



KSH Holdings Limited

(Company Registration Number: 200603337G)
(Incorporated in the Republic of Singapore on 9 March 2006)

UNAUDITED THIRD QUARTER FINANCIAL STATEMENTS & DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31ST DECEMBER 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 Third Quarter Ended			THE GROUP Nine Months Ended		
	31.12.2009	31.12.2008	increase/ (decrease)	31.12.2009	31.12.2008	increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
REVENUE						
Project revenue	81,131	85,010	(5)	203,434	262,887	(23)
Rental income from investment properties	1,194	1,509	(21)	3,402	3,190	7
Rental income from development property	170	183	(7)	529	276	92
	82,495	86,702	(5)	207,365	266,353	(22)
Other income	421	638	(34)	937	5,184	(82)
Cost of construction	(72,513)	(79,990)	(9)	(175,777)	(241,413)	(27)
Personnel expenses	(2,456)	(1,848)	33	(7,274)	(6,248)	16
Depreciation of property, plant and equipment	(442)	(398)	11	(1,278)	(1,116)	15
Finance costs	(581)	(3,760)	(85)	(2,513)	(6,393)	(61)
Other operating expenses	(608)	(1,483)	(59)	(2,502)	(3,329)	(25)
	(76,600)	(87,479)	(12)	(189,344)	(258,499)	(27)
Profit/(loss) from operations before share of results of associates	6,316	(139)	(4,644)	18,958	13,038	45
Share of results of associates	2	(163)	(101)	106	(274)	(139)
Profit/(loss) before taxation	6,318	(302)	(2,192)	19,064	12,764	49
Tax expense	(1,093)	(606)	80	(3,764)	(2,870)	31
Net profit/(loss)	5,225	(908)	(675)	15,300	9,894	55
Net profit/(loss) attributable to :						
Owners of the Company	5,090	(965)	(627)	15,127	9,785	55
Minority interests	135	57	137	173	109	59
	5,225	(908)	(675)	15,300	9,894	55

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

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

	THE GROUP Third Quarter Ended			THE GROUP Nine Months Ended		
	31.12.2009	31.12.2008	increase/ (decrease)	31.12.2009	31.12.2008	increase/ (decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	23	42	(45)	64	128	(50)
Write back for doubtful debts	221	-	nm	362	-	nm
Allowance for doubtful debts	-	(326)	nm	-	(326)	nm
Loss from fair value adjustment of investment properties	-	-	nm	-	(500)	(100)
Fair value gain on convertible notes - embedded derivative component	-	-	nm	-	3,950	(100)
Amortisation of club membership	(1)	(1)	-	(2)	(2)	-
Amortisation of issuance costs on convertible notes	-	(365)	(100)	(182)	(468)	(61)
Gain/(loss) on redemption of convertible notes	-	246	nm	(487)	246	(298)
Gain on dilution of interest in a subsidiary	-	-	nm	-	7	nm
Fair value gain on structured deposits	-	-	nm	-	53	(100)
Net (loss)/gain on sale of property, plant and equipment	(12)	(1)	nm	(15)	28	(154)
Gain on sale of investment property	138	-	nm	138	-	nm
Foreign exchange (loss)/gain, net	(117)	206	(157)	(394)	201	(296)
Interest expense	(552)	(3,681)	(85)	(2,398)	(6,281)	(62)
Profit/(loss) after taxation but before minority interests as a percentage of turnover	6.33%	-1.05%	(705)	7.38%	3.71%	99

nm : not meaningful

(II) STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2009

	THE GROUP			THE GROUP		
	Third Quarter Ended		increase/ (decrease) %	Nine Months Ended		increase/ (decrease) %
	31.12.2009	31.12.2008		31.12.2009	31.12.2008	
	S\$'000	S\$'000		S\$'000	S\$'000	
Net profit/(loss)	5,225	(908)	(675)	15,300	9,894	55
Other comprehensive income : -						
Exchange differences on translating foreign operations	(662)	783	(185)	(6,011)	5,024	(220)
Total comprehensive income for the period	4,563	(125)	(3,750)	9,289	14,918	(38)
Total comprehensive income attributable to :						
Owners of the Company	4,605	(354)	(1,401)	10,652	13,557	(21)
Minority interests	(42)	229	(118)	(1,363)	1,361	(200)
	4,563	(125)	(3,750)	9,289	14,918	(38)

