



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 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 | | | THE GROUP | | |
|---|----------------------|---------------|------------------------------|-----------------|----------------|------------------------------|
| | Second Quarter Ended | | increase/ (decrease) % | Half Year Ended | | increase/ (decrease) % |
| | 30.09.2010 | 30.09.2009 | | 30.09.2010 | 30.09.2009 | |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| REVENUE | | | | | | |
| Project revenue | 70,277 | 63,650 | 10 | 141,275 | 122,302 | 16 |
| Rental income from investment properties | 1,397 | 1,088 | 28 | 2,735 | 2,208 | 24 |
| Rental income from development property | - | 177 | nm | 106 | 359 | (70) |
| | 71,674 | 64,915 | 10 | 144,116 | 124,869 | 15 |
| Other income | 437 | 310 | 41 | 867 | 516 | 68 |
| Cost of construction | (62,643) | (51,746) | 21 | (125,613) | (103,263) | 22 |
| Personnel expenses | (1,723) | (2,777) | (38) | (4,266) | (4,818) | (11) |
| Depreciation of property, plant and equipment | (465) | (437) | 6 | (916) | (836) | 10 |
| Finance costs | (550) | (578) | (5) | (1,175) | (1,932) | (39) |
| Other operating expenses | (1,523) | (632) | 141 | (2,655) | (1,896) | 40 |
| | (66,904) | (56,170) | 19 | (134,625) | (112,745) | 19 |
| Profit from operations before share of results of associates | 5,207 | 9,055 | (42) | 10,358 | 12,640 | (18) |
| Share of results of associates | (130) | 107 | (221) | (134) | 105 | (228) |
| Profit before taxation | 5,077 | 9,162 | (45) | 10,224 | 12,745 | (20) |
| Tax expense | (845) | (1,827) | (54) | (1,716) | (2,670) | (36) |
| Net profit for the financial period | 4,232 | 7,335 | (42) | 8,508 | 10,075 | (16) |
| Net profit attributable to: | | | | | | |
| - Owners of the Company | 4,176 | 7,299 | (43) | 8,401 | 10,038 | (16) |
| - Non-controlling interests | 56 | 36 | 56 | 107 | 37 | 189 |
| | 4,232 | 7,335 | (42) | 8,508 | 10,075 | (16) |

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

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

| | Second Quarter Ended | | | Half Year Ended | | |
|--|----------------------|---------|------------------------------|-----------------|---------|------------------------------|
| | 30.09.2010 | | increase/ (decrease) % | 30.09.2010 | | increase/ (decrease) % |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Interest income | 227 | 18 | 1,161 | 446 | 41 | 988 |
| Write back allowance for doubtful debts | - | 121 | nm | - | 160 | nm |
| Allowance for doubtful debts | (352) | - | nm | (548) | (19) | 2,784 |
| Provision for anticipated losses | (268) | - | nm | (197) | - | nm |
| Amortisation of club membership | - | (1) | nm | (1) | (1) | - |
| Amortisation of issuance costs on convertible notes | - | - | nm | - | (182) | nm |
| Loss on redemption of convertible notes | - | - | nm | - | (487) | nm |
| Write back of provision for diminution on structured deposit | - | - | nm | 27 | - | nm |
| Gain/(loss) on sale of property, plant and equipment | 25 | (6) | (546) | 24 | (3) | (900) |
| Gain/(loss) on sale of investment properties | 1 | - | nm | (109) | - | nm |
| Foreign exchange loss, net | (30) | (91) | (67) | (34) | (278) | (88) |
| Interest expense | (520) | (529) | (2) | (1,114) | (1,846) | (40) |
| Profit after taxation but before non-controlling interests as a percentage of turnover | 5.90% | 11.30% | (48) | 5.90% | 8.07% | (27) |
| Profit after taxation attributable to Owners of the Company as a percentage of the Group's Issued Capital and Reserves before non-controlling interests at 30 September 2010 and 30 September 2009 | 3.65% | 7.04% | (48) | 7.34% | 9.68% | (24) |

