



KIM ENG HOLDINGS LIMITED (Co. Reg. No. 198900204D)

Second Quarter and Half Year Financial Statements for Period Ended 30 June 2009

1. GROUP INCOME STATEMENT

	<u>Quarter ended 30/6/09</u>	<u>Quarter ended 30/6/08</u>	<u>Increase/ (Decrease)</u>	<u>Period Ended 30/6/09</u>	<u>Period ended 30/6/08</u>	<u>Increase/ (Decrease)</u>
Note	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue						
Commission and trading income	90,033	75,083	19.9	125,073	162,452	(23.0)
Interest income	6,140	11,957	(48.6)	12,517	26,189	(52.2)
Gross dividend income	<u>1,272</u>	<u>1,924</u>	(33.9)	<u>4,525</u>	<u>2,048</u>	120.9
Operating income	97,445	88,964	9.5	142,115	190,689	(25.5)
Other gains-net	1(i) <u>39,328</u>	<u>43,096</u>	(8.7)	<u>44,151</u>	<u>36,618</u>	20.6
Total income	<u>136,773</u>	<u>132,060</u>	3.6	<u>186,266</u>	<u>227,307</u>	(18.1)
Costs & expenses						
Employee compensation	(31,996)	(28,039)	14.1	(51,401)	(56,653)	(9.3)
Depreciation	(2,203)	(2,299)	(4.2)	(4,472)	(4,713)	(5.1)
Other operating expenses	(41,752)	(35,878)	16.4	(65,152)	(73,809)	(11.7)
Allowance for impairment of trade & other debts	(7,735)	(921)	739.8	(7,202)	(1,209)	495.7
Impairment loss on financial assets, available-for-sale	(492)	(1,257)	(60.9)	(1,477)	(3,035)	(51.3)
Finance costs	<u>(1,448)</u>	<u>(2,072)</u>	(30.1)	<u>(2,466)</u>	<u>(4,897)</u>	(49.6)
	<u>(85,626)</u>	<u>(70,466)</u>	21.5	<u>(132,170)</u>	<u>(144,316)</u>	(8.4)
Profit from operations	<u>51,147</u>	<u>61,594</u>	(17.0)	<u>54,096</u>	<u>82,991</u>	(34.8)
Share of profits of associated companies	<u>1,208</u>	<u>423</u>	185.6	<u>1,566</u>	<u>532</u>	194.4
Profit before income tax	<u>52,355</u>	<u>62,017</u>	(15.6)	<u>55,662</u>	<u>83,523</u>	(33.4)
Income tax expense	1(ii) <u>(10,079)</u>	<u>(3,084)</u>	226.8	<u>(9,502)</u>	<u>(8,757)</u>	8.5
Profit after income tax	<u>42,276</u>	<u>58,933</u>	(28.3)	<u>46,160</u>	<u>74,766</u>	(38.3)
Attributable to:						
Equity holders of the Company	37,354	55,385	(32.6)	40,138	67,889	(40.9)
Minority interests	<u>4,922</u>	<u>3,548</u>	38.7	<u>6,022</u>	<u>6,877</u>	(12.4)
	<u>42,276</u>	<u>58,933</u>	(28.3)	<u>46,160</u>	<u>74,766</u>	(38.3)
EARNINGS PER SHARE						
	<u>Quarter ended 30/6/09</u>	<u>Quarter ended 30/6/08</u>	<u>Increase/ (Decrease)</u>	<u>Period ended 30/6/09</u>	<u>Period ended 30/6/08</u>	<u>Increase/ (Decrease)</u>
Earnings per share on profit attributable to equity holders of the Company -			%			%
-Basic	6.47 cents	9.49 cents	(31.8)	6.96 cents	11.64 cents	(40.2)
-Diluted	6.47 cents	9.48 cents	(31.8)	6.95 cents	11.61 cents	(40.1)

NOTES TO THE GROUP INCOME STATEMENT

1(i) Other gains included the following items:

	<u>Quarter ended 30/6/09</u>	<u>Quarter Ended 30/6/08</u>	<u>Period Ended 30/6/09</u>	<u>Period Ended 30/6/08</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Realised gains on disposal of available-for-sale financial assets	13,443	739	13,443	9,188
Net fair value gain/(loss) on financial assets/liabilities held for trading	25,365	(1,862)	27,877	(11,006)
Net gain/(loss) on disposal of property, plant and equipment	1	9	(28)	71
(Loss)/gain on partial disposal of interest in subsidiaries	(205)	(11)	(209)	4
Loss on disposal of interest in subsidiary	-	-	-	(290)
Gain on disposal of an associated company	-	46,125	-	46,125
Foreign currency exchange gain/(loss) - net	546	(2,339)	2,502	(8,230)
Sundry income	178	435	566	756
	<u>39,328</u>	<u>43,096</u>	<u>44,151</u>	<u>36,618</u>

1(ii) Income tax expense included over/(under) provision of taxation in respect of prior years:

	<u>Quarter ended 30/6/09</u>	<u>Quarter Ended 30/6/08</u>	<u>Period Ended 30/6/09</u>	<u>Period Ended 30/6/08</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Income tax expense	58	51	(214)	98
Deferred income tax expense	-	-	2,568	-

2. STATEMENTS OF COMPREHENSIVE INCOME

	<u>Quarter Ended 30/6/09</u>	<u>Quarter Ended 30/6/08</u>	<u>Group Period Ended 30/6/09</u>	<u>Group Period Ended 30/6/08</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Profit after income tax	42,276	58,933	46,160	74,766
Other comprehensive income:				
Exchange differences on translating foreign operations	(7,841)	(15,819)	9,876	(19,585)
Fair value gain/(loss) on financial assets, available-for-sale	1,859	340	(25)	(16,304)
Share of other comprehensive income of associates	470	(543)	469	(1,120)
Employee share option scheme:				
-Value of employee services	-	522	633	2,003
	<u>(5,512)</u>	<u>(15,500)</u>	<u>10,953</u>	<u>(35,006)</u>
Total comprehensive income	<u>36,764</u>	<u>43,433</u>	<u>57,113</u>	<u>39,760</u>
Total comprehensive income attributable to:				
-Equity holders of the Company	32,123	45,255	47,851	36,081
-Minority Interest	4,641	(1,822)	9,262	3,679
	<u>36,764</u>	<u>43,433</u>	<u>57,113</u>	<u>39,760</u>

3. BALANCE SHEETS as at

	<u>Group</u>		<u>Company</u>	
	<u>30/6/09</u> S\$'000	<u>31/12/08</u> S\$'000	<u>30/6/09</u> S\$'000	<u>31/12/08</u> S\$'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	330,161	475,545	510	25,185
Outstanding contracts receivable	574,951	243,618	-	-
Trade receivables	510,362	246,604	-	-
Financial assets, at fair value through profit or loss	120,082	67,333	-	-
Financial assets, available-for-sale	3,255	2,620	-	-
Derivative financial instruments	112	-	-	-
Amounts due from subsidiaries-non trade	-	-	80,919	117,373
Amounts due from associated companies-non trade	523	90	-	-
Other current assets	95,438	53,886	4	16
Development properties for sale	60,045	55,226	-	-
	1,694,929	1,144,922	81,433	142,574
<u>Non-current assets</u>				
Amounts due from subsidiaries-non trade	-	-	262,651	237,274
Other receivables	13,771	12,720	-	-
Membership in exchanges	203	196	-	-
Financial assets, available-for-sale	73,597	86,188	1,496	1,070
Financial assets, held-to-maturity	8,570	8,302	-	-
Investment in subsidiaries	-	-	180,633	180,974
Investment in associated companies	40,713	38,877	35,748	35,282
Property, plant and equipment	112,994	116,049	-	-
Goodwill	7,599	7,636	-	-
Deferred income tax assets	5,339	1,447	-	-
	262,786	271,415	480,528	454,600
Total assets	1,957,715	1,416,337	561,961	597,174
LIABILITIES				
<u>Current liabilities</u>				
Outstanding contracts payable	536,216	214,701	-	-
Trade payables	32,237	6,321	-	-
Financial liabilities, at fair value through profit or loss	1,407	-	-	-
Derivative financial instruments	68	4	-	-
Amount due to subsidiary-non trade	-	-	65,338	64,686
Amounts due to associated company-non trade	2,042	346	-	-
Other payables	72,640	62,848	640	572
Borrowings	225,850	63,629	-	-
Current income tax liabilities	18,452	13,837	433	502
	888,912	361,686	66,411	65,760
<u>Non-current liabilities</u>				
Amount due to subsidiaries-non trade	-	-	42,000	42,000
Borrowings	87,728	85,909	-	-
Deferred income tax liabilities	1,600	904	-	-
	89,328	86,813	42,000	42,000
Total liabilities	978,240	448,499	108,411	107,760
Clients' trust				
Bank balances	475,343	313,902	-	-
Less: Amounts held in trust	(475,343)	(313,902)	-	-
	-	-	-	-
Net assets	979,475	967,838	453,550	489,414

