



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 2010

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		
	30.06.2010	30.06.2009	increase/ (decrease)
	S\$'000	S\$'000	%
REVENUE			
Project revenue	70,998	58,652	21
Rental income from investment properties	1,338	1,120	19
Rental income from development property	106	183	(42)
	72,442	59,955	21
Other income	430	206	109
Cost of construction	(62,970)	(51,517)	22
Personnel expenses	(2,543)	(2,042)	25
Depreciation of property, plant and equipment	(451)	(400)	13
Finance costs	(625)	(1,354)	(54)
Other operating expenses	(1,132)	(1,262)	(10)
	(67,721)	(56,575)	20
Profit from operations before share of results of associates	5,151	3,586	44
Share of results of associates	(4)	(3)	33
Profit before taxation	5,147	3,583	44
Tax expense	(871)	(843)	3
Net profit for the financial period	4,276	2,740	56
Net profit attributable to:			
Owners of the Company	4,225	2,739	54
Minority interests	51	1	nm
	4,276	2,740	56

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

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

	First Quarter Ended		
	30.06.2010	30.06.2009	increase/ (decrease)
	S\$'000	S\$'000	%
Interest income	219	23	852
Write back allowance for doubtful debts	-	75	nm
Allowance for doubtful debts	(196)	(55)	256
Amortisation of club membership	(1)	(1)	-
Amortisation of issuance costs on convertible notes	-	(182)	(100)
Loss on redemption of convertible notes	-	(487)	(100)
Write back of provision for diminution on structured deposit	27	-	nm
(Loss)/gain on sale of property, plant and equipment	(1)	2	(150)
Loss on sale of investment properties	(110)	-	nm
Foreign exchange loss, net	(4)	(187)	(98)
Interest expense	(594)	(1,317)	(55)
Profit after taxation but before minority interests as a percentage of turnover	5.90%	4.57%	29
Profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before Minority Interests at 30 June 2010 and 30 June 2009	3.74%	2.89%	30

nm : not meaningful

(II) STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER PERIOD ENDED 30 JUNE 2010 AND 30 JUNE 2009

	THE GROUP		increase/ (decrease) %
	First Quarter Ended		
	30.06.2010	30.06.2009	
	S\$'000	S\$'000	
Net profit for the financial period	4,276	2,740	56
Other comprehensive income:			
Foreign currency translation	295	(3,512)	(108)
Total comprehensive income for the financial period	<u>4,571</u>	<u>(772)</u>	(692)
Total comprehensive income attributable to:			
- Owners of the Company	4,446	119	3,636
- Minority interests	125	(891)	(114)
	<u>4,571</u>	<u>(772)</u>	(692)

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	
	30.06.2010 S\$'000	31.03.2010 S\$'000	30.06.2010 S\$'000	31.03.2010 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	12,530	12,849	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associates	12,299	12,263	-	-
Investment properties	94,810	94,886	-	-
Loan due from associates	33,816	33,116	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,269	2,261	-	-
Amount due from subsidiaries (non-trade)	-	-	47,046	45,711
Trade receivables	7,503	7,014	-	-
Club membership	53	53	-	-
Other investment - quoted equity shares	1	1	-	-
	163,281	162,443	104,562	103,227
Current assets				
Development property	58,437	58,759	-	-
Trade receivables	26,950	27,026	-	-
Other receivables and deposits	2,138	1,766	-	1
Prepayments	879	936	59	82
Construction work-in-progress in excess of progress billings	4,754	9,757	-	-
Structured deposits	945	1,918	-	-
Fixed deposits	26,706	25,184	-	-
Cash and cash equivalents	63,313	68,990	1,011	902
	184,122	194,336	1,070	985
LIABILITIES				
Current liabilities				
Trade payables	20,666	19,525	-	-
Other payables and accruals	55,101	68,341	889	1,757
Amount due to a Director of a subsidiary	318	319	-	-
Amount due to subsidiaries (non-trade)	-	-	18,501	22,001
Amount due to joint venture partners (non-trade)	1	-	-	-
Finance lease obligations	2,212	2,265	-	-
Provision for income tax	5,076	4,690	109	-
Progress billings in excess of construction work-in-progress	17,784	13,417	-	-
Bank term loans, secured	1,655	1,638	-	-
Bills payable to banks, secured	33,348	39,787	-	-
	136,161	149,982	19,499	23,758
Net current assets/(liabilities)	47,961	44,354	(18,429)	(22,773)
Non-current liabilities				
Trade payables	7,123	6,498	-	-
Other payables and accruals	138	142	-	-
Amount due to subsidiaries (non-trade)	-	-	42,643	37,704
Finance lease obligations	1,431	1,947	-	-
Bank term loans, secured	57,021	57,353	-	-
Deferred tax liabilities	13,262	13,217	-	-
	78,975	79,157	42,643	37,704
NET ASSETS	132,267	127,640	43,490	42,750
EQUITY				
Equity attributable to Owners of the Company				
Share capital	33,788	33,732	33,788	33,732
Translation reserve	1,851	1,630	-	-
Accumulated profits	75,633	71,430	8,188	7,504
Other reserves	1,658	1,636	1,514	1,514
	112,930	108,428	43,490	42,750
Minority interests	19,337	19,212	-	-
TOTAL EQUITY	132,267	127,640	43,490	42,750