nm : not meaningful

(II) STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2010 AND 30 SEPTEMBER 2009

| | THE GROUP | | | THE GROUP | | |
|--|----------------------|--------------|------------------------------|-----------------|---------------|------------------------------|
| | Second Quarter Ended | | increase/ (decrease) % | Half Year Ended | | increase/ (decrease) % |
| | 30.09.2010 | 30.09.2009 | | 30.09.2010 | 30.09.2009 | |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| Net profit for the financial period | 4,232 | 7,335 | (42) | 8,508 | 10,075 | (16) |
| Other comprehensive income: | | | | | | |
| - Foreign currency translation | (3,443) | (1,837) | 87 | (3,148) | (5,349) | (41) |
| Total comprehensive income for the financial period | 789 | 5,498 | (86) | 5,360 | 4,726 | 13 |
| Total comprehensive income attributable to: | | | | | | |
| - Owners of the Company | 1,558 | 5,928 | (74) | 6,004 | 6,047 | (1) |
| - Non-controlling interests | (769) | (430) | 79 | (644) | (1,321) | (51) |
| | 789 | 5,498 | (86) | 5,360 | 4,726 | 13 |

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 | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 30.09.2010 S\$'000 | 31.03.2010 S\$'000 | 30.09.2010 S\$'000 | 31.03.2010 S\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 13,069 | 12,849 | - | - |
| Investment in subsidiaries | - | - | 57,516 | 57,516 |
| Investment in associates | 12,140 | 12,263 | - | - |
| Investment properties | 90,928 | 94,886 | - | - |
| Loan due from associates | 34,376 | 33,116 | - | - |
| Amount due from a minority shareholder of a subsidiary (non-trade) | 2,172 | 2,261 | - | - |
| Amount due from subsidiaries (non-trade) | - | - | 49,001 | 45,711 |
| Trade receivables | 5,527 | 7,014 | - | - |
| Club membership | 52 | 53 | - | - |
| Other investment - quoted equity shares | 1 | 1 | - | - |
| | 158,265 | 162,443 | 106,517 | 103,227 |
| Current assets | | | | |
| Development property | 58,279 | 58,759 | - | - |
| Trade receivables | 28,014 | 27,026 | - | - |
| Other receivables and deposits | 1,946 | 1,766 | - | 1 |
| Prepayments | 758 | 936 | 67 | 82 |
| Amount due from associates | 3 | - | 2 | - |
| Construction work-in-progress in excess of progress billings | 14,329 | 9,757 | - | - |
| Structured deposits | 945 | 1,918 | - | - |
| Fixed deposits | 28,594 | 25,184 | - | - |
| Cash and cash equivalents | 54,515 | 68,990 | 369 | 902 |
| | 187,383 | 194,336 | 438 | 985 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade payables | 23,312 | 19,525 | - | - |
| Other payables and accruals | 61,298 | 68,341 | 794 | 1,757 |
| Amount due to a Director of a subsidiary | 301 | 319 | - | - |
| Amount due to subsidiaries (non-trade) | - | - | 20,000 | 22,001 |
| Amount due to joint venture partners (non-trade) | 1 | - | - | - |
| Finance lease obligations | 2,041 | 2,265 | - | - |
| Provision for income tax | 4,030 | 4,690 | 71 | - |
| Progress billings in excess of construction work-in-progress | 18,640 | 13,417 | - | - |
| Bank term loans, secured | 1,663 | 1,638 | - | - |
| Bills payable to banks, secured | 25,482 | 39,787 | - | - |
| | 136,768 | 149,982 | 20,865 | 23,758 |
| Net current assets/(liabilities) | 50,615 | 44,354 | (20,427) | (22,773) |
| Non-current liabilities | | | | |
| Trade payables | 5,893 | 6,498 | - | - |
| Other payables and accruals | 146 | 142 | - | - |
| Amount due to subsidiaries (non-trade) | - | - | 42,783 | 37,704 |
| Finance lease obligations | 1,068 | 1,947 | - | - |
| Bank term loans, secured | 56,218 | 57,353 | - | - |
| Deferred tax liabilities | 12,726 | 13,217 | - | - |
| | 76,051 | 79,157 | 42,783 | 37,704 |
| NET ASSETS | 132,829 | 127,640 | 43,307 | 42,750 |
| EQUITY | | | | |
| Equity attributable to Owners of the Company | | | | |
| Share capital | 37,100 | 33,732 | 37,100 | 33,732 |
| Translation reserve | (767) | 1,630 | - | - |
| Accumulated profits | 76,484 | 71,430 | 4,693 | 7,504 |
| Other reserves | 1,707 | 1,636 | 1,514 | 1,514 |
| | 114,524 | 108,428 | 43,307 | 42,750 |
| Non-controlling interests | 18,305 | 19,212 | - | - |
| TOTAL EQUITY | 132,829 | 127,640 | 43,307 | 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 30.09.2010 | | As at 31.03.2010 | |
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 29,186 | - | 43,690 | - |

