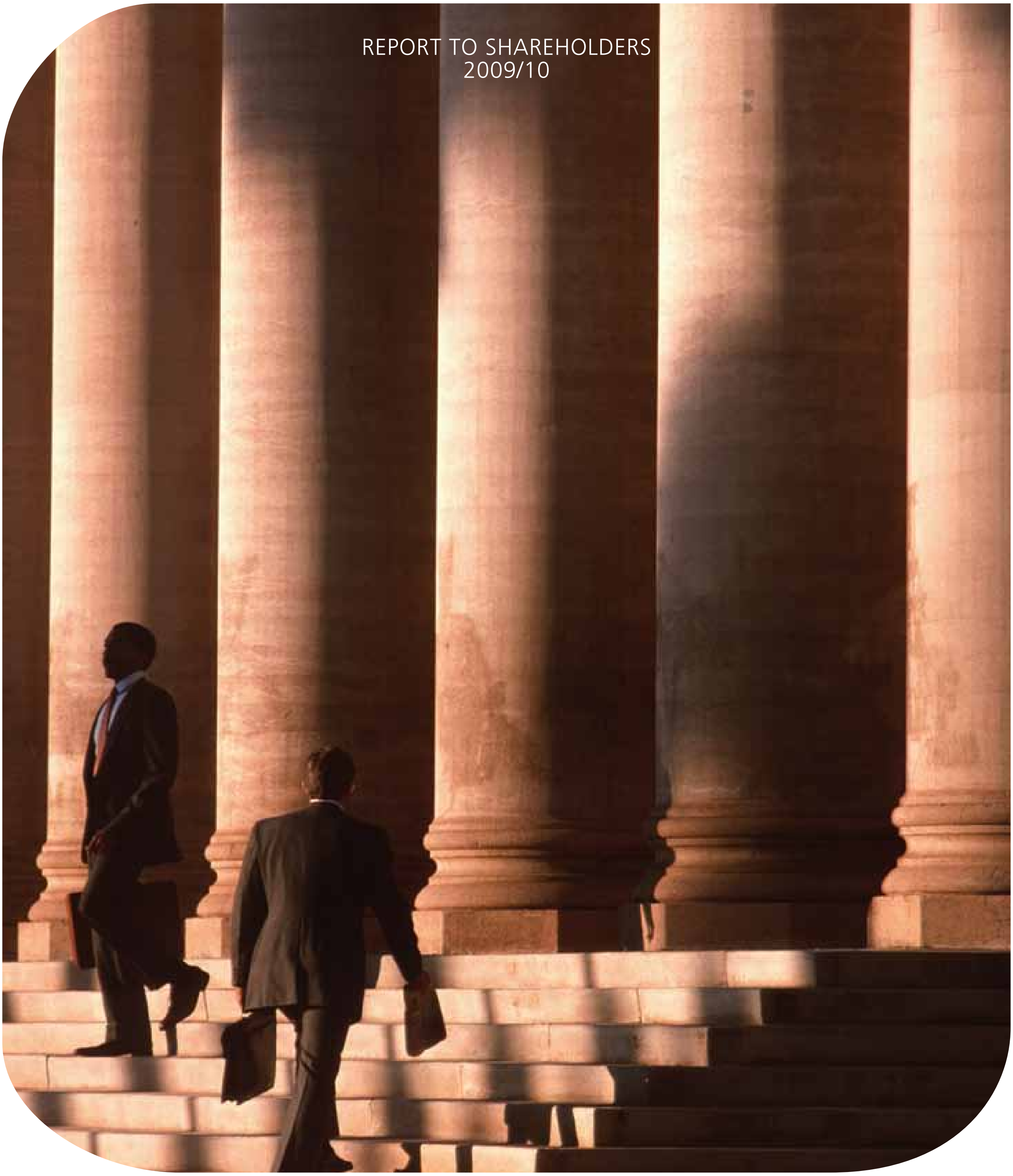


LAYING SOLID FOUNDATIONS

POLLUX
PROPERTIES

CONTENTS

This document has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Sponsor has not independently verified the contents of this document including the correctness of any of the figures used, statements or opinions made.

This document has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this document including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Foo Quee Yin • Telephone number: 6221 0271

To be a premier multi-national corporation creating iconic luxury property development in the region.

We are committed to create an innovative landmark development of perennial value to the community and achieve sustainable higher returns to our shareholders.

CORPORATE PROFILE

Creating value through innovations

This year marks the transformation of the Group to focus on luxury property development. The whole Group has undergone extensive reviews to prepare itself to take advantage on the new opportunities that are aligned with the new direction.

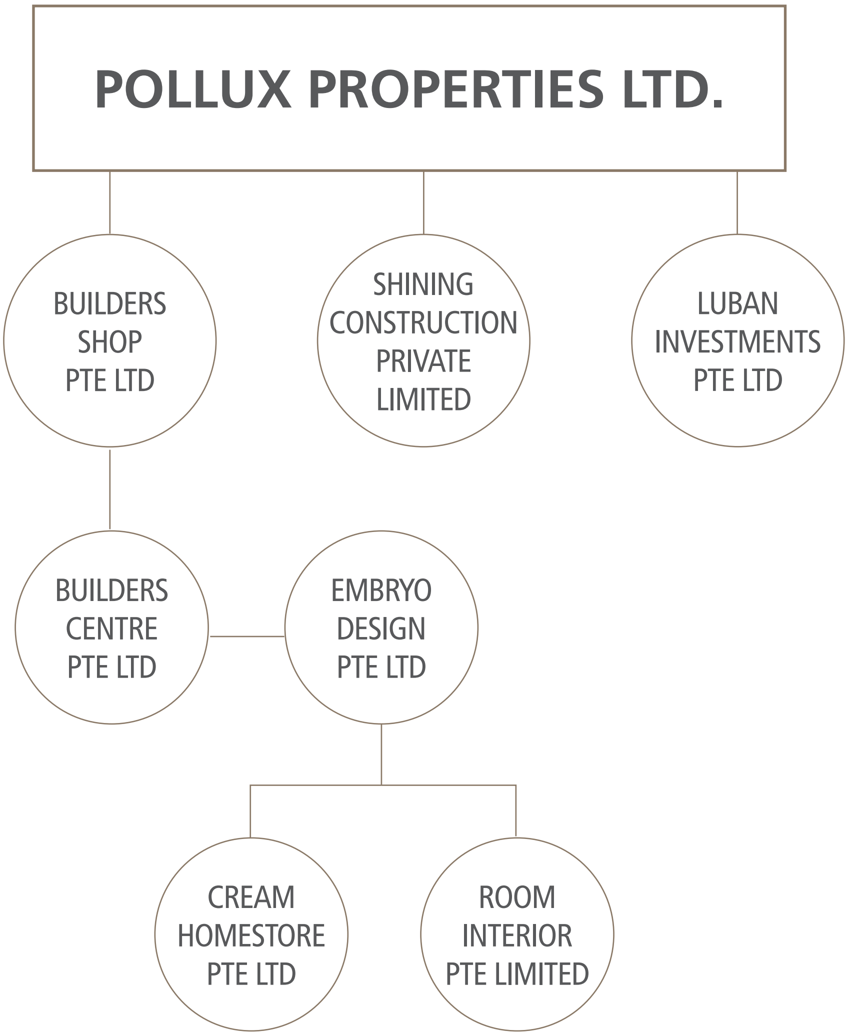
The Pollux logo accurately reflects and reinforces the Group's brand position for future luxury developments.

Shining Corporation Ltd has undergone a change of name to Pollux Properties Ltd. This underscores our future involvement in upmarket projects in which shall deliver better margins and profits, enabling us to provide higher returns for our shareholders.

This inspirational new name originates from the constellation of Gemini, in which Pollux is the brighter of the twins stars of Castor and Pollux. These stars are visualised in our new double-star symbol representing what are often called the "heavenly twins".

The Pollux logo accurately reflects and reinforces the Group's brand position for luxury developments, made up of the word mark and the nine-point star symbol. Deep sky blue and warm grey combine to create a sense of balance and luxury.

Pollux Properties Ltd. is the holding company of a group of companies that is principally engaged in the businesses of supply of building materials, home furnishing products, construction and investment holding. The Group has established an enviable track record of profitable accomplishment built up over a period of more than 30 years and will remain a force to be reckoned with under its new name.



Risk Management and Restructuring

The year was exceptionally challenging as we transform ourselves to position and take advantage of the upswing of property market.

