

## UNAUDITED RESULTS FOR THIRD QUARTER ENDED 30 SEPTEMBER 2010

### 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group				
		Third Quarter Ended		+/- %	9 Months Ended	
		30 Sep 10 S\$'000	30 Sep 09 S\$'000		30 Sep 10 S\$'000	30 Sep 09 S\$'000
<b>Revenue</b>		67,681	62,916	7.6%	178,982	151,613
Cost of sales		(52,897)	(48,309)	9.5%	(134,114)	(111,634)
<b>Gross profit</b>		14,784	14,607	1.2%	44,868	39,979
<b>Other items of income</b>						
Interest income		36	14	157.1%	116	69
Other income	(a)	547	613	-10.8%	2,281	2,435
<b>Other items of expense</b>						
Depreciation of property, plant and equipment		(407)	(442)	-7.9%	(1,227)	(1,348)
Staff salaries and related expenses		(8,185)	(7,925)	3.3%	(24,615)	(22,644)
Other expenses		(3,162)	(2,663)	18.7%	(8,604)	(7,074)
<b>Interest expense</b>		(14)	(28)	-50.0%	(56)	(78)
<b>Share of results of associates</b>		(218)	(257)	-15.2%	(156)	(61)
<b>Profit before tax</b>	(b)	3,381	3,919	-13.7%	12,607	11,278
Income tax expense	(c)	(708)	(712)	-0.6%	(2,462)	(1,975)
<b>Profit net of tax</b>		2,673	3,207	-16.7%	10,145	9,303
<b>Attributable to:</b>						
Equity holders of the parent		2,530	3,074	-17.7%	9,432	8,965
Minority interests		143	133	7.5%	713	338
		2,673	3,207		10,145	9,303
<b>Consolidated statement of comprehensive income</b>						
<b>Profit net of tax</b>		2,673	3,207	-16.7%	10,145	9,303
Other comprehensive income:						
Foreign currency translation		(978)	(284)	244.4%	(951)	(108)
Other comprehensive income for the period, net of tax		(978)	(284)		(951)	(108)
Total comprehensive income for the period		1,695	2,923	-42.0%	9,194	9,195
<b>Total comprehensive income attributable to:</b>						
Equity holders of the parent		1,678	2,834	-40.8%	8,595	8,887
Minority interests		17	89	-80.9%	599	308
		1,695	2,923		9,194	9,195

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)**

**Explanatory notes to income statement**

(a) Other income comprises :

	<b>Group</b>			
	<b>Third Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30 Sep 10</b>	<b>30 Sep 09</b>	<b>30 Sep 10</b>	<b>30 Sep 09</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Administrative income	54	7	69	21
Corporate fee income	63	38	354	375
Jobs Credit grant	-	194	151	552
Management fee income	-	(232)	-	-
Net allowance for doubtful trade debts	-	59	-	58
Net bad trade debt recovery	-	-	-	102
Net gain on disposal of property, plant & equipment	1	1	22	11
Insurance claim	36	-	421	-
Rental income	325	298	955	886
Miscellaneous income	68	248	309	430
	<b>547</b>	<b>613</b>	<b>2,281</b>	<b>2,435</b>

(b) The following items have been included in arriving at profit before tax :-

	<b>Group</b>			
	<b>Third Quarter Ended</b>		<b>9 Months Ended</b>	
	<b>30 Sep 10</b>	<b>30 Sep 09</b>	<b>30 Sep 10</b>	<b>30 Sep 09</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Amortisation of intangible assets	82	88	252	270
Directors' remuneration (including fees)	1,623	1,872	5,619	5,463
Inventories recognised as an expense in cost of sales	92	21	213	82
Net allowance for doubtful trade debts	-	-	39	-
Net bad trade debts written off	25	11	32	-
Net foreign exchange loss	499	281	553	401
Operating lease expenses	883	803	2,572	2,371
Property, plant and equipment written off	2	15	395	15

(c) Included in income tax expense are under-provision of income tax relating to prior years of S\$11,000 for 3Q 10 (3Q 09: S\$Nil) and S\$5,000 for period ended 30 September 2010 (2009: over-provision S\$64,000) respectively.