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 30.06.2010		As at 31.03.2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
37,215	-	43,690	-

Amount repayable after one year			
As at 30.06.2010		As at 31.03.2010	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
58,452	-	59,300	-

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;
- 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 guarantees 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	
	First Quarter Ended	
	30.06.2010	30.06.2009
	S\$'000	S\$'000
Operating activities		
Profit before taxation	5,147	3,583
Adjustments :		
Depreciation of property, plant and equipment	451	400
Amortisation of club membership	1	1
Amortisation of issuance costs on convertible notes	-	182
Loss on redemption of convertible notes	-	487
Loss/(gain) on sale of property, plant and equipment	1	(2)
Loss on sale of investment properties	110	-
Write back of provision for diminution on structured deposit	(27)	-
Allowance for doubtful debts	196	55
Write back allowance for doubtful debts	-	(75)
Interest expense	594	1,317
Interest income	(219)	(23)
Share of results of associates	4	3
Operating cash flows before changes in working capital	6,258	5,928
Decrease/(increase) in:		
Development property	322	(136)
Trade and other receivables, deposits and prepayments	(888)	(212)
Work-in-progress, net	9,371	2,551
Decrease in:		
Trade and other payables	(11,477)	(127)
Cash flows generated from operations	3,586	8,004
Income taxes paid	(487)	(4)
Interest income received	219	23
Exchange differences	(21)	183
Net cash flows generated from operating activities	3,297	8,206
Investing activities		
Purchase of property, plant and equipment	(143)	(328)
Proceeds from sale of property, plant and equipment	11	2
Proceeds from sale of investment properties	261	-
Net cash flows generated from/(used in) investing activities	129	(326)
Financing activities		
Issuance of warrants	-	1,762
Issuance of new shares	56	2,404
Increase in loan due from associates	(700)	(228)
Repayment of bank term loans	(352)	(316)
Payment for redemption of convertible notes	-	(20,010)
Proceeds from bills payable to banks	-	3,241
Repayment of bills payable to banks	(6,438)	-
Interest paid	(594)	(588)
Repayment of lease obligations	(569)	(463)
Decrease in structured deposit	1,000	-
Increase in pledged fixed deposits	(1,007)	(4)
Net cash flows used in financing activities	(8,604)	(14,202)
Net decrease in cash and cash equivalents	(5,178)	(6,322)
Effect of exchange rate changes on cash and cash equivalents	16	(52)
Cash and cash equivalents at beginning of financial year	83,284	48,807
Cash and cash equivalents at end of financial period (Note A)	78,122	42,433

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

	30.06.2010	30.06.2009
	S\$'000	S\$'000
Cash and bank balances	63,313	32,668
Fixed deposits	26,706	21,875
Bank overdrafts, secured	-	(512)
	90,019	54,031
Less: Pledged fixed deposits	(11,897)	(11,598)
Cash and cash equivalents	78,122	42,433

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 Owners of the Company				Minority interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Translation reserve S\$'000	Accumulated profits S\$'000	Other reserves S\$'000		
At 1 April 2009	21,956	6,370	62,190	45	20,519	111,080
Net profit for the financial period	-	-	2,739	-	1	2,740
Other comprehensive income for the financial period	-	(2,617)	-	(3)	(892)	(3,512)
Total comprehensive income for the financial period	-	(2,617)	2,739	(3)	(891)	(772)
Proceeds from the issue of warrants	-	-	-	1,762	-	1,762
Conversion to shares by warrant holders	2,404	-	-	-	-	2,404
At 30 June 2009	24,360	3,753	64,929	1,804	19,628	114,474
At 1 April 2010	33,732	1,630	71,430	1,636	19,212	127,640
Net profit for the financial period	-	-	4,225	-	51	4,276
Other comprehensive income for the financial period	-	221	(22)	22	74	295
Total comprehensive income for the financial period	-	221	4,203	22	125	4,571
Conversion to shares by warrant holders	56	-	-	-	-	56
At 30 June 2010	33,788	1,851	75,633	1,658	19,337	132,267
THE COMPANY						
At 1 April 2009	21,956	-	5,854	-	-	27,810
Net loss for the financial period	-	-	(1,022)	-	-	(1,022)
Other comprehensive income for the financial period	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	(1,022)	-	-	(1,022)
Proceeds from the issue of warrants	-	-	-	1,762	-	1,762
Conversion to shares by warrant holders	2,404	-	-	-	-	2,404
At 30 June 2009	24,360	-	4,832	1,762	-	30,954
At 1 April 2010	33,732	-	7,504	1,514	-	42,750
Net profit for the financial period	-	-	684	-	-	684
Other comprehensive income for the financial period	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	684	-	-	684
Conversion to shares by warrant holders	56	-	-	-	-	56
At 30 June 2010	33,788	-	8,188	1,514	-	43,490

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.

