



## **KSH Holdings Limited**

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

**UNAUDITED FULL YEAR FINANCIAL STATEMENTS & DIVIDEND  
ANNOUNCEMENT FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 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		increase/ (decrease)
	Year Ended		
	31.03.2010	31.03.2009	
	S\$'000	S\$'000	%
<b>REVENUE</b>			
Project revenue	285,394	324,019	(12)
Rental income from investment properties	4,783	4,286	12
Rental income from development property	699	459	52
	<b>290,876</b>	<b>328,764</b>	(12)
Other income	3,227	8,064	(60)
Cost of construction	(252,078)	(294,482)	(14)
Personnel expenses	(7,941)	(5,706)	39
Depreciation of property, plant and equipment	(1,750)	(1,510)	16
Finance costs	(3,180)	(8,183)	(61)
Other operating expenses	(6,309)	(9,239)	(32)
	(271,258)	(319,120)	(15)
<b>Profit from operations before share of results of associates</b>	<b>22,845</b>	<b>17,708</b>	29
Share of results of associates	119	(385)	(131)
<b>Profit before taxation</b>	<b>22,964</b>	<b>17,323</b>	33
Tax expense	(4,672)	(3,730)	25
<b>Net profit</b>	<b>18,292</b>	<b>13,593</b>	35
Net profit attributable to :			
Owners of the Company	17,979	14,007	28
Minority interests	313	(414)	(176)
	<b>18,292</b>	<b>13,593</b>	35

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

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

	THE GROUP		increase/ (decrease)
	Year Ended		
	31.03.2010	31.03.2009	
	S\$'000	S\$'000	%
Interest income	90	156	(42)
Write back for doubtful debts	222	1	nm
Bad debts write off/allowance for doubtful debts	(5)	(765)	(99)
Gain/(loss) from fair value adjustment of investment properties	1,926	(3,766)	(151)
Fair value gain on convertible notes - embedded derivative component	-	4,759	(100)
Amortisation of club membership	(3)	(3)	-
Amortisation of issuance costs on convertible notes	(182)	(551)	(67)
(Loss)/gain on redemption of convertible notes	(487)	246	(298)
Gain on dilution of interest in a subsidiary	-	7	(100)
Fair value gain on structured deposits	28	123	(77)
Net (loss)/gain on sale of property, plant and equipment	(18)	29	(162)
Gain on sale of investment properties	80	-	nm
Foreign exchange (loss)/gain, net	(34)	235	(114)
Interest expense	(3,030)	(8,030)	(62)
Profit after taxation but before minority interests as a percentage of turnover	6.29%	4.13%	52

nm : not meaningful

(II) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010 AND 31 MARCH 2009

	THE GROUP Year Ended		increase/ (decrease) %
	31.03.2010 S\$'000	31.03.2009 S\$'000	
Net profit	18,292	13,593	35
<b>Other comprehensive income :</b>			
Exchange differences on translating foreign operations	(6,361)	9,244	(169)
<b>Total comprehensive income for the year</b>	<b>11,931</b>	<b>22,837</b>	<b>(48)</b>
Total comprehensive income attributable to :			
Owners of the Company	13,238	20,888	(37)
Minority interests	(1,307)	1,949	(167)
	<b>11,931</b>	<b>22,837</b>	<b>(48)</b>