| Amount repayable after one year | | | |
|--|-----------|-------------------------|-----------|
| As at 30.09.2010 | | As at 31.03.2010 | |
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 57,286 | - | 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 deposit;
- 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 | | THE GROUP | |
|--|----------------------|---------------|-----------------|-----------------|
| | Second Quarter Ended | | Half Year Ended | |
| | 30.09.2010 | 30.09.2009 | 30.09.2010 | 30.09.2009 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Operating activities | | | | |
| Profit before taxation | 5,077 | 9,162 | 10,224 | 12,745 |
| Adjustments : | | | | |
| Depreciation of property, plant and equipment | 465 | 437 | 916 | 836 |
| Amortisation of club membership | - | 1 | 1 | 1 |
| Amortisation of issuance costs on convertible notes | - | - | - | 182 |
| Loss on redemption of convertible notes | - | - | - | 487 |
| (Gain)/loss on sale of property, plant and equipment | (25) | 6 | (24) | 3 |
| (Gain)/loss on sale of investment properties | (1) | - | 109 | - |
| Write back of provision for diminution on structured deposit | - | - | (27) | - |
| Provision for anticipated losses | 268 | - | 197 | - |
| Allowance for doubtful debts | 352 | - | 548 | 19 |
| Write back allowance for doubtful debts | - | (121) | - | (160) |
| Interest expense | 520 | 529 | 1,114 | 1,846 |
| Interest income | (227) | (18) | (446) | (41) |
| Share of results of associates | 130 | (107) | 134 | (105) |
| Operating cash flows before changes in working capital | 6,559 | 9,889 | 12,746 | 15,813 |
| Decrease/(increase) in: | | | | |
| Development property | 158 | (247) | 480 | (383) |
| Trade and other receivables, deposits and prepayments | 833 | (613) | (55) | (825) |
| Work-in-progress, net | (8,720) | (8,912) | 651 | (6,360) |
| Increase/(decrease) in: | | | | |
| Trade and other payables | 7,354 | 5,774 | (4,052) | 5,646 |
| Cash flows generated from operations | 6,184 | 5,891 | 9,770 | 13,891 |
| Income taxes paid | (1,874) | (1,869) | (2,361) | (1,874) |
| Interest income received | 227 | 18 | 446 | 41 |
| Exchange differences | 181 | 136 | 160 | 325 |
| Net cash flows generated from operating activities | 4,718 | 4,176 | 8,015 | 12,383 |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (962) | (795) | (1,105) | (1,123) |
| Proceeds from sale of property, plant and equipment | 13 | 1 | 24 | 3 |
| Proceeds from sale of investment properties | 2 | - | 263 | - |
| Investment in an associate | (450) | - | (450) | - |
| Net cash flows used in investing activities | (1,397) | (794) | (1,268) | (1,120) |
| Financing activities | | | | |
| Dividends paid | (3,539) | (5,729) | (3,539) | (5,729) |
| Issuance of warrants | - | - | - | 1,762 |
| Issuance of new shares | 3,312 | 8,646 | 3,368 | 11,050 |
| Increase in loan due from associates | (560) | (840) | (1,260) | (1,068) |
| Repayment of bank term loans | (357) | (490) | (709) | (806) |
| Payment for redemption of convertible notes | - | - | - | (20,010) |
| Proceeds from bills payable to banks | - | 1,514 | - | 4,755 |
| Repayment of bills payable to banks | (7,867) | - | (14,305) | - |
| Interest paid | (520) | (529) | (1,114) | (1,118) |
| Repayment of lease obligations | (571) | (462) | (1,140) | (925) |
| Decrease in structured deposit | - | - | 1,000 | - |
| (Increase)/decrease in pledged fixed deposits | (2,014) | 715 | (3,021) | 711 |
| Net cash flows (used in)/generated from financing activities | (12,116) | 2,825 | (20,720) | (11,378) |
| Net (decrease)/increase in cash and cash equivalents | (8,795) | 6,207 | (13,973) | (115) |
| Effect of exchange rate changes on cash and cash equivalents | (129) | (37) | (113) | (89) |
| Cash and cash equivalents at beginning of financial year | 78,122 | 42,433 | 83,284 | 48,807 |
| Cash and cash equivalents at end of financial period (Note A) | 69,198 | 48,603 | 69,198 | 48,603 |