EQUITY	Group		Company	
	30/6/09	31/12/08	30/6/09	31/12/08
	S\$'000	S\$'000	S\$'000	S\$'000
Capital and reserves attributable to equity holders of the Company				
Share capital	244,451	244,451	244,451	244,451
Treasury shares	(33,337)	(33,337)	(33,337)	(33,337)
Other reserves	77,008	68,753	50,291	49,866
Retained earnings	596,243	602,815	192,145	228,434
	884,365	882,682	453,550	489,414
Minority interests	95,110	85,156	-	-
Total equity	979,475	967,838	453,550	489,414

ADDITIONAL INFORMATION

3(i) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30/6/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
1,894,620	223,955,350	1,442,928	62,185,825

Amount repayable after one year

As at 30/6/09		As at 31/12/08	
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
64,371,351	23,356,250	62,796,822	23,112,500

Current bank borrowings of \$1,894,620 (2008: \$1,442,928) are secured by assigned receivables.

Non-current bank borrowings of \$64,371,351 (2008: \$62,796,822) are secured over development properties for sale and assigned receivables.

3(ii) Net asset value

	Group		Company	
	At 30/6/09	At 31/12/08	At 30/6/09	At 31/12/08
Net asset value per ordinary share	153.24 cents	152.95 cents	78.59 cents	84.81 cents

Based on share capital of 577,093,954 (2008: 577,093,954) ordinary shares as at end of the financial period (excluding treasury shares).

4. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	<u>Quarter Ended 30/6/09</u> S\$'000	<u>Quarter Ended 30/6/08</u> S\$'000	<u>Period Ended 30/6/09</u> S\$'000	<u>Period Ended 30/6/08</u> S\$'000
Cash flows from operating activities					
Profit after income tax		42,276	58,933	46,160	74,766
Adjustments for					
Income tax expense		10,079	3,084	9,502	8,757
Employee share option expense		-	522	633	2,003
Depreciation		2,203	2,299	4,472	4,713
Share of profits of associated companies		(1,208)	(423)	(1,566)	(532)
Net (gain)/loss on disposal of property, plant and equipment		(1)	(9)	28	(71)
Fixed assets written off		-	-	-	34
Loss on disposal of interest in subsidiary		-	-	-	290
Loss/(gain) on partial disposal of interest in subsidiaries		205	11	209	(4)
Gain on disposal of an associated company		-	(46,125)	-	(46,125)
Net gain on sale of financial assets, available-for-sale		(13,443)	(739)	(13,443)	(9,188)
Impairment loss on financial assets, available-for-sale		492	1,257	1,477	3,035
Dividend income		(1,272)	(1,924)	(4,525)	(2,048)
Interest income		(6,140)	(11,957)	(12,517)	(26,189)
Finance costs		1,448	2,072	2,466	4,897
Currency exchange differences		1,223	3,505	237	2,378
		<u>35,862</u>	<u>10,506</u>	<u>33,133</u>	<u>16,716</u>
Change in working capital, net of effects from disposal of subsidiaries:					
Financial assets, at fair value through profit or loss		(65,836)	2,398	(52,735)	1,244
Trade and other receivables		(314,174)	259,083	(632,117)	253,335
Due from associated companies		(440)	4,842	(433)	4,439
Development properties for sale		(3,406)	(890)	(4,819)	(1,568)
Trade and other payables		<u>65,763</u>	<u>(265,347)</u>	<u>356,902</u>	<u>(130,558)</u>
Cash (used in)/generated from operations		(282,231)	10,592	(300,069)	143,608
Interest received		6,018	11,434	12,213	25,771
Dividend received		1,272	1,389	1,681	1,512
Income tax paid		(4,170)	(15,273)	(8,167)	(24,506)
Net cash (used in)/provided by operating activities		<u>(279,111)</u>	<u>8,142</u>	<u>(294,342)</u>	<u>146,385</u>
Cash flows from investing activities					
Purchase of property, plant and equipment		(475)	(2,062)	(1,061)	(4,359)
Proceeds from disposal of property, plant and equipment		2	138	5	291
Proceeds from disposal of financial assets, available-for-sale		54,251	945	54,251	27,381
Purchase of financial assets, available-for-sale		(28,934)	(5,714)	(30,096)	(7,831)
Proceeds from disposal of subsidiaries, net of cash disposed of	4(ii)	-	(701)	-	(696)
Proceeds from partial disposal of interest in subsidiaries		6,245	12	6,624	1,346
Proceeds from disposal of an associated company		-	60,929	-	60,929
Dividends received from financial asset, available-for-sale		-	536	2,844	536
Net cash provided by investing activities		<u>31,089</u>	<u>54,083</u>	<u>32,567</u>	<u>77,597</u>
Cash flows from financing activities					
Dividends paid to equity holders of the Company		(46,168)	(46,673)	(46,168)	(46,673)
Dividends paid to minority interests		(318)	(224)	(5,634)	(7,393)
Shares repurchased by a subsidiary		-	-	(416)	-
Proceeds from/(repayment of) bank loans		161,481	(20,071)	164,039	8,347
Redemption of multi-currency medium term notes		-	(50,000)	-	(100,000)
Interest paid		(1,410)	(2,916)	(2,466)	(6,190)
Investment by minority interests		-	-	-	5
Net cash provided by/(used in) financing activities		<u>113,585</u>	<u>(119,884)</u>	<u>109,355</u>	<u>(151,904)</u>
Net (decrease)/increase in cash and cash equivalents		(134,437)	(57,659)	(152,420)	72,078
Cash and cash equivalents at beginning of financial period		465,790	458,866	475,545	327,724
Effects of currency translation on cash and cash equivalents		(1,476)	(9,414)	6,752	(8,009)
Cash and cash equivalents at end of financial period	4(i)	<u>329,877</u>	<u>391,793</u>	<u>329,877</u>	<u>391,793</u>

4(i) For the purpose of presenting the consolidated statement of cash flows, the consolidated cash and cash equivalents as at 30 June 2009 exclude bank deposits pledged of \$284,000. Cash and equivalents at 30 June 2008 included bank overdraft of \$10,322,000.

4(ii) Summary of effect of disposal of subsidiaries

	<u>Quarter ended 30/6/09</u>	<u>Quarter Ended 30/6/08</u>	<u>Period Ended 30/6/09</u>	<u>Period Ended 30/6/08</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Cash & cash equivalents	-	1,752	-	2,870
Less: Minority interest		(701)		(701)
Identifiable net assets disposed	-	1,051	-	2,169
Loss on disposal of subsidiary	-	-	-	(290)
Transfer from shareholders' equity-currency translation differences	-	-	-	295
	-	-	-	5
Cash proceeds from disposal	-	1,051	-	2,174
Less: Cash & cash equivalent of subsidiaries disposed	-	(1,752)	-	(2,870)
Net cash in flow on disposal	-	(701)	-	(696)