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

		Group	Company		
	Note	As at 30 Sep 10 S\$'000	As at 31 Dec 09 S\$'000	As at 30 Sep 10 S\$'000	As at 31 Dec 09 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	(d)	12,600	9,824	234	212
Intangible assets	(e)	5,761	6,362	-	-
Investments in subsidiaries		-	-	16,264	16,264
Investments in associates	(f)	6,972	6,567	5,944	5,364
Other investments	(f)	543	805	543	805
Other receivables		59	33	-	-
		25,935	23,591	22,985	22,645
<b>Current assets</b>					
Inventories		122	66	-	-
Gross amount due from customers					
for contract work-in-progress	(g)	14,447	10,086	-	-
Trade receivables	(h)	69,338	75,669	1,396	913
Other receivables		5,296	5,619	735	997
Prepaid operating expenses		560	298	10	17
Amounts due from subsidiaries		-	-	1,243	1,141
Amounts due from associates		715	-	715	-
Cash and cash equivalents	(i)	28,717	22,827	1,752	1,739
		119,195	114,565	5,851	4,807
<b>Total assets</b>		145,130	138,156	28,836	27,452
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Gross amount due to customers					
for contract work-in-progress	(j)	8,574	2,613	-	-
Trade payables	(k)	33,329	37,067	-	-
Deferred income		1,524	3,337	148	-
Other payables and accruals		32,896	32,636	677	1,158
Amounts due to subsidiaries		-	-	535	1,530
Loans and borrowings	(l)	1,379	1,015	-	-
Income tax payable		5,077	5,298	-	-
		82,779	81,966	1,360	2,688
<b>NET CURRENT ASSETS</b>		36,416	32,599	4,491	2,119
<b>Non-current liabilities</b>					
Other payables		158	95	-	-
Loans and borrowings	(l)	3,829	276	-	-
Deferred tax liabilities		839	948	22	22
		4,826	1,319	22	22
<b>Total liabilities</b>		87,605	83,285	1,382	2,710
<b>Net assets</b>		57,525	54,871	27,454	24,742
<b>Equity attributable to owners of the parent</b>					
Share capital		23,439	23,266	23,439	23,266
Treasury shares		(1,569)	(1,850)	(1,569)	(1,850)
Retained earnings		33,657	30,879	5,584	3,326
Other reserves		(1,256)	(419)	-	-
		54,271	51,876	27,454	24,742
<b>Minority interests</b>		3,254	2,995	-	-
<b>Total equity</b>		57,525	54,871	27,454	24,742
<b>Total equity and liabilities</b>		145,130	138,156	28,836	27,452

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year. (cont'd)**

**Explanatory notes to balance sheet**

(d) **Property, plant and equipment**

Increase in property, plant and equipment was mainly due to acquisition of two factory units by subsidiaries in Selangor, Malaysia during the financial period.

(e) **Intangible assets**

	<b>Group</b>		
	<b>Goodwill</b>	<b>Customer relationship</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cost:</b>			
At 1 January 2010	6,447	1,716	8,163
Acquisition of minority interest	15	-	15
Exchange differences	(315)	(114)	(429)
At 30 September 2010	6,147	1,602	7,749
<b>Accumulated amortisation and impairment:</b>			
At 1 January 2010	1,000	801	1,801
Amortisation	-	252	252
Exchange differences	-	(65)	(65)
At 30 September 2010	1,000	988	1,988
<b>Net carrying amount:</b>			
At 30 September 2010	5,147	614	5,761

(f) **Investment in associates & Other investments**

Movements in investment in associates and other investments was due to the completion of the acquisition of an additional 15.5% in Kingsmen Fairtech International Pvt. Ltd ("Kingsmen Fairtech") during the financial period. Upon the completion of the acquisition, Kingsmen Fairtech which was previously an investment became an associated company of the Group.

