



KSH Holdings Limited

(Company Registration Number: 200603337G)

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

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30th SEPTEMBER 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 Second Quarter Ended			THE GROUP Half Year Ended		
	30.09.2009	30.09.2008	increase/ (decrease)	30.09.2009	30.09.2008	increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
REVENUES		Re-stated			Re-stated	
Project revenue	63,650	93,584	(32)	122,302	177,877	(31)
Rental income from investment properties	1,088	805	35	2,208	1,681	31
Rental income from development property	177	92	92	359	93	286
	64,915	94,481	(31)	124,869	179,651	(30)
Other income	310	4,265	(93)	516	4,546	(89)
Cost of construction	(51,746)	(83,561)	(38)	(103,263)	(161,424)	(36)
Personnel expenses	(2,777)	(2,700)	3	(4,818)	(4,401)	9
Depreciation of property, plant and equipment	(437)	(386)	13	(836)	(718)	16
Finance costs	(578)	(1,424)	(59)	(1,932)	(2,633)	(27)
Other operating expenses	(632)	(643)	(2)	(1,896)	(1,844)	3
	(56,170)	(88,714)	(37)	(112,745)	(171,020)	(34)
Profit from operations before share of results of associates	9,055	10,032	(10)	12,640	13,177	(4)
Share of results of associates	107	(47)	(328)	105	(110)	(195)
Profit before taxation	9,162	9,985	(8)	12,745	13,067	(2)
Tax expense	(1,827)	(1,521)	20	(2,670)	(2,265)	18
Net profit	7,335	8,464	(13)	10,075	10,802	(7)
Net profit attributable to :						
Owners of the Company	7,299	8,398	(13)	10,038	10,750	(7)
Minority interests	36	66	(45)	37	52	(29)
	7,335	8,464	(13)	10,075	10,802	(7)

(l) **Notes to the Income Statement**

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

	THE GROUP Second Quarter Ended			THE GROUP Half Year Ended		
	30.09.2009	30.09.2008	increase/ (decrease)	30.09.2009	30.09.2008	increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	18	38	(53)	41	85	(52)
Write back for doubtful debts	121	211	(43)	160	-	nm
Allowance for doubtful debts	-	-	nm	(19)	-	nm
Loss from fair value adjustment of investment properties	-	(494)	(100)	-	(500)	(100)
Fair value gain on convertible notes - embedded derivative component	-	3,950	(100)	-	3,950	(100)
Amortisation of club membership	(1)	(1)	-	(1)	(1)	-
Amortisation of issuance costs on convertible notes	-	(52)	(100)	(182)	(103)	77
Loss on redemption of convertible notes	-	-	nm	(487)	-	nm
Loss on dilution of interest in a subsidiary	-	(7)	(100)	-	-	nm
Fair value gain on structured deposits	-	53	(100)	-	53	(100)
Net (loss)/gain on sale of property, plant and equipment	(6)	29	(121)	(3)	30	(110)
Foreign exchange (loss)/gain, net	(91)	17	(635)	(278)	(4)	6,850
Interest expense	(529)	(1,392)	(62)	(1,846)	(2,600)	(29)
Profit after taxation but before minority interests as a percentage of turnover	11.30%	8.96%	26	8.07%	6.01%	34

nm : not meaningful

(II) STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2009

	THE GROUP			THE GROUP		
	Second Quarter Ended		increase/ (decrease) %	Half Year Ended		increase/ (decrease) %
	30.09.2009	30.09.2008		30.09.2009	30.09.2008	
	S\$'000	S\$'000 Re-stated		S\$'000 Re-stated		
Net profit	7,335	8,464	(13)	10,075	10,802	(7)
Other comprehensive income : -						
Exchange differences on translating foreign operations	(1,837)	3,681	(150)	(5,349)	4,241	(226)
Total comprehensive income for the period	5,498	12,145	(55)	4,726	15,043	(69)
Total comprehensive income attributable to :						
Owners of the Company	5,928	11,099	(47)	6,047	13,911	(57)
Minority interests	(430)	1,046	(141)	(1,321)	1,132	(217)
	5,498	12,145	(55)	4,726	15,043	(69)