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	
	31.03.2010 S\$'000	31.03.2009 S\$'000	31.03.2010 S\$'000	31.03.2009 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12,849	11,761	-	-
Investment in subsidiaries	-	-	57,516	57,516
Investment in associates	12,263	8,099	-	-
Investment properties	94,886	101,853	-	-
Loan due from associates	33,116	15,736	-	-
Amount due from a minority shareholder of a subsidiary (non-trade)	2,261	2,454	-	-
Amount due from subsidiaries (non-trade)	-	-	45,711	24,529
Trade receivables	7,014	11,825	-	-
Club membership	53	56	-	-
Other investments - quoted equity shares	1	1	-	-
Structured deposits	-	1,890	-	-
	<b>162,443</b>	<b>153,675</b>	<b>103,227</b>	<b>82,045</b>
<b>Current assets</b>				
Development property	58,759	64,710	-	-
Trade receivables	27,026	22,626	-	-
Other receivables and deposits	1,766	2,598	1	49
Prepayments	936	1,599	82	514
Construction work-in-progress in excess of progress billings	9,757	6,887	-	-
Structured deposits	1,918	-	-	-
Fixed deposits	25,184	21,866	-	4,723
Cash and bank balances	68,990	40,533	902	14,827
	<b>194,336</b>	<b>160,819</b>	<b>985</b>	<b>20,113</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	19,525	14,283	-	-
Other payables and accruals	68,341	48,967	1,757	1,383
Amount due to a Director of a subsidiary	319	336	-	-
Amount due to subsidiaries (non-trade)	-	-	22,001	22,995
Amount due to joint venture partners (non-trade)	-	75	-	-
Finance lease obligations	2,265	1,506	-	-
Provision for income tax	4,690	4,621	-	-
Progress billings in excess of construction work-in-progress	13,417	10,498	-	-
Bank term loans, secured	1,638	2,074	-	-
Bank overdrafts, secured	-	1,999	-	-
Bills payable to banks, secured	39,787	15,797	-	-
Convertible notes - liability component	-	18,444	-	18,444
Convertible notes - embedded derivative component	-	351	-	351
	<b>149,982</b>	<b>118,951</b>	<b>23,758</b>	<b>43,173</b>
<b>Net current assets / (liabilities)</b>	<b>44,354</b>	<b>41,868</b>	<b>(22,773)</b>	<b>(23,060)</b>
<b>Non-current liabilities</b>				
Trade payables	6,498	7,700	-	-
Other payables and accruals	142	138	-	-
Amount due to subsidiaries (non-trade)	-	-	37,704	31,175
Finance lease obligations	1,947	3,251	-	-
Bank term loans, secured	57,353	59,617	-	-
Deferred tax liabilities	13,217	13,757	-	-
	<b>79,157</b>	<b>84,463</b>	<b>37,704</b>	<b>31,175</b>
<b>NET ASSETS</b>	<b>127,640</b>	<b>111,080</b>	<b>42,750</b>	<b>27,810</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to owners of the Company</b>				
Share capital	33,732	21,956	33,732	21,956
Translation reserve	1,630	6,370	-	-
Retained earnings	71,431	62,190	7,504	5,854
Other reserves	1,635	45	1,514	-
	<b>108,428</b>	<b>90,561</b>	<b>42,750</b>	<b>27,810</b>
<b>Minority interests</b>	<b>19,212</b>	<b>20,519</b>	<b>-</b>	<b>-</b>
<b>TOTAL EQUITY</b>	<b>127,640</b>	<b>111,080</b>	<b>42,750</b>	<b>27,810</b>

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 31.03.2010		As at 31.03.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
43,690	-	21,376	18,444