(g) **Gross amount due from customers for contract work-in-progress**

Included in gross amount due from customers for contract work-in-progress are work-in-progress related to projects for Bank Negara Malaysia and other interior fit-out projects across Asia.

(h) **Trade receivables**

Decrease in trade receivables was partly due to progress billings and net collections received during the financial period.

(i) **Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Sep 10</b>	<b>As at 31 Dec 09</b>	<b>As at 30 Sep 10</b>	<b>As at 31 Dec 09</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Cash at banks and in hand	9,558	16,218	1,492	247
Short-term deposits	19,159	6,609	260	1,492
Total	28,717	22,827	1,752	1,739

(j) **Gross amount due to customers for contract work-in-progress**

Included in gross amount due to customers for contract work-in-progress are mainly progress billings related to interior fit-out projects across Asia.

(k) **Trade payables**

Decrease in trade payables was due to net payments made during the financial period.

(l) **Loans and borrowings**

Included in loans and borrowings is a bank term loan which was granted for the acquisition of two factory units in Selangor, Malaysia.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

	<b>Group</b>	
	<b>As at 30 Sep 10</b>	<b>As at 31 Dec 09</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Secured</u></b>		
- repayable within one year	1,379	1,015
- repayable after one year	3,829	276
	<hr/>	<hr/>
	5,208	1,291
	<hr/>	<hr/>
<b><u>Unsecured</u></b>		
- repayable within one year	-	-
- repayable after one year	-	-
	<hr/>	<hr/>
	-	-
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**Details of any collateral**

Bank term loans are secured by way of first legal charge on the Group's two factory units in Selangor, Malaysia, corporate guarantees of the Company and its subsidiaries in Malaysia and personal guarantees given by certain directors of its subsidiaries.

Bank overdrafts are secured by fixed deposits pledged to the banks, corporate guarantees of the Company and its subsidiaries in Malaysia and personal guarantees given by certain directors of its subsidiaries.

Finance lease obligations of the Group are secured by the rights to the leased equipment, machinery and motor vehicles.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Note	Group			
	Third Quarter Ended		9 Months Ended	
	30 Sep 10 S\$'000	30 Sep 09 S\$'000	30 Sep 10 S\$'000	30 Sep 09 S\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	3,381	3,919	12,607	11,278
Adjustments for:				
Depreciation of property, plant and equipment	407	442	1,227	1,348
Depreciation of property, plant and equipment charged to cost of sales	1,476	1,912	1,476	1,912
Net gain on disposal of property, plant and equipment	(1)	(1)	(22)	(11)
Income from other investment	-	-	-	(17)
Property, plant & equipment written off	2	15	395	15
Bad trade debts written off	25	9	32	9
Allowance for doubtful trade debts	-	-	39	-
Net allowance for doubtful trade debts	-	(59)	-	(58)
Amortisation of intangible assets	82	88	252	270
Interest income	(36)	(14)	(116)	(69)
Interest expense	14	28	56	78
Share of results of associates	218	257	156	61
Currency realignment	176	47	202	(40)
Total adjustments	2,363	2,724	3,697	3,498
<b>Operating cash flows before changes in working capital</b>	5,744	6,643	16,304	14,776
Changes in working capital:				
(Increase)/decrease in trade and other receivables	(13,006)	(7,303)	5,262	815
Increase in inventories	(9)	(3)	(56)	(15)
Increase in gross amount due from customers				
for contract work-in-progress	(2,185)	(7,352)	(4,361)	(17,161)
Increase/(decrease) in gross amount due to customers				
for contract work-in-progress	2,334	(137)	5,961	914
(Decrease)/increase in deferred income	(1,200)	817	(1,813)	(638)
Increase/(decrease) in trade and other payables	10,147	9,283	(3,415)	469
<b>Cash flows from/(used in) operations</b>	1,825	1,948	17,882	(840)
Interest received	36	14	116	69
Interest paid	(14)	(28)	(56)	(78)
Income tax paid	(1,236)	(1,033)	(2,761)	(2,219)
<b>Net cash flows from/(used in) operating activities</b>	611	901	15,181	(3,068)
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	5	9	54	32
Purchase of property, plant and equipment	(266)	(238)	(5,951)	(664)
Acquisition of minority interest	-	(122)	(22)	(122)
Proceeds from disposal of other investment	-	-	-	1,144
Dividend received from associates	-	87	12	94
<b>Net cash flows (used in)/from investing activities</b>	(261)	(264)	(5,907)	484
<b>Cash flows from financial activities</b>				
Decrease/(increase) in amount pledged to banks for banking facilities	18	(539)	(224)	(532)
Proceeds from loans and borrowings	749	3,000	4,824	5,500
Proceeds from reissuance of treasury shares	-	-	454	-
Dividend paid on ordinary shares	(2,852)	(2,840)	(6,654)	(5,681)
Dividend paid to minority shareholders of the subsidiaries	-	-	(333)	(310)
Repayment of finance lease obligations	(95)	(159)	(289)	(558)
Repayment of long-term bank borrowings	(39)	-	(390)	(2,677)
<b>Net cash flows used in financing activities</b>	(2,219)	(538)	(2,612)	(4,258)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,869)	99	6,662	(6,842)
Effect of exchange rate changes on cash and cash equivalents	(822)	(311)	(768)	(152)
Cash and cash equivalents at beginning of period	28,904	20,384	20,319	27,166
<b>Cash and cash equivalents at end of period</b>	<b>26,213</b>	<b>20,172</b>	<b>26,213</b>	<b>20,172</b>