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	
	31.12.2009 S\$'000	31.03.2009 S\$'000	31.12.2009 S\$'000	31.03.2009 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	13,127	11,761	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associates	7,981	8,099	-	-
Investment properties	93,440	101,853	-	-
Loan due from an associate	22,091	15,736	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,271	2,454	-	-
Amount due from subsidiaries (non-trade)	-	-	33,851	24,529
Trade receivables	7,694	11,825	-	-
Club membership	54	56	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	-	1,890	-	-
	146,659	153,675	91,367	82,045
Current assets				
Development property	61,132	64,710	-	-
Trade receivables	51,098	22,626	-	-
Other receivables and deposits	1,995	2,598	-	49
Prepayments	1,478	1,599	298	514
Construction work-in-progress in excess of progress billings	6,192	6,887	-	-
Structured deposit	1,890	-	-	-
Fixed deposits	26,423	21,866	3,000	4,723
Cash and bank balances	44,318	40,533	1,152	14,827
	194,526	160,819	4,450	20,113
LIABILITIES				
Current liabilities				
Trade payables	17,699	14,283	-	-
Other payables and accruals	63,277	48,967	1,568	1,383
Amount due to a Director of a subsidiary	310	336	-	-
Amount due to subsidiaries (non-trade)	-	-	15,001	22,995
Amount due to joint venture partners (non-trade)	-	75	-	-
Finance lease obligations	2,249	1,506	-	-
Provision for income tax	5,097	4,621	-	-
Progress billings in excess of construction work-in-progress	20,303	10,498	-	-
Bank term loans, secured	2,111	2,074	-	-
Bank overdrafts, secured	-	1,999	-	-
Bills payable to banks, secured	23,038	15,797	-	-
Convertible notes - liability component	-	18,444	-	18,444
Convertible notes - embedded derivative component	-	351	-	351
	134,084	118,951	16,569	43,173
Net current assets / (liabilities)	60,442	41,868	(12,119)	(23,060)
Non-current liabilities				
Trade payables	9,668	7,700	-	-
Other payables and accruals	143	138	-	-
Amount due to subsidiaries (non-trade)	-	-	41,887	31,175
Finance lease obligations	2,488	3,251	-	-
Bank term loans, secured	57,077	59,617	-	-
Deferred tax liabilities	12,550	13,757	-	-
	81,926	84,463	41,887	31,175
NET ASSETS	125,175	111,080	37,361	27,810
EQUITY				
Capital and reserves attributable to owners of the Company				
Share capital	33,661	21,956	33,661	21,956
Translation reserve	1,898	6,370	-	-
Retained earnings	68,600	62,190	1,938	5,854
Other reserves	1,860	45	1,762	-
	106,019	90,561	37,361	27,810
Minority interests	19,156	20,519	-	-
TOTAL EQUITY	125,175	111,080	37,361	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 31.12.2009		As at 31.03.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
27,398	-	21,376	18,444