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	
	30.09.2009 S\$'000	31.03.2009 S\$'000	30.09.2009 S\$'000	31.03.2009 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	13,469	11,761	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associates	7,679	8,099	-	-
Investment properties	95,385	101,853	-	-
Loan due from an associate	16,803	15,736	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,292	2,454	-	-
Amount due from subsidiaries (non-trade)	-	-	27,212	24,529
Trade receivables	7,489	11,825	-	-
Club membership	55	56	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	950	1,890	-	-
	144,123	153,675	84,728	82,045
Current assets				
Development property	65,093	64,710	-	-
Trade receivables	27,810	22,626	-	-
Other receivables and deposits	2,574	2,598	-	49
Prepayments	1,501	1,599	329	514
Construction work-in-progress in excess of progress billings	10,658	6,887	-	-
Structured deposit	940	-	-	-
Fixed deposits	21,904	21,866	4,529	4,723
Cash and bank balances	37,581	40,533	3,988	14,827
	168,061	160,819	8,846	20,113
LIABILITIES				
Current liabilities				
Trade payables	15,019	14,283	-	-
Other payables and accruals	52,305	48,967	1,024	1,383
Amount due to a Director of a subsidiary	313	336	-	-
Amount due to subsidiaries (non-trade)	-	-	15,001	22,995
Amount due to joint venture partners (non-trade)	-	75	-	-
Finance lease obligations	2,232	1,506	-	-
Provision for income tax	5,484	4,621	-	-
Progress billings in excess of construction work-in-progress	7,909	10,498	-	-
Bank term loans, secured	1,921	2,074	-	-
Bank overdrafts, secured	-	1,999	-	-
Bills payable to banks, secured	20,552	15,797	-	-
Convertible notes - liability component	-	18,444	-	18,444
Convertible notes - embedded derivative component	-	351	-	351
	105,735	118,951	16,025	43,173
Net current assets / (liabilities)	62,326	41,868	(7,179)	(23,060)
Non-current liabilities				
Trade payables	9,358	7,700	-	-
Other payables and accruals	127	138	-	-
Amount due to subsidiaries (non-trade)	-	-	44,436	31,175
Finance lease obligations	3,037	3,251	-	-
Bank term loans, secured	58,219	59,617	-	-
Deferred tax liabilities	12,819	13,757	-	-
	83,560	84,463	44,436	31,175
NET ASSETS	122,889	111,080	33,113	27,810
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital	33,006	21,956	33,006	21,956
Translation reserve	2,383	6,370	-	-
Retained earnings	66,489	62,190	(1,655)	5,854
Other reserves	1,813	45	1,762	-
	103,691	90,561	33,113	27,810
Minority interests	19,198	20,519	-	-
TOTAL EQUITY	122,889	111,080	33,113	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 30.09.2009		As at 31.03.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
24,705	-	21,376	18,444

Amount repayable after one year			
As at 30.09.2009		As at 31.03.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
61,256	-	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) Corporate guarantees issued by the Company and a subsidiary ;
- 4) First legal mortgage on the Group's investment properties and leasehold factory building ;
- 5) Charge on fixed deposits and structured deposits ;
- 6) First charge over the contract proceeds/project account arising from the construction project financed ;
- 7) A first legal mortgage over the development property of a joint venture ;
- 8) Legal assignment of sales proceeds from the development property of a joint venture ;
- 9) Legal assignment of tenancy, rental, lease and licence agreements from development property of a joint venture ;
- 10) Legal assignment of the construction contract(s) and performance bonds from development property of a joint venture ;
- 11) Legal assignment of fire insurance policy from development property of a joint venture ;
- 12) Corporate guarantee from all the shareholders of a joint venture in equal share ratio ; and
- 13) Debenture over all present and future assets of a joint venture.

