8,003	1,024
Income taxes paid	(4)	-
Interest income received	23	47
Exchange differences	132	(5)
Net cash flows generated from operating activities	8,154	1,066
Investing activities		
Purchases of property, plant and equipment	(328)	(410)
Proceeds from sale of property, plant and equipment	2	1
Investment in associates	-	(764)
Dilution of interest in a subsidiary	-	(5)
Decrease in properties held for development	-	15,608
Net cash flows (used in)/generated from investing activities	(326)	14,430
Financing activities		
Issuance of warrants	1,762	-
Issuance of new shares	2,404	-
Increase in loan due from an associate	(228)	(5,475)
Repayment of bank term loans	(316)	(2,103)
Payment for redemption of convertible notes	(20,010)	-
Proceeds from bills payable to banks	3,241	-
Repayment of bills payable to banks	-	(2,737)
Interest paid	(588)	(559)
Repayment of lease obligations	(463)	(314)
Increase in pledged fixed deposits	(4)	(28)
Increase in long term payables	-	(10,164)
Net cash flows used in from financing activities	(14,202)	(21,380)
Net decrease in cash and cash equivalents	(6,374)	(5,884)
Cash and cash equivalents at beginning of financial period	48,807	22,168
Cash and cash equivalents at end of financial period (Note A)	42,433	16,284

Note A : Cash and cash equivalents at end of financial period comprise :

	30 June 2009	30 June 2008
	S\$'000	S\$'000
Cash and bank balances	32,668	12,856
Fixed deposits	21,875	11,114
Bank overdrafts, secured	(512)	-
	54,031	23,970
Less : Pledged fixed deposits	(11,598)	(7,686)
Cash and cash equivalents	42,433	16,284

STATEMENTS OF CHANGES IN EQUITY

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.

THE GROUP	Attributable to equity holders of the Company				Minority interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Translation reserve S\$'000	Accumulated (losses)/profits S\$'000	Other reserves S\$'000		
As at 1 April 2008	21,956	(511)	52,799	11	18,570	92,825
Total comprehensive income for the period	-	459	2,353	-	86	2,898
Transfer to statutory reserve fund	-	-	(3)	3	-	-
As at 30 June 2008	21,956	(52)	55,149	14	18,656	95,723
As at 1 April 2009	21,956	6,370	62,190	45	20,519	111,080
Total comprehensive income for the period	-	(2,617)	2,739	(3)	(891)	(772)
Issuance of warrants	1,762	-	-	-	-	1,762
Conversion to shares by warrant holders	2,404	-	-	-	-	2,404
As at 30 June 2009	26,122	3,753	64,929	42	19,628	114,474
THE COMPANY						
As at 1 April 2008	21,956	-	12,782	-	-	34,738
Total comprehensive income for the period	-	-	(814)	-	-	(814)
As at 30 June 2008	21,956	-	11,968	-	-	33,924
As at 1 April 2009	21,956	-	5,854	-	-	27,810
Total comprehensive income for the period	-	-	(1,022)	-	-	(1,022)
Issuance of warrants	1,762	-	-	-	-	1,762
Conversion to shares by warrant holders	2,404	-	-	-	-	2,404
As at 30 June 2009	26,122	-	4,832	-	-	30,954

SHARE CAPITAL

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issues, 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, 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.

During the financial year FY2008, the Company issued S\$25,000,000 of 1% coupon Unconditional Unsubordinated Unsecured Convertible Notes due 2011 (the "Notes"). The Notes are convertible into ordinary shares of the Company and the conversion price was originally set at \$1.50 and subsequently adjusted to \$0.75 (the "Adjusted Conversion Price"), following the sub-division of ordinary shares.

The Adjusted Conversion Price was reset with effect 18 October 2008, the Adjusted Conversion Price was reset to S\$0.595 from S\$0.75 as the average of the closing price of the ordinary shares of the Company for the 20 consecutive market days ending 12 months after the issue of the Notes is less than the Adjusted Conversion Price, subject to the reset Adjusted Conversion Price not being less than \$0.595.

On 17 November 2008, the Company has made a partial redemption of S\$5 million in principal amount of the Convertible Notes and these Convertible Notes which have since been duly cancelled. The remaining aggregate principal amount of the Convertible Notes as at 31 March 2009 was S\$20 million.

On 15 April 2009, the Company has made a partial redemption of S\$10 million in principal amount of the Convertible Notes for a cash consideration of S\$9.7 million and these Convertible Notes have been duly cancelled.

On 22 June 2009, the Company has made a full redemption of the remaining S\$10 million in principal amount of the Convertible Notes for a cash consideration of S\$10.21 million and these Convertible Notes have been duly cancelled.

As at 30 June 2009, none of the Convertible Notes have been converted into ordinary shares of the Company and all the Convertible Notes have been redeemed and cancelled as at 30 June 2009.

