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**UNAUDITED RESULTS FOR SECOND QUARTER ENDED 30 JUNE 2010**


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**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 10	30 Jun 09	+/-	30 Jun 10	30 Jun 09	+/-
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Revenue</b>		64,627	53,004	21.9%	111,301	88,697	25.5%
Cost of sales		(46,797)	(37,238)	25.7%	(81,217)	(63,325)	28.3%
<b>Gross profit</b>		17,830	15,766	13.1%	30,084	25,372	18.6%
<b>Other items of income</b>							
Interest income		50	22	127.3%	80	55	45.5%
Other income	(a)	1,062	376	182.4%	1,734	1,834	-5.5%
<b>Other items of expense</b>							
Depreciation of property, plant and equipment		(446)	(415)	7.5%	(820)	(906)	-9.5%
Staff salaries and related expenses		(9,146)	(8,443)	8.3%	(16,430)	(14,719)	11.6%
Other expenses		(3,083)	(2,613)	18.0%	(5,442)	(4,423)	23.0%
<b>Interest expense</b>		(24)	(26)	-7.7%	(42)	(50)	-16.0%
<b>Share of results of associates</b>		110	119	-7.6%	62	196	-68.4%
<b>Profit before tax</b>	(b)	6,353	4,786	32.7%	9,226	7,359	25.4%
Income tax expense	(c)	(1,145)	(951)	20.4%	(1,754)	(1,263)	38.9%
<b>Profit net of tax</b>		5,208	3,835	35.8%	7,472	6,096	22.6%
<b>Attributable to:</b>							
Equity holders of the parent		4,611	3,542	30.2%	6,902	5,891	17.2%
Minority interests		597	293	103.8%	570	205	178.0%
		5,208	3,835		7,472	6,096	
<b>Consolidated statement of comprehensive income</b>							
<b>Profit net of tax</b>		5,208	3,835	35.8%	7,472	6,096	22.6%
Other comprehensive income:							
Foreign currency translation		9	(661)	n/m	27	176	-84.7%
Other comprehensive income for the period, net of tax		9	(661)		27	176	
Total comprehensive income for the period		5,217	3,174	64.4%	7,499	6,272	19.6%
<b>Total comprehensive income attributable to:</b>							
Equity holders of the parent		4,617	2,962	55.9%	6,917	6,053	14.3%
Minority interests		600	212	183.0%	582	219	165.8%
		5,217	3,174		7,499	6,272	

Note :

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 :

	<b>Group</b>			
	<b>Second Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 Jun 10</b>	<b>30 Jun 09</b>	<b>30 Jun 10</b>	<b>30 Jun 09</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Administrative income	8	7	15	14
Corporate fee income	106	(53)	291	337
Jobs Credit grant	50	15	151	358
Management fee income	-	57	-	232
Net bad trade debt recovery	-	18	-	113
Net gain on disposal of property, plant & equipment	5	-	21	10
Provisional insurance claim receivable	385	-	385	-
Rental income	324	311	630	588
Miscellaneous income	184	21	241	182
	<b>1,062</b>	<b>376</b>	<b>1,734</b>	<b>1,834</b>

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

	<b>Group</b>			
	<b>Second Quarter Ended</b>		<b>Half Year Ended</b>	
	<b>30 Jun 10</b>	<b>30 Jun 09</b>	<b>30 Jun 10</b>	<b>30 Jun 09</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Amortisation of intangible assets	84	89	170	182
Directors' remuneration (including fees)	2,554	2,308	3,996	3,591
Inventories recognised as an expense in cost of sales	71	27	121	61
Net allowance for doubtful trade debts	32	1	39	1
Net bad trade debts written off	7	-	7	-
Net foreign exchange loss	36	471	54	120
Operating lease expenses	860	759	1,689	1,568
Property, plant and equipment written off	393	-	393	-