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		THE GROUP	
	Second Quarter Ended		Half Year Ended	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	S\$'000	S\$'000	S\$'000	S\$'000
		Re-stated		Re-stated
Operating activities				
Profit before taxation	9,162	9,985	12,745	13,067
Adjustments :				
Depreciation of property, plant and equipment	437	386	836	718
Amortisation of club membership	1	1	1	1
Amortisation of issuance costs on convertible notes	-	52	182	103
Loss on redemption of convertible notes	-	-	487	-
Loss/(gain) on sale of property, plant and equipment	6	(29)	3	(30)
Loss on dilution of interest in a subsidiary	-	7	-	-
Loss from fair value adjustment of investment properties	-	494	-	500
Fair value gain on embedded derivative	-	(3,950)	-	(3,950)
Fair value gain on structured deposits	-	(53)	-	(53)
Allowance for doubtful debts	-	-	19	-
Write back for doubtful debts	(121)	(211)	(160)	-
Interest expense	529	1,392	1,846	2,600
Interest income	(18)	(38)	(41)	(85)
Share of results of associates	(107)	47	(105)	110
Operating cash flows before changes in working capital	9,889	8,083	15,813	12,981
Decrease/(increase) in :				
Development property	(247)	(376)	(383)	(764)
Consumable stock	-	-	-	3
Trade and other receivables, deposits and prepayments	(613)	4,753	(825)	(12,158)
Work-in-progress, net	(8,912)	11,077	(6,360)	8,725
Increase/(decrease) in :				
Trade and other payables	5,774	4,527	5,646	20,297
Cash flows generated from operations	5,891	28,064	13,891	29,084
Income taxes paid	(1,869)	(647)	(1,874)	(647)
Interest income received	18	38	41	85
Exchange differences	98	(705)	236	(706)
Net cash flows generated from operating activities	4,138	26,750	12,294	27,816
Investing activities				
Purchases of property, plant and equipment	(795)	(285)	(1,123)	(695)
Proceeds from sale of property, plant and equipment	1	-	3	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	(794)	(280)	(1,120)	14,150
Financing activities				
Dividends paid	(5,729)	(1,939)	(5,729)	(1,939)
Issuance of warrants	-	-	1,762	-
Issuance of new shares	8,646	-	11,050	-
Increase in loan due from an associate	(840)	(1,225)	(1,068)	(6,700)
Proceeds from bank term loans	-	544	-	-
Repayment of bank term loans	(490)	-	(806)	(1,559)
Payment for redemption of convertible notes	-	-	(20,010)	-
Proceeds from bills payable to banks	1,514	14,460	4,755	11,723
Interest paid	(529)	(599)	(1,118)	(1,157)
Repayment of lease obligations	(462)	(340)	(925)	(654)
Decrease/(increase) in pledged fixed deposits	715	(3,865)	711	(3,893)
Decrease/(increase) in long term payables	-	4,699	-	(5,465)
Net cash flows generated from/(used in) financing activities	2,825	11,735	(11,378)	(9,644)
Net increase/(decrease) in cash and cash equivalents	6,169	38,205	(204)	32,322
Cash and cash equivalents at beginning of financial period/year	42,434	16,285	48,807	22,168
Cash and cash equivalents at end of financial period (Note A)	48,603	54,490	48,603	54,490

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

	30.09.2009	30.09.2008	30.09.2009	30.09.2008
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	37,581	52,473	37,581	52,473
Fixed deposits	21,904	13,567	21,904	13,567
	59,485	66,040	59,485	66,040
Less : Pledged fixed deposits	(10,882)	(11,550)	(10,882)	(11,550)
Cash and cash equivalents	48,603	54,490	48,603	54,490

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	Retained earnings 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	2,350	3	86	2,898
As at 30 June 2008	21,956	(52)	55,149	14	18,656	95,723
Total comprehensive income for the period	-	2,702	8,400	(3)	1,046	12,145
Payment of dividends	-	-	(1,939)	-	-	(1,939)
As at 30 September 2008	21,956	2,650	61,610	11	19,702	105,929
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	24,360	3,753	64,929	1,804	19,628	114,474
Total comprehensive income for the period	-	(1,370)	7,289	9	(430)	5,498
Conversion to shares by warrant holders	8,646	-	-	-	-	8,646
Payment of dividends	-	-	(5,729)	-	-	(5,729)
As at 30 September 2009	33,006	2,383	66,489	1,813	19,198	122,889
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
Total comprehensive income for the period	-	-	2,704	-	-	2,704
Payment of dividends	-	-	(1,939)	-	-	(1,939)
As at 30 September 2008	21,956	-	12,733	-	-	34,689
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	24,360	-	4,832	1,762	-	30,954
Total comprehensive income for the period	-	-	(758)	-	-	(758)
Conversion to shares by warrant holders	8,646	-	-	-	-	8,646
Payment of dividends	-	-	(5,729)	-	-	(5,729)
As at 30 September 2009	33,006	-	(1,655)	1,762	-	33,113

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 September 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 September 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 September 2009, 110,497,404 warrants were converted to 110,497,404 new shares of the Company bringing total issued capital to 286,742,404 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>Number of shares</u>
Balance as at 1 April 2009	
Ordinary Shares	176,245,000
Warrants (Total number of warrants been subscribed & allotted on 3 April 2009)	176,245,000
 Issue of new shares upon exercising of warrants during the 1st quarter 2010	
Ordinary Shares	24,042,452
Warrants	(24,042,452)
 Balance as at 30 June 2009	
Ordinary Shares	200,287,452
Warrants	152,202,548
 Issue of new shares upon exercising of warrants during the 2nd quarter 2010	
Ordinary Shares	86,454,952
Warrants	(86,454,952)
 Balance as at 30 September 2009	
Ordinary Shares	286,742,404
Warrants	65,747,596