On 3 April 2009, the Company issued 176,245,000 warrants at an issue price of S\$0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Group at an exercise price of S\$0.10 for each new share on the basis of one warrant for every one existing ordinary share in the capital of the Company. The exercise price and the number of warrants held by each warrant holder may be adjusted under certain terms and conditions being met. The warrants expire on 2 April 2012. As at 30 June 2009, 24,042,452 warrants were converted to 24,042,452 new shares of the Company bringing total issued capital to 200,287,452 shares. Upon full conversion, the number of issued shares will increase to 352,490,000.

The Company does not hold any treasury shares up to the date of this announcement.

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.

	<u>Numer of shares</u>
Balance as at 1 April 2009	
Ordinary Shares	176,245,000
Warrants	176,245,000
Issue of new shares upon exercising of warrants	
Ordinary Shares	24,042,452
Warrants	(24,042,452)
Balance as at 30 June 2009	
Ordinary Shares	200,287,452
Warrants	152,202,548

Total number of issued ordinary shares as at 31 March 2009 is 176,245,000 shares.

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 on.

Not applicable.

AUDIT

2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent 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.

ACCOUNTING POLICIES

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

The financial statements have been prepared in accordance with the same accounting policies and methods of computation adopted in the most recently audited financial year ended 31 March 2009.

- 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 adoption of the new/revised FRS and INT FRS is currently assessed to have no significant impact on the financial position and the results of the current period and prior period of the Group, except for the revision to FRS 1 as indicated below :

FRS 1 - Presentation of Financial Statements

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income : it presents all items of income and expense recognised in profit or loss, together with all non-owner changes in equity, either in one single statement, or in two statements. The Group is presenting the statement of comprehensive income in two statements (a separate income statement and a statement of comprehensive income), separately from owner changes in equity.

EARNINGS PER SHARE

- 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 :-

	The Group	
	30 June 2009	30 June 2008
a) On weighted average number of ordinary shares in issue (cents)	1.37	1.33
b) On a fully diluted basis (cents)	1.37	1.33
	S\$'000	S\$'000
Group's profit for the financial period attributable to the shareholders of the Company used for the computation of basic EPS	2,739	2,353
Group's adjusted profit for the financial period attributable to the shareholders of the Company used for the computation of diluted EPS	-	3,065
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	200,287,452	176,245,000
Adjustment for outstanding convertible notes, based on reset Adjusted Conversion Price of \$0.595 at time apportionate.	-	29,388,805
Adjusted weighted average number of ordinary shares used for the calculation of diluted EPS	200,287,452	205,633,805

Basic earnings per share ("EPS") is calculated based on the Group's profit for the financial period attributable to the shareholders of the Company divided by the weighted average number of ordinary shares in issue during the financial period.

Diluted EPS is calculated based on the Group's profit for the financial period attributable to the shareholders of the Company adjusted for interest expense on the convertible notes divided by the weighted average number of ordinary shares in issue adjusted for the effects of all dilutive potential ordinary shares, being the outstanding convertible notes. EPS on a fully diluted basis is the same as basis EPS as the effects of the convertible notes are anti-dilutive and are ignored in calculating diluted EPS.

NET ASSET VALUE PER SHARE

- 7 Net asset value (for the issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the :-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	as at 30 June 2009	as at 31 March 2009	as at 30 June 2009	as at 31 March 2009
Net asset value per ordinary share (cents)	47.35	51.38	15.45	15.78
Issue share capital at the end of the period	200,287,452	176,245,000	200,287,452	176,245,000

REVIEW OF THE PERFORMANCE OF THE GROUP

- 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 factor ; and
 - b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current period reported on.

INCOME STATEMENT

Revenues

The Group posted total revenue of S\$60.0 million for the three months ended 30 June 2009 ("1QFY2010"), a decrease of 29.6% compared to S\$85.2 million registered in the corresponding period ended 30 June 2008 ("1QFY2009"). Revenue from the construction business decreased by S\$25.6 million from S\$84.3 million in 1QFY2009 to S\$58.7 million in 1QFY2010. With the completion of the 5-storey shopping complex - Tampines Central 1 and two other industrial developments - Forte at New Industrial Road and Platinum 28 at Genting Lane in FY2009 ; as well as the residential project - The Coast at Sentosa Cove in May 2009, revenue contributed from these projects had decreased by S\$40.9 million in 1QFY2010 as compared to 1QFY2009. The decrease was offset by the increase in revenue from other on-going projects on hand that are progressing into more advanced stages of construction and have contributed S\$15.3 million more revenue registered in 1QFY2010 than 1QFY2009.

Rental income from investment properties and development property have increased approximately S\$0.4 million in 1QFY2010 as compared to 1QFY2009.

Other income

Other income decreased in 1QFY2010 as compared to 1QFY2009 as there were lesser income from other construction-related business.

Operating expenses

Cost of construction decreased by S\$26.3 million or 33.8% from S\$77.9 million in 1QFY2009 to S\$51.5 million in 1QFY2010 as in line with the decrease of construction revenue in 1QY2010. Average gross margin of construction business improved from 7.6% in 1QFY2009 to 12.2% in 1QFY2010. With the improvement in average gross margin, construction business has an increase of S\$0.7 million in margin contribution to the Group's profit from operations despite of a decrease in the Group revenue.