Amount repayable after one year			
As at 31.03.2010		As at 31.03.2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
59,300	-	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 ;
- 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	
	Year Ended	
	31.03.2010	31.03.2009
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before taxation	22,964	17,323
<b>Adjustments :</b>		
Depreciation of property, plant and equipment	1,750	1,510
Amortisation of club membership	3	3
Amortisation of issuance costs on convertible notes	182	551
Loss/(gain) on redemption of convertible notes	487	(246)
Loss/(gain) on sale of property, plant and equipment	18	(29)
Gain on sale of investment properties	(80)	-
Gain on dilution of interest in a subsidiary	-	(7)
(Gain)/loss from fair value adjustment of investment properties	(1,926)	3,766
Fair value gain on embedded derivative	-	(4,759)
Fair value gain on structured deposits	(28)	(123)
Bad debts write off/allowance for doubtful debts	5	765
Write back for doubtful debts	(222)	(1)
Interest expense	3,030	8,030
Interest income	(90)	(156)
Share of results of associates	(119)	385
<b>Operating cash flows before changes in working capital</b>	<b>25,974</b>	<b>27,012</b>
Decrease/(increase) in :		
Development property	5,951	(1,367)
Consumable stock	-	3
Trade and other receivables, deposits and prepayments	1,877	(6,160)
Work-in-progress, net	48	16,739
Increase/(decrease) in :		
Trade and other payables	23,342	17,317
<b>Cash flows generated from operations</b>	<b>57,192</b>	<b>53,544</b>
Income taxes paid	(4,096)	(1,469)
Interest income received	90	156
Exchange differences	440	(112)
<b>Net cash flows generated from operating activities</b>	<b>53,626</b>	<b>52,119</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(1,390)	(990)
Proceeds from sale of property, plant and equipment	10	30
Development expenditure capitalised	-	(58)
Proceeds from sale of investment properties	1,246	-
Investment in associates	(4,709)	(3,168)
Dilution of interest in a subsidiary	-	(5)
Decrease in properties held for development	-	15,608
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(4,843)</b>	<b>11,417</b>
<b>Financing activities</b>		
Dividends paid	(8,661)	(4,582)
Issuance of warrants	1,514	-
Issuance of new shares	11,776	-
Increase in loan due from an associate	(17,380)	(15,736)
Proceeds from bank term loans	-	5,000
Repayment of bank term loans	(1,812)	(2,973)
Payment for redemption of convertible notes	(20,010)	(3,700)
Proceeds from bills payable to banks	23,990	2,921
Interest paid	(2,301)	(2,529)
Repayment of lease obligations	(2,031)	(1,377)
Decrease/(increase) in pledged fixed deposits	703	(3,936)
Decrease in long term payables	-	(10,118)
<b>Net cash flows used in financing activities</b>	<b>(14,212)</b>	<b>(37,030)</b>
<b>Net increase in cash and cash equivalents</b>	<b>34,571</b>	<b>26,506</b>
Effect of exchange rate changes on cash and cash equivalents	(94)	133
<b>Cash and cash equivalents at beginning of financial year</b>	<b>48,807</b>	<b>22,168</b>
<b>Cash and cash equivalents at end of financial year (Note A)</b>	<b>83,284</b>	<b>48,807</b>
<b>Note A : Cash and cash equivalents at end of financial year comprise :</b>		
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	68,990	40,533
Fixed deposits	25,184	21,866
Bank overdrafts, secured	-	(1,999)
	<b>94,174</b>	<b>60,400</b>
Less : Pledged fixed deposits	(10,890)	(11,593)
Cash and cash equivalents	<b>83,284</b>	<b>48,807</b>

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		
<b>As at 1 April 2008</b>	21,956	(511)	52,799	11	18,570	92,825
Total comprehensive income for the year	-	6,881	13,973	34	1,949	22,837
Dividends relating to FY2008 (first & final) and FY2009 (interim) paid	-	-	(4,582)	-	-	(4,582)
<b>As at 31 March 2009</b>	<b>21,956</b>	<b>6,370</b>	<b>62,190</b>	<b>45</b>	<b>20,519</b>	<b>111,080</b>
<b>As at 1 April 2009</b>	21,956	6,370	62,190	45	20,519	111,080
Total comprehensive income/(loss) for the year	-	(4,740)	17,902	76	(1,307)	11,931
Issuance of warrants	-	-	-	1,514	-	1,514
Conversion to shares by warrant holders	11,776	-	-	-	-	11,776
Dividends relating to FY2009 (final & special) and FY2010 (interim) paid	-	-	(8,661)	-	-	(8,661)
<b>As at 31 March 2010</b>	<b>33,732</b>	<b>1,630</b>	<b>71,431</b>	<b>1,635</b>	<b>19,212</b>	<b>127,640</b>
<b>THE COMPANY</b>						
<b>As at 1 April 2008</b>	21,956	-	12,782	-	-	34,738
Total comprehensive loss for the year	-	-	(2,346)	-	-	(2,346)
Dividends relating to FY2008 (first & final) and FY2009 (interim) paid	-	-	(4,582)	-	-	(4,582)
<b>As at 31 March 2009</b>	<b>21,956</b>	<b>-</b>	<b>5,854</b>	<b>-</b>	<b>-</b>	<b>27,810</b>
<b>As at 1 April 2009</b>	21,956	-	5,854	-	-	27,810
Total comprehensive income for the year	-	-	10,311	-	-	10,311
Issuance of warrants	-	-	-	1,514	-	1,514
Conversion to shares by warrant holders	11,776	-	-	-	-	11,776
Dividends relating to FY2009 (final & special) and FY2010 (interim) paid	-	-	(8,661)	-	-	(8,661)
<b>As at 31 March 2010</b>	<b>33,732</b>	<b>-</b>	<b>7,504</b>	<b>1,514</b>	<b>-</b>	<b>42,750</b>

