

UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2011
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**
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					
		Second Quarter Ended			Half Year Ended		
		30 Jun 11	30 Jun 10	+/-	30 Jun 11	30 Jun 10	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue		57,133	64,627	-11.6%	93,607	111,301	-15.9%
Cost of sales		(40,266)	(46,797)	-14.0%	(65,840)	(81,217)	-18.9%
Gross profit		16,867	17,830	-5.4%	27,767	30,084	-7.7%
Other items of income							
Interest income		35	50	-30.0%	136	80	70.0%
Other income	(a)	484	1,062	-54.4%	1,122	1,734	-35.3%
Other items of expense							
Depreciation of property, plant and equipment		(350)	(446)	-21.5%	(673)	(820)	-17.9%
Staff salaries and related expenses		(8,742)	(9,146)	-4.4%	(15,871)	(16,430)	-3.4%
Other expenses		(2,642)	(3,083)	-14.3%	(5,221)	(5,442)	-4.1%
Interest expense		(24)	(24)	0.0%	(45)	(42)	7.1%
Share of results of associates		85	110	-22.7%	84	62	35.5%
Profit before tax	(b)	5,713	6,353	-10.1%	7,299	9,226	-20.9%
Income tax expense	(c)	(1,034)	(1,145)	-9.7%	(1,299)	(1,754)	-25.9%
Profit net of tax		4,679	5,208	-10.2%	6,000	7,472	-19.7%
Profit attributable to:							
Owners of the parent		4,482	4,611	-2.8%	5,864	6,902	-15.0%
Non-controlling interests		197	597	-67.0%	136	570	-76.1%
		4,679	5,208		6,000	7,472	
<u>Consolidated statement of comprehensive income</u>							
Profit net of tax		4,679	5,208	-10.2%	6,000	7,472	-19.7%
Other comprehensive income:							
Foreign currency translation		(359)	9	n/m	(727)	27	n/m
Other comprehensive income for the period, net of tax		(359)	9	n/m	(727)	27	n/m
Total comprehensive income for the period		4,320	5,217	-17.2%	5,273	7,499	-29.7%
Total comprehensive income attributable to:							
Owners of the parent		4,131	4,617	-10.5%	5,195	6,917	-24.9%
Non-controlling interests		189	600	-68.5%	78	582	-86.6%
		4,320	5,217		5,273	7,499	

n/m = not meaningful

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 :

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 11	30 Jun 10	30 Jun 11	30 Jun 10
	S\$'000	S\$'000	S\$'000	S\$'000
Administrative income	-	8	-	15
Corporate fee income	60	106	273	291
Provisional insurance claim	-	385	-	385
Jobs Credit grant	-	50	-	151
Net gain on disposal of property, plant & equipment	27	5	31	21
Rental income	338	324	655	630
Miscellaneous income	59	184	163	241
	484	1,062	1,122	1,734

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

	Group			
	Second Quarter Ended		Half Year Ended	
	30 Jun 11	30 Jun 10	30 Jun 11	30 Jun 10
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	75	84	152	170
Directors' remuneration (including fees)	1,959	2,554	3,150	3,996
Inventories recognised as an expense in cost of sales	48	71	80	121
Net allowance for doubtful trade debts	17	32	9	39
Net bad trade debts written off	25	7	34	7
Net foreign exchange loss	89	36	104	54
Operating lease expenses	846	860	1,675	1,689
Property, plant and equipment written off	-	393	2	393

(c) Included in income tax expense are over-provision of income tax relating to prior years of S\$Nil for 2Q 11 (2Q 10: S\$10,000) and under-provision of S\$9,000 for 1H 11 (1H 10: over-provision S\$6,000) 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.