Dear Shareholders,

On behalf of the Board, I present the Pollux Properties Group report for the period ended 31 March 2010.

Strong Financial Position After a Difficult Year

Pollux Properties weathered one of the worst recessions in history and the Group ended the year, remaining financially strong. This financial period covers 15 months from 1 January 2009 to 31 March 2010 (FY2009/10). The loss suffered during the financial period was largely due to the delay in the execution of major projects from Building Materials and Home Furnishing Division, where revenue would be realized in the next financial year. As at 31 March 2010, the Group had cash and cash equivalent of S$20.5 million (including S$1.3 million pledged for banking facilities) and improved gearing ratio (borrowing to equity) to 5% as compared to 7% at last financial year (FY2008).

S$20.5Million

Cash at end of FY2009/10

"In response to the recent economic downturn, the Group reviewed its operating costs of all divisions and cut off non-performing business unit to stay competitive and ready itself for attractive opportunities that come along." *Mr. Po Sun Kok, Non-Executive Chairman*

With the positive economic outlook in the year ahead, we are ready to take advantage and ride on the recovery wave and to actively seek opportunistic property investments and development deals.

Operational Restructuring

In response to the recent economic downturn, the Group reviewed its operating costs of all divisions and cut off non performing business unit to stay competitive and ready itself for attractive opportunities that come along.

Operationally, we implemented an integrated computer system, re-engineered our work processes, changed our financial year end to 31 March and enhanced our system of internal controls and operations, all of which is expected to significantly improve our administrative and operational efficiencies.

This year was filled with operational transformations to improve efficiency and productivity. Moving ahead, we are more effective in our operation, more sensitive to accommodate customers' demand and more innovative in our products offering. We have also adopted a new name for our holding company, Pollux Properties Ltd. It symbolises our strategy and commitment to develop luxury property development in the region.

Building Materials Division

Our Building Materials Division has established a Product Development Committee comprises of key managers from various departments to secure more brand exclusivity and variety of product ranges. We have also doubled the showroom size to display and promote our exclusive products.

Home Furnishing Division

The Home Furnishings Division has started to gain recognition among designers for its high-end exclusive products. Boffi Studio showroom that opened at 4th Quarter 2009 has caught the attention of many renowned architectural firms. This division has also secured some of the very luxurious residential developments here in Singapore. We also have undergone a tremendous cost cutting exercise in this division operationally.

5 %

Gearing ratio as of FY2009/10

"With the positive economic outlook in the year ahead, we are ready to take advantage and ride on the recovery wave and to actively seek opportunistic property investments and development deals."

Mr. Po Sun Kok, Non-Executive Chairman

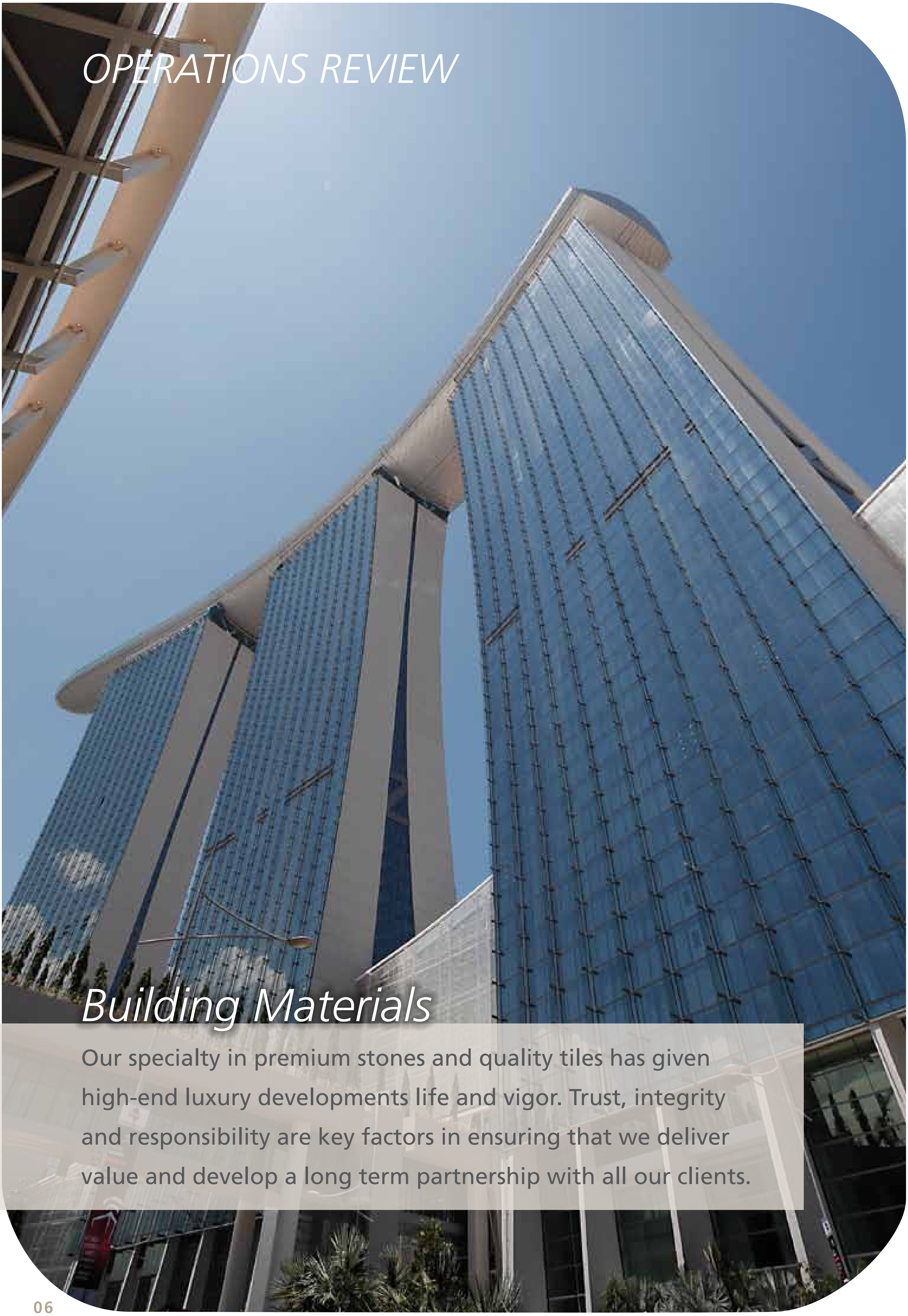
Construction Division

Our Construction Division has been stable. We have been very careful in accepting new projects. This division contributed S$0.5 million profit compared with a marginal loss last year.

Acknowledgements

I would like to thank management and staff for their passion and hard work in helping Pollux Properties ride through the restructuring and emerge stronger to take on the opportunities and challenges of the new year. My appreciation goes out to our dedicated managers for their loyalty and valuable contributions as well. To all our customers and stakeholders, thank you for your continuous support and interest in Pollux Properties. We endeavour to ensure that your confidence in the Company is well-placed.

Mr. Po Sun Kok
Non-Executive Chairman



Building Materials

Our specialty in premium stones and quality tiles has given high-end luxury developments life and vigor. Trust, integrity and responsibility are key factors in ensuring that we deliver value and develop a long term partnership with all our clients.

BUILDING MATERIALS DIVISION

The Building Materials Division specialises in the sale of stone and tile through retail showrooms and project tenders. The Division enjoys a reputation as a pioneer in the industry, specialising in fine building materials – including marble, granite, engineered stone and homogenous ceramic and porcelain tiles – from Europe and China. This Division also holds exclusive distribution rights to some well-known European brands, which further strengthens its competitive edge in the industry.

Luxury Development Projects

- Marina Bay Sands Integrated Resort
- The Promont at Cairnhil Circle
- The Marq at Paterson Hill
- The Cliff at McCallum Street
- St Regis at Tomlinson, Cuscaden Road
- The Central at Clarke Quay
- The Fullerton
- Universal Studios

"The Building Materials Division strategy is to deliver an iconic and timeless living experience to luxury developments and indeed it has contributed to a number of prestigious projects in recent years."

Mr. Nico Po, CEO

This Division was a major contributor to the Group's performance for FY2009/10. Total revenue achieved was S$13.5 million (FY2008: S$14.2 million), which represents 74% (FY2008: 64%) of the Group's revenue.