**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 March 2010, 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 31 March 2010, 117,764,700 warrants were converted to 117,764,700 new shares of the Company bringing total issued capital to 294,009,700 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>
<b>Balance as at 1 April 2009</b>	
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)
<b>Balance as at 30 June 2009</b>	
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)
<b>Balance as at 30 September 2009</b>	
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)
<b>Balance as at 31 December 2009</b>	
Ordinary Shares	293,296,404
Warrants	59,193,596
Issue of new shares upon exercising of warrants during the 4th quarter 2010	
Ordinary Shares	713,296
Warrants	(713,296)
<b>Balance as at 31 March 2010</b>	
Ordinary Shares	294,009,700
Warrants	58,480,300

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



**SHARE CAPITAL**

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 :-

	<b>THE GROUP</b>	
	<b>Year Ended</b>	
	<b>31.03.2010</b>	<b>31.03.2009</b>
	(cents)	(cents)
a) On a basic basis	7.05	7.95
b) On a fully diluted basis	5.73	7.95
	<b>S\$'000</b>	<b>S\$'000</b>
Group's profit for the financial period attributable to the owners of the Company used for the computation of basic EPS	17,979	14,007
Group's adjusted profit for the financial period attributable to the owners of the Company used for the computation of diluted EPS	17,979	19,743
Weighted average number of ordinary shares in issue used for the calculation of basic EPS	255,073,635	176,245,000
Adjustment for outstanding convertible notes, based on reset Adjusted Conversion Price of \$0.595 at time apportionate.	-	26,476,344
Adjustment for outstanding convertible notes, based on remaining aggregate principal amount of the Convertible Notes \$20 million.	-	12,432,370
Adjustment for outstanding warrants	58,480,300	-
Adjusted weighted average number of ordinary shares used for the calculation of diluted EPS	313,553,935	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 31.03.2010	as at 31.03.2009	as at 31.03.2010	as at 31.03.2009
Net asset value per ordinary share (cents)	36.88	51.38	14.54	15.78
Issue share capital at the end of the year	294,009,700	176,245,000	294,009,700	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**

**FY2010 vs FY2009**

**Revenues**

The Group posted total revenue of S\$290.9 million for the financial year ended 31 March 2010 ("FY2010"), a decrease of 11.5% compared to S\$328.8 million registered in the corresponding financial year ended 31 March 2009 ("FY2009"). The decrease was mainly due to the decrease in revenue from construction business.

Revenue from the construction business decreased by S\$38.6 million or approximately 11.9% from S\$324.0 million in FY2009 to S\$285.4 million in FY2010. 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\$152.9 million in FY2010 as compared to FY2009. The decrease was partly offset by the increase in revenue from four new projects commenced during FY2010 and other on-going projects on hand that were progressing into more advanced stages of construction and have contributed S\$115.9 million more revenue registered in FY2010 than FY2009. Furthermore, revenue recognised for construction projects previously carried out in Malaysia has decreased by approximately S\$1.6 million from S\$2.3 million in FY2009 to S\$0.7 million in FY2010.

Rental income from investment properties and development property have increased approximately S\$0.7 million in FY2010 as compared to FY2009.

**Other income**

Other income decreased by S\$4.9 million from S\$8.1 million in FY2009 to S\$3.2 million in FY2010. There was no fair value gain on Convertible Notes - embedded derivative in FY2010 as compared to S\$4.8 million in FY2009, as all Convertible Notes were redeemed for cancellation by 22 June 2009. The gain of S\$1.9 million from fair value adjustment of investment properties in FY2010 was partly offset by the decrease due to income of S\$1.5 million received from construction related transactions in FY2009. Other income in FY2009 that did not occur in FY2010 included gain of S\$0.2 million from partial redemption of convertible notes and foreign exchange gain of S\$0.2 million.

**Operating expenses**

Cost of construction decreased by S\$42.4 million or 14.4% from S\$294.5 million in FY2009 to S\$252.1 million in FY2010 as in line with the decrease of construction revenue in FY2010. Average gross margin of construction business improved from 9.1% in FY2009 to 11.7% in FY2010 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\$3.8 million or 12.9% in margin contribution to the Group's profit from operations despite of a decrease in the Group revenue.

Personnel expenses increased by S\$2.2 million or 38.6% from S\$5.7 million in FY2009 to S\$7.9 million in FY2010. 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 additions of plant and equipment for new construction projects.