(c) Included in income tax expense are over-provision of income tax relating to prior years of S\$10,000 for 2Q 10 (2Q 09: S\$Nil) and S\$6,000 for 1H 10 (1H 09: S\$63,000) 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 10 S\$'000	As at 31 Dec 09 S\$'000	As at 30 Jun 10 S\$'000	As at 31 Dec 09 S\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	(d)	13,308	9,824	251	212
Intangible assets	(e)	6,175	6,362	-	-
Investments in subsidiaries		-	-	16,264	16,264
Investments in associates	(f)	7,148	6,567	5,944	5,364
Other investments	(f)	543	805	543	805
Other receivables		66	33	-	-
		27,240	23,591	23,002	22,645
<b>Current assets</b>					
Inventories		113	66	-	-
Gross amount due from customers for contract work-in-progress	(g)	13,246	10,086	-	-
Trade receivables	(h)	56,432	75,669	1,478	913
Other receivables		5,164	5,619	635	997
Prepaid operating expenses		795	298	8	17
Amounts due from subsidiaries		-	-	1,268	1,141
Amounts due from associates		530	-	530	-
Cash and cash equivalents	(i)	31,955	22,827	1,545	1,739
		108,235	114,565	5,464	4,807
<b>Total assets</b>		<b>135,475</b>	<b>138,156</b>	<b>28,466</b>	<b>27,452</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Gross amount due to customers for contract work-in-progress	(j)	6,240	2,613	-	-
Trade payables	(k)	29,487	37,067	-	-
Deferred income		2,724	3,337	148	-
Other payables and accruals		26,584	32,636	616	1,158
Amounts due to subsidiaries		-	-	816	1,530
Loans and borrowings	(l)	1,344	1,015	-	-
Income tax payable		5,581	5,298	-	-
		71,960	81,966	1,580	2,688
<b>NET CURRENT ASSETS</b>		<b>36,275</b>	<b>32,599</b>	<b>3,884</b>	<b>2,119</b>
<b>Non-current liabilities</b>					
Other payables		165	95	-	-
Loans and borrowings	(l)	3,780	276	-	-
Deferred tax liabilities		888	948	22	22
		4,833	1,319	22	22
<b>Total liabilities</b>		<b>76,793</b>	<b>83,285</b>	<b>1,602</b>	<b>2,710</b>
<b>Net assets</b>		<b>58,682</b>	<b>54,871</b>	<b>26,864</b>	<b>24,742</b>
<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		33,979	30,879	4,994	3,326
Other reserves		(404)	(419)	-	-
		55,445	51,876	26,864	24,742
<b>Minority interests</b>		<b>3,237</b>	<b>2,995</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>58,682</b>	<b>54,871</b>	<b>26,864</b>	<b>24,742</b>
<b>Total equity and liabilities</b>		<b>135,475</b>	<b>138,156</b>	<b>28,466</b>	<b>27,452</b>

**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> S\$'000	<b>Customer relationship</b> S\$'000	<b>Total</b> S\$'000
<b>Cost:</b>			
At 1 January 2010	6,447	1,716	8,163
Acquisition of minority interest	15	-	15
Exchange differences	(26)	(10)	(21)
	<u>6,436</u>	<u>1,706</u>	<u>8,142</u>
At 30 June 2010			
	<u>6,436</u>	<u>1,706</u>	<u>8,142</u>
<b>Accumulated amortisation and impairment:</b>			
At 1 January 2010	1,000	801	1,801
Amortisation	-	170	170
Exchange differences	-	(4)	(4)
	<u>1,000</u>	<u>967</u>	<u>1,967</u>
At 30 June 2010			
	<u>1,000</u>	<u>967</u>	<u>1,967</u>
<b>Net carrying amount:</b>			
At 30 June 2010	<u>5,436</u>	<u>739</u>	<u>6,175</u>

(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 collections for the projects at Universal Studios Singapore (USS).

(i) **Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 Jun 10</b> S\$'000	<b>As at 31 Dec 09</b> S\$'000	<b>As at 30 Jun 10</b> S\$'000	<b>As at 31 Dec 09</b> S\$'000
Cash at banks and in hand	20,810	16,218	1,493	247
Short-term deposits	11,145	6,609	52	1,492
	<u>31,955</u>	<u>22,827</u>	<u>1,545</u>	<u>1,739</u>
Total				