The lower revenue reported in FY2009/10 was attributable to a decline in retail sales of S$2.3 million, due primarily to uncertain economic conditions at the start of the current period resulting in cautious consumer spending, especially on capital expenditure such as renovation or reconstruction of residential properties. Retail sales were further affected by the disruption caused by the showroom's renovation and sales staff turnover during the current period.

Fortunately, the impact of such a significant decrease was softened somewhat by an increase in sales from project Division of S$1.6 million, mainly due to the acceleration of work undertaken for several projects towards the end of the period under review.

This Division suffered a loss of S$2.1 million due to major projects that are delayed and revenue that are not able to be realized this year. The outlook for this Division is very promising for the year ahead. Major projects shall be completed in the next coming months and more project revenue will be realised. New ranges of products are scheduled to arrive in time to fill up our newly renovated showrooms.

The Building Materials Division strategy is to deliver an iconic and timeless living experience to luxury developments and indeed it has contributed to a number of prestigious projects in Singapore.

Home Furnishing

The Division is now focusing on ultra luxury kitchen cabinets that serve high net worth clients and ultra luxurious premium developer for Singapore's most expensive residences.

HOME FURNISHING DIVISION

Projects Secured

- Nassim park residences
- 8 Napier

"The Home Furnishing Division is repositioned to become the ULTRA LUXURY home furnishing provider." *Mr. Nico Po, CEO*

Rigorous cost cutting exercise has been implemented especially on non-performing business unit. We wind up the subsidiary dealing in furniture manufacturing in Shenzhen, People's Republic of China. We have closed non-performing retail unit selling European products.

The Home Furnishing Division has been repositioned to become the ultra luxury home furnishing provider. We have opened an exclusive outlet for the prestigious Italian luxury kitchen brand, Boffi, which is renowned for integrating distinctive style and beautiful craftsmanship with the latest kitchen technologies. The studio facilitates the marketing and promotion of these fine products in an appropriate setting.

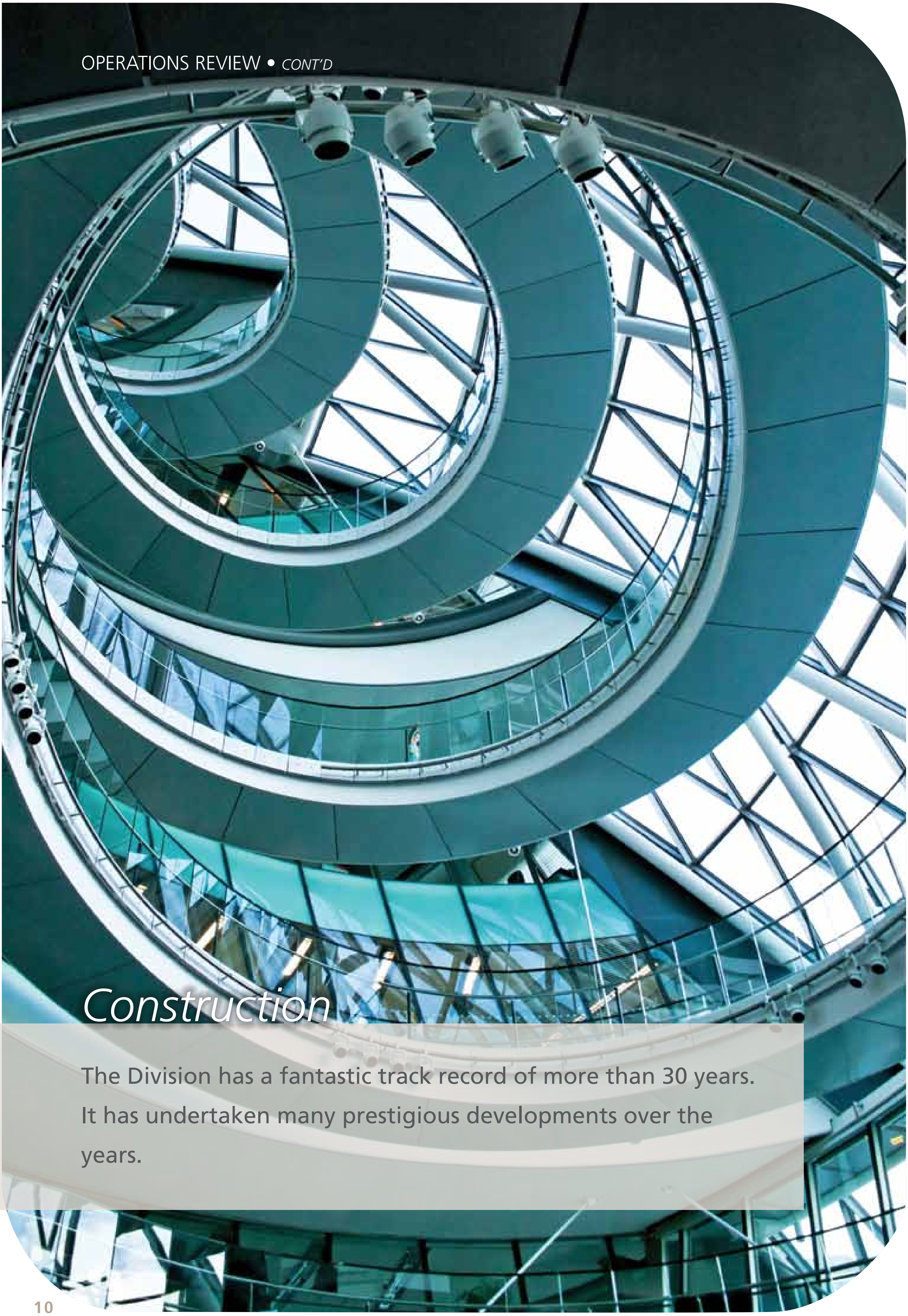
Our emphasis for the Boffi brand is on retail as well as high end luxurious developments projects, and we have secured favorable contracts to work with two of the most prestigious luxurious developments in Singapore:

- Nassim Park Residences
- 8 Napier

The Division's revenue declined from S$3.6 million to S$2.1 million, largely due to exclusion of the subsidiary under liquidation in FY2009/10 which previously contributed S$1.3 million in the Group's revenue. The balance S$0.2 million decrease in the Division's revenue was largely due to non-performance of the retail unit.

The Division suffered a loss of $0.4 million due to the downtime in setting up new Boffi exclusive showroom and Boffi training programs to equip the team with the right knowledge.

Moving forward the Home Furnishing Division is expected to thrive and looks set to deliver promising results in the year ahead.



Construction

The Division has a fantastic track record of more than 30 years. It has undertaken many prestigious developments over the years.

CONSTRUCTION DIVISION

S$0.5 Million
Profit for Construction Division for FY2009/10

"The Construction Division has undergone successful and extensive risk management exercise, undertaking viable and profitable projects." *Mr. Nico Po, CEO*

The Construction Division activities are undertaken by one of the subsidiaries, Shining Construction Private Limited, which was incorporated in 1976 and is registered with the Building & Construction Authority (BCA) under the General category. This company has a fantastic track record of more than 30 years and currently focuses on retrofitting and 'additions and alteration' construction works.

The Construction Division has undergone successful and extensive risk management exercise, undertaking viable and profitable projects. The Division registered lower revenue of S$2.6 million (FY2008: S$4.4 million) and a profit of S$0.5 million as compared to marginal loss in previous fiscal year.

CORPORATE INFORMATION

DIRECTORS
Po Sun Kok
Nico Purnomo Po
Tan Kay Kiang
Lee Eng Kian
Gurdaib Singh s/o Pala Singh
Tan Nan Choon *(alternate director to Tan Kay Kiang)*

COMPANY SECRETARIES
Ho Wui Mee Marian
Chew Bee Leng

REGISTERED OFFICE
11 Changi South Street 3
#04-01 Builders Centre
Singapore 486122
Tel: 65 6603 0000
Fax: 65 6545 5665

BANKERS
United Overseas Bank Limited
Bank of China Limited
Standard Chartered Bank
Overseas Chinese Banking Corporation Limited

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
M & C Services Private Limited
138 Robinson Road
#17-00 The Corporate Office
Singapore 068906

AUDITORS
Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner-in-charge: Yen Heng Fook
Date of appointment: Since financial year ended 31 December 2005

Pollux Properties Ltd. (the "Company") is committed to maintaining a high standard of corporate governance so as to ensure greater transparency and protection of shareholders' interests. The Company supports the principles and spirit of the Code of Corporate Governance 2005 (the "Code"), whilst also recognising that it needs to develop and maintain its own corporate governance processes to meet its specific business needs.