Amount repayable after one year			
As at 31.12.2009		As at 31.03.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
59,565	-	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 Third Quarter Ended		THE GROUP Nine Months Ended	
	31.12.2009 S\$'000	31.12.2008 S\$'000	31.12.2009 S\$'000	31.12.2008 S\$'000
Operating activities				
Profit/(loss) before taxation	6,318	(302)	19,064	12,764
Adjustments :				
Depreciation of property, plant and equipment	442	398	1,278	1,116
Amortisation of club membership	1	1	2	2
Amortisation of issuance costs on convertible notes	-	365	182	468
(Gain)/loss on redemption of convertible notes	-	(246)	487	(246)
Loss/(gain) on sale of property, plant and equipment	12	1	15	(28)
Gain on sale of investment property	(138)	-	(138)	-
Gain on dilution of interest in a subsidiary	-	(7)	-	(7)
Loss from fair value adjustment of investment properties	-	-	-	500
Fair value gain on embedded derivative	-	-	-	(3,950)
Fair value gain on structured deposits	-	-	-	(53)
Allowance for doubtful debts	-	326	-	326
Write back for doubtful debts	(221)	-	(362)	-
Interest expense	552	3,681	2,398	6,281
Interest income	(23)	(42)	(64)	(128)
Share of results of associates	(2)	163	(106)	274
Operating cash flows before changes in working capital	6,941	4,338	22,756	17,319
Decrease/(increase) in :				
Development property	3,962	(266)	3,578	(1,030)
Consumable stock	-	-	-	3
Trade and other receivables, deposits and prepayments	(22,679)	(6,803)	(23,504)	(18,961)
Work-in-progress, net	16,861	16,996	10,501	25,721
Increase/(decrease) in :				
Trade and other payables	13,978	6,704	19,624	27,001
Cash flows generated from operations	19,063	20,969	32,955	50,053
Income taxes paid	(1,628)	(621)	(3,502)	(1,268)
Interest income received	23	42	64	128
Exchange differences	27	1,591	261	884
Net cash flows generated from operating activities	17,485	21,981	29,778	49,797
Investing activities				
Purchases of property, plant and equipment	(93)	(176)	(1,216)	(870)
Proceeds from sale of property, plant and equipment	1	29	3	30
Proceeds from sale of investment property	1,252	-	1,252	-
Investment in associates	(350)	(2,404)	(350)	(3,168)
Dilution of interest in a subsidiary	-	(5)	-	(5)
Decrease in properties held for development	-	-	-	15,608
Net cash flows generated from/(used in) investing activities	810	(2,556)	(311)	11,595
Financing activities				
Dividends paid	(2,932)	(2,644)	(8,661)	(4,582)
Issuance of warrants	-	-	1,762	-
Issuance of new shares	655	-	11,705	-
Increase in loan due from an associate	(5,288)	(8,395)	(6,356)	(15,096)
Repayment of bank term loans	(857)	(144)	(1,662)	(1,703)
Payment for redemption of convertible notes	-	(3,700)	(20,010)	(3,700)
Proceeds from bills payable to banks	2,486	-	7,241	6,024
Repayment of bills payable to banks	-	(5,699)	-	-
Interest paid	(552)	(808)	(1,669)	(1,966)
Repayment of lease obligations	(551)	(381)	(1,476)	(1,035)
(Increase)/decrease in pledged fixed deposits	(3)	(24)	708	(3,917)
Increase in long term payables	-	(4,661)	-	(10,126)
Net cash flows used in financing activities	(7,042)	(26,456)	(18,418)	(36,101)
Net increase/(decrease) in cash and cash equivalents	11,253	(7,031)	11,049	25,291
Cash and cash equivalents at beginning of financial period/year	48,603	54,490	48,807	22,168
Cash and cash equivalents at end of financial period (Note A)	59,856	47,459	59,856	47,459

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

	31.12.2009 S\$'000	31.12.2008 S\$'000	31.12.2009 S\$'000	31.12.2008 S\$'000
Cash and bank balances	44,318	43,150	44,318	43,150
Fixed deposits	26,423	17,892	26,423	17,892
Bank overdrafts, secured	-	(2,009)	-	(2,009)
	70,741	59,033	70,741	59,033
Less : Pledged fixed deposits	(10,885)	(11,574)	(10,885)	(11,574)
Cash and cash equivalents	59,856	47,459	59,856	47,459

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	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
Total comprehensive income for the period	-	611	(995)	30	229	(125)
Payment of dividends	-	-	(2,643)	-	-	(2,643)
As at 31 December 2008	21,956	3,261	57,972	41	19,931	103,161
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
Total comprehensive income for the period	-	(485)	5,043	47	(42)	4,563
Conversion to shares by warrant holders	655	-	-	-	-	655
Payment of dividends	-	-	(2,932)	-	-	(2,932)
As at 31 December 2009	33,661	1,898	68,600	1,860	19,156	125,175
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
Total comprehensive income for the period	-	-	(3,610)	-	-	(3,610)
Payment of dividends	-	-	(2,643)	-	-	(2,643)
As at 31 December 2008	21,956	-	6,480	-	-	28,436
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
Total comprehensive income for the period	-	-	6,525	-	-	6,525
Conversion to shares by warrant holders	655	-	-	-	-	655
Payment of dividends	-	-	(2,932)	-	-	(2,932)
As at 31 December 2009	33,661	-	1,938	1,762	-	37,361