(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 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 Jun 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	1,344	1,015
- repayable after one year	3,780	276
	<hr/>	<hr/>
	5,124	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			
	Second Quarter Ended		Half Year Ended	
	30 Jun 10 S\$'000	30 Jun 09 S\$'000	30 Jun 10 S\$'000	30 Jun 09 S\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	6,353	4,786	9,226	7,359
Adjustments for:				
Depreciation of property, plant and equipment	446	415	820	906
Net gain on disposal of property, plant and equipment	(5)	-	(21)	(10)
Income from other investment	-	-	-	(17)
Property, plant & equipment written off	393	-	393	-
Bad trade debts written off	7	-	7	-
Allowance for doubtful trade debts	32	1	39	1
Amortisation of intangible assets	84	89	170	182
Interest income	(50)	(22)	(80)	(55)
Interest expense	24	26	42	50
Share of results of associates	(110)	(119)	(62)	(196)
Currency realignment	(44)	226	26	(87)
Total adjustments	777	616	1,334	774
<b>Operating cash flows before changes in working capital</b>	7,130	5,402	10,560	8,133
Changes in working capital:				
(Increase)/decrease in trade and other receivables	(3,514)	1,561	18,268	8,118
Increase in inventories	(24)	(14)	(47)	(12)
Decrease/(increase) in gross amount due from customers for contract work-in-progress	1,512	(5,707)	(2,176)	(9,809)
Increase/(decrease) in gross amount due to customers for contract work-in-progress	2,730	(791)	3,627	1,051
Decrease in deferred income	(1,227)	(3,359)	(613)	(1,455)
Increase/(decrease) in trade and other payables	2,959	2,378	(13,562)	(8,814)
<b>Cash flows from/(used in) operations</b>	9,566	(530)	16,057	(2,788)
Interest received	50	22	80	55
Interest paid	(24)	(26)	(42)	(50)
Income tax paid	(1,463)	(1,165)	(1,525)	(1,186)
<b>Net cash flows from/(used in) operating activities</b>	8,129	(1,699)	14,570	(3,969)
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	33	13	49	23
Purchase of property, plant and equipment	(854)	(138)	(5,685)	(426)
Acquisition of minority interest	(22)	-	(22)	-
Proceeds from disposal of other investment	-	-	-	1,144
Dividend received from associates	-	-	12	7
<b>Net cash flows (used in)/from investing activities</b>	(843)	(125)	(5,646)	748
<b>Cash flows from financial activities</b>				
(Increase)/decrease in amount pledged to banks for banking facilities	(223)	19	(242)	7
Proceeds from loans and borrowings	67	-	4,075	2,500
Proceeds from reissuance of treasury shares	454	-	454	-
Dividend paid on ordinary shares	(3,802)	(2,841)	(3,802)	(2,841)
Dividend paid to minority shareholders of the subsidiaries	(333)	(310)	(333)	(310)
Repayment of finance lease obligations	46	(169)	(194)	(399)
Repayment of long-term bank borrowings	(212)	(2,500)	(351)	(2,677)
<b>Net cash flows used in financing activities</b>	(4,003)	(5,801)	(393)	(3,720)
<b>Net increase/(decrease) in cash and cash equivalents</b>	3,283	(7,625)	8,531	(6,941)
Effect of exchange rate changes on cash and cash equivalents	94	(664)	54	159
Cash and cash equivalents at beginning of period	25,527	28,673	20,319	27,166
<b>Cash and cash equivalents at end of period</b>	(m) <b>28,904</b>	<b>20,384</b>	<b>28,904</b>	<b>20,384</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 Jun 10 S\$'000	As at 30 Jun 09 S\$'000
Cash and bank balances	31,955	21,425
Bank overdrafts	(679)	(153)
Amount pledged to banks for banking facilities	31,276	21,272
Cash and cash equivalents	(2,372)	(888)
	28,904	20,384

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	-	-	2,349	742	3,091	7	3,098
<b>Closing balance at 31 March 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>24,204</b>	<b>177</b>	<b>45,797</b>	<b>2,721</b>	<b>48,518</b>
Total comprehensive income for the period	-	-	3,542	(580)	2,962	212	3,174
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>
<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	-	-	2,291	9	2,300	(18)	2,282
<b>Closing balance at 31 March 2010</b>	<b>23,266</b>	<b>(1,850)</b>	<b>33,170</b>	<b>(410)</b>	<b>54,176</b>	<b>2,977</b>	<b>57,153</b>
Total comprehensive income for the period	-	-	4,611	6	4,617	600	5,217
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>

