



# HOLDINGS (S) LTD

Registration No.: 199304349M

Financial Statement for the First Quarter and Three months Ended 31 March 2010

## PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

### INCOME STATEMENT

Revenue

Cost of sales

Gross profit

Other income

Administrative costs

Other operating costs

Finance costs

Share of results of associates

Profit before tax

Income tax expenses

Profit for the period

Attributable to:

Owners of the parent

Minority interests

N.M. - Not meaningful

First quarter ended 31 Mar		
2010	2009	Change
S\$'000	S\$'000	%
32,256	61,232	(47.3)
(25,861)	(57,282)	(54.9)
6,395	3,950	61.9
477	541	(11.8)
(1,076)	(897)	20.0
(3,455)	(1,766)	95.6
(517)	(565)	(8.5)
3,111	1,757	77.1
4,935	3,020	63.4
(365)	(231)	58.0
4,570	2,789	63.9
4,490	2,774	61.9
80	15	433.3
4,570	2,789	63.9

## STATEMENT OF COMPREHENSIVE INCOME

Profit for the period
Other comprehensive income:
Foreign currency translation differences
Other comprehensive income for the period, net of tax
<b>Total comprehensive income for the period</b>
<b>Total comprehensive income attributable to:</b>
Owners of the parent
Minority interests

First quarter ended 31 March		
2010	2009	Change
S\$'000	S\$'000	%
4,570	2,789	63.9
153	(32)	N.M
153	(32)	N.M
<b>4,723</b>	<b>2,757</b>	71.3
4,610	2,745	67.9
113	12	841.7
<b>4,723</b>	<b>2,757</b>	71.3

## NOTES TO INCOME STATEMENT

The following items have been included in arriving at profit before tax:

Depreciation of property, plant and equipment
Foreign exchange currency adjustment loss (gain)
Gain on disposal of property, plant and equipment
Interest expense
Interest income from fixed deposits
Allowance for doubtful receivables (net)
Fair value loss adjustment on derivative

509	595	(14.5)
180	(85)	N.M
(77)	-	N.M
512	556	(7.9)
(84)	(20)	320.0
58	30	93.3
497	-	N.M

N.M - Not meaningful

**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.**

	Group		Company	
	31-Mar-10	31-Dec-09	31-Mar-10	31-Dec-09
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant & equipment	15,587	14,569	108	124
Intangible assets	119	119	-	-
Investment securities	94	94	-	-
Investment in subsidiaries	-	-	26,216	26,216
Investment in associates	18,052	14,941	92	92
Deferred tax assets	761	761	-	-
<b>Current assets</b>				
Investment held for sale	13	13	13	13
Amounts due from subsidiaries	-	-	20,703	21,956
Development properties	65,855	65,996	-	-
Gross amount due from customers for work-in-progress	6,963	7,335	-	-
Inventories	3,158	3,975	-	-
Trade receivables	40,423	40,062	-	-
Other receivables	10,385	10,402	104	104
Pledged deposits	2,425	2,401	-	-
Cash and cash equivalents	43,217	49,543	3,041	1,858
	172,439	179,727	23,861	23,931
<b>Current liabilities</b>				
Amounts due to subsidiaries	-	-	10,185	10,037
Gross amount due to customers for work-in-progress	29,804	24,287	-	-
Trade and other payables	45,802	57,696	48	178
Other liabilities	3,466	2,724	362	272
Derivatives	1,889	1,392	-	-
Loans and borrowings	1,815	3,908	20	20
Income tax payable	1,979	1,712	10	10
	84,755	91,719	10,625	10,517
<b>Net current assets</b>	<b>87,684</b>	<b>88,008</b>	<b>13,236</b>	<b>13,414</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	(1,624)	(1,624)	-	-
Loans and borrowings	(53,553)	(54,346)	(32)	(37)
<b>Net assets</b>	<b>67,120</b>	<b>62,522</b>	<b>39,620</b>	<b>39,809</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	43,966	43,966	43,966	43,966
Treasury shares	(125)	-	(125)	-
Retained earnings (Accumulated losses)	22,349	17,859	(4,221)	(4,157)
Foreign currency translation reserve	32	(88)	-	-
	66,222	61,737	39,620	39,809
Minority interests	898	785	-	-
<b>Total equity</b>	<b>67,120</b>	<b>62,522</b>	<b>39,620</b>	<b>39,809</b>