Personnel expenses increased by S\$0.3 million or 20.1% from S\$1.7 million in 1QFY2009 to S\$2.0 million in 1QFY2010. The increase was due to the increment of remuneration to professional staffs in line with the construction job market, as to support the sizable increase in the construction activities in 1QFY2010.

Depreciation expenses increase is mainly due to additions of plant and equipment, driven by the Group's growth in the construction business.

Finance cost increased as more bills payable to banks were used to finance operations in 1QFY2010 as compared to 1QFY2009.

Profit before tax

The Group's profit before tax increased by approximately S\$0.5 million or approximately 16.2% from S\$3.1 million in 1QFY2009 to S\$3.6 million in 1QFY2010 as explained above.

Tax expense

Tax expense increased in 1QFY2010 in line with higher profit before tax.

STATEMENTS OF FINANCIAL POSITION

Property, plant & equipment

The increase from S\$11.8 million in FY2009 to S\$12.1 million in 1QFY2010 was mainly due to the additions of plant and equipment during the financial period.

Investment properties

The decrease of approximately S\$4.3 million in 1QFY2010, was mainly due to translation difference in RMB exchange rate used on the investment property in Tianjin, the People's Republic of China.

Long term trade receivables

The decrease from S\$11.8 million in FY2009 to S\$10.8 million in 1QFY2010 was mainly due to the decrease in retention sum held by customers on progress claims following with the completion of several construction projects.

REVIEW OF THE PERFORMANCE OF THE GROUP

Convertible notes - liability and embedded derivative component

The Company has made a full redemption of all the remaining S\$20.0 million in principal amount of the Convertible Notes during the 1QFY2010 financial period. Accordingly, the Convertible Notes have been duly cancelled. Please refer to item 1(d)(ii).

Total borrowings

The decrease in total borrowings from S\$102.7 million to S\$85.2 million was mainly due to the full redemption of all the remaining S\$20.0 million in principal amount of the Convertible Notes during the 1QFY2010 financial period. The decrease was offset by the increase in use of bills payable to banks to finance operations in 1QFY2010.

STATEMENT OF CASH FLOWS

Net cash flows generated from operating activities in 1QFY2010 rose to S\$8.2 million from S\$1.1 million in 1QFY2009. This was mainly due to increase in operating profit from construction business, decrease in net construction work-in-progress, offset by an increase in trade and other receivables, deposits and prepayments.

There was no material change in net cash flows used in investing activities during the 1QFY2010 financial period.

Net cash flows used in financing activities mainly due to payment for redemption of the Convertible Notes, offset by proceeds from bills payable to banks, issuance of warrants and issuance of new shares for the warrants exercised.

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

There was no forecast or any prospect statement previously disclosed to shareholders.

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.

The Singapore's GDP forecast was revised upward from a contraction of 6.0% - 9.0% to 4.0% - 6.0%, according to the Ministry of Trade and Industry, although any recovery would be weak due to the fragile global economy. Singapore's Construction sector continues to demonstrate resilience with strong expected demand. As per the forecast published by the Building and Construction Authority ("BCA") on 1 July 2009, the total construction demand in 2009 would range from S\$18 billion to S\$24 billion and the average annual demand for year 2010 to 2011 will range from S\$20 billion to S\$27 billion. The Group is cautiously optimistic on the outlook of its construction business.

The Group noted the recent strong market sentiment of the residential property market in Singapore. URA statistics show that developers sold 1,825 units of new homes in June this year, up from 1,673 units in May, with monthly take-up rate surpassing the high of 1,731 units recorded in August 2007.

The Group has a construction order book of approximately S\$439 million in Singapore as at 30 June 2009 of which a substantial part of it would be carried out during the financial year ending 31 March 2010. Nevertheless, the Group remains cautious on the possible impacts that the economic conditions and uncertainty in labour and materials cost may have on the performance of the Group for the next 12 months.

Barring unforeseen circumstances, the Group should remain profitable for the current financial year.

DIVIDENDS

11 (a) Current financial period reported on

Any dividend declared for the current financial period reported on ? **None**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? **None**

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

REVIEW OF THE PERFORMANCE OF THE GROUP

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

Not applicable.

SEGMENT INFORMATION

- 13 Segmented revenue and results for business or geographical 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.**

Not applicable.

- 14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

- 15 A breakdown of sales as follows :-**

Not applicable.

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows :**

Not applicable.

NEGATIVE ASSURANCE

- 17 Negative assurance confirmation on the first quarter financial results pursuant to Rule 705(5) of the Listing Manual of SGX-ST.**

On behalf of the Board of Directors of the Company, we, the undersigned, do hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statement of the Group and Company for the first quarter period ended 30 June 2009 to be false or misleading in any material aspect.

**For and on behalf of the Board of Directors,
By Order of the Board**

Choo Chee Onn
Executive Chairman and Managing Director

Lim Kee Seng
Executive Director

5 August 2009