This report outlines the Company's corporate governance processes and structures that were in place throughout the financial period, with specific reference made to each of the principles of the Code.

BOARD MATTERS

Board's Conduct of its Affairs
Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

Role of the Board
The primary role of the Board of Directors (the "Board") is to protect and enhance long-term value and returns for the shareholders. It sets Company's standards and values, approves the Group's strategic plans, key business initiatives, major investments and funding decisions and ensures the business affairs of the Company and its subsidiaries (the "Group") are effectively managed and conducted by the executive management. The Board has adopted internal guidelines for cheque signatories and operating expenditures to optimise operational efficiency. Additionally, the Board has direct responsibility for decision making in respect of the following corporate events and actions:

- approval of results announcements;
- approval of the annual report and accounts;
- convening of shareholders' meetings; and
- major acquisitions and disposal of assets.

To facilitate effective management, certain functions of the Board have been delegated to various Board committees ("Board Committees"). The Board is assisted by an Audit Committee ("AC") and a Remuneration and Nominating Committee ("RNC"), each of which functions within clearly defined terms of reference and operating procedures which are reviewed on a regular basis.

Board Meetings and Meetings of Board Committees
The Board meets on a half-yearly basis to review the financial performance and approve the release of half year and full year results. Additional meeting of the Board may be held when circumstances require. The Articles of Association of the Company (the "Articles") allow Board meetings to be held via teleconference or videoconference. The Directors normally set dates of the Board meetings well in advance.

Each Director's attendance at meetings of the Board and Board Committees held in last financial period is as follows:

Name of Directors	Board		Audit Committee		Remuneration and Nominating Committee	
	No. of Meetings	Attendance	No. of Meetings	Attendance	No. of Meetings	Attendance
Po Sun Kok	3	1	4	1	1	–
Nico Purnomo Po	3	3	–	–	–	–
Tan Kay Kiang	3	3	–	–	–	–
Lee Eng Kian	3	3	4	4	1	1
Gurdaib Singh s/o Pala Singh	3	3	4	4	1	1

Training
A majority of the members of the Board have been Directors of the Company for several years and are familiar with its business operations and practices. The Company also provides ongoing education on Board processes, governance practices and updates on changes to laws and regulations. Directors are also encouraged to keep themselves abreast of latest developments relevant to the Company or themselves. Where necessary, the Directors will be updated on new legislations and/or regulations, which are relevant to the Group. Newly appointed Directors will be issued with a formal letter by the Company Secretary explaining their duties and obligations as a director upon their appointment. The management will also provide new Directors with brief information on the business and organisation structure of the Group.

Board Composition and Balance
Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board presently comprises five (5) Directors whom two (2) are independent Directors and four (4) are non-executive Directors. The independence of the Directors is reviewed annually by the RNC. The RNC adopts the Code's definition of what constitutes an independent Director in its review. The independent Directors are Mr Lee Eng Kian and Mr Gurdaib Singh s/o Pala Singh.

A profile of the Directors is set out at page 23.

The Board is supported by Board Committees, namely the RNC and AC which comprises all non-executive Directors, the majority of whom including the Chairman, are independent. The roles and functions of these Committees are described below. The non-executive Directors provide, amongst other things, strategic guidelines to the Company based on their professional knowledge and experience, in particular, assisting constructively challenge and develop proposals on strategy. The Board may arrange for meetings without the management being present at times deemed necessary. The Board is able to exercise objective judgment independently from the management and no individual or small group of individuals dominate the decision of the Board.

The size and composition of the Board is reviewed on an annual basis by the RNC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. When a vacancy arises under any circumstance, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the RNC, in consultation with the Board, determines the selection criteria and selects candidates with the appropriate expertise and experience for the position. The RNC then nominates the most suitable candidate who is appointed by the Board of the Company.

The Board as a group has core competencies in accounting and finance, business and management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge.

The Board is satisfied that the current size of five (5) Directors is appropriate taking into consideration the nature and scope of the business of the Company.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Non-Executive Chairman and Chief Executive Officer

There is a clear division of roles and responsibilities between the non-executive Chairman, Mr Po Sun Kok and Chief Executive Officer ("CEO"), Mr Nico Purnomo Po. The non-executive Chairman leads and manages the business of the Board and is responsible for steering direction of the Group and for the governance of Board matters. The CEO and his team of management staff translate the Board's decisions into executive action. The CEO is responsible for implementing the Group's strategies and policies, making strategic and business investment decisions, the overall management and performance of the Group. The CEO is the son of the non-executive Chairman. Given the separate roles and responsibilities held by them and all major decisions made by the CEO are reviewed by the respective Board Committees chaired by the Independent Director, the Board is of the opinion that there is a balance of power and authority and the relationship between the non-executive Chairman and CEO does not affect the independence and effective running of the Board.

Board Membership and Performance

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

The RNC was formed in June 2003 by the merger of the Nominating Committee and Remuneration Committee of the Company, comprising all non-executive Directors, the majority of whom including the Chairman, are independent.

The members of the RNC are as follows:
Mr Gurdaib Singh s/o Pala Singh (Chairman)
Mr Lee Eng Kian
Mr Po Sun Kok

The RNC handles both nominating and remuneration matters of the Company. With regard to nominating matters, the Committee pursuant to its written terms of reference shall:-

(a) establish procedures for and make recommendations to the Board on all Board appointments and re-appointments;
(b) review re-nominations, having regard to the Director's contribution and performance (e.g. attendance, preparedness and participation) including, if applicable, as an independent Director;
(c) decide whether the Director is able to and has been adequately carrying out his duties as Director where a Director has multiple board representations;
(d) review the independence of the Directors on an annual basis;
(e) establish procedures for the evaluation of the Board's performance and propose objective performance criteria including Company's share price performance, return on assets, return on equity, return on investment and economic value and which shall be approved by the Board;
(f) assess the effectiveness of the Board as a whole and assess the contribution by each individual Director to the effectiveness of the Board;
(g) identify gaps in the mix of skills, experience and other qualities required in an effective Board and nominate or recommend suitable candidate(s) to fill these gaps;
(h) ensure that all Board appointees undergo an appropriate induction programme; and
(i) review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.

In assessing the suitability of a candidate to be appointed to the Board, the RNC will consider if he is able to make the appropriate contributions to the Board and the Group. The key factors which the RNC will take into consideration are:

(a) qualifications, industry knowledge and functional expertise which are relevant and beneficial to the Group; and
(b) extensive experience and business contacts in the industry in which the Group operates.

The RNC's role in respect of remuneration matters are separately discussed under Principle 7 (Procedures for Developing Remuneration Policies).

The RNC regulates its own procedures and in particular the calling and frequency of meetings, the notice to be given of such meetings, the voting and proceedings thereat. The Company also maintains records of the deliberations and proceedings of the RNC.

For the period under review, the RNC held one (1) meeting.

Under the Company's existing Articles, at least one-third of the Directors for the time being shall retire from office by rotation at each annual general meeting ("AGM") of the Company, provided all Directors (except CEO) shall retire by rotation at least once every three (3) years. The CEO shall not be subject to retirement by rotation nor be taken into account in determining the number of Directors to retire.

The RNC is responsible for evaluating the effectiveness and performance of the Board as a whole based on objective performance criteria.

Access to Information

Principle 6: In order to fulfil their responsibilities, board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

All Board members have independent access to the Company Secretaries and also the senior management of the Company. The Company Secretary attends all Board and Board Committee meetings and prepares minutes of meeting of the Board and of the Board Committees which are circulated. The Company Secretaries are also responsible for ensuring that Board procedures and all other rules and regulations applicable to the Company are followed and advise the Board of the requirements of the Company's Articles, the Companies Act, Cap. 50 and the Listing Manual. The appointment and removal of the Company Secretary is a matter for the Board to decide as a whole.

To further ensure that the Board is able to fulfill its responsibilities, prior to each Board and Board Committees meetings the management of the Company provides the Directors with management reports pertaining to the operational and financial performance of the Group and other relevant information related to the matters on the agenda for the meetings.