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 31 December 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 31 December 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 31 December 2009, 117,051,404 warrants were converted to 117,051,404 new shares of the Company bringing total issued capital to 293,296,404 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
 Issue of new shares upon exercising of warrants during the 3rd quarter 2010	
Ordinary Shares	6,554,000
Warrants	(6,554,000)
Balance as at 31 December 2009	
Ordinary Shares	293,296,404
Warrants	59,193,596

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 Third Quarter Ended		THE GROUP Nine Months Ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
a) On weighted average number of ordinary shares in issue (cents)	1.76	(0.55)	6.24	5.55
b) On a fully diluted basis (cents)	1.46	(0.55)	5.02	5.55
	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	5,090	(965)	15,127	9,785
Group's adjusted profit for the financial period attributable to the owners of the Company used for the computation of diluted EPS	5,090	2,093	15,127	14,285
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	289,862,111	176,245,000	242,422,126	176,245,000
Adjustment for outstanding convertible notes, based on reset Adjusted Conversion Price of \$0.595 at time apportionate.	-	26,476,344	-	26,476,344
Adjustment for outstanding convertible notes, based on remaining aggregate principal amount of the Convertible Notes \$20 million.	-	12,432,370	-	12,432,370
Adjustment for outstanding warrants	59,193,596	-	59,193,596	-
Adjusted weighted average number of ordinary shares used for the calculation of diluted EPS	349,055,707	215,153,714	301,615,722	215,153,714

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 31.12.2009	as at 31.03.2009	as at 31.12.2009	as at 31.03.2009
Net asset value per ordinary share (cents)	36.15	51.38	12.74	15.78
Issue share capital at the end of the period/year	293,296,404	176,245,000	293,296,404	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

3QFY2010 vs 3QFY2009

Revenue

The Group posted total revenue of S\$82.5 million for the third quarter ended 31 December 2009 ("3QFY2010"), a decrease of 4.9% compared to S\$86.7 million registered in the corresponding period ended 31 December 2008 ("3QFY2009"). The decrease was mainly due to the decrease in revenue from construction business .

Revenue from the construction business decreased by S\$3.9 million from S\$85.0 million in 3QFY2009 to S\$81.1 million in 3QFY2010. 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\$44.9 million in 3QFY2010 as compared to 3QFY2009. 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\$41.0 million more revenue registered in 3QFY2010 than 3QFY2009.

Rental income from investment properties and development property have decreased approximately S\$0.3 million in 3QFY2010 as compared to 3QFY2009.

Other income

There was no fair value gain on embedded derivative in 3QFY2010 as compare to 3QFY2009, as all Convertible Notes were redeemed for cancellation by 22 June 2009.

Operating expenses

Cost of construction decreased by S\$7.5 million or 9.4% from S\$80.0 million in 3QFY2009 to S\$72.5 million in 3QFY2010 as in line with the decrease of construction revenue in 3QFY2010. Average gross margin of construction business improved from 5.9% in 3QFY2009 to 10.6% in 3QFY2010 mainly due to improvement in productivity and efficiency in procurement arrangement. With the improvement in average gross margin, construction business has an increase of S\$3.6 million in margin contribution to the Group's profit from operations despite of a decrease in the Group revenue.

Personnel expenses increased by S\$0.7 million or 32.9% from S\$1.8 million in 3QFY2009 to S\$2.5 million in 3QFY2010. The increase was due to the increment of remuneration to professional staffs in line with the construction job market and higher amount of accrual for bonuses.

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

Finance cost decreased by S\$3.2 million from S\$3.8 million in 3QFY2009 as compared to S\$0.6 million in 3QFY2010 as all outstanding Convertible Notes were redeemed for cancellation by 22 June 2009 and no further interest on Convertible Notes were incurred in 3QFY2010.

Other operating expenses decreased by S\$0.9 million mainly due to allowance for doubtful debts provided for in 3QFY2009 which were not necessary to be provided in 3QFY2010 and higher efficiency in usage of the resources.

Profit before tax

With a slight increase in contribution from share of results of associates, the Group's profit before tax increased by approximately S\$6.6 million from loss of S\$0.3 million in 3QFY2009 to S\$6.3 million in 3QFY2010 as explained above.