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

| | 30.09.2010 | | 30.09.2009 | |
|----------------------------------|---------------|---------------|---------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash and bank balances | 54,515 | 37,581 | 54,515 | 37,581 |
| Fixed deposits | 28,594 | 21,904 | 28,594 | 21,904 |
| | 83,109 | 59,485 | 83,109 | 59,485 |
| Less: Pledged fixed deposits | (13,911) | (10,882) | (13,911) | (10,882) |
| Cash and cash equivalents | 69,198 | 48,603 | 69,198 | 48,603 |

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 | | | | Non-controlling 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 |
| Net profit for the financial period | - | - | 7,299 | - | 36 | 7,335 |
| Other comprehensive income for the financial period | - | (1,370) | (10) | 9 | (466) | (1,837) |
| Total comprehensive income for the financial period | - | (1,370) | 7,289 | 9 | (430) | 5,498 |
| Conversion to shares by warrant holders | 8,646 | - | - | - | - | 8,646 |
| Dividend relating to FY2009 (final and special) paid | - | - | (5,729) | - | - | (5,729) |
| At 30 September 2009 | 33,006 | 2,383 | 66,489 | 1,813 | 19,198 | 122,889 |
| 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 |
| Net profit for the financial period | - | - | 4,176 | - | 56 | 4,232 |
| Other comprehensive income for the financial period | - | (2,618) | (49) | 49 | (825) | (3,443) |
| Total comprehensive income for the financial period | - | (2,618) | 4,127 | 49 | (769) | 789 |
| Conversion to shares by warrant holders | 3,312 | - | - | - | - | 3,312 |
| Dividend relating to FY2010 (final) paid | - | - | (3,276) | - | - | (3,276) |
| Dividend paid to non-controlling interests | - | - | - | - | (263) | (263) |
| At 30 September 2010 | 37,100 | (767) | 76,484 | 1,707 | 18,305 | 132,829 |

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.