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 Second Quarter Ended		THE GROUP Half Year Ended	
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
a) On weighted average number of ordinary shares in issue (cents)	2.88	4.76	4.59	6.10
b) On a fully diluted basis (cents)	2.29	4.18	3.53	5.59
	S\$'000	S\$'000	S\$'000	S\$'000
Group's profit for the financial period attributable to the owners of the Company used for the computation of basic EPS	7,299	8,398	10,038	10,750
Group's adjusted profit for the financial period attributable to the owners of the Company used for the computation of diluted EPS	7,299	9,127	10,038	12,192
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	253,197,495	176,245,000	218,572,516	176,245,000
Adjustment for outstanding convertible notes, based on reset Adjusted Conversion Price of \$0.595 at time apportionate.	-	42,016,807	-	42,016,807
Adjustment for outstanding warrants	65,747,596	-	65,747,596	-
Adjusted weighted average number of ordinary shares used for the calculation of diluted EPS	318,945,091	218,261,807	284,320,112	218,261,807

Basic earnings per share ("EPS") is calculated based on the Group's profit for the financial period attributable to the owners 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 owners 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 and or warrants.

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 30.09.2009	as at 31.03.2009	as at 30.09.2009	as at 31.03.2009
Net asset value per ordinary share (cents)	36.16	51.38	11.55	15.78
Issue share capital at the end of the period/year	286,742,404	176,245,000	286,742,404	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

2QFY2010 vs 2QFY2009

Revenues

The Group posted total revenue of S\$64.9 million for the 3 months period ended 30 September 2009 ("2QFY2010"), a decrease of 31.3% compared to S\$94.5 million registered in the corresponding period ended 30 September 2008 ("2QFY2009"). The decrease was mainly due to the decrease in revenue from construction business.

Revenue from the construction business decreased by S\$29.9 million from S\$93.6 million in 2QFY2009 to S\$63.7 million in 2QFY2010. 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\$48.7 million in 2QFY2010 as compared to 2QFY2009. The decrease was partly offset by the increase in revenue from a new project and other on-going projects on hand that are progressing into more advanced stages of construction and have contributed S\$18.7 million more revenue registered in 2QFY2010 than 2QFY2009.

Rental income from investment properties and development property have increased approximately S\$0.4 million in 2QFY2010 as compared to 2QFY2009.

Other income

There was no fair value gain on embedded derivative in 2QFY2010, as all Convertible Notes were redeemed for cancellation by 22 June 2009. As such, other income decreased in 2QFY2010 as compared to 2QFY2009 by approximately S\$4.0 million.

Operating expenses

Cost of construction decreased by S\$31.9 million or 38.2% from S\$83.6 million in 2QFY2009 to S\$51.7 million in 2QFY2010 as in line with the decrease of construction revenue in 2QFY2010. Average gross margin of construction business improved from 10.7% in 2QFY2009 to 18.7% in 2QFY2010 mainly due to higher productivity and more efficient procurement arrangement. With the improvement in average gross margin, construction business has an increase of S\$1.9 million in margin contribution to the Group's profit from operations despite of a decrease in the Group revenue.

Finance cost decreased by S\$0.8 million from S\$1.4 million in 2QFY2009 as compared to S\$0.6 million in 2QFY2010 as all outstanding Convertible Notes were redeemed for cancellation by 22 June 2009 and no further interest on Convertible Notes were incurred in 2QFY2010 as compared to S\$0.7 million in 2QFY2009.

There were no significant difference in personnel expenses; depreciation and other operating expenses between 2QFY2009 and 2QFY2010.

Profit before tax

With an slight increase in contribution from share of results of associates, the Group's profit before tax decreased by approximately S\$0.8 million or approximately 8.0% from S\$10.0 million in 2QFY2009 to S\$9.2 million in 2QFY2010 as explained above.

Excluding gain from fair value adjustment of investment properties ; fair value gain on Convertible Notes - embedded derivative component ; amortisation of issuance costs on Convertible Notes and imputed interest on Convertible Notes, the adjusted profit before tax in 2QFY2009 amount to S\$7.2 million as compared to S\$9.2 million in 2QFY2010, an increase of S\$2.0 million or approximately 27.8% in 2QFY2010.