Finance cost decreased by S\$5.0 million from S\$8.2 million in FY2009 as compared to S\$3.2 million in FY2010 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 decreased by S\$2.9 million from S\$9.2 million in FY2009 to S\$6.3 million in FY2010 mainly due to loss from fair value adjustment of investment properties provided of S\$3.8 million in FY2009 but not provided in FY2010 and decrease of S\$0.8 million in allowance for doubtful debts provided in FY2010 as compared to FY2009. These were offset by the increase of marketing and selling expenses of S\$0.8 million, increase of building maintenance expenses of S\$0.5 million and loss on redemption of Convertible Notes of S\$0.5 million in FY2010.

**Profit before tax**

The Group's profit before tax increased by approximately S\$5.7 million or approximately 32.9% from S\$17.3 million in FY2009 to S\$23.0 million in FY2010 as explained above.

**Tax expense**

With an increase of Group's profit before tax, tax expense increased in FY2010 as compared to FY2009.

**Profit after tax**

As a result of the above, the Group made a net profit attributable to the owners of the Company for FY2010 of approximately S\$18.0 million as compared to S\$14.0 million for FY2009.

## REVIEW OF THE PERFORMANCE OF THE GROUP

### STATEMENTS OF FINANCIAL POSITION

#### Property, plant & equipment

The increase from S\$11.8 million in FY2009 to S\$12.8 million in FY2010 was mainly due to the additions of plant and equipment during the financial year.

#### Investment properties

The decrease of approximately S\$7.0 million in FY2010 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 FY2010, net of gain from fair value adjustment of investment properties in both PRC and Singapore.

#### Loan due from associates

The increase of S\$17.4 million from S\$15.7 million in FY2009 to S\$33.1 million in FY2010 was mainly to finance property development projects in associates.

#### Long term trade receivables

The decrease from S\$11.8 million in FY2009 to S\$7.0 million in FY2010 was mainly due to the decrease in retention sum held by customers on progress claims following with the completion of several construction projects.

#### Structured Deposits

All structured deposits in FY2009 were reclassified from non-current assets to current assets in FY2010 as the maturity are less than 12 months from 31 March 2010.

#### Development Property

Development Property decreased by S\$5.9 million from S\$64.7 million in FY2009 to S\$58.8 million in FY 2010 due to the sale proceeds from units sold.

#### Trade receivables

Trade receivables increased by S\$4.4 million from S\$22.6 million in FY2009 to S\$27.0 million in FY2010 as there were more claims on work done of construction projects certified but not due for payment in FY2010. These receivables were subsequently collected after 31 March 2010.

#### Trade payables

Trade payables increased by S\$5.2 million from S\$14.3 million in FY2009 to S\$19.5 million in FY2010. The increase mainly was from increase in retention sum withhold from suppliers and subcontractors for construction projects which would be released after 31 March 2010.

#### Other payables and accruals

Other payables and accruals increased by S\$19.3 million from S\$49.0 million in FY2009 to S\$68.3 million in FY2010. The increase was mainly due to higher accruals made as required for work done by subcontractors not yet certified as at financial year end in FY2010 as compared to FY2009.

#### 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 FY2010. Accordingly, the Convertible Notes have been duly cancelled. Please refer to item 1(d)(ii).

#### Total borrowings

The total borrowings increased from S\$102.7 million in FY2009 to S\$103.0 million in FY2010 was mainly due to the increase in use of bills payable to Banks to finance our operations during FY2010 as compared to FY2009, offset by the full redemption of all the remaining S\$20.0 million in principal amount of the Convertible Notes during FY2010.

### STATEMENT OF CASH FLOWS

#### FY2010 vs FY2009

Net cash flows generated from operating activities in FY2010 increased by S\$1.5 million to S\$53.6 million from S\$52.1 million in FY2009. This was mainly due to the S\$2.6 million larger decrease in working capital of S\$27.7 million in FY2010 as compared to the decrease in working capital of S\$25.1 million in FY2009, partly offset by the decrease in operating cash flows before changes in working capital of S\$1.0 million to S\$26.0 million in FY2010 as compared to S\$27.0 million in FY2009 and higher income taxes paid of S\$2.6 million in FY2010 as compared to FY2009.

Net cash flows used in investing activities during FY2010 amounting to S\$4.8 million as compared to S\$11.4 million generated in FY2009. In FY2009, 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 in FY2009. Increase in cash used in FY2010 was mainly for purchases of plant and equipment and as well as investment in associates. The effect was partly offset by the proceeds from sale of investment property during FY2010.