**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 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$1,815,000	-	S\$3,781,000	S\$127,000

**Amount repayable after one year**

As at 30/03/2010		As at 31/12/2009	
Secured	Unsecured	Secured	Unsecured
S\$53,553,000	-	S\$54,346,000	-

**Details of any collateral**

The secured borrowings repayable within one year and after one year comprise mainly a land loan, obligations under finance leases, bills payables and banker's acceptances. These are secured by charges over the property held for sale at Lush at Holland Hill, Singapore, shop offices in Malaysia and fixed deposits from subsidiaries.

1(c) A consolidated statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	First quarter ended 31 Mar	
	2010 S\$'000	2009 S\$'000
<b>Cash flows from operating activities</b>		
Profit before tax	4,935	3,020
Adjustments for:		
Depreciation of property, plant and equipment	509	595
Allowance for doubtful receivables	58	30
Fair value loss on derivative	497	-
Interest income	(84)	(20)
Interest expense	512	556
Gain on disposal of plant and equipment	(77)	-
Share of results of associates	(3,111)	(1,757)
<b>Operating profit before working capital changes</b>	<b>3,239</b>	<b>2,424</b>
Decrease in development properties	573	64
Decrease in contract work-in-progress	5,889	911
(Increase)/decrease in trade receivables	(419)	153
Decrease in other receivables	17	2,252
Decrease in inventories	817	1,572
(Decrease)/increase in trade and other payables	(11,894)	5,812
Decrease in other liabilities	742	196
<b>Cash (used in)/from operations</b>	<b>(1,036)</b>	<b>13,384</b>
Interest paid	(944)	(556)
Interest received	84	20
Income tax paid	(98)	(13)
<b>Net cash (used in)/from operating activities</b>	<b>(1,994)</b>	<b>12,835</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property, plant and equipment	818	-
Purchase of property, plant and equipment	(804)	(134)
<b>Net cash from/(used in) investing activities</b>	<b>14</b>	<b>(134)</b>
<b>Cash flows from financing activities</b>		
Shares purchased held as treasury shares	(125)	-
Proceeds from bank borrowings, net	26	506
Repayment of long term borrowings	(4,000)	(690)
Repayment of finance leases	(312)	(587)
(Increase)/decrease in pledged deposits	(24)	337
<b>Net cash used in financing activities</b>	<b>(4,435)</b>	<b>(434)</b>
Net effect of exchange rate changes in consolidating subsidiaries	89	(101)
Net (decrease)/increase in cash & cash equivalents	(6,326)	12,166
Cash and cash equivalents at beginning of the period	49,543	24,957
<b>Cash and cash equivalents at end of the period</b>	<b>43,217</b>	<b>37,123</b>
<u>Comprising:</u>		
Cash and bank balances	30,137	23,823
Fixed deposits	15,505	15,941
	45,642	39,764
Less: Pledged fixed deposits	(2,425)	(2,641)
	<b>43,217</b>	<b>37,123</b>

**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.**

**STATEMENT OF CHANGES IN EQUITY**

Group

	Attributable to equity holders of the Parent					TOTAL EQUITY S\$'000
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Minority interests S\$'000	
<b>Opening balance at 1 January 2010</b>	43,966	-	17,859	(88)	785	62,522
Shares purchased held as treasury shares	-	(125)	-	-	-	(125)
Total comprehensive income for the period	-	-	4,490	120	113	4,723
<b>Closing balance at 31 March 2010</b>	43,966	(125)	22,349	32	898	67,120
<b>Opening balance at 1 January 2009</b>	43,966	-	4,507	(343)	590	48,720
Total comprehensive income for the period	-	-	2,774	(29)	12	2,757
<b>Closing balance at 31 March 2009</b>	43,966	-	7,281	(372)	602	51,477