	Note	Group		Company	
		As at 30 Jun 11 S\$'000	As at 31 Dec 10 S\$'000	As at 30 Jun 11 S\$'000	As at 31 Dec 10 S\$'000
ASSETS					
Non-current assets					
Property, plant and equipment		11,543	11,890	219	253
Intangible assets	(d)	5,185	5,546	-	-
Investments in subsidiaries		-	-	20,017	20,017
Investments in associates		7,087	7,113	5,944	5,944
Other investments		543	543	543	543
Other receivables		31	37	-	-
		<u>24,389</u>	<u>25,129</u>	<u>26,723</u>	<u>26,757</u>
Current assets					
Inventories		93	142	-	-
Gross amount due from customers for contract work-in-progress	(e)	17,569	14,004	-	-
Trade receivables	(f)	51,672	68,888	1,491	1,277
Other receivables		6,860	6,400	794	612
Prepaid operating expenses		444	395	7	42
Amounts due from subsidiaries		-	-	1,622	1,308
Amounts due from associates		728	714	714	714
Cash and short-term deposits	(g)	28,045	29,903	1,729	1,782
		<u>105,411</u>	<u>120,446</u>	<u>6,357</u>	<u>5,735</u>
Total assets		<u>129,800</u>	<u>145,575</u>	<u>33,080</u>	<u>32,492</u>
EQUITY AND LIABILITIES					
Current liabilities					
Gross amount due to customers for contract work-in-progress	(h)	7,293	2,756	-	-
Trade payables	(i)	29,545	37,664	-	-
Deferred income		1,494	3,605	-	-
Other payables and accruals		20,082	30,302	725	1,281
Amounts due to subsidiaries		-	-	2,239	4,157
Loans and borrowings		2,997	3,334	-	-
Income tax payable		5,007	5,276	-	-
		<u>66,418</u>	<u>82,937</u>	<u>2,964</u>	<u>5,438</u>
NET CURRENT ASSETS		<u>38,993</u>	<u>37,509</u>	<u>3,393</u>	<u>297</u>
Non-current liabilities					
Other payables		108	107	-	-
Loans and borrowings		1,978	1,956	-	-
Deferred tax liabilities		1,120	1,175	30	30
		<u>3,206</u>	<u>3,238</u>	<u>30</u>	<u>30</u>
Total liabilities		<u>69,624</u>	<u>86,175</u>	<u>2,994</u>	<u>5,468</u>
Net assets		<u>60,176</u>	<u>59,400</u>	<u>30,086</u>	<u>27,024</u>
Equity attributable to owners of the parent					
Share capital		23,266	23,266	23,266	23,266
Treasury shares		(1,235)	(1,569)	(1,235)	(1,569)
Retained earnings		40,451	39,291	7,730	5,154
Other reserves		(4,520)	(3,932)	325	173
		<u>57,962</u>	<u>57,056</u>	<u>30,086</u>	<u>27,024</u>
Non-controlling interests		<u>2,214</u>	<u>2,344</u>	<u>-</u>	<u>-</u>
Total equity		<u>60,176</u>	<u>59,400</u>	<u>30,086</u>	<u>27,024</u>
Total equity and liabilities		<u>129,800</u>	<u>145,575</u>	<u>33,080</u>	<u>32,492</u>

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) **Intangible assets**

	Group		
	Goodwill S\$'000	Customer relationship S\$'000	Total S\$'000
Cost:			
At 1 January 2011	6,025	1,563	7,588
Exchange differences	(189)	(68)	(257)
At 31 June 2011	<u>5,836</u>	<u>1,495</u>	<u>7,331</u>
Accumulated amortisation and impairment:			
At 1 January 2011	1,000	1,042	2,042
Amortisation	-	152	152
Exchange differences	-	(48)	(48)
At 31 June 2011	<u>1,000</u>	<u>1,146</u>	<u>2,146</u>
Net carrying amount:			
At 31 June 2011	<u>4,836</u>	<u>349</u>	<u>5,185</u>

(e) **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 Gardens By The Bay, USS Parade 2011, Bank Negara Malaysia and other interior fit-out projects across Asia.