**Explanatory notes to cash flow statement**

(m) Cash and cash equivalents included in the consolidated cash flow statement comprise the following:-

	Group	
	As at 30 Sep 10 S\$'000	As at 30 Sep 09 S\$'000
Cash and bank balances	28,717	21,881
Bank overdrafts	(150)	(283)
	28,567	21,598
Amount pledged to banks for banking facilities	(2,354)	(1,426)
Cash and cash equivalents	26,213	20,172

**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.**

Group	Attributable to owners of the parent						
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Other reserves S\$'000	Equity attributable to owners of the parent, total S\$'000	Minority interests S\$'000	Equity, total S\$'000
<b>Opening balance at 1 January 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>21,855</b>	<b>(565)</b>	<b>42,706</b>	<b>2,714</b>	<b>45,420</b>
Total comprehensive income for the period	-	-	5,891	162	6,053	219	6,272
Dividends on ordinary shares	-	-	(2,841)	-	(2,841)	-	(2,841)
Dividends paid to minority interests	-	-	-	-	-	(310)	(310)
<b>Closing balance at 30 June 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>24,905</b>	<b>(403)</b>	<b>45,918</b>	<b>2,623</b>	<b>48,541</b>
Total comprehensive income for the period	-	-	3,074	(240)	2,834	89	2,923
Dividends on ordinary shares	-	-	(2,840)	-	(2,840)	-	(2,840)
Acquisition of minority interest	-	-	-	-	-	(182)	(182)
<b>Closing balance at 30 September 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>25,139</b>	<b>(643)</b>	<b>45,912</b>	<b>2,530</b>	<b>48,442</b>
<b>Opening balance at 1 January 2010</b>	<b>23,266</b>	<b>(1,850)</b>	<b>30,879</b>	<b>(419)</b>	<b>51,876</b>	<b>2,995</b>	<b>54,871</b>
Total comprehensive income for the period	-	-	6,902	15	6,917	582	7,499
Dividends on ordinary shares	-	-	(3,802)	-	(3,802)	-	(3,802)
Dividends paid to minority interests	-	-	-	-	-	(333)	(333)
Acquisition of minority interest	-	-	-	-	-	(7)	(7)
Treasury shares reissued pursuant to performance share scheme	173	281	-	-	454	-	454
<b>Closing balance at 30 June 2010</b>	<b>23,439</b>	<b>(1,569)</b>	<b>33,979</b>	<b>(404)</b>	<b>55,445</b>	<b>3,237</b>	<b>58,682</b>
Total comprehensive income for the period	-	-	2,530	(852)	1,678	17	1,695
Dividends on ordinary shares	-	-	(2,852)	-	(2,852)	-	(2,852)
<b>Closing balance at 30 September 2010</b>	<b>23,439</b>	<b>(1,569)</b>	<b>33,657</b>	<b>(1,256)</b>	<b>54,271</b>	<b>3,254</b>	<b>57,525</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. (cont'd)**