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 31 March 2010.

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 2010, 118,318,200 warrants were converted to 118,318,200 new shares of the Company bringing total issued capital to 294,563,200 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 financial year ended 31 March 2010 (FY 2010)	
- Ordinary Shares	117,764,700
- Warrants	(117,764,700)
Balance as at 31 March 2010 and 1 April 2010	
- Ordinary Shares	294,009,700
- Warrants	58,480,300
Issue of new shares upon exercising of warrants during the 1st quarter FY2011	
- Ordinary Shares	553,500
- Warrants	(553,500)
Balance as at 30 June 2010	
- Ordinary Shares	294,563,200
- Warrants	57,926,800

Total number of issued ordinary shares as at 31 March 2010 is 294,009,700 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 2010.

- 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.

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	
	First Quarter Ended	
	30.06.2010	30.06.2009
	(cents)	(cents)
a) On a basic basis	1.44	1.49
b) On a fully diluted basis	1.20	0.82
	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	4,225	2,739
Group's adjusted profit for the financial period attributable to the Owners of the Company used for the computation of diluted EPS	4,225	2,739
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	294,261,552	183,567,043
Adjustment for outstanding warrants	57,926,800	152,202,548
Adjusted weighted average number of ordinary shares used for the calculation of diluted EPS	352,188,352	335,769,591

Basic earnings per share ("EPS") amounts are calculated by dividing the Group's profit after taxation attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted EPS amounts are calculated by dividing the Group's profit after taxation attributable to Owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

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 30.06.2010	as at 31.03.2010	as at 30.06.2010	as at 31.03.2010
Net asset value per ordinary share (cents)	38.34	36.88	14.76	14.54
Issue share capital at the end of the period	294,563,200	294,009,700	294,563,200	294,009,700

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

1QFY2011 vs 1QFY2010

Revenue

The Group posted total revenue of S\$72.4 million for the first quarter ended 30 June 2010 ("1QFY2011"), an increase of 20.7% compared to S\$60.0 million registered in the corresponding period ended 30 June 2009 ("1QFY2010"). The increase was mainly due to the increase in revenue from construction business.

Revenue from the construction business increased by S\$12.3 million or approximately 21.0% from S\$58.7 million in 1QFY2010 to S\$71.0 million in 1QFY2011. The increase was mainly due to revenue contributed from new projects of S\$16.1 million and other on-going projects on hand that have progressed into more advanced stages of construction and have contributed S\$24.8 million more revenue registered in 1QFY2011 than 1QFY2010. The increase was partly offset by decrease in revenue from projects completed and no longer contributing to revenue in 1QFY2011 of S\$28.7 million.

Rental income from investment properties and development property have increased approximately S\$0.1 million in 1QFY2011 as compared to 1QFY2010.

Other income

The increase in other income was mainly from interest income received from an associate.

Operating expenses

Cost of construction increased by S\$11.5 million or 22.3% from S\$51.5 million in 1QFY2010 to S\$63.0 million in 1QFY2011 as in line with the increase of construction revenue in 1QFY2011. Average gross margin of construction business decreased from 12.2% in 1QFY2010 to 11.3% in 1QFY2011 mainly due to lower pricing from new projects awarded as the competition in the industry become more intense.

Personnel expenses increased by S\$0.5 million or 25.0% from S\$2.0 million in 1QFY2010 to S\$2.5 million in 1QFY2011. The increase was due to the increment of remuneration to professional staffs in line with the construction job market.

Depreciation expenses increase slightly with additions of plant and equipment for new construction projects.

Finance cost decreased as all outstanding Convertible Notes were redeemed for cancellation by 22 June 2009 and no further interest on Convertible Notes were incurred in 1QFY2011 as compared to S\$0.8 million in 1QFY2010.

Other operating expenses decreased slightly in 1QFY2011 as compared to 1QFY2010. The decrease due to S\$0.5 million of loss on redemption of Convertible Notes and S\$0.2 million of amortisation of issuance costs on Convertible Notes which were incurred during 1QFY2010 but none in 1QFY2011 as well as the S\$0.2 million decrease of loss from foreign exchange were offset by the increase of expenses such as allowance for doubtful debts; building maintenance expenses; marketing and selling expenses and loss on sale of investment properties during 1QFY2011 as compared to 1QFY2010.