(f) **Trade receivables**

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

(g) **Cash and short-term deposits**

	Group		Company	
	As at 30 Jun 11 S\$'000	As at 31 Dec 10 S\$'000	As at 30 Jun 11 S\$'000	As at 31 Dec 10 S\$'000
Cash at banks and in hand	22,673	21,301	233	287
Short-term deposits	<u>5,372</u>	<u>8,602</u>	<u>1,496</u>	<u>1,495</u>
Total	<u>28,045</u>	<u>29,903</u>	<u>1,729</u>	<u>1,782</u>

(h) **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.

(i) **Trade payables**

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

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

	Group	
	As at 30 Jun 11	As at 31 Dec 10
	S\$'000	S\$'000
<u>Secured</u>		
- repayable within one year	2,997	3,334
- repayable after one year	1,978	1,956
	<hr/> 4,975	<hr/> 5,290
<u>Unsecured</u>		
- repayable within one year	-	-
- repayable after one year	-	-
	<hr/> -	<hr/> -

Details of any collateral

Bank term loans are secured by way of a 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			
	Second Quarter Ended		Half Year Ended	
	30 Jun 11	30 Jun 10	30 Jun 11	30 Jun 10
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before tax	5,713	6,353	7,299	9,226
Adjustments for:				
Depreciation of property, plant and equipment	350	446	673	820
Net gain on disposal of property, plant and equipment	(27)	(5)	(31)	(21)
Property, plant & equipment written off	-	393	2	393
Bad trade debts written off	25	7	37	7
Net allowance for doubtful trade debts	17	32	9	39
Amortisation of intangible assets	75	84	152	170
Interest income	(35)	(50)	(136)	(80)
Interest expense	24	24	45	42
Share of results of associates	(85)	(110)	(84)	(62)
Currency realignment	(1)	(44)	(28)	26
Total adjustments	343	777	639	1,334
Operating cash flows before changes in working capital	6,056	7,130	7,938	10,560
Changes in working capital:				
Decrease/(increase) in trade and other receivables	2,216	(3,514)	16,652	18,268
Decrease/(increase) in inventories	19	(24)	49	(47)
(Increase)/decrease in gross amount due from customers for contract work-in-progress	(5,485)	1,512	(2,620)	(2,176)
Increase in gross amount due to customers for contract work-in-progress	2,135	2,730	4,537	3,627
Increase/(decrease) in deferred income	558	(1,227)	(2,111)	(613)
(Decrease)/increase in trade and other payables	(1,745)	2,959	(18,338)	(13,562)
Cash flows from operations	3,754	9,566	6,107	16,057
Interest received	35	50	136	80
Interest paid	(24)	(24)	(45)	(42)
Income tax paid	(973)	(1,463)	(1,606)	(1,525)
Net cash flows from operating activities	2,792	8,129	4,592	14,570
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	67	33	71	49
Purchase of property, plant and equipment	(1,078)	(854)	(1,443)	(5,685)
Acquisition of non-controlling interest	-	(22)	-	(22)
Dividend received from associates	101	-	101	12
Net cash flows used in investing activities	(910)	(843)	(1,271)	(5,646)
Cash flows from financial activities				
Decrease/(increase) in amount pledged to banks for banking facilities	72	(223)	180	(242)
Proceeds from loans and borrowings	1,040	67	1,752	4,075
Proceeds from reissuance of treasury shares	436	454	486	454
Dividend paid on ordinary shares	(4,775)	(3,802)	(4,775)	(3,802)
Dividend paid to minority shareholders of the subsidiaries	(208)	(333)	(208)	(333)
Repayment of finance lease obligations	(57)	46	(111)	(194)
Repayment of long-term bank borrowings	(795)	(212)	(1,641)	(351)
Net cash flows used in financing activities	(4,287)	(4,003)	(4,317)	(393)
Net (decrease)/increase in cash and cash equivalents	(2,405)	3,283	(996)	8,531
Effect of exchange rate changes on cash and cash equivalents	(244)	94	(484)	54
Cash and cash equivalents at beginning of period	29,198	25,527	28,029	20,319
Cash and cash equivalents at end of period	26,549	28,904	26,549	28,904