Company	Attributable to owners of the parent			
	Share capital S\$'000	Treasury shares S\$'000	Retained earnings S\$'000	Equity, total S\$'000
<b>Opening balance at 1 January 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>1,329</b>	<b>22,745</b>
Total comprehensive income for the period	-	-	4,243	4,243
Dividends on ordinary shares	-	-	(2,841)	(2,841)
<b>Closing balance at 30 June 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>2,731</b>	<b>24,147</b>
Total comprehensive income for the period	-	-	3,609	3,609
Dividends on ordinary shares	-	-	(2,840)	(2,840)
<b>Closing balance at 30 September 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>3,500</b>	<b>24,916</b>
<b>Opening balance at 1 January 2010</b>	<b>23,266</b>	<b>(1,850)</b>	<b>3,326</b>	<b>24,742</b>
Total comprehensive income for the period	-	-	5,470	5,470
Dividends on ordinary shares	-	-	(3,802)	(3,802)
Treasury shares reissued pursuant to performance share scheme	173	281	-	454
<b>Closing balance at 30 June 2010</b>	<b>23,439</b>	<b>(1,569)</b>	<b>4,994</b>	<b>26,864</b>
Total comprehensive income for the period	-	-	3,442	3,442
Dividends on ordinary shares	-	-	(2,852)	(2,852)
<b>Closing balance at 30 September 2010</b>	<b>23,439</b>	<b>(1,569)</b>	<b>5,584</b>	<b>27,454</b>



- 1(d)(ii) Details of any changes in the company's share capital arising from rights 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 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.**

**Share capital and treasury shares**

	<b>Group and Company</b>	
	<b>30 Sep 10</b>	<b>31 Dec 09</b>
	'000	'000
Issued and fully paid-up share capital:		
As at beginning and end of period / year	194,183	194,183
No. of treasury shares as at end of period / year	(4,071)	(4,802)

- 1(d)(iii) 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.**

	<b>Group and Company</b>	
	<b>30 Sep 10</b>	<b>31 Dec 09</b>
	'000	'000
Total number of issued shares (excluding treasury shares)	190,112	189,381

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

	<b>Group and Company</b>			
	<b>30 Sep 10</b>		<b>31 Dec 09</b>	
	<b>No. of shares</b>		<b>No. of shares</b>	
	'000	S\$'000	'000	S\$'000
As at beginning of period / year	(4,802)	(1,850)	(4,802)	(1,850)
Treasury shares reissued pursuant to performance share scheme	731	281	-	-
As at end of period / year	(4,071)	(1,569)	(4,802)	(1,850)

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

The figures have neither 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 a matter).**

Not applicable.

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

The Group and the Company have applied the same accounting policies and methods of computation in the current period's financial statements as compared with those used in the audited financial statements for the 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.**

Not applicable.