| | Share capital S\$'000 | Accumulated profits/(losses) S\$'000 | Other reserves S\$'000 | Total equity S\$'000 |
|--|--------------------------|--|---------------------------|-------------------------|
| 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 |
| Net loss for the financial period | - | (758) | - | (758) |
| Other comprehensive income for the financial period | - | - | - | - |
| Total comprehensive income for the financial period | - | (758) | - | (758) |
| Proceeds from the issue of warrants | - | - | - | - |
| Conversion to shares by warrant holders | 8,646 | - | - | 8,646 |
| Dividend relating to FY2009 (final and special) paid | - | (5,729) | - | (5,729) |
| At 30 September 2009 | 33,006 | (1,655) | 1,762 | 33,113 |
| 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 |
| Net profit for the financial period | - | (219) | - | (219) |
| Other comprehensive income for the financial period | - | - | - | - |
| Total comprehensive income for the financial period | - | (219) | - | (219) |
| Issuance of warrants | - | - | - | - |
| Conversion to shares by warrant holders | 3,312 | - | - | 3,312 |
| Dividend relating to FY2010 (final) paid | - | (3,276) | - | (3,276) |
| At 30 September 2010 | 37,100 | 4,693 | 1,514 | 43,307 |

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 September 2010, 151,438,012 warrants were converted to 151,438,012 new shares of the Company bringing total issued capital to 327,683,012 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 |
| Issue of new shares upon exercising of warrants during the 2nd quarter FY2011 | |
| - Ordinary Shares | 33,119,812 |
| - Warrants | (33,119,812) |
| Balance as at 30 September 2010 | |
| - Ordinary Shares | 327,683,012 |
| - Warrants | 24,806,988 |

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 reported period on.

Not applicable.

AUDIT

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

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 statements 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 dividend.

| | THE GROUP Second Quarter Ended | | THE GROUP Half Year Ended | |
|---|-----------------------------------|-----------------------|------------------------------|-----------------------|
| | 30.09.2010 (cents) | 30.09.2009 (cents) | 30.09.2010 (cents) | 30.09.2009 (cents) |
| a) On a basic basis | 1.33 | 2.88 | 2.77 | 4.59 |
| b) On a fully diluted basis | 1.24 | 2.29 | 2.56 | 3.53 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Group's profit for the financial period attributable to Owners of the Company used in the computation of basic EPS | 4,176 | 7,299 | 8,401 | 10,038 |
| Group's adjusted profit for the financial period attributable to Owners of the Company used in the computation of diluted EPS | 4,176 | 7,299 | 8,401 | 10,038 |
| Weighted average number of ordinary shares for computing basic EPS | 313,015,449 | 253,197,495 | 303,692,765 | 218,572,516 |
| Effect of dilution from warrants | 24,806,988 | 65,747,596 | 24,806,988 | 65,747,596 |
| Weighted average number of ordinary shares for computing diluted EPS | 337,822,437 | 318,945,091 | 328,499,753 | 284,320,112 |

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 30.09.2010 | as at 31.03.2010 | as at 30.09.2010 | as at 31.03.2010 |
| Net asset value per ordinary share (cents) | 34.95 | 36.88 | 13.22 | 14.54 |
| Issue share capital at the end of the period/year | 327,683,012 | 294,009,700 | 327,683,012 | 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 factors; 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

2QFY2011 vs 2QFY2010

Revenue

The Group posted total revenue of S\$71.7 million for the second quarter ended 30 September 2010 ("2QFY2011"), an increase of 10.5% compared to S\$64.9 million registered in the corresponding period ended 30 September 2009 ("2QFY2010"). The increase was mainly due to the increase in revenue from construction business.

Revenue from the construction business increased by S\$6.6 million or approximately 10.4% from S\$63.7 million in 2QFY2010 to S\$70.3 million in 2QFY2011. The increase was mainly due to revenue contributed from new projects which commenced after 2QFY2010 and other on-going projects on hand that have been progressing into more advanced stages of construction which in combination have contributed an increase of approximately S\$29.2 million. The increase was partly offset by a decrease in revenue of approximately S\$21.7 million from projects that were completed before end of 2QFY2011 and approximately S\$0.9 million decrease in revenue from on-going projects that were near completion.