Explanatory notes to cash flow statement

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

	Group	
	30 Jun 11	30 Jun 10
	S\$'000	S\$'000
Cash and short-term deposits	28,045	31,955
Bank overdrafts	-	(679)
	28,045	31,276
Amount pledged to banks for banking facilities	(1,496)	(2,372)
Cash and cash equivalents	26,549	28,904

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						Equity, total S\$'000
	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	Non- controlling interests S\$'000	
Opening balance at 1 January 2011	23,266	(1,569)	39,291	(3,932)	57,056	2,344	59,400
Profit for the period	-	-	1,382	-	1,382	(61)	1,321
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(318)	(318)	(50)	(368)
Other comprehensive income for the period, net of tax	-	-	-	(318)	(318)	(50)	(368)
Total comprehensive income for the period	-	-	1,382	(318)	1,064	(111)	953
<u>Contribution by and distributions to owners</u>							
Treasury shares reissued pursuant to grant of share rewards	-	35	-	15	50	-	50
Total contribution by and distributions to owners	-	35	-	15	50	-	50
Total transactions with owners in their capacity as owners	-	35	-	15	50	-	50
Closing balance at 31 March 2011	23,266	(1,534)	40,673	(4,235)	58,170	2,233	60,403
Profit for the period	-	-	4,482	-	4,482	197	4,679
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	(351)	(351)	(8)	(359)
Other comprehensive income for the period, net of tax	-	-	-	(351)	(351)	(8)	(359)
Total comprehensive income for the period	-	-	4,482	(351)	4,131	189	4,320
<u>Contribution by and distributions to owners</u>							
Dividends on ordinary shares	-	-	(4,775)	-	(4,775)	-	(4,775)
Treasury shares reissued pursuant to performance share scheme	-	299	-	137	436	-	436
Realisation of revaluation of freehold land & building of an associate, net	-	-	71	(71)	-	-	-
Total contribution by and distributions to owners	-	299	(4,704)	66	(4,339)	-	(4,339)
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>							
Dividends paid to non-controlling interests	-	-	-	-	-	(208)	(208)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(208)	(208)
Total transactions with owners in their capacity as owners	-	299	(4,704)	66	(4,339)	(208)	(4,547)
Closing balance at 30 June 2011	23,266	(1,235)	40,451	(4,520)	57,962	2,214	60,176

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)

Group	Attributable to owners of the parent						Equity, total S\$'000
	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	Non- controlling interests S\$'000	
Opening balance at 1 January 2010	23,266	(1,850)	30,879	(419)	51,876	2,995	54,871
Profit for the period	-	-	2,291	-	2,291	(27)	2,264
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	9	9	9	18
Other comprehensive income for the period, net of tax	-	-	-	9	9	9	18
Total comprehensive income for the period	-	-	2,291	9	2,300	(18)	2,282
Closing balance at 31 March 2010	23,266	(1,850)	33,170	(410)	54,176	2,977	57,153
Profit for the period	-	-	4,611	-	4,611	597	5,208
<u>Other comprehensive income</u>							
Foreign currency translation	-	-	-	6	6	3	9
Other comprehensive income for the period, net of tax	-	-	-	6	6	3	9
Total comprehensive income for the period	-	-	4,611	6	4,617	600	5,217
<u>Contribution by and distributions to owners</u>							
Dividends on ordinary shares	-	-	(3,802)	-	(3,802)	-	(3,802)
Treasury shares reissued pursuant to performance share scheme	173	281	-	-	454	-	454
Total contribution by and distributions to owners	173	281	(3,802)	-	(3,348)	-	(3,348)
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>							
Dividends paid to non-controlling interests	-	-	-	-	-	(333)	(333)
Acquisition of non-controlling interest	-	-	-	-	-	(7)	(7)
Total changes in ownership interests in subsidiaries	-	-	-	-	-	(340)	(340)
Total transactions with owners in their capacity as owners	173	281	(3,802)	-	(3,348)	(340)	(3,688)
Closing balance at 30 June 2010	23,439	(1,569)	33,979	(404)	55,445	3,237	58,682