Profit before tax

The Group's profit before tax increased by approximately S\$1.5 million from S\$3.6 million in 1QFY2010 to S\$5.1 million in 1QFY2011 as explained above.

Tax expense

With an increase of Group's profit before tax, tax expense increased in 1QFY2011 as compared to 1QFY2010.

Profit after tax

As a result of the above, the Group made a net profit attributable to the Owners of the Company for approximately S\$4.2 million in 1QFY2011 as compared to S\$2.7 million in 1QFY2010.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENTS OF FINANCIAL POSITION

Non-current assets

There were no significant changes in non-current assets except for the S\$0.5 million increase in trade receivables mainly due to increase in retention sum receivables from on-going projects and loan due from associates increased by S\$0.7 million for additional loan to finance property development project.

Structured deposits

Structured deposit of S\$1.0 million was matured during 1QFY2011.

Construction work-in-progress

Construction work-in-progress in excess of progress billings decreased by S\$5.0 million from S\$9.8 million in FY2010 to S\$4.8 million in 1QFY2011 mainly due to completion of a construction project during 1QFY2011.

Progress billings in excess of construction work-in-progress increased by S\$4.4 million from S\$13.4 million in FY2010 to S\$17.8 million in 1QFY2011. The increase was mainly from projects which have progressed into the stage of construction where the work done certified was higher than cost incurred.

Trade payables

Trade payables increased by S\$1.2 million from S\$19.5 million in FY2010 to S\$20.7 million in 1QFY2011. The increase was mainly from the increase in retention sum withheld from suppliers and subcontractors for construction projects which will be due for release of payments in the next 12 months.

Other payables and accruals

Other payables and accruals decreased by S\$13.2 million from S\$68.3 million in FY2010 to S\$55.1 million in 1QFY2011. The decrease was mainly due to accruals made previously were paid after received invoices from suppliers and subcontractors. Furthermore, lesser accruals was required for work done by subcontractors not yet certified as at 30 June 2010 as compared to 31 March 2010.

Total borrowings

Total borrowings decreased by S\$7.3 million from S\$103.0 million as at 31 March 2010 to S\$95.7 million as at 30 June 2010 mainly due to the decrease in use of bills payable to Banks of S\$6.4 million; the repayment of finance lease obligations of S\$0.6 million and bank term loans of S\$0.4 million.

STATEMENT OF CASH FLOWS

1QFY2011 vs 1QFY2010

Net cash flows generated from operating activities in 1QFY2011 decreased by S\$4.9 million to S\$3.3 million from S\$8.2 million in 1QFY2010. This was mainly due to S\$2.7 million increase in working capital in 1QFY2011 as compared to the S\$2.1 million decrease in working capital in 1QFY2010.

Net cash flows generated from investing activities during 1QFY2011 mainly due to proceeds from sale of investment properties partly offset by amount used for purchase of plant and equipment.

The net cash flows used in financing activities decreased by S\$5.6 million in 1QFY2011 of S\$8.6 million as compared to S\$14.2 million in 1QFY2010. There was a payment for redemption of Convertible Notes made during 1QFY2010 but none in 1QFY2011. The decrease was offset by proceeds from issuance of warrants; issuance of new shares and bills payable to banks raised during 1QFY2010. The repayment of bills payable to banks during 1QFY2011 has further contributed to a decrease in net cash flows used in financing activities in 1QFY2011 as compared to 1QFY2010.

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.

REVIEW OF THE PERFORMANCE OF THE GROUP

- 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.**

According to the Building and Construction Authority (BCA) of Singapore, construction demand in Singapore from January 2010 to May 2010 was approximately S\$8.17 billion with approximately 59% or S\$4.84 billion from private sector and the remaining 41% or S\$3.33 billion from the public sector. BCA's forecast on the total construction demand for the year 2010 remained as S\$21 billion to S\$27 billion. This was based on its preliminary figures on the value of construction contracts awarded during first half of the year 2010 of approximately S\$11 billion and its mid-year review of another S\$10 billion to S\$16 billion that are likely to be awarded in the second half of the year 2010.

In view of the above, the Group is therefore cautiously optimistic on the outlook of its construction business in Singapore with a construction order book of more than S\$312.0 million as at 30 June 2010.

Nevertheless, the Group remains cautious on the possible impacts that the uncertainties in economic conditions and rising costs that may have on the performance of the Group for the remaining 9 months of FY2011.

DIVIDENDS

- 11 (a) Current financial period reported on**

Any dividend declared for the current financial period reported on? **No**

- (b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? **No**

- (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.

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 statements of the Group and the Company for the first quarter ended 30 June 2010 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

10 August 2010