Rental income from investment properties has increased approximately of S\$0.3 million in 2QFY2011 as compared to 2QFY2010, offset by the decrease in rental income from development property of approximately S\$0.2 million in 2QFY2011 as compared to 2QFY2010.

Other income

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

Operating expenses

Cost of construction increased by approximately S\$10.9 million or 21.1% from S\$51.7 million in 2QFY2010 to S\$62.6 million in 2QFY2011 as in line with the increase of construction revenue in 2QFY2011. Average gross margin of construction business decreased from 18.8% in 2QFY2010 to 11.0% in 2QFY2011 mainly due to rising cost and lower pricing from the later projects awarded as the competition in the industry become more intense.

Personnel expenses decreased by approximately S\$1.1 million or 38.0% from S\$2.8 million in 2QFY2010 to S\$1.7 million in 2QFY2011. The decrease was due to measures taken to increase productivity and lesser amount of provision for bonuses.

Other operating expenses increased by approximately S\$0.9 million or 141.0% from S\$0.6 million in 2QFY2010 to S\$1.5 million in 2QFY2011. The increase was mainly due to additional provision for doubtful debts of S\$0.4 million, an increase of approximately S\$0.2 million in marketing and selling expenses for a property development project and a provision for anticipated losses of approximately S\$0.3 million for a on-going construction project.

There were no significant differences in depreciation and finance costs between 2QFY2010 and 2QFY2011.

Profit before taxation

Share of results of associates decreased by approximately S\$0.2 million from a profit of S\$0.1 million in 2QFY2010 to a loss of S\$0.1 million in 2QFY2011 as an associate ceased to collect rental income from a development property since June 2010 as redevelopment was about to commence.

The Group's profit before taxation decreased by approximately S\$4.1 million from S\$9.2 million in 2QFY2010 to S\$5.1 million in 2QFY2011 as explained above.

Tax expense

With a decrease of Group's profit before taxation, tax expense decreased in 2QFY2011 as compared to 2QFY2010.

Net profit attributable to Owners of the Company

As a result of the above, the Group made a net profit attributable to Owners of the Company of approximately S\$4.2 million in 2QFY2011 as compared to S\$7.3 million in 2QFY2010.

REVIEW OF THE PERFORMANCE OF THE GROUP

1HFY2011 vs 1HFY2010

Revenue

The Group posted total revenue of S\$144.1 million for the half year ended 30 September 2010 ("1HFY2011"), an increase of 15.4% compared to S\$124.9 million registered in the corresponding period ended 30 September 2009 ("1HFY2010"). The increase was mainly due to the increase in revenue from construction business.

Revenue from the construction business increased by S\$19.0 million or approximately 15.5% from S\$122.3 million in 1HFY2010 to S\$141.3 million in 1HFY2011. The increase was mainly due to revenue contributed from new projects which commenced after 2QFY2010 and other on-going projects on hand that have been progressing into more advanced stages of construction which in combination have contributed an increase of approximately S\$65.8 million. The increase was offset by a decrease in revenue of approximately S\$46.8 million from projects that were completed before end of 2QFY2011.

Rental income from investment properties has increased approximately S\$0.5 million in 1HFY2011 as compared to 1HFY2010, offset by the decrease in rental income from development property of approximately S\$0.3 million in 1HFY2011 as compared to 1HFY2010.

Other income

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

Operating expenses

Cost of construction increased by approximately S\$22.3 million or 21.6% from S\$103.3 million in 1HFY2010 to S\$125.6 million in 1HFY2011 as in line with the increase of construction revenue in 1HFY2011. Average gross margin of construction business decreased from 15.6% in 1HFY2010 to 11.1% in 1HFY2011 mainly due to rising cost and lower pricing from the later projects awarded as the competition in the industry become more intense.

Personnel expenses decreased by approximately S\$0.5 million or 11.5% from S\$4.8 million in 1HFY2010 to S\$4.3 million in 1HFY2011. The decrease was due to measures taken to increase productivity and lesser amount of provision for bonuses.