Each Director has the authority to seek independent professional advice as and when necessary in furtherance of his duties. The appointment of such professional advisors is subject to approval by the Board. Any cost of obtaining such professional advice will be borne by the Company.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 7: There should be a formal and transparent procedure for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RNC is tasked to provide a formal, transparent and objective procedure for fixing the remuneration packages of individual Directors and to ensure that the level of remuneration paid by the Company serves to attract, retain and motivate the employees needed to manage the Company successfully. It has access to professional advice from experts outside the Company on executive remuneration matters as and when necessary.

With regard to remuneration matters, the Committee pursuant to its written terms of reference shall:-

(a) review and recommend to the Board a framework of remuneration for Directors and members of senior management. The framework covers Director's fees, basic salaries, allowances, bonuses and benefits in kind;

(b) review the remuneration packages of all managerial staff that are related to any of the executive Directors;

(c) review the performance of key senior managers to enable the RNC to determine their annual remuneration, bonus rewards, etc; and

(d) recommend to the Board in consultation with senior management and the CEO, any long term incentive scheme.

No Director is involved in deciding his own remuneration.

Level and Mix of Remuneration
Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more for this purpose. A proportion of the remuneration, especially that of executive directors, should be linked to performance.

The Group sets remuneration packages which are competitive and sufficient to attract, retain and motivate Directors and senior management with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account remuneration and employment conditions within the same industry and in comparable companies. The Group adopts a remuneration policy for executive Director generally comprising a basic salary component as well as a bonus component, which is performance based and seeks to align the interests of the executive Director with those of the shareholders of the Group.

All Directors are paid Directors' fees, determined by the full Board based on the effort, time spent and responsibilities of the Directors. The payment of such fees to the Directors is subject to shareholders' approval at the AGM.

Non-executive Directors have no service contracts. The executive Director has a service contract which can be terminated by either the Company or the executive Director giving not less than 3 months notice in writing.

Currently the Company does not have any long-term incentive scheme for its Directors or any employee share option scheme. The RNC will recommend the implementation of incentive schemes as and when it considers appropriate.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives and performances.

A breakdown of the remuneration of the Directors, top 5 key executives (who are not also Directors) and employees who are immediate family members of the Directors or CEO (whose remuneration exceed S$150,000) for the financial period ended 31 March 2010 are set out below:

Remuneration of Directors for the financial period ended 31 March 2010

Remuneration band and Name of directors	Base/Fixed Salary	Bonus	Directors' Fees	Other Benefits	Total
Above S$250,000					
Nico Purnomo Po [1]	70.8%	0.0%	4.2%	24.9%	100%
Below S$250,000					
Po Sun Kok [1]	0.0%	0.0%	100.0%	0.0%	100%
Tan Kay Kiang [2]	36.7%	0.0%	8.7%	54.6%	100%
Lee Eng Kian	0.0%	0.0%	100.0%	0.0%	100%
Gurdaib Singh s/o Pala Singh	0.0%	0.0%	100.0%	0.0%	100%

Remuneration of key executives (who are not also Directors) for the financial period ended 31 March 2010

Remuneration key executives and employees	Base/Fixed Salary	Bonus	Other Benefits	Total
Below $250,000				
Chew Li Choo Janice	44.1%	0.0%	55.9%	100%
Goh Siew Khim Doris	88.2%	11.8%	0.0%	100%
Koh Keng Guan Gary	87.5%	0.0%	12.5%	100%
Lim Poh Hock Andrew	81.9%	0.0%	18.1%	100%
Pang Suit Wung Pamela [4]	88.7%	0.0%	11.3%	100%
Tan Chin Hoon [3]	84.3%	0.0%	15.7%	100%
Tan Kay Sing [3]	83.1%	0.0%	16.9%	100%
Tan Kay Tho [3]	83.1%	0.0%	16.9%	100%

(1) *Mr Po Sun Kok and Mr Nico Purnomo Po are father and son.*

(2) *Remuneration includes salary and transport allowance paid for period from 1 January 2009 to 31 July 2009 (date of re-designation from executive Director to non-executive Director).*

(3) *These are immediate family members of Mr Tan Kay Kiang, a Director of the Company, employed from 1 January 2009 to 31 July 2009 (date of resignation) whose remuneration for the period did not exceed S$150,000.*

(4) *Pang Suit Wung Pamela has left the Group and her last day was 4 July 2010.*

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should prepare a balanced and understandable assessment of the company's performance, position and prospect.

The Board endeavors to ensure that the annual audited financial statements and half yearly announcements of the Group's results present a balanced and understandable assessment of the Group's position and prospects. The Board embraces openness and transparency in the conduct of the Company's affairs, whilst preserving the commercial interests of the Company. Financial and other price sensitive information are disseminated to shareholders through announcements via SGXNET.

The management regularly provides the Board with appropriate detailed management accounts of the Group's performance, position and prospects.

Audit Committee

Principle 11: The Board should establish an Audit Committee ("AC") with written terms of reference which clearly set out its authority and duties.

The AC comprises three (3) non-executive Directors, the majority of whom including the Chairman are independent.

The members of the AC are as follows:
Mr Lee Eng Kian (Chairman)
Mr Gurdaib Singh s/o Pala Singh
Mr Po Sun Kok

Mr Lee is a practicing member the Institute of Certified Public Accountants of Singapore who has been in practice for several years. The other members of the AC have many years of experience in senior management positions in both financial and industrial sectors. The Board is of the opinion that the members of the AC are appropriately qualified to discharge their responsibilities.

The AC has full access to and co-operation from the management as well as full discretion to invite any Director or executive Director to attend its meetings and has been given reasonable resources to enable it to perform its functions properly.

The main objective of the AC is to assist the Board in fulfilling the fiduciary responsibilities of the Company and each of its subsidiaries. The AC pursuant to its written terms of reference shall:-

(a) recommend to the Board the appointment or re-appointment of the external and internal auditors;
(b) review with the external and internal auditors their audit plans and their evaluation of the system of internal accounting controls and monitor management's response and actions to correct any noted deficiencies;
(c) evaluate the effectiveness of both the internal and external audit efforts through regular meetings;
(d) determine that no unwarranted management restrictions are being placed upon the external and internal auditors;
(e) review the financial statements with management and external auditors (where applicable) for submission to the Board;
(f) review the half yearly and annual announcements of the results of the Group before submission to the Board for approval;
(g) report to the Board summarising the work performed by the AC in carrying out its functions;

(h) review interested person transactions;
(i) have explicit authority to investigate any matter within its terms of reference, full access to and co-operation by the management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
(j) review the scope and results of the audit and its cost effectiveness and the independence and objectivity of the external and internal auditors;
(k) meet with the external and internal, and with the internal auditors (where applicable), without the presence of the Company's management, at least annually; and
(l) review the independence of the external and internal auditors annually.

During the financial period, the external auditors performed no non-audit services to the Group. The AC has recommended to the Board that Ernst & Young LLP be nominated for re-appointment as auditors of the Group at the next AGM.

Whistle-Blowing Policy
The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group including a direct channel to the AC, for reporting suspected fraud, corruption, dishonest practices or other similar matters.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. On an ongoing basis, the whistle-blowing policy is covered during staff training as part of the Group's efforts to promote fraud control awareness.

The policy and its effectiveness will be reviewed by the AC periodically, with recommendations regarding updates or amendments, if any, being made to the Board as required.

Internal Controls
Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

The effectiveness of the internal financial control systems and procedures are monitored by the management. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The Board believes that in the absence of any evidence to the contrary and from due enquiry, the system of internal controls that has been maintained by the Company's management throughout the financial period is adequate to meet the needs of the Company in its current business environment.

Apart from the above, the AC also commissions and reviews the findings of internal controls or infringement of any Singapore laws, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. During the financial period, the AC, on behalf of the Board, has reviewed the effectiveness of the Group's material internal controls, including financial, operational and compliance controls, and risk management on an annual basis. The processes used by the AC to review the effectiveness of the system of internal control and risk management include:
(a) discussions with the management on risks management;
(b) the audit processes;
(c) the review of external and internal audit plans; and
(d) the review of significant issues raised by the external and internal auditors.

Internal Audit
Principle 13: The Company should establish an internal audit function that is independent of the activities it audits.

The Company has outsourced its internal audit function to an external professional firm to perform the review and test of controls of the Group's processes. The internal auditors report primarily to the AC.

The internal auditors are guided by the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The AC reviewed the scope of internal audit work and their findings during the financial period and the management's response thereto. The AC will annually access and ensure the adequacy of internal audit function.