Company

	Attributable to equity holders of the Company			
	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Total equity S\$'000
<b>Opening balance at 1 January 2010</b>	43,966	-	(4,157)	39,809
Shares purchased held as treasury shares	-	(125)	-	(125)
Total comprehensive income for the period	-	-	(64)	(64)
<b>Closing balance at 31 March 2010</b>	43,966	(125)	(4,221)	39,620
<b>Opening balance at 1 January 2009</b>	43,966	-	(12,076)	31,890
Total comprehensive income for the period	-	-	(248)	(248)
<b>Closing balance at 31 March 2009</b>	43,966	-	(12,324)	31,642

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, 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 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.**

There have been no changes to the issued share capital of the Company of S\$43,967,199 since the end of the previous financial period ended 31 December 2009. However, the number of ordinary shares of the Company was reduced from 1,541,052,278 shares as at 31 December 2009 to 307,710,418 shares as at 31 March 2010 as a result of the following:

1. The completion of the share consolidation on 26 February 2010 whereby every five ordinary shares in the capital of the Company was consolidated into one ordinary share with fractions of consolidated shares being disregarded, thus resulting in 308,210,418 ordinary shares after consolidation, and
2. 500,000 shares purchased by the Company on 25 and 26 March 2010 and held as treasury shares. The cost of the treasury shares amounted to \$125,000.

**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.**

The total number of issued shares excluding treasury shares as at 31 March 2010 was 307,710,418 (as at 31 December 2009: 1,541,052,278 – pre-consolidation). The total number of treasury shares held as at 31 March 2010 was 500,000 (as at 31 December 2009: Nil).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the three months ended 31 March 2010.

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

The figures have not been audited nor reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matters).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 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.**

There are no changes in accounting policies and methods of computation.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>First Quarter Ended 31 March</b>		
	<b><u>2010</u></b>	<b><u>2009</u></b>	
	<b>Cents</b>	<b><u>Post-consolidation</u> Cents</b>	<b><u>Pre-consolidation</u> Cents</b>
Earnings per ordinary share of the Company attributable to shareholders:			
(a) Based on the weighted average number of ordinary shares in issue	1.46	0.90	0.18
(b) On a fully diluted basis (detailing any adjustment made to earnings)	1.46	0.90	0.18

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 308,175,474 post-consolidation shares (2009: 1,541,052,278 pre-consolidation shares and 308,210,418 post-consolidation shares had the share consolidation taken place on 31 March 2009).

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year**

	<b>Group</b>			<b>Company</b>		
	<b><u>31.3.10</u></b>	<b><u>31.12.09</u></b>		<b><u>31.3.10</u></b>	<b><u>31.12.09</u></b>	
	<b>Cents</b>	<b><u>Post-consolidation</u> Cents</b>	<b><u>Pre-consolidation</u> Cents</b>	<b>Cents</b>	<b><u>Post-consolidation</u> Cents</b>	<b><u>Pre-consolidation</u> Cents</b>
Net asset value per ordinary share based on issued capital at the end of the period	21.81	20.29	4.06	12.88	12.92	2.58

The computation of net asset value per ordinary share is based on 307,710,418 ordinary shares (2009: 1,541,052,278 pre-consolidation shares and 308,210,418 post-consolidation shares had the share consolidation taken place on 31 December 2009).

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 followings:-**  
**(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 financial period reported on.**

**Comprehensive Income Statement Review – First quarter 2010 ('1Q10') vs First Quarter 2009 ('1Q09')**

1Q10 group revenue decreased to \$32.3 million from \$61.2 million in 1Q09, largely due to lower revenue recognised from general construction projects during the period. Although the Group was actively involved in the execution of general construction projects in 1Q10, revenue had not been recognised for certain projects for work done because these projects have not achieved the minimum percentage of completion required for revenue recognition in accordance with the Group's accounting policy. However, gross profit in 1Q10 has risen by 61.9% to \$6.4 million from \$4.0 million in 1Q09, largely attributable to improved margins from both specialist engineering and general construction projects. Additionally, we have higher revenue contributions from specialist engineering projects which generally contribute higher profit margins.