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	Other reserves S\$'000	Equity, total S\$'000
Opening balance at 1 January 2011	23,266	(1,569)	5,154	173	27,024
Profit for the period	-	-	54	-	54
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	54	-	54
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to grant of share rewards	-	35	-	15	50
Total transactions with owners in their capacity as owners	-	35	-	15	50
Closing balance at 31 March 2011	23,266	(1,534)	5,208	188	27,128
Profit for the period	-	-	7,297	-	7,297
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	7,297	-	7,297
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to performance share scheme	-	299	-	137	436
Dividends on ordinary shares	-	-	(4,775)	-	(4,775)
Total transactions with owners in their capacity as owners	-	299	(4,775)	137	(4,339)
Closing balance at 30 June 2011	23,266	(1,235)	7,730	325	30,086
Opening balance at 1 January 2010	23,266	(1,850)	3,326	-	24,742
Profit for the period	-	-	(7)	-	(7)
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	(7)	-	(7)
Closing balance at 31 March 2010	23,266	(1,850)	3,319	-	24,735
Profit for the period	-	-	5,477	-	5,477
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	5,477	-	5,477
<u>Contributions by and distributions of owners</u>					
Treasury shares reissued pursuant to performance share scheme	173	281	-	-	454
Dividends on ordinary shares	-	-	(3,802)	-	(3,802)
Total transactions with owners in their capacity as owners	173	281	(3,802)	-	(3,348)
Closing balance at 30 June 2010	23,439	(1,569)	4,994	-	26,864

- 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

	Group and Company	
	30 Jun 11	31 Dec 10
	'000	'000
Issued and fully paid-up share capital:		
As at beginning of period / year	194,183	194,183
Treasury shares:		
As at beginning of period / year	(4,071)	(4,802)
Treasury shares reissued pursuant to:		
- performance share scheme	778	731
- grant of share rewards	89	-
As at end of period / year	(3,204)	(4,071)

- 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.**

	Group and Company	
	30 Jun 11	31 Dec 10
	'000	'000
Total number of issued shares (excluding treasury shares)	190,979	190,112

- 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.**

	Group and Company			
	30 Jun 11		31 Dec 10	
	No. of shares		No. of shares	
	'000	S\$'000	'000	S\$'000
As at beginning of period / year	(4,071)	(1,569)	(4,802)	(1,850)
Treasury shares reissued pursuant to:				
- performance share scheme	778	299	731	281
- grant of share rewards	89	35	-	-
As at end of period / year	(3,204)	(1,235)	(4,071)	(1,569)

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 year's financial statements as compared with those used in the audited financial statements for the year ended 31 December 2010.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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			
	Second Quarter Ended		Half Year Ended	
	30 Jun 11	30 Jun 10	30 Jun 11	30 Jun 10
Net profit for the period attributable to ordinary shareholders for basic and diluted earnings per share (S\$'000)	4,482	4,611	5,864	6,902
Weighted average number of ordinary shares in issue ('000)	190,414	189,628	190,414	189,628
Effect of dilutive securities : Share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per shares ('000)	190,414	189,628	190,414	189,628
Earnings per share based on weighted average number of ordinary shares in issue (cents)	2.35	2.43	3.08	3.64
Earnings per share on fully diluted basis (cents)	2.35	2.43	3.08	3.64

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 Jun 11	As at 31 Dec 10	As at 30 Jun 11	As at 31 Dec 10
Net asset value, net of non-controlling interests (S\$'000)	57,963	57,056	30,086	27,024
Number of ordinary shares, excluding treasury shares ('000)	190,979	190,112	190,979	190,112
Net asset value per share (cents)	30.35	30.01	15.75	14.21

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

Revenue

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 11	30 Jun 10	+/-	30 Jun 11	30 Jun 10	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Exhibitions & Museums	21,375	29,247	-26.9%	34,097	56,612	-39.8%
Interiors	31,992	32,274	-0.9%	52,560	49,608	6.0%
Research & Design	2,123	1,316	61.3%	3,427	2,322	47.6%
IMC	1,643	1,790	-8.2%	3,523	2,759	27.7%
Total Revenue	57,133	64,627		93,607	111,301	

For 1H 2011, the Group achieved revenue of S\$93.6 million. As compared with 1H 2010's revenue of S\$111.3 million, the revenue achieved was lower by S\$17.7 million or 15.9%. For the current quarter 2Q 2011, the revenue achieved was S\$57.1 million, this is lower by S\$7.5 million or 11.6% compared with 2Q 2010's revenue of S\$64.6 million.