The net cash flows used in financing activities decreased by S\$22.8 million in FY2010 of S\$14.2 million as compared to S\$37.0 million in FY2009. The decrease was mainly due to proceeds of S\$13.3 million generated from issuance of warrants and new shares and S\$17.2 million increase in proceeds from bills payable to banks and bank term loans in FY2010 as compared to FY2009. This was partly offset by the higher dividend paid and decrease in pledged fixed deposits in FY2010.

**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.**

Outlook on Singapore's construction demand continue to be robust from the infrastructure works injected by the Government and more tendering opportunities in building projects from the public sector. This will include the construction of new HDB flats to meet the ongoing demand for public housing, the upgrading and development of new educational and healthcare facilities, and major industrial projects. In addition, there is also a strong expected demand for private residential buildings from new launches in the year 2010.

In view of the above, the Group expects to see a sustained level of construction demand over the next 2 – 3 years. BCA has projected that the value of construction contracts to be awarded in 2010 will be between S\$21 billion and S\$27 billion, and between S\$18 billion and S\$25 billion for 2011 and 2012 respectively. The Group is therefore cautiously optimistic on the outlook of its construction business in Singapore with an existing construction order book of more than S\$314.0 million as at 31 March 2010.

The Group remains cautious on the possible impacts that the uncertainties in economic conditions and labour and material cost may have on the performance of the Group for the next 12 months. Examples of such uncertainties include the effects of the current Europe's sovereign debt woes on the Global and Singapore economy and the measures recently announced by the Singapore Government on controlling the number of foreign labour; additional levies; tightening of working hours allowed for carrying out construction activities at site and the potential fluctuations on raw material prices.

**DIVIDENDS**

The Directors are pleased to announce that a final dividend of 1.0 cent per share has been recommended for the year ended 31 March 2010. The recommended final dividend consists of an ordinary dividend of 1.0 cent per share. Together with the interim ordinary dividend of 1.0 cent per share paid on 8 December 2009, total dividend for the year ended 31 March 2010 will be 2.0 cents per share. The recommended dividend take into consideration the Group's FY2010 profit after tax, present cash position and positive cash flow generated from operations. Payment of the final dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

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

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

Name of Dividend Dividend Type Dividend Rate	(Tax Exempt 1-Tier)		
	Interim Ordinary Cash	Final Ordinary Cash	Total Cash
1.0 cent per ordinary share	1.0 cent per ordinary share	1.0 cent per ordinary share	2.0 cents 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**

Name of Dividend Dividend Type Dividend Rate	(Tax Exempt 1-Tier)			Total Cash
	Interim Ordinary Cash	Final Ordinary Cash	Special Ordinary Cash	
1.5 cents per ordinary share	1.0 cent per ordinary share	1.0 cent per ordinary share	1.0 cent per ordinary share	3.5 cents per ordinary share

**(c) Date payable**

The proposed final dividend, if so approved by members, will be paid on 30 August 2010.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN THAT the Transfer Books and the Register of Members of the Company will be closed on 18 August 2010 for the preparation of dividend warrants.

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 17 August 2010 will be registered to determine shareholders' entitlements to the final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 pm on 17 August 2010 will be entitled to the final dividend.

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

Not applicable.

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.