Tax expense

Tax expense increased in 2QFY2010 as compared to 2QFY2009 as there were income in 2QFY2009 not taxable, mainly due to fair value gain on Convertible Notes - embedded derivative as mentioned above.

Profit after tax

As a result of the above, the Group made a net profit attributable to the owners of the Company for 2QFY2010 of approximately S\$7.3 million as compared to S\$8.4 million for 2QFY2009.

REVIEW OF THE PERFORMANCE OF THE GROUP

1HFY2010 vs 1HFY2009

Revenues

The Group posted total revenue of S\$124.9 million for the six months ended 30 September 2009 ("1HFY2010"), a decrease of 30.5% compared to S\$179.7 million registered in the corresponding period ended 30 September 2008 ("1HFY2009"). The decrease was mainly due to the decrease in revenue from construction business.

Revenue from the construction business decreased by S\$55.6 million or approximately 31.3% from S\$177.9 million in 1HFY2009 to S\$122.3 million in 1HFY2010. 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\$89.0 million in 1HFY2010 as compared to 1HFY2009. The decrease was partly offset by the increase in revenue from a new project and other on-going projects on hand that are progressing into more advanced stages of construction and have contributed S\$32.7 million more revenue registered in 1HFY2010 than 1HFY2009. Furthermore, S\$0.7 million of revenue was recognised during 1HFY2010 for construction projects previously carried out in Malaysia.

Rental income from investment properties and development property have increased approximately S\$0.8 million in 1HFY2010 as compared to 1HFY2009.

Other income

There was no fair value gain on Convertible Notes - embedded derivative in 1HFY2010 as all Convertible Notes were redeemed for cancellation by 22 June 2009. As such, other income decreased in 1HFY2010 as compared to 1HFY2009 by S\$4.0 million.

Operating expenses

Cost of construction decreased by S\$58.1 million or 36.0% from S\$161.4 million in 1HFY2009 to S\$103.3 million in 1HFY2010 as in line with the decrease of construction revenue in 1HFY2010. Average gross margin of construction business improved from 9.3% in 1HFY2009 to 15.5% in 1HFY2010 mainly due to higher productivity and more efficient procurement arrangement. With the improvement in average gross margin, construction business has an increase of S\$2.5 million in margin contribution to the Group's profit from operations despite of a decrease in the Group revenue.

Personnel expenses increased by S\$0.4 million or 9.1% from S\$4.4 million in 1HFY2009 to S\$4.8 million in 1HFY2010. The increase was due to the increment of remuneration to professional staffs in line with the construction job market.

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

Finance cost decreased by S\$0.7 million from S\$2.6 million in 1HFY2009 as compared to S\$1.9 million in 1HFY2010 as all outstanding Convertible Notes were redeemed for cancellation by 22 June 2009 and no further interest on Convertible Notes were incurred since. Imputed interest on Convertible Notes in 1HFY2009 amount to S\$1.3 million as compared to S\$0.8 million in 1HFY2010.

There were no significant difference in depreciation and other operating expenses between 1HFY2010 and 1HFY2009.

Profit before tax

The Group's profit before tax decreased by approximately S\$0.4million or approximately 3.1% from S\$13.1 million in 1HFY2009 to S\$12.7 million in 1HFY2010 as explained above.

Excluding gain from fair value adjustment of investment properties; fair value gain on Convertible Notes - embedded derivative component; amortisation of issuance costs on Convertible Notes; loss on redemption of Convertible Notes and imputed interest on Convertible Notes, the adjusted profit before tax in 1HFY2009 amount to S\$11.0 million as compared to S\$14.1 million in 1HFY2010, an increase of S\$3.1 million or approximately 28.2% in 1HFY2010.

Tax expense

Tax expense increased in 1HFY2010 as compared to 1HFY2009 as there were income in 1HFY2009 not taxable, mainly due to fair value gain on Convertible Notes - embedded derivative as mentioned above.

Profit after tax

As a result of the above, the Group made a net profit attributable to the owners of the Company for 1HFY2010 of approximately S\$10.0 million as compared to S\$10.8 million for 1HFY2009.

STATEMENTS OF FINANCIAL POSITION

Property, plant & equipment

The increase from S\$11.8 million in FY2009 to S\$13.5 million in 1HFY2010 was mainly due to the additions of plant and equipment during the financial period.

Investment properties

The decrease of approximately S\$6.5 million in 1HFY2010 from FY2009, 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\$7.5 million in 1HFY2010 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 six months 1HFY2010 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\$86.0 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 six months 2QFY2010 financial period. The decrease was partly offset by the increase in use of bills payable to banks to finance operations in 1HFY2010 as compared to FY2009.