1H 2010 saw the completion of our work on seven pavilions at the Expo 2010 Shanghai totalling over S\$24 million. With the absence of such a major exposition event in 2011, more efforts have been channeled back to focus on the core exhibitions business, the interior business and thematic works. Thus, the performance of the Group's business for 1H 2011 is well within the Group's expectation.

Other than the decrease in revenue in the Exhibitions & Museums division experienced in 1H 2011, all other divisions have achieved improved top line in 1H 2011.

The **Exhibitions and Museums division** contributed S\$21.4 million in 2Q 2011 compared to S\$29.2 million in 2Q 2010. The year-to-date division's revenue was S\$34.1 million compared to S\$56.6 million for the same period last year.

Contributors to 1H 2011's revenue for the division included projects undertaken for exhibitions and events such as Art Stage 2011, Tax Free Asia Pacific 2011, and continuing jobs for Infiniti automobile shows in China and numerous other conventions.

(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)

On museums business, works for the rebuilding of the Guangdong Pavilion at the Guangdong Science Centre and the upgrading of the URA Gallery were completed in 1H 2011. On thematic business, in progress are several parcels of work for Universal Studios Singapore for the fitting out of the USS Parade and various retail and F&B outlets. We are also carrying out works for HK Disneyland's expansion over this year and next year.

The **Interiors division** performed well in 2Q 2011, with revenue of S\$32.0 million which was comparable to that of 2Q 2010. In 1H 2011, the division's revenue of S\$52.6 million was S\$3.0 million or 5.9% higher compared to S\$49.6 million for the same period last year.

The division continues to experience strong sales from key customers and brand names and recurring revenue from the fixture export business. Key contributors to 1H 2011's revenue included Aldo, Burberry, Fashion Retail, Fendi, Hinckley, Polo Ralph Lauren, Tiffany & Co., Uniqlo, including two boutiques for Chanel in Singapore and Malaysia and the roll-out for Swarovski across Australia, Hong Kong, Korea, Japan, New Zealand, Singapore, Thailand and the Middle East.

The **Research and Design division** achieved higher revenue of S\$ 2.1 million in 2Q 2011, which was S\$0.8 million or 61.3% higher compared to the same period last year. The division's revenue of S\$3.4 million in 1H 2011 was S\$1.1 million or 47.6% above that of 1H 2010. The growth in revenue was achieved through a renewed focus of the Group's in-house design capabilities to undertake more of direct design services separately, on top of continuing to offer design as supplementary services for design and build jobs.

Current quarter revenue from **IMC division** was S\$1.6 million compared to S\$1.8 million in 2Q 2010 and the year-to-date revenue was S\$3.5 million, an improvement of S\$0.8 million.

Gross Profit

	Group					
	Second Quarter Ended			Half Year Ended		
	30 Jun 11	30 Jun 10	+/-	30 Jun 11	30 Jun 10	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	57,133	64,627	-11.6%	93,607	111,301	-15.9%
Gross Profits	16,867	17,830	-5.4%	27,767	30,074	-7.7%
GP Margin	29.5%	27.6%		29.7%	27.0%	

Gross profit for 2Q 2011 and 1H 2011 has declined by S\$0.9 million (-5.4%) and S\$2.3 million (-7.7%) to S\$16.9 million and S\$27.8 million respectively. The overall gross profit margin has however improved. This is mainly due to better experience at handling thematic projects and a re-focus at improving efficiencies and GP margins.

Other Income

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

(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 2Q 2010, operating expenses decreased from S\$12.7 million to S\$11.8 million for 2Q 2011 due to the following:-

- i) decrease in staff salaries and related expenses of S\$0.4 million; and
- ii) write-off of plant and property amounting to S\$0.4 million as a result of the fire at our Malaysia factory premises in 2Q 2010.