**Business segments**

<b>FY 2010</b>	<b>GROUP 31.03.2010</b>				
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	Construction	Property development and management	Others	Elimination	Total
<b>REVENUE</b>					
- External sales	285,394	5,482	-	-	<u>290,876</u>
Segment results	27,423	2,464	(3,952)	-	25,935
Share of results of associates	-	138	(19)	-	119
Interest income	63	20	7	-	90
Finance costs	(1,802)	(622)	(756)	-	<u>(3,180)</u>
Profit/(loss) before taxation	25,684	2,000	(4,720)	-	22,964
Tax expense					(4,672)
Minority interests					<u>(313)</u>
<b>Net profit attributable to Owners of the Company</b>					<u><b>17,979</b></u>
Segment assets	211,917	158,283	103,013	(128,697)	344,516
Investment in associates	-	7,144	5,119	-	12,263
<b>Total assets</b>					<u><b>356,779</b></u>
Segment liabilities	105,613	46,750	62,252	(106,372)	108,243
Unallocated liabilities	-	-	-	-	120,896
<b>Total liabilities</b>					<u><b>229,139</b></u>
<b>Other segment information :</b>					
Capital expenditures	2,825	53	-	-	2,878
Depreciation of property, plant and equipment	1,706	44	-	-	1,750
<b>FY 2009</b>			<b>GROUP 31.03.2009</b>		
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	Construction	Property development and management	Others	Elimination	Total
<b>REVENUE</b>					
- External sales	324,019	4,745	-	-	<u>328,764</u>
Segment results	24,375	(738)	2,098	-	25,735
Share of results of associates	-	(326)	(59)	-	(385)
Interest income	118	23	15	-	156
Finance costs	(1,597)	(849)	(5,737)	-	<u>(8,183)</u>
Profit/(loss) before taxation	22,896	(1,890)	(3,683)	-	17,323
Tax expense					(3,730)
Minority interests					<u>414</u>
<b>Net profit attributable to Owners of the Company</b>					<u><b>14,007</b></u>
Segment assets	156,413	162,579	108,479	(121,076)	306,395
Investment in associates	-	7,339	760	-	8,099
<b>Total assets</b>					<u><b>314,494</b></u>
Segment liabilities	77,475	45,679	56,586	(97,742)	81,998
Unallocated liabilities					121,416
<b>Total liabilities</b>					<u><b>203,414</b></u>
<b>Other segment information :</b>					
Capital expenditures	1,665	104	-	-	1,769
Depreciation of property, plant and equipment	1,440	70	-	-	1,510

**Geographical segments**

<b><u>FY 2010</u></b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>GROUP 31.03.2010 S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	Singapore	Malaysia	The People's Republic of China	Elimination	Total
<b>REVENUE</b>	285,543	702	4,631	-	290,876
Segment assets	267,018	1,290	91,382	(15,174)	344,516
Investment in associates	1,131	-	11,132	-	12,263
Total assets					<b>356,779</b>
<b>Other segment information :</b>					
Capital expenditures	2,825	-	53	-	2,878

  

<b><u>FY 2009</u></b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>GROUP 31.03.2009 S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	Singapore	Malaysia	The People's Republic of China	Elimination	Total
<b>REVENUE</b>	322,343	2,250	4,171	-	328,764
Segment assets	218,183	2,354	102,107	(16,249)	306,395
Investment in associates	344	-	7,755	-	8,099
Total assets					<b>314,494</b>
<b>Other segment information :</b>					
Capital expenditures	1,665	-	104	-	1,769

**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.**

**Turnover**

By Business Segment

Turnover contributed by construction business decreased by S\$38.6 million in FY2010 as compared to FY2009 as work done from new projects commenced in FY2010 and existing projects on hand in FY2010 carried from prior years were of lesser than the work done from projects completed during FY2009 or near completion at end FY2009.

By Geographical Segments

Turnover contributed by Singapore decreased by S\$36.8 million in FY 2010 as compared to FY2009 as majority of the Group's turnover was from construction business in Singapore. As the turnover contributed by construction business decreased, turnover from Singapore decreased.

**Profit Before Taxation**

By Business Segment

Profit before taxation from construction business increased by S\$2.8 million in FY2010 as compared to FY2009 despite revenue had decreased. This is mainly because the gross margin from work done in FY2010 from projects was higher as compared to that of FY2009.

Profit before tax from property development and management increased by S\$3.9 million from a loss of S\$1.9 million in FY2009 to a profit of S\$2.0 million mainly due to the improvement in fair value adjustment on investment properties.

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

	<b>Group</b>		
	<b>31.03.2010</b>	<b>31.03.2009</b>	<b>% increase/ (decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	
Sales reported for first half year	124,869	179,651	(30)
Operating profit after tax before deducting minority interests reported for the first half year	10,075	10,802	(7)
Sales reported for second half year	166,007	149,113	11
Operating profit after tax before deducting minority interests reported for the second half year	8,217	6,521	26
Total Sales	290,876	328,764	(12)
Operating profit after tax before deducting minority interests reported for full year	18,292	17,323	6

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

	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary	2,932	5,508
Special	-	2,865
<b>Total :</b>	<b>2,932</b>	<b>8,373</b>

**By Order of the Board**

Choo Chee Onn  
Executive Chairman and Managing Director

24th May 2010