5. STATEMENT OF CHANGES IN EQUITY

GROUP	<-----Attributable to equity holders----->								
	<u>Share capital</u>	<u>Treasury shares</u>	<u>Fair Value reserve</u>	<u>Foreign Currency Translation reserve</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>	<u>Minority interest</u>	<u>Total Equity</u>
2009	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	244,451	(33,337)	(937)	(24,825)	94,515	602,815	882,682	85,156	967,838
Dividend paid	-	-	-	-	-	-	-	(5,315)	(5,315)
Shares repurchased by subsidiary	-	-	-	-	-	-	-	(416)	(416)
Partial disposal of investment in subsidiary	-	-	-	-	-	-	-	384	384
Total comprehensive income	-	-	(1,885)	14,473	357	2,783	15,728	4,621	20,349
Transfer between reserves	-	-	-	-	281	(281)	-	-	-
Balance at 31 March 2009	244,451	(33,337)	(2,822)	(10,352)	95,153	605,317	898,410	84,430	982,840
Dividend paid	-	-	-	-	-	(46,168)	(46,168)	(318)	(46,486)
Partial disposal of investment in subsidiaries	-	-	-	-	-	-	-	6,357	6,357
Total comprehensive income	-	-	2,329	(7,560)	-	37,354	32,123	4,641	36,764
Transfer between reserves	-	-	-	-	260	(260)	-	-	-
Balance at 30 June 2009	244,451	(33,337)	(493)	(17,912)	95,413	596,243	884,365	95,110	979,475

GROUP	-----Attributable to equity holders-----							Minority interest	Total Equity
	Share capital	Treasury shares	Fair Value reserve	Foreign Currency Translation reserve	Other reserves	Retained earnings	Total		
2008	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2008	244,451	(24,624)	30,982	(10,319)	91,810	579,133	911,433	85,163	996,596
Dividend paid	-	-	-	-	-	-	-	(7,169)	(7,169)
Investment by minority interests	-	-	-	-	-	-	-	5	5
Partial disposal of investment in subsidiary	-	-	-	-	-	-	-	1,320	1,320
Total comprehensive income	-	-	(17,221)	(5,298)	841	12,504	(9,174)	5,501	(3,673)
Transfer between reserves	-	-	-	-	180	(180)	-	-	-
Balance at 31 March 2008	244,451	(24,624)	13,761	(15,617)	92,831	591,457	902,259	84,820	987,079
Dividend paid	-	-	-	-	-	(46,673)	(46,673)	(224)	(46,897)
Disposal of investment in subsidiary	-	-	-	-	-	-	-	(701)	(701)
Partial disposal of investment in subsidiary	-	-	-	-	-	-	-	22	22
Total comprehensive income	-	-	320	(10,222)	(228)	55,385	45,255	(1,822)	43,433
Transfer between reserves	-	-	-	-	887	(887)	-	-	-
Balance at 30 June 2008	244,451	(24,624)	14,081	(25,839)	93,490	599,282	900,841	82,095	982,936

COMPANY	Share capital	Treasury shares	Fair Value reserve	Other reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2009						
Balance at 1 January 2009	244,451	(33,337)	(388)	50,254	228,434	489,414
Total comprehensive income	-	-	(55)	-	9,495	9,440
Balance at 31 March 2009	244,451	(33,337)	(443)	50,254	237,929	498,854
Dividend paid	-	-	-	-	(46,168)	(46,168)
Total comprehensive income	-	-	480	-	384	864
Balance at 30 June 2009	244,451	(33,337)	37	50,254	192,145	453,550

COMPANY	Share capital	Treasury shares	Fair Value reserve	Other reserves	Retained earnings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2008						
Balance at 1 January 2008	244,451	(24,624)	1,202	50,254	257,108	528,391
Total comprehensive income	-	-	(559)	-	5,188	4,629
Balance at 31 March 2008	244,451	(24,624)	643	50,254	262,296	533,020
Dividend paid	-	-	-	-	(46,673)	(46,673)
Total comprehensive income	-	-	(430)	-	(1,897)	(2,327)
Balance at 30 June 2008	244,451	(24,624)	213	50,254	213,726	484,020

Share Capital of Kim Eng Holdings Limited

	As at 30 June 2009		As at 31 December 2008	
	No. of shares	S\$	No. of shares	S\$
Issued and fully paid	600,082,954	244,451,177	600,082,954	244,451,177
Treasury shares	(22,989,000)	(33,336,953)	(22,989,000)	(33,336,953)
	<u>577,093,954</u>	<u>211,114,224</u>	<u>577,093,954</u>	<u>211,114,224</u>

There are no sales, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

6. AUDIT

- (i) Whether the figures have been audited or reviewed by, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the external auditors.