Finance costs decreased as all outstanding Convertible Notes were redeemed for cancellation by 22 June 2009 and no further interest on Convertible Notes were incurred in 1HFY2011 as compared to S\$0.8 million in 1HFY2010.

Other operating expenses increased by approximately S\$0.8 million or 40.0% from S\$1.9 million in 1HFY2010 to S\$2.7 million in 1HFY2011. The increase was mainly due to additional provision for doubtful debts of S\$0.5 million, an increase of approximately S\$0.4 million in marketing and selling expenses for a property development project, a provision for anticipated losses of approximately S\$0.2 million for a on-going construction project and a loss on sale of investment properties of approximately S\$0.1 million. The increase was offset by the decrease in foreign exchange loss (net) in 1HFY2011 of approximately S\$0.2 million as compared to 1HFY2010.

There were no significant difference in depreciation between 1HFY2010 and 1HFY2011.

Profit before taxation

Share of results of associates decreased by approximately S\$0.2 million from a profit of S\$0.1 million in 1HFY2010 to a loss of S\$0.1 million in 1HFY2011 as an associate ceased to collect rental income from a development property since June 2010 as redevelopment was about to commence.

The Group's profit before taxation decreased by approximately S\$2.5 million from S\$12.7 million in 1HFY2010 to S\$10.2 million in 1HFY2011 as explained above.

Tax expense

With a decrease of Group's profit before taxation tax expense decreased in 1HFY2011 as compared to 1HFY2010.

Net profit attributable to Owners of the Company

As a result of the above, the Group made a net profit attributable to Owners of the Company of approximately S\$8.4 million in 1HFY2011 as compared to S\$10.0 million in 1HFY2010.

STATEMENTS OF FINANCIAL POSITION

Non-current assets

The increase in property, plant and equipment was mainly due to addition of plant and equipment during the financial period. The decrease of approximately S\$4.0 million in investment properties from S\$94.9 million in FY2010 to S\$90.9 million in 1HFY2011 was mainly due to sale and translation difference in RMB exchange rate used on the investment property in Tianjin, the People's Republic of China. Loan due from associates increased by approximately S\$1.3 million mainly due to additional loan to finance property development projects. Trade receivables decreased by approximately S\$1.5 million from S\$7.0 million in FY2010 to S\$5.5 million in 1HFY2011 mainly due to the reduction in retention sum receivables from completed construction projects.

REVIEW OF THE PERFORMANCE OF THE GROUP

STATEMENTS OF FINANCIAL POSITION

Trade receivables

Trade receivables increased by approximately S\$1.0 million from S\$27.0 million in FY2010 to S\$28.0 million in 1HFY2011 in line with the increase of revenue from construction projects.

Structured deposits

Structured deposit of S\$1.0 million had matured during 1HFY2011.

Construction work-in-progress

Construction work-in-progress in excess of progress billings increased by S\$4.5 million from S\$9.8 million in FY2010 to S\$14.3 million in 1HFY2011. The increase was mainly from the construction projects of which cost incurred on work done was higher than work done certified.

Progress billings in excess of construction work-in-progress increased by S\$5.2 million from S\$13.4 million in FY2010 to S\$18.6 million in 1HFY2011. 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\$3.8 million from S\$19.5 million in FY2010 to S\$23.3 million in 1HFY2011. 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\$7.0 million from S\$68.3 million in FY2010 to S\$61.3 million in 1HFY2011. The decrease was mainly due to accruals made previously were paid after suppliers and subcontractors had invoiced. Furthermore, lesser accruals were required for work done by subcontractors not yet certified as at 30 September 2010 as compared to 31 March 2010.

Total borrowings

Total borrowings decreased by S\$16.5 million from S\$103.0 million as at 31 March 2010 to S\$86.5 million as at 30 September 2010 mainly due to the decrease in use of bills payable to banks of S\$14.3 million; the repayment of finance lease obligations of S\$1.1 million and bank term loans of S\$0.7 million.