COMMUNICATION WITH SHAREHOLDERS

Communication with Shareholders
Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Board is mindful of its obligations to provide timely and fair disclosure of material information to the Singapore Exchange Trading Securities Limited ("SGX-ST") in accordance with the Corporate Disclosure Policy. The Board's policy is that all shareholders should be equally informed on a timely basis of all major developments that impact the Group. Price sensitive information, results and annual reports of the Company are released via SGXNET. A copy of the Annual Report, together with the Notice of AGM, is also sent to every shareholder annually. Such notice is also advertised in the newspaper.

The Board welcomes the views of the shareholders on matters affecting the Company. All Board members, including the chairmen of the AC and RNC, and the auditors are normally available at general meetings of the Company to answer questions from the shareholders. Registered shareholders are invited to attend and participate actively in such meetings. Shareholders can vote in by person or by appointing up to two proxies to attend and vote on their behalf at the meetings through proxy forms sent in advance. For fairness to all shareholders, the Company has not amended its Articles to lift the limit on the number of proxies for nominee shareholders. However, upon written request, the Company may allow additional proxies from nominee shareholders to attend the shareholders' meeting as an "observer" on a case by case basis.

The Company's Articles do not allow shareholders to vote in absentia. The Company is not implementing absentia voting methods such as voting via mail, e-mail or fax until security, integrity and other pertinent issues are satisfactorily resolved. The Articles have not amended to provide for absentia voting as the Board is of the opinion that it is difficult to ensure a fool proof system.

Substantially separate issues are tabled in separate resolutions at general meetings. Voting is carried out systemically, and the votes cast and resolutions passed are properly recorded.

The Company Secretary prepares minutes of general meetings, which incorporates substantial comments or queries from shareholders and responses from the Board and management (if any). These minutes are available to shareholders upon request.

DEALINGS IN THE COMPANY'S SECURITIES

The Company has issued a guideline on share dealings to all Directors and employees of the Group which sets out the code of conduct on transactions in the Company's shares by these persons, the implications of insider trading and general guidance on the prohibition against such dealings.

In line with Rule 1204(18) of Section B of the Listing Manual ("Listing Manual") issued by the SGX-ST, the Company issues a notification to all directors and officers of the Company informing them that they are not allowed to deal in the securities of the Company during the periods commencing one month before the announcement of the Company's half-yearly or full-year results until after the announcement of the relevant results. Officers are also advised not to deal in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures governing all interested person transactions to ensure that they are properly reviewed and approved.

For the financial period, there were no transactions with interested person with value more than $100,000 each which requires disclosure under Rule 907 of the Listing Manual.

MATERIAL CONTRACTS

Apart from the service agreement between the executive Director and the Company, there are no material contracts to which the Company or any of its subsidiaries is a party and which involves Directors' interest subsisted at the end of the financial period or have been entered into since the end of the last financial year.

LAND AND BUILDINGS

The Group has 2 freehold properties tenanted out for rental income. The details of the properties are as follows:

Description	Location	Area (sq.m)
Shop units	432 Balestier Road #01-440/438 Singapore 329813	240

RISK MANAGEMENT

The Group currently does not have a Risk Management Committee but the management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks. The management together with the internal auditors review the significant control policies and procedures and highlight all significant matters if any, to the Directors and the AC.

NON-SPONSOR FEES

There was no non-sponsor fee paid during the financial period.

PROFILE OF THE BOARD OF DIRECTORS

Mr Po Sun Kok

Mr Po Sun Kok, 61, was appointed as non-executive Chairman of the Company on 31 March 2008. He is responsible in leading the Board and steering the strategic direction of the Group.

Mr Po Sun Kok owns and runs a wide ranging group of private corporations with more than 10,000 employees engaged in apparel manufacturing, consumer financial services and real estate interest. He is also the Chairman and Chief Executive Officer of GoldenFlowerGroup which has made recent successful forays into high-end residential developments in Singapore. He was last re-elected on 23 April 2008.

Mr Nico Purnomo Po

Mr Nico Purnomo Po, 28, was appointed as Managing Director of the Company on 31 March 2008. He has been re-designated to Chief Executive Officer and is responsible for the management and operation of the Group and implementing the Group's strategies and policies.

Mr Nico Purnomo Po was the Chief Executive Officer of GoldenFlowerGroup Real Estate from January 2003 to March 2008, and has been involved in the property development projects undertaken and acquisition of investment properties by GoldenFlowerGroup Real Estate during the last 6 years. He holds a Bachelor's degree in Computing from the National University of Singapore.

Mr Tan Kay Kiang

Mr Tan, 64 was appointed as an executive Chairman of the Company on 12 August 1999. On 31 March 2008, he has resigned as executive Chairman but remains as executive Director. He was responsible for the Group's financial and corporate management. On 31 July 2009, Mr Tan was re-designated as non-executive Director.

Mr Tan holds a Bachelor of Science degree from the Nanyang University. He was last re-elected on 27 April 2009.

Mr Lee Eng Kian

Mr Lee, 38, was appointed a Director of the Company on 22 December 2004. He is a practising member of the Institute of Certified Public Accountants of Singapore. Prior to practicing, Mr Lee had held roles of a Group Financial Controller at an European company and of an audit manager at the Singapore office of Ernst and Young (now Ernst & Young LLP) providing audit and financial consulting services to a range of local and multinational companies. Mr Lee started his career in Andersen Singapore (previously known as Arthur Andersen) in 1995. During his career, he has worked with companies seeking listing on the SGX-ST, as well as been involved in a number of merger and acquisition exercises in Singapore. Mr Lee is a member of the Institute of Certified Public Accountants, Singapore and holds a Bachelor of Accountancy (Honours) from Nanyang Technological University. He was last re-elected on 23 April 2008.

Mr Gurdaib Singh s/o Pala Singh

Mr Singh, 56, was appointed a Director of the Company on 21 February 2006. He is an Advocate & Solicitor and currently in private practice. He holds a first Class Hons. B.A. Degree in Business Studies (Economics & Finance) from Middlesex Polytechnic (U.K.). He has a Diploma in Law from City University (U.K.) and was admitted to the rolls as a Barrister-at-law with Lincoln's Inn, London in 1980. Mr Singh holds a Master of Business Administration (Strategic management) from the University of East London. He has been on the rolls of advocates & solicitors, Singapore since 1981. He was last re-elected on 23 April 2008.

PROFILE OF THE KEY MANAGEMENT STAFF

Chew Li Choo Janice

Ms Chew, 42, is the Project Sales Manager of Builders Shop Pte Ltd. She is responsible for the strategic direction of the project sales team and spearheading the sales and marketing activities of the Building Materials Division. She joined the Group in 2002 and was appointed as one of the key members in the Product Development Committee. Ms Chew brings with her more than 10 years of experience in the stone and tiles and has acquired strong product knowledge and developed strong relationship with many of our corporate customers. She holds a Postgraduate Diploma in Marketing from the Chartered Institute of Marketing.

Goh Siew Khim Doris

Ms Goh, 43, is the Procurement Manager of Builders Shop Pte Ltd. She is responsible for the merchandising and development of product ranges under the Group. She joined the Group in 2000. Ms Goh is well-versed in international trade and shipping procedures. She holds a Certificate in International Trade and Shipping Procedures from the Singapore Institute of Materials Management and a Diploma in Business Administration from IBMEC.

Koh Keng Guan Gary

Mr Koh, 45, is the General Manager of the Company. He is responsible for the business development activities of the Group. Mr Koh joined the Group in March 2009. Prior to joining the Group, Mr Koh was in charge of the operations of a hotel and lead the proposed redevelopment of the hotel and have successfully completed development and construction of office building in Singapore. He holds a Bachelor's degree in Science from RODEC International UK.

Lim Poh Hock Andrew

Mr Lim, 41, is the Retail Sales Manager of Builders Shop Pte Ltd. He is responsible for the strategic direction of the retail sales team and overseeing the operational efficiency and profitability of the retail showroom. He joined the Group in 2007. Mr Lim brings with him many years of experience in sales and design.

FINANCIAL CONTENTS

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Pollux Properties Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial period ended 31 March 2010. The financial period covers the period from 1 January 2009 to 31 March 2010.