Tax expense

With an increase of Group's profit before tax, tax expense increased in 3QFY2010 as compared to 3QFY2009.

Profit after tax

As a result of the above, the Group made a net profit attributable to the owners of the Company for 3QFY2010 of approximately S\$5.1 million as compared to net loss of S\$1.0 million for 3QFY2009.

REVIEW OF THE PERFORMANCE OF THE GROUP

9MFY2010 vs 9MFY2009

Revenue

The Group posted total revenue of S\$207.4 million for the nine months ended 31 December 2009 ("9MFY2010"), a decrease of 22.2% compared to S\$266.4 million registered in the corresponding quarter ended 31 December 2008 ("9MFY2009"). The decrease was mainly due to the decrease in revenue from construction business .

Revenue from the construction business decreased by S\$59.5 million or approximately 22.6% from S\$262.9 million in 9MFY2009 to S\$203.4 million in 9MFY2010. 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\$133.9 million in 9MFY2010 as compared to 9MFY2009. 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\$73.7 million more revenue registered in 9MFY2010 than 9MFY2009. Furthermore, S\$0.7 million of revenue was recognised in 9MFY2010 for construction projects previously carried out in Malaysia.

Rental income from investment properties and development property have increased approximately S\$0.5 million in 9MFY2010 as compared to 9MFY2009.

Other income

There was no fair value gain on Convertible Notes - embedded derivative in 9MFY2010 as compared to 9MFY2009, as all Convertible Notes were redeemed for cancellation by 22 June 2009.

Operating expenses

Cost of construction decreased by S\$65.6 million or 27.2% from S\$241.4 million in 9MFY2009 to S\$175.8 million in 9MFY2010 as in line with the decrease of construction revenue in 9MFY2010. Average gross margin of construction business improved from 8.2% in 9MFY2009 to 13.6% in 9MFY2010 mainly due to improvement in productivity and efficiency in procurement arrangement. With the improvement in average gross margin, construction business has an increase of S\$6.2 million in margin contribution to the Group's profit from operations despite of a decrease in the Group revenue.

Personnel expenses increased by S\$1.0 million or 16.4% from S\$6.3 million in 9MFY2009 to S\$7.3 million in 9MFY2010. The increase was due to the increment of remuneration to professional staffs in line with the construction job market and higher amount of accrual for bonuses.

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

Finance cost decreased by S\$3.9 million from S\$6.4 million in 9MFY2009 as compared to S\$2.5 million in 9MFY2010 as all outstanding Convertible Notes were redeemed for cancellation by 22 June 2009 and no further interest on Convertible Notes were incurred since.

Other expenses reduced by S\$0.8 million from S\$3.3 million in 9MFY2009 to S\$2.5 million in 9MFY2010 mainly due to loss from fair value adjustment of investment of investment properties and allowance for doubtful debts provided in 9MFY2009 which were not necessary to be provided in 9MFY2010.

Profit before tax

The Group's profit before tax increased by approximately S\$6.3 million or approximately 49.3% from S\$12.8 million in 9MFY2009 to S\$19.1 million in 9MFY2010 as explained above.

Tax expense

With an increase of Group's profit before tax, tax expense increased in 9MFY2010 as compared to 9MFY2009.

Profit after tax

As a result of the above, the Group made a net profit attributable to the owners of the Company for 9MFY2010 of approximately S\$15.1 million as compared to S\$9.8 million for 9MFY2009.

STATEMENTS OF FINANCIAL POSITION

Property, plant & equipment

The increase from S\$11.8 million in FY2009 to S\$13.1 million in 3QFY2010 was mainly due to the additions of plant and equipment during the financial period.

Investment properties

The decrease of approximately S\$8.4 million in 3QFY2010 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 ("PRC") and sale of investment properties in PRC during 3QFY2010.

Long term trade receivables

The decrease from S\$11.8 million in FY2009 to S\$7.7 million in 3QFY2010 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

Trade receivables

Trade receivables increased by S\$28.5 million from S\$22.6 million in FY2009 to S\$51.1 million in 3QFY2010 due to claims on work done of construction projects certified but not due for payment in 3QFY2010. These receivables were subsequently collected after 31 December 2009 when due for payment.