STATEMENT OF CASH FLOWS

2QFY2011 vs 2QFY2010

Net cash flows generated from operating activities in 2QFY2011 increased by S\$0.5 million to S\$4.7 million from S\$4.2 million in 2QFY2010 although profit before taxation in 2QFY2011 was lower by approximately S\$4.1 million as compared to 2QFY2010. This was mainly due to the higher of S\$3.6 million in the increase in working capital in 2QFY2010 of S\$4.0 million as compared to the S\$0.4 million increase in working capital in 2QFY2011 as well as the S\$0.8 million higher in non-cash items adjustments to the profit before taxation in 2QFY2011 of S\$1.5 million as compared to S\$0.7 million in 2QFY2010.

Net cash flows used in investing activities during 2QFY2011 of S\$1.4 million as compared to S\$0.8 million in 2QFY2010 was mainly due to amount used for purchase of plant and equipment and investment in an associate.

The net cash flows used in financing activities in 2QFY2011 of S\$12.1 million as compared to S\$2.8 million generated in 2QFY2010 as there were lower cash flow from issuance of new shares; more payments were made to reduce the bank borrowings and increase in pledged fixed deposits.

1HFY2011 vs 1HFY2010

Net cash flows generated from operating activities in 1HFY2011 decreased by S\$4.4 million to S\$8.0 million from S\$12.4 million in 1HFY2010 although profit before taxation in 1HFY2011 was lower by approximately S\$2.5 million as compared to 1HFY2010. This was mainly due to the higher of S\$1.1 million in the increase in working capital in 1HFY2010 of S\$1.9 million as compared to the S\$3.0 million increase in working capital in 1HFY2011 as well as the S\$0.6 million lower in non-cash items adjustments to the profit before taxation in 1HFY2011 of S\$2.5 million as compared to S\$3.1 million in 1HFY2010.

Net cash flows used in investing activities during 1HFY2011 of S\$1.3 million as compared to S\$1.1 million in 1HFY2010 was mainly due to amount used for investment in an associate of approximately S\$0.5 million partially offset by proceeds from sale of investment properties and plant and equipment of approximately S\$0.3 million during 1HFY2011.

The net cash flows used in financing activities was lower by approximately S\$9.3 million in 1HFY2011 of S\$20.7 million as compared to S\$11.4 million used in 1HFY2010 as there were lower cash flow of approximately S\$7.7 million from issuance of new shares and increase in pledged fixed deposits of approximately S\$3.7 million.

REVIEW OF THE PERFORMANCE OF THE GROUP

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 economy expanded by 24.0% in 2Q2010, moderating from the record growth rate of 45.7% in 1Q2010. The construction sector registered its ninth quarter of expansion. Supported by public sector projects, activity in the construction sector accelerated in 2Q2010, expanding by 29.2% after growing by 0.5% the quarter before. While residential construction declined from its 1Q2010 peak, this was offset by strong growth in civil engineering works, comprising mostly public infrastructure projects, including the MRT Downtown Line and Marina Coastal Expressway. Meanwhile, non-residential construction picked up after three quarters of decline, boosted by a spike in public sector works.

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\$243.0 million as at 30 September 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 6 months of FY2011.

DIVIDENDS

11 (a) Current financial period reported on

Any dividend declared for the current financial period reported on? **Yes**

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

(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 8 December 2009 |
| Dividend Type | Cash |
| Dividend Rate | 1.0 cent per ordinary share |

(c) Date payable

The interim dividend will be payable on 8 December 2010.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and the Register of Members of the Company will be closed on 25 November 2010 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., 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 up to 5.00 pm on 24 November 2010 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 5.00 pm on 24 November 2010 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.

SEGMENT INFORMATION

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 and half year 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 second quarter and half year ended 30 September 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 and Chief Operating Officer

08 November 2010