- 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.**

	Group			
	Third Quarter Ended		9 Months Ended	
	30 Sep 10	30 Sep 09	30 Sep 10	30 Sep 09
Net profit for the period attributable to ordinary shareholders for basic and diluted earnings per share (S\$'000)	2,530	3,074	9,432	8,965
Weighted average number of ordinary shares in issue ('000)	189,791	189,381	189,791	189,381
Effect of dilutive securities : Share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per shares ('000)	189,791	189,381	189,791	189,381
Earnings per share based on weighted average number of ordinary shares in issue (cents)	1.33	1.62	4.97	4.73
Earnings per share on fully diluted basis (cents)	1.33	1.62	4.97	4.73

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares, excluding treasury shares, during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares, excluding treasury shares, after adjusting for the effects of potential dilutive ordinary shares, during the period.

- 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.**

	Group		Company	
	As at 30 Sep 10	As at 31 Dec 09	As at 30 Sep 10	As at 31 Dec 09
Net asset value, net of minority interest (S\$'000)	54,271	51,876	27,454	24,742
Number of ordinary shares, excluding treasury shares ('000)	190,112	189,381	190,112	189,381
Net asset value per share (cents)	28.55	27.39	14.44	13.06

**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:-**

**8(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**

### **Revenue**

The Group registered a revenue of S\$67.7 million in the current quarter, an increase of S\$4.8 million or 7.6% over the S\$62.9 million for the same period last year. The Group's year-to-date ("YTD") revenue of S\$179.0 million was S\$27.4 million or 18.1% above that of YTD 3Q 2009. The improvement was due to better top-line performance by the Interiors division.

The **Exhibitions and Museums division** posted revenue of S\$27.8 million for 3Q 2010 compared to S\$37.5 million for 3Q 2009. The division generated YTD revenue of S\$84.4 million which was comparable to that of the same period last year.

During 3Q 2010, the Group successfully delivered the works for Youth Olympic Games in August 2010 and the F1 Singapore Grand Prix in September 2010. Besides works completed for the seven pavilions at the Expo 2010 Shanghai, other contributors to the division's YTD revenue also included exhibition projects undertaken for events such as Asia Pacific Maritime 2010, Food and Hotel Asia 2010, Singapore Airshow 2010, Tax Free Asia Pacific 2010 and other trade exhibitions, and for Nissan/Infiniti at various auto-shows.

The **Interiors division** performed well with higher revenue of S\$37.0 million in 3Q 2010, which was S\$14.4 million or 63.7% higher compared to 3Q 2009. To date, the division achieved revenue of S\$86.6 million which was S\$27.1 million or 45.5% above that of the same period last year.

The division has continued to sustain good revenue contributions from key customers and brand names. Contributors to YTD revenue includes Aldo, Bottega Veneta, Burberry, Chanel, Fendi, FJ Benjamin, Hinckley, Luxury Venture, Polo Ralph Lauren, Swarovski, The Hour Glass, Tiffany & Co and Uniqlo.

Revenue from the **Research and Design division** for 3Q 2010 amounted to S\$1.3 million. To date, the division's revenue of S\$3.6 million was comparable to that of the same period last year. The **IMC division** achieved a revenue of S\$1.5 million in 3Q 2010 and year to date revenue was S\$4.3 million as compared to S\$4.6 million for the same period last year.

### **Gross Profit**

In line with higher revenue, gross profit for current quarter and YTD 3Q 2010 increased by S\$0.2 million (1.2%) and S\$4.9 million (12.2%) to S\$14.8 million and S\$44.9 million respectively. The overall gross profit margin for 3Q 2010 and YTD 3Q 2010 was 21.8% and 25.1% as compared with 23.2% and 26.4% for 3Q 2009 and YTD 3Q 2009.

### **Other Income**

Other income comprises items set out in Note 1(a)(a).

**8(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 (cont'd)**

**Other Items of Expenses**

Compared to 3Q 2009, operating expenses increased from S\$11.0 million to S\$11.8 million for 3Q 2010 due to the following:-

- i) increase in staff salaries and related expenses of S\$0.3 million to S\$8.2 million;
- ii) increase in operating lease expenses of S\$0.1 to S\$0.9 million; and
- iii) increase in net foreign exchange loss of S\$0.2 million to S\$0.5 million.