Trade payables

Trade payables increased by S\$3.4 million from S\$14.3 million in FY2009 to S\$17.7 million in 3QFY2010. The increase mainly was from amount payable to suppliers and subcontractors for construction projects which were due for payment after 31 December 2009.

Other payables and accruals

Other payables and accruals increased by S\$14.3 million from S\$49.0 million in FY2009 to S\$63.3 million in 3QFY2010. The increase was mainly from accruals made for work done by subcontractors which were not certified as at 31 December 2009.

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 nine months period ended 31 December 2009. 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\$87.0 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 nine months period ended 31 December 2009. The decrease was partly offset by the increase in use of bills payable to banks to finance operations during 3QFY2010 as compared to FY2009.

STATEMENT OF CASH FLOWS

3QFY2010 vs 3QFY2009

Net cash flows generated from operating activities in 3QFY2010 reduced by S\$4.5 million to S\$17.5 million from S\$22.0 million in 3QFY2009. This was mainly due to the S\$4.5 million smaller decrease in working capital of S\$12.1 million in 3QFY2010 as compared to the decrease in working capital in 2QFY2009 of S\$16.6 million and higher income taxes paid in 3QFY2010, partly offset by the increase in operating cash flows before changes in working capital of S\$2.6 million to S\$6.9 million in 3QFY2010 as compared to S\$4.3 million in 3QFY2009 and higher exchange differences in 3QFY2009.

Net cash flows generated from investing activities in 3QFY2010 increased as compared to 3QFY2009 due to proceeds from sale of investment property and lower investment in associates.

The net cash flows used in financing activities in 3QFY2010 amounting to S\$7.0 million as compared to S\$26.5 million used in 3QFY2009 as less payments were made for redemption of Convertible Notes and other loans. In addition, there was also proceeds from bills payable to banks in 3QFY2010 of which was nil in 3QFY2009.

9MFY2010 vs 9MFY2009

Net cash flows generated from operating activities in 9MFY2010 reduced by S\$20.0 million to S\$29.8 million from S\$49.8 million in 9MFY2009. This was mainly due to the S\$22.5 million smaller decrease in working capital of S\$10.2 million in 9MFY2010 as compared to the decrease in working capital of S\$32.7 million in 9MFY2009 and higher income taxes paid in 9MFY2010, partly offset by the increase in operating cash flows before changes in working capital of S\$5.4 million to S\$22.8 million in 3QFY2010 as compared to S\$17.3 million in 9MFY2009 and higher exchange differences in 9MFY2009.

Net cash flows used in investing activities during 9MFY2010 amounting to S\$0.3 million as compared to S\$11.6 million generated in 9MFY2009. In 9MFY2009, 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 lower investment in associates in 9MFY2010 as compared to 9MFY2009.

The net cash flows used in financing activities decreased by S\$17.7 million in 9MFY2010 of S\$18.4 million as compared to S\$36.1 million in 9MFY2009. The decrease was mainly due to proceeds of S\$13.5 million generated from issuance of warrants and new shares and S\$8.7 million smaller increase in loan to associates in 9MFY2010 as compared to 9MFY2009. This was partly offset by the higher dividend paid and payments made on loans repayment.

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.

As per the published media release from BCA (Building and Construction Authority) on 13 January 2010, the Singapore's construction demand for year 2010 is projected to reach between S\$21 billion and S\$27 billion this year. This is a continuation of a sustained workload from last year's S\$21 billion worth of contracts awarded.

BCA projected that the bulk of this year demand will come from the public sector and will largely be fuelled by higher growths in most categories of construction demand and strong civil engineering projects. Private sector construction demand is expected to be slightly more upbeat than the preceding year with private residential projects that are projected to increase gradually, in tandem with the improved market sentiment. BCA has also anticipated higher construction demand for commercial and institutional developments compared to a year ago.

In view of the above, the Group is cautiously optimistic on the outlook of its construction business with an existing construction order book of more than S\$390 million in Singapore as at 31 January 2010.

The Group remains cautious on the possible impacts that the economic conditions and uncertainty in labour and material 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 ? **No**

(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

Not applicable.

(d) Books closure date

Not applicable.

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 third 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 third quarter and nine months ended 31 December 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
8 February 2010

Lim Kee Seng
Executive Director