Directors

The directors of the Company in office at the date of this report are:
Po Sun Kok
Nico Purnomo Po
Tan Kay Kiang
Lee Eng Kian
Gurdaib Singh s/o Pala Singh
Tan Nan Choon (alternate director to Tan Kay Kiang)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares or debentures

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**At 1 January 2009**	**At 31 March 2010**	**At 1 January 2009**	**At 31 March 2010**
<u>**The Company**</u>				
Pollux Properties Ltd. *(Ordinary shares)*				
Nico Purnomo Po	–	–	167,307,692	167,307,692
Tan Kay Kiang	1,549,920	1,549,920	18,950,400	18,950,400
Tan Nan Choon	2,425,020	2,425,020	–	–

There was no change in any of the above-mentioned interests between the end of the financial period and 21 April 2010.

By virtue of Section 7 of the Companies Act, Cap. 50, Mr Nico Purnomo Po is deemed to have interests in shares of the subsidiaries of the Company.

Directors' interests in shares or debentures (cont'd)

Except as disclosed in this report, no director who held office at the end of the financial period had interests in shares, or warrants of the Company, or of related corporation, either at the beginning of the financial period, or at the end of the financial period.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share options

There were no options granted during the financial period to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial period by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company under option at the end of financial period.

Warrants

The Company issued 167,307,692 new ordinary shares at an issue price of $0.13 per share and 155,653,846 free warrants on 31 March 2008 pursuant to the Strategic Placement Agreement dated on 10 September 2007. The warrants were issued to Bridgemere Holdings Ltd, a nominee of Citipoint Asia Real Estate Capital Ltd, and both corporations are incorporated in the British Virgin Islands and are wholly owned by Mr Nico Purnomo Po, a director of the Company. The warrants were transferred to Fair Billion Holdings Limited, a nominee of Citipoint Asia Real Estate Capital Ltd on 13 August 2008.

Each warrant carries the right to subscribe for one new ordinary share at an exercise price of $0.13 for each new ordinary share. The warrants are valid for exercise within a period of five years commencing from the first date of issue of the warrants. During the financial period, no warrants were exercised to subscribe for shares of the Company.

Audit Committee

The audit committee (AC) carried out its functions in accordance with section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Company and reviews the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Company's management to the internal and external auditors;

Audit Committee (cont'd)

- Reviews the half yearly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the board of directors;
- Reviews effectiveness of the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Meets with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;
- Recommends to the board of directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the board of directors with such recommendations as the AC considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited ("SGX-ST")'s Listing Manual.

During the financial period, no non-audit services were provided by the external auditors to the Group. The AC has conducted a review of interested person transactions.

The AC convened 4 meetings during the financial period and has also met with external auditors and internal auditors, without the presence of the company's management, at least once a year.

Further details regarding the AC are disclosed in the Corporate Governance Report.

Change of name

At the Extraordinary General Meeting of the Company held on 22 June 2010, the shareholders of the Company approved the change of its name from Shining Corporation Ltd to Pollux Properties Ltd.

Auditors

Ernst & Young LLP have expressed their willingness to accept reappointment as auditors.

On behalf of the Board of Directors,

Nico Purnomo Po
Director

Tan Kay Kiang
Director

Singapore
28 June 2010

STATEMENT BY THE DIRECTORS

We, Nico Purnomo Po and Tan Kay Kiang, being two of the directors of Pollux Properties Ltd., do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the period from 1 January 2009 to 31 March 2010, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Nico Purnomo Po
Director

Tan Kay Kiang
Director

Singapore
28 June 2010

We have audited the accompanying financial statements of Pollux Properties Ltd. (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 31 to 76, which comprise the balance sheets of the Group and the Company as at 31 March 2010, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flow of the Group for the period from 1 January 2009 to 31 March 2010, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2010 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the period from 1 January 2009 to 31 March 2010; and

(ii) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and Certified Public Accountants
Singapore
28 June 2010

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2009 TO 31 MARCH 2010

	Note	1.1.2009 to 31.3.2010 $	1.1.2008 to 31.12.2008 $
Revenue	4	18,192,810	22,228,261
Cost of sales			
- projects		(5,953,330)	(5,879,053)
- sale of products		(6,620,877)	(9,315,222)
Gross profit		5,618,603	7,033,986
Other items of income			
Interest income		188,937	241,977
Other operating income	5	1,424,089	1,217,647
Other items of expense			
Selling and distribution costs		(408,937)	(598,839)
General and administrative expenses		(8,808,453)	(7,181,422)
Other operating expenses	6	(772,683)	(517,736)
Finance costs	7	(163,961)	(302,962)
Loss before tax	8	(2,922,405)	(107,349)
Income tax	9	(56,154)	–
Loss for the period/year, net of tax		(2,978,559)	(107,349)
(Loss)/profit attributable to:			
Owners of the parent		(2,962,004)	57,854
Minority interests		(16,555)	(165,203)
		(2,978,559)	(107,349)
(Loss)/earnings per share attributable to owners of the parent (cents per share)			
- Basic	10	(0.95)	0.02
- Diluted	10	(0.95)	0.02

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2009 TO 31 MARCH 2010

	1.1.2009 to 31.3.2010 $	1.1.2008 to 31.12.2008 $
Loss for the period/year, net of tax	(2,978,559)	(107,349)
Other comprehensive income for the period/year, net of tax	-	12,751
Total comprehensive loss for the period/year	(2,978,559)	(94,598)
Total comprehensive loss attributable to:		
Owners of the parent	(2,962,004)	64,744
Minority interests	(16,555)	(159,342)
	(2,978,559)	(94,598)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS AS AT 31 MARCH 2010

	Note	Group 31.3.2010 $	Group 31.12.2008 $	Company 31.3.2010 $	Company 31.12.2008 $
Non-current assets					
Property, plant and equipment	11	3,913,077	3,933,276	–	–
Investment in subsidiaries	12	–	–	4,501,488	4,501,488
Investment securities	13	71,219	44,651	–	–
Retention sums receivable		927,563	35,943	–	–
Long-term deposits	14	1,445,950	1,403,832	–	–
Deferred lease expenses	14	214,480	257,379	–	–
Fixed deposits pledged	21	1,286,000	750,912	–	–
Current assets					
Inventories	15	4,110,743	7,602,188	–	–
Gross amounts due from customers for contract work-in-progress	16	3,372,559	935,407	–	–
Trade receivables	17	3,491,600	4,950,250	–	–
Other receivables and deposits	18	2,243,289	557,015	28,962	–
Prepaid operating expenses		219,400	484,459	21,548	15,482
Due from subsidiaries	19	–	–	13,907,315	9,754,712
Due from related parties	20	697,613	645,621	–	–
Cash and bank balances	21	19,166,833	22,895,720	17,683,668	21,857,741
		33,302,037	38,070,660	31,641,493	31,627,935
Total assets		41,160,326	44,496,653	36,142,981	36,129,423
Equity and liabilities					
Current liabilities					
Trade payables	22	4,053,069	5,331,598	13,609	12,199
Other payables and accruals	23	3,709,807	1,755,447	905,481	190,163
Provision for taxation		1,493	1,493	–	–
Gross amounts due to customers for contract work-in-progress	16	200,754	450,567	–	–
Bills payable to banks (secured)	24	1,538,247	953,797	–	–
Due to subsidiaries (non-trade)	25	–	–	1,591,460	1,746,374
Due to related parties	26	189,396	17,083	–	–
Bank term loans	27	–	171,292	–	–
Finance lease obligations		–	20,336	–	–
		9,692,766	8,701,613	2,510,550	1,948,736
Net current assets		23,609,271	29,369,047	29,130,943	29,679,199
Non-current liabilities					
Bank term loans	27	–	1,172,541	–	–
Deferred tax liability	9	1,316	1,316	–	–
Total liabilities		9,694,082	9,875,470	2,510,550	1,948,736
Net assets		31,466,244	34,621,183	33,632,431	34,180,687
Equity attributable to owners of the parent					
Share capital	28	38,943,468	38,943,468	38,943,468	38,943,468
Revenue reserve		(7,477,224)	(4,515,220)	(5,311,037)	(4,762,781)
Translation reserve	29	–	23,948	–	–
		31,466,244	34,452,196	33,632,431	34,180,687
Minority interests		–	168,987	–	–
Total equity		31,466,244	34,621,183	33,632,431	34,180,687
Total equity and liabilities		41,160,326	44,496,653	36,142,981	36,129,423