For the YTD 3Q 2010, operating expenses increased from S\$31.1 million to S\$34.5 million due to the following:-

- i) increase in staff salaries and related expenses of S\$2.0 million to S\$24.6 million;
- ii) increase in operating lease expenses of S\$0.2 million to S\$2.6 million;
- iii) increase in net foreign exchange loss of S\$0.2 million to S\$0.6 million; and
- iv) write-off of plant and property amounting to S\$0.4 million as a result of the fire at our Malaysia factory premises.

**Interest Income**

This relates mainly to interest income derived from fixed deposits and bank balances with the banks.

**Share of Results of Associates**

Share of losses from associates in the current quarter and for the YTD 3Q 2010 resulted from the losses incurred by Kingsmen Middle East LLC and Kingsmen Nikko Limited. All other associated companies have reported positive earnings as at YTD.

**Net Profit after MI**

The Group recorded a net profit after MI of S\$2.5 million for 3Q 2010, as compared to S\$3.1 million for 3Q 2009. On a YTD basis, the net profit after MI has improved from S\$9.0 million to S\$9.4 million, approximately by 5.2%.

**8(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Net Assets (Net of MI)**

Net assets of the Group increased by S\$2.4 million from S\$51.9 million to S\$54.3 million which was contributed by the profits retained in the business after dividend distribution of S\$6.7 million to shareholders.

**Purchase of two factory units in Selangor, Malaysia**

During 1Q 2010, the Malaysia operations acquired two factory units under construction in Selangor, Malaysia. The acquisition was financed by bank term loans for up to 85% of the purchase price of the factory units.

**Investment in associates**

In April 2010, Kingsmen Fairtech which was previously classified as an investment became an associated company after the completion of the acquisition of an additional 15.5% by the Group.

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

In our announcement on 12 August 2010, we stated that we expect that the Group would continue to do well in third quarter and for FY2010. Our third quarter results are in line with this statement.

**10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The last quarter of this year will see the usual fast pace of activities for our interior fit-out division before the festive season. We will also be busy with works on various exhibition events and museums.

Going forward, we expect to see greater contribution from our regional offices as well as the international markets, and we will continue to focus our efforts on securing more clients for roll-out management and fixture exports for our retail interior fit-out business. With new malls opening up in the regional economies and the expansion and entry of international brands into new markets, we are confident that these areas will continue to see good growth.

For thematic works, we have secured a few new contracts for Universal Studios Singapore as well as Hong Kong Disneyland and are gearing up for more of such works to be awarded to us in 2011 and beyond.

With the MICE industry in Asia in recovery and expected to bounce back in 2011, Singapore is expected to host more shows and mega events, offering more opportunities for our business in these areas.

As at 9 November 2010, our confirmed sales/contracts have risen to approximately S\$233 million, of which S\$215 million is for FY2010. We expect Q4-2010 to be a stronger quarter and FY2010 to be another rewarding year, barring unforeseen circumstances.

**11 Dividend**

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

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

**(b) Corresponding period of the immediately preceding financial year**

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

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No interim dividend has been declared or recommended in the current reporting period.

**13 Pursuant to Rule 1207(16), please provide the information required by Rule 907 in respect of any interested person transactions entered into during the financial period.**

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the financial period ended 30 September 2010.

**14 Confirmation by the Board pursuant to Rule 705(4) of the listing manual.**

We, Soh Siak Poh Benedict and Simon Ong Chin Sim, being Directors of Kingsmen Creatives Ltd. ("the Company"), do hereby confirm, for and on behalf of the Board of Directors of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited interim financial results for the third quarter ended 30 September 2010 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Soh Siak Poh Benedict  
Executive Chairman

Simon Ong Chin Sim  
Group Managing Director

10 November 2010

**BY ORDER OF THE BOARD**

Soh Siak Poh Benedict  
Executive Chairman  
10 November 2010