**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	-	-	351	351
<b>Closing balance at 31 March 2009</b>	<b>23,266</b>	<b>(1,850)</b>	<b>1,680</b>	<b>23,096</b>
Total comprehensive income for the period	-	-	3,892	3,892
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>
<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	-	-	(7)	(7)
<b>Closing balance at 31 March 2010</b>	<b>23,266</b>	<b>(1,850)</b>	<b>3,319</b>	<b>24,735</b>
Total comprehensive income for the period	-	-	5,477	5,477
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>



- 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 Jun 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 Jun 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 Jun 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			
	Second Quarter Ended		Half Year Ended	
	30 Jun 10	30 Jun 09	30 Jun 10	30 Jun 09
Net profit for the period attributable to ordinary shareholders for basic and diluted earnings per share (S\$'000)	4,611	3,542	6,902	5,891
Weighted average number of ordinary shares in issue ('000)	189,628	189,381	189,628	189,381
Effect of dilutive securities : Share options ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per shares ('000)	189,628	189,381	189,628	189,381
Earnings per share based on weighted average number of ordinary shares in issue (cents)	2.43	1.87	3.64	3.11
Earnings per share on fully diluted basis (cents)	2.43	1.87	3.64	3.11

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 10	As at 31 Dec 09	As at 30 Jun 10	As at 31 Dec 09
Net asset value, net of minority interest (S\$'000)	55,445	51,876	26,864	24,742
Number of ordinary shares, excluding treasury shares ('000)	190,112	189,381	190,112	189,381
Net asset value per share (cents)	29.16	27.39	14.13	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 achieved revenue of S\$64.6 million in the current quarter, an increase of S\$11.6 million or 21.9% compared to S\$53.0 million for the same period last year. The Group's year-to-date revenue of S\$111.3 million represented a S\$22.6 million or 25.5% increase over 1H 2009. The overall improvement was due to better top-line performance by both the Exhibitions and Museums division and the Interiors division.

The **Exhibitions and Museums division** performed well with higher revenue of S\$29.2 million for 2Q 2010, which was S\$2.2 million or 8.5% above that of 2Q 2009. The division generated higher revenue of S\$56.6 million which was S\$10.2 million or 22.0% above that of 1H 2009.

2Q 2010 saw the completion of our work on seven pavilions at the Expo 2010 Shanghai totalling over S\$24 million for the provision of audio-visual and multimedia services, signages and interior design for exhibitions, as well as facility management. Other contributors to 1H 2010's revenue also included exhibition projects undertaken for events such as Asia Pacific Maritime 2010, Food and Hotel Asia 2010, Singapore Airshow 2010, Tax fee Asia Pacific 2010 and other trade exhibitions, and for Nissan/Infiniti at various auto-shows.

The **Interiors division** posted higher revenue of S\$32.3 million in 2Q 2010, which was S\$8.9 million or 38.1% higher compared to same period last year. In 1H 2010, the division's revenue of S\$49.6 million was S\$12.7 million or 34.5% above that of 1H 2009.

The division continues to sustain good revenue contributions from key customers and brand names. In particular, we have fitted out several boutiques for Tiffany and Burberry in Singapore, Hong Kong and China.

The opening of the second integrated resort at Marina Bay Sands boosted our 2Q 2010 revenue. We have completed 13 shops which contributed about S\$6 million to our revenue as at 1H 2010 and will have another 15 shops to be completed by the end of the year. Some of the shops which we have completed or are currently fitting out include boutiques for luxury brand names such as Bottega Veneta, Burberry, Chanel, Chaumet, Fendi, Polo Ralph Lauren, Swarovski, The Hour Glass, Tiffany & Co and Uemo Collezioni & Stefano Ricci.

Revenue from the **Research and Design division** for 2Q 2010 amounted to S\$1.3 million. To date, the division's revenue of S\$2.3 million was comparable with that of 1H 2009. The **IMC division** achieved a revenue of S\$1.8 million in 2Q 2010 and the year-to-date revenue was S\$2.8 million as compared with S\$3.1 million for 1H 2009.

### **Gross Profit**

In line with higher revenue, gross profit for 2Q 2010 and 1H 2010 increased by S\$2.0 million (13.1%) and S\$4.7 million (18.6%) to S\$17.8 million and S\$30.1 million respectively. The overall gross profit margin for 2Q 2010 and 1H 2010 was 27.6% and 27.0% as compared with 29.7% and 28.6% for 2Q 2009 and 1H 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 2Q 2009, operating expenses increased from S\$11.5 million to S\$12.7 million for 2Q 2010 due to the following:-

- i) increase in staff salaries and related expenses of S\$0.7 million to S\$9.1 million;
- ii) increase in operating lease expenses of S\$0.1 to S\$0.9 million
- iii) write-off of plant and property amounting to S\$0.4 million as a result of the fire at our Malaysia factory premises; and

the above increases is offset by:-

- iv) decrease in net foreign exchange loss of S\$0.4 million to S\$36,000.