STATEMENT OF CASH FLOWS

2QFY2010 vs 2QFY2009

Net cash flows generated from operating activities in 2QFY2010 reduced to S\$4.1 million from S\$26.8 million in 2QFY2009. This was mainly due to increase in working capital of S\$4.0 million in 2QFY2010 as compared to the decrease in working capital in 2QFY2009 of S\$20.0 million, partly offset by the increase in operating cash flows from construction business of S\$1.8 million in 2QFY2010 as compared to 2QFY2009.

Net cash flows used for investing activities in 2QFY2010 increased as compared to 2QFY2009 as more equipments were purchased.

The net cash flows generated in financing activities in 2QFY2010 amounting to S\$2.8 million as compared to S\$11.7 million generated in 2QFY2009 as lesser loan and bills payable from bank were obtained during 2QFY2010 as compared to 2QFY2009, the effect was partly offset by the S\$8.6 million cash generated from issuance of new shares during 2QFY2010.

1HFY2010 vs 1HFY2009

Net cash flows generated from operating activities in 1HFY2010 reduced to S\$12.3 million from S\$27.8 million in 1HFY2009. This was mainly due to increase in working capital of S\$1.9 million in 1HFY2010 as compared to the decrease in working capital in 1HFY2009 of S\$16.1 million, partly offset by the increase in operating cash flows from construction business of S\$1.6 million in 1HFY2010 as compared to 1HFY2009.

Net cash flows used in investing activities during 1HFY2010 amounting to S\$1.1 million as compared to S\$14.2 million generated in 1HFY2009. In 1HFY2009, the Group had diluted its interest in a Company which held properties for development from 100% to 35%. Arising from the dilution, properties held for development by the Group decreased by S\$15.6 million and it was reflected as cash flows generated from investing activities. The effect was partly offset by the increase in purchase of equipments in 1HFY2010.

The net cash flows used in financing activities was S\$1.8 million higher in 1HFY2010 which amount to S\$11.4 million as compared to S\$9.6 million in 1HFY2009. In 1HFY2010, the cash used for redemption of Convertible Notes amounted to S\$20.0 million, which was partly offset by the proceeds of S\$12.8 million generated from issuance of warrants and new shares in 1HFY2010 as well as lesser in proceeds from borrowings such as bills payable to banks as compared to 1HFY2009.

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 Ministry of Trade and Industry (MTI) announced on 12 October 2009 that the Singapore economy expanded by 0.8 per cent year-on-year in the third quarter of 2009. Growth was driven by the continued expansion of the economy on the back of a gradual stabilisation in global economic conditions. In view of that, MTI has upgraded the economic growth forecast for 2009 to -2.5 to -2.0 per cent. The International Monetary Fund (IMF) has also upgraded its economic growth forecasts on 29 October 2009 that Singapore's gross domestic product would expand by 4.3 per cent in 2010 after contracting by 1.7 per cent this year.

As per the Second Quarter Review 2009 published by BCA dated 27 August 2009, the construction sector expanded by 18.6% year-on-year in the second quarter, driven by steady growth of both public and private construction activities. Compared to the previous quarter, demands from both public and private sectors had improved.

In view of the above, the Group is cautiously optimistic on the outlook of its construction business.

The Group also noted the continue positive market sentiment of the residential property market in Singapore starting since first quarter of the year 2009.

The Group has a construction order book of approximately S\$383 million in Singapore as at 2 November 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 ? **Yes**

Name of Dividend Dividend Type Dividend Rate	(Tax Exempt 1-Tier)
	Interim Ordinary Cash
	1.0 cent per ordinary share

REVIEW OF THE PERFORMANCE OF THE GROUP

DIVIDENDS

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year ? **Yes**

	(Tax Exempt 1-Tier)
Name of Dividend	Interim Ordinary paid on 11 December 2008
Dividend Type	Cash
Dividend Rate	1.5 cents per ordinary share

(c) Date payable

The interim dividend will be payable on 8 December 2009.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Transfer Books and the Register of Members of the Company will be closed on 24 November 2009 for the purpose of determining shareholders' entitlements to the interim dividend.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 3 Church Street #08-01 Samsung Hub Singapore 049483 up to 5.00 pm on 23 November 2009 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00pm on 23 November 2009 will be entitled to the interim dividend.

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 second 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 second quarter and half year period ended 30 September 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
5 November 2009

Lim Kee Seng
Executive Director