Other income decreased by 11.8% to \$477,000 in 1Q10 from \$541,000 in 1Q09 mainly due to a decrease in rental income, such decrease being partially offset by a gain in disposal of property, plant and equipment. In 1Q09, the property at Lush on Holland Hill was temporarily rented out pending commencement of construction. Since



construction had commenced at the end of financial year 2009, this property is no longer being leased out for rental income.

Other operating costs increased to \$3.5 million in 1Q10 compared to \$1.8 million in the previous period, due mainly to increases in staff salaries and bonus provision, and fair value loss of \$0.5 million for interest rate swap derivatives purchased last year to hedge against the risk of interest rate hikes for term-loan on land for Lush on Holland Hill.

In 1Q10, the Group's share of results from associates rose to \$3.1 million from \$1.8 million in 1Q09 due to increased contribution from the development at 8 Nassim Hill. Progress of construction at 8 Nassim Hill has accelerated and the property development project is nearing completion.

Income tax expense increased due to higher profits recorded during the current quarter.

Share of minority interests' profits also saw an increase as profitability in our 80%-owned subsidiary in Malaysia increased during the period.

#### Statement of Financial Position Review

The Group's property, plant and machinery increased by 7.0% or \$1.0 million from 31 December 2009 to 31 March 2010 with acquisition of a borepile machine, offset by disposal of aged fixed assets and depreciation charge for the current period. Investments in associates increased by \$3.1 million to \$18.1 million in the three months to 31 March 2010, mainly attributable to profit contribution by our associate from its development at 8 Nassim Hill.

Cash and cash equivalents fell by \$6.3 million from \$49.5 million at the end of 2009 to \$43.2 million, due mainly to a lump sum payment of \$4 million in respect of early settlement of term loan and higher amount of payments for trade and other payables during the period.

Trade and other payables as at 31 March 2010 decreased by 20.6% to \$45.8 million from \$57.7 million as at 31 December 2009, as the Group made substantial payments to subcontractors and suppliers upon finalisation and receipt of project income. Gross amount due to customers for work-in-progress increased by 22.7% from \$24.3 million as at 31 December 2009 to \$29.8 million as at 31 March 2010, largely attributable to more progress billings in relation to certain projects which were in the active stage of construction.

Liability for derivatives increased by \$0.5 million with a further fair value loss adjustment as a result of low interest rates as at 31 March 2010. Total bank loans and borrowings decreased by \$2.9 million during the current period due to early settlement of term loan of \$4 million, offset by a new hire purchase loan to finance the purchase of machinery.

There was an increase in provision for taxation of \$0.3 million to \$2.0 million as at 31 March 2010, in line with higher profits recorded during the period.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

The results reported herein are in line with our previous announcement for financial year 2009.

**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.**

On 14 April 2010, the Ministry of Trade and Industry announced that it expects the Singapore economy to grow by 7.0% to 9.0% in 2010. The construction sector grew by 11.3% on a year-on-year basis in 1Q10, supported by sustained public sector civil engineering activities and an increase in the number of residential construction projects. In view of the strong growth in the Singapore economy and the construction sector in 1Q10, the outlook for the construction industry is expected to remain positive for the next 12 months.

The Group will continue to focus on its core business by leveraging its strong track record and competency in building construction and civil engineering to secure more public sector projects as well as to explore ways of enhancing cost effectiveness and optimise its efficiency in the management of potential and on-going projects. The Group continues to conduct feasibility studies to undertake new property development projects.

As at the date of this announcement, the Group has an order book of \$520 million, predominantly in Singapore and Malaysia. The Group expects to remain profitable for FY 2010.

## 11. Dividend

### (a) Current Financial Period Reported On

Any dividend declared/recommended for the current financial period reported on?

No.

### (b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

### (c) Date payable

Not applicable.

### (d) Books closure date

Not applicable.

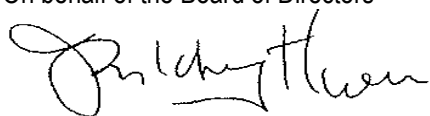
## 12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for the current financial period.

## CONFIRMATION BY THE BOARD

We, Tan Kheng Hwee Andrew and Carrie Luk Kai Lai, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 March 2010 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW  
Executive Director and Chief Executive Officer



CARRIE LUK KA LAI  
Non-Executive Director

Singapore