For the 1H 2010, operating expenses increased from S\$20.0 million to S\$22.7 million due to the following:-

- i) increase in staff salaries and related expenses of S\$1.7 million to S\$16.4 million;
- ii) increase in operating lease expenses of S\$0.1 million to S\$1.7 million; and
- iii) write-off of plant and property amounting to S\$0.4 million 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**

The share of results of associates has decreased for both 2Q 2010 and 1H 2010 due mainly to share of loss from Kingsmen Middle East LLC. All other associates reported positive earnings with higher profits for Kingsmen Nikko Limited and Ascend Com Pte Ltd while Enterprise Sports Group Pte Ltd & its subsidiaries and Kingsmen (Korea) Ltd reported lower earnings.

**Net Profit after MI**

The Group recorded a higher net profit after MI of S\$4.6 million, 30.2% above that of 2Q 2009 of S\$3.5 million. Likewise, the net profit after MI for 1H 2010 improved from S\$ 5.9 million to S\$6.9 million.

**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\$3.5 million from S\$51.9 million to S\$55.4 million which was contributed by the profits retained in the business after dividend distribution of S\$3.8 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.

**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. (cont'd)**

**Trade Receivables and Trade Payables**

During 1H 2010, 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 13 May 2010, we stated that we expect that the Group would continue to do well in FY2010. Our second 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.**

1H 2010 was a busy first half for the Group. As expected, the new IRs and the Singapore government's drive to make the Republic a world-class cosmopolitan city-state and a globally preferred business events destination has raised the potential of the local MICE industry to new levels. Singapore is now abuzz with activities ranging from international arts festivals and plays, to the current Youth Olympics Games and the Singapore F1 Grand Prix. These events, in addition to a slew of exhibitions taking place in the second half of this year will keep our Singapore operations busy.

We are currently carrying out various additional works for Universal Studios Singapore, and expect to be involved in the development of the second and third phases of the park over the next few years. Regionally, we have also been awarded a contract to work on part of the extension of Hong Kong Disneyland. In the mid-term, various theme parks are earmarked to be opened in the region, including Malaysia's Legoland, Shanghai Disneyland Resort and Universal Studios in Dubai, Seoul and Shanghai. We will continue to focus our efforts and resources in this business area. In India, our associated company was awarded contracts of approximately S\$6 million to construct the media and broadcast facilities for the coming Commonwealth Games 2010.

With the upturn in retail spending in Asia, many retailers are rekindling their expansion plans. With our strong track record and established relationship with clients, we are well positioned to undertake more roll-out management projects for our clients in Asia and beyond. We have received repeat orders from globally renowned retailers to provide fixtures for their shops in Japan, Europe and the US. In China, we have successfully built a strong reputation for quality works, enabling us to become a leading choice for global brand retailers, such as Tiffany and Burberry. We have the opportunity to fit out their new boutiques and flagship stores as they expand and grow in China.

On the local retail front, we continue to work on numerous shops and boutiques at Marina Bay Sands. In addition, the continuing renewal of Orchard Road will see us involved in numerous fit-out projects in Heeren, Knightsbridge, Scape and 313 Somerset.

As at 11 August 2010, we have been awarded contracts of approximately S\$187 million, of which S\$173 million is expected to be recognised in FY2010.

With the strong pipeline of contracts and the visibility and demand for our services, we are confident that we will do well in the next quarter and for FY2010, 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 cent (tax exempt) (1-tier)
Tax Rate	Not applicable

**(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 cent (tax exempt) (1-tier)
Tax Rate	Not applicable

**(c) Date payable**

15<sup>th</sup> September 2010.

**(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 1<sup>st</sup> September 2010 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 31<sup>st</sup> August 2010 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 31<sup>st</sup> August 2010 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 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 second quarter ended 30 June 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

12 August 2010

**BY ORDER OF THE BOARD**

Soh Siak Poh Benedict  
Executive Chairman  
12 August 2010