For the 1H 2011, operating expenses decreased from S\$22.7 million to S\$21.8 million due to the following:-

- i) decrease in staff salaries and related expenses of S\$0.5 million; and
- ii) write-off of plant and property amounting to S\$0.4 million in 2Q 2010 as mentioned above.

Interest Income

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

Share of Results of Associates

Overall for 1H 2011, the share of results of associates has improved due mainly to better results from Enterprise Sports Group Pte Ltd and Kingsmen (Korea) Limited.

Net Profit attributable to Owners of the Parent

The Group recorded a quarterly net profit after MI of S\$4.5 million which was comparable to that of 2Q 2010. For 1H 2011, the net profit after MI declined by S\$1.0 million or 15.0% to S\$5.9 million as compared to S\$6.9 million in 1H 2010.

(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\$0.9 million from S\$57.1 million to S\$58.0 million which was contributed by the profits retained in the business after dividend distribution of S\$4.8 million to shareholders.

Intangible Assets

Please refer to Note 1(b)(i)(d) for the details of intangible assets. The decrease in intangible assets was due to amortization of S\$152,000 and translation difference.

Trade Receivables and Trade Payables

During 1H 2011, there were substantial collections from trade receivables, and also substantial payments made to trade payables.

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 6 May 2011, we stated that we expect the Group would continue to do well in FY2011. Our second quarter results, despite being lower than that of the second quarter of last year, are in line with the Group's overall expectation for the year.

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.

Asia's rapidly growing middle class has led to the rise of numerous theme parks planned for the region over the next three years. These include plans for theme parks in Korea, Malaysia, China and the Middle East. We are currently in various stages of negotiation with several theme park owners and are confident that with our experience and track record, we are likely to secure a few sizeable projects. Similarly, we also see strong potential for us to secure Museum project works in these regions. We are currently working on a major project at Gardens by the Bay, to provide the interpretive media for both the outdoor and indoor garden.

On the Group's interiors business, the retail and consumer market in Asia is expected to grow significantly over the next three to five years with global retailers embarking on aggressive plans to establish themselves in the region. We are encouraged by the numerous enquiries and by new clients that we have secured from the entry of new brands into Asia and will continue to expend significant resources to enhance the capabilities of the Group across all offices to capture this opportunity.

We have also capitalized on our roll-out capabilities to establish more key accounts for our fixture export business. Currently, we have achieved considerable results in our fixture roll-out programs for Aldo, Coach, Polo Ralph Lauren, Swarovski, Victoria's Secrets, and other brands, covering locations within Asia, US and Europe.

On the local retail front, we have been awarded contracts to fit out Abercrombie & Fitch's first flagship store in Asia outside of Japan, as well as H&M's first flagship store in South East Asia. These two stores are scheduled for completion by the end of this year.

As at 10 August 2011, we have been awarded contracts of approximately S\$197 million, of which S\$178 million is expected to be recognised in FY2011. With the strong pipeline of contracts and the visibility and demand for our services, we are confident that we will do well in the 2H2011, barring unforeseen circumstances.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.50 cents (tax exempt) (1-tier)
Tax Rate	N/A

(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	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.50 cents (tax exempt) (1-tier)
Tax Rate	N/A

(c) Date payable

22 September 2011.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of Kingsmen Creatives Ltd. (the "Company") will be closed on 9 September 2011 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate Advisory Services Pte Ltd at 50 Raffles Place Singapore Land Tower #32-01 Singapore 048623 up to 5.00 p.m. on 8 September 2011 will be registered to determine shareholders' entitlements to the such dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares as at 5.00 p.m. on 8 September 2011 will be entitled to the interim dividend.

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

Not applicable.

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 June 2011.

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 second quarter ended 30 June 2011 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

11 August 2011

BY ORDER OF THE BOARD

Soh Siak Poh Benedict
Executive Chairman
11 August 2011