- (ii) Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

7. ACCOUNTING POLICIES

Except as disclosed in paragraph 8 below, the Group and the Company have applied the same accounting policies in the financial statements for the current reporting period compared to the audited financial statements as at 31 December 2008.

8. CHANGES IN ACCOUNTING POLICIES

The Group and the Company adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009.

The following are the new/revised FRS that are relevant to the Group and the Company:

FRS 1(Revised)	-	Presentation of Financial Statements
Amendments to FRS 23	-	Borrowing Costs
FRS 102	-	Share-Based Payment (Amendments relating to Vesting Conditions and Cancellations)
FRS 108	-	Operating Segments

The adoption of the above FRS did not result in any substantial change to the Group's and the Company's accounting policies nor any significant impact on the financial statements.

9. REVIEW OF GROUP PERFORMANCE

Operating Profit & Expenses

2Q09 vs. 2Q08

With recoveries in most markets which the Group operates in, operating income rose 9.5% to \$97.4 million in 2Q09. Other gains were, however, lower as the corresponding quarter included a gain of \$46.1 million from disposal of an associated company, Vision Investment Management Limited. The Group, however, recorded higher gains from disposal of available-for-sale financial assets and marked-to-market on financial assets in 2Q09.

Accordingly, total expenses for 2Q09 increased by \$15.2 million due to higher:

- commission expenses (which is part of other operating expenses);
- employee compensation costs; and
- allowance for impairment of trade & other debts.

Overall, the Group made a profit after taxation of \$42.3 million in 2Q09.

1H09 vs. 1H08

Group operating income dropped 25.5% to \$142.1 million due to lower trading volumes across the region. Other gains were, however, higher due to marked-to-market gains on financial assets and an exchange gain in 1H09 compared with a loss in 1H08.

Commission expenses, employee compensation and finance costs were lower in line with the decrease in operating income.

As a result, the Group made a lower profit after income tax of \$46.2 million in 1H09 compared to \$74.8 million for the corresponding period.

Balance Sheet

Net assets of the Group as at 30 June 2009 was higher at \$979.5 million compared to \$967.8 million as at 31 December 2008.

Trade receivables, outstanding contracts receivable, outstanding contracts payable and trade payables were higher as a result of higher trading activities at end June 2009. Other current assets were also higher due to higher collateral deposits placed with lender of securities and financial institutions.

Borrowings were higher at the end of June 2009 due to an increase in working capital needs to support higher trading volumes as well as the increase in financing of IPO transactions in Hong Kong.

Cash flow

The Group recorded net cash out flows of \$134.4 million in 2Q09 and \$152.4 million in 1H09 due mainly to cash used in supporting the higher operating activities.

10. VARIANCE FROM PROSPECT STATEMENT

Not applicable.

11. PROSPECTS

Financial markets in the region have staged a remarkable run up that began around the start of the second quarter of 2009. Company earnings, while remaining weak, have shown signs of improvement from previous periods. Such signs of improvement, however, are far from conclusive. It therefore remains doubtful as to whether the rapid improvement in market sentiment is underpinned by economic fundamentals or is the result of various government initiatives to inject liquidity into markets in response to the financial crisis. The Group's outlook for the rest of the year will depend to a large extent on whether the real economy shows sustainable improvement and is not subject to further after-shocks from the financial crisis, the possibility of which, at this time, cannot be underestimated. Such after-shocks, if they occur, will likely have an impact on positive market sentiment and will affect the Group's future earnings.

12. 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.

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

No dividend has been declared or recommended for the quarter ended 30 June 2009.

14. Confirmation pursuant to Rule 705(4) of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and half year ended 30 June 2009 to be false or misleading.

On behalf of the Board of Directors

Ronald Ooi
Chairman and Chief Executive Officer

Ong Seng Gee
Director

BY ORDER OF THE BOARD

Tan Cheh Imm Teresa
Assistant Secretary

6 August 2009