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2009 TO 31 MARCH 2010

	Attributable to equity holders of the parent				Minority interests	Total equity
	Share capital	Revenue reserve	Translation reserve	Total reserves		
	$	$	$	$	$	$
Group						
At 1 January 2008	17,827,400	(4,573,074)	17,058	(4,556,016)	1,021,782	14,293,166
Income/(loss) net of tax	–	57,854	–	57,854	(165,203)	(107,349)
Other comprehensive income for the year	–	–	6,890	6,890	5,861	12,751
Total comprehensive income/(loss) for the year	–	57,854	6,890	64,744	(159,342)	(94,598)
Issue of shares (Note 28)	21,116,068	–	–	–	–	21,116,068
Acquisition of minority interests	–	–	–	–	(90,445)	(90,445)
Disposal of a subsidiary	–	–	–	–	(603,008)	(603,008)
At 31 December 2008 and 1 January 2009	38,943,468	(4,515,220)	23,948	(4,491,272)	168,987	34,621,183
Loss net of tax, representing total comprehensive loss for the period	–	(2,962,004)	–	(2,962,004)	(16,555)	(2,978,559)
Liquidation of a subsidiary	–	–	(23,948)	(23,948)	(152,432)	(176,380)
At 31 March 2010	38,943,468	(7,477,224)	–	(7,477,224)	–	31,466,244
Company						
At 1 January 2008	17,827,400	(4,819,823)	–	(4,819,823)	–	13,007,577
Issue of shares (Note 28)	21,116,068	–	–	–	–	21,116,068
Income net of tax, representing total comprehensive income for the year	–	57,042	–	57,042	–	57,042
At 31 December 2008 and 1 January 2009	38,943,468	(4,762,781)	–	(4,762,781)	–	34,180,687
Loss net of tax, representing total comprehensive loss for the period	–	(548,257)	–	(548,257)	–	(548,257)
At 31 March 2010	38,943,468	(5,311,038)	–	(5,311,038)	–	33,632,430

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2009 TO 31 MARCH 2010

	Note	1.1.2009 to 31.3.2010 $	1.1.2008 to 31.12.2008 $
Cash flows from operating activities			
Loss before tax		(2,922,405)	(107,349)
Adjustments for:			
Allowance for doubtful receivables written back	5	(9,392)	–
Allowance for inventory obsolescences	15	92,066	67,919
Bad debts written off	6	7,763	–
Deferred lease expense		42,899	42,896
Depreciation expenses	8	255,671	222,214
Dividend income from quoted investment securities	5	(1,993)	–
Fair value changes on quoted investment held for trading	5 and 6	(26,568)	59,429
Gain on disposal of investment in a subsidiary	5	–	(192,873)
Impairment loss on doubtful receivables (non-trade)	6	17,618	–
Impairment loss on doubtful receivables (trade)	6	177,030	126,912
Interest expense	7	70,361	193,426
Interest income		(188,937)	(241,977)
Loan to a subsidiary under liquidation written off	6	227,719	–
Loss on disposal of property, plant and equipment	6	–	6,212
Loss on liquidation of a subsidiary	6	151,222	–
Negative goodwill recognised in income statement		–	(17,819)
Property, plant and equipment written off	6	36,665	–
Translation adjustment		–	(1,558)
Operating cash flows before working capital changes		(2,070,281)	157,432
Decrease/(increase) in:			
Inventories and gross amounts due from/(to) customers for contract work-in-progress		(710,875)	678,812
Trade receivables and retention sums receivables		286,796	529,171
Due from related parties		(51,992)	(578,301)
Other receivables, deposits and prepayments		(2,324,936)	301,855
Increase/(decrease) in:			
Trade payables		(279,523)	(2,258,617)
Other payables and accruals		2,843,980	(671,656)
Bills payable to banks		584,450	519,263
Due to related parties		172,313	17,066
Cash flows used in operations		(1,550,068)	(1,304,975)
Restricted fixed deposits		(535,088)	(912)
Income taxes paid		(56,154)	–
Interest paid		(70,361)	(193,426)
Interest income received		146,819	201,089
Net cash flows used in operating activities		(2,064,852)	(1,298,224)
Cash flows from investing activities			
Net cash outflow on liquidation of a subsidiary	A	(78,825)	–
Dividend income from quoted investments		1,993	–
Proceeds from disposal of property, plant and equipment		–	216,549
Purchase of property, plant and equipment	11	(450,753)	(123,118)
Acquisition of additional interests in a subsidiary Company	B	–	(72,626)
Proceeds from disposal of a subsidiary company	C	–	383,334
Proceeds from disposal of hardware business	D	–	378,894
Net cash flows (used in)/generated from investing activities		(527,585)	783,033
Cash flows from financing activities			
Net proceeds from issue of shares		–	21,116,068
Repayment of bank term loans		(1,116,114)	(152,493)
Repayment of lease obligations		(20,336)	(26,576)
Net cash (used in)/generated from financing activities		(1,136,450)	20,936,999
Net (decrease)/increase in cash and cash equivalents		(3,728,887)	20,421,808
Cash and cash equivalents at beginning of period/year		22,895,720	2,473,912
Cash and cash equivalents at end of period/year	21	19,166,833	22,895,720

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Note A

Liquidation of a subsidiary company

During the financial period, a 54% owned subsidiary, Shenzhen Calo-Enersave Furnishing Co. Ltd, applied for liquidation.

The carrying value of assets and liabilities of Shenzhen Calo-Enersave Furnishing Co. Ltd recorded in the consolidated financial statements as at date of liquidation, and the cashflow effect of the liquidation were:

	$
Fixed assets	178,616
Cash and bank	78,825
Inventories	1,423,289
Trade debtors	104,833
Other debtors	658,384
Other creditors and accruals	(695,639)
Trade creditors	(999,006)
Short term borrowing	(193,981)
Loan from a related company	(227,719)
	327,602
Minority interests	(152,432)
Net assets liquidated	175,170
Transfer from shareholders' equity – currency translation	(23,948)
Loss on liquidation of a subsidiary company	151,222
Net cash outflow on liquidation of a subsidiary	(78,825)

Note B

Acquisition of additional interest in a subsidiary company

In prior year, the Group acquired an additional 18% equity interest in Shenzhen Calo-Enersave Furnishing Co. Ltd on 1 January 2008 from its minority interests for a cash consideration of $72,626. On the date of acquisition, the book value of the interest acquired was $90,445. The difference of $17,819 between the consideration and the book value of the interest acquired represents negative goodwill which has been recognised in the income statement.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Note C

Disposal of a subsidiary company

In prior year, a subsidiary company, Builders Centre Pte Ltd disposed its entire 67% equity interest in Beijing Admiralty Home Products Co., Ltd ("BAHP") for a consideration of $1,579,088 to a related party. Subsequent to the disposal, the purchaser ceased to be a related party of the Group as at 31 December 2009.

The value of assets and liabilities of BAHP recorded in the consolidated financial statements on 1 April 2008 (date of disposal) and the cashflow effect of the disposal were:

	$
Fixed assets	2,030
Cash and bank	37,354
Fixed deposits	538,231
Other debtors	429,615
Amounts due from related companies	999,493
Other creditors and accruals	(17,500)
	1,989,223
Minority interests	(603,008)
Net assets disposed	1,386,215
Gain on disposal of a subsidiary company	192,873
Total consideration	1,579,088
Less: Consideration settled via contra of balances due to related parties	(620,169)
Less: Cash and cash equivalents of the subsidiary company disposed	(575,585)
Cashflow arising from disposal of subsidiary	383,334

Note D

Disposal of hardware business

In prior year, the Group disposed its hardware business to a related party for a consideration of $378,894. The hardware business is part of the building materials business segment.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. Corporate information

With effect from 22 June 2010, the Company has changed its name from Shining Corporation Ltd to Pollux Properties Ltd.

Pollux Properties Ltd. (the "Company") is a limited liability company incorporated in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 11, Changi South Street 3, #04-01 Builders Centre, Singapore 486122.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 12 to the financial statements.

The Company has changed its financial year end from 31 December to 31 March, and these financial statements cover the period from 1 January 2009 to 31 March 2010.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the following notes to the financial statements.

The financial statements are presented in Singapore Dollars (SGD or $).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2009, the Group adopted the following standards and interpretations mandatory for annual financial periods beginning on or after 1 January 2009.

- FRS 1 Presentation of Financial Statements (Revised)
- Amendments to FRS 18 Revenue
- Amendments to FRS 23 Borrowing Costs
- Amendments to FRS 32 Financial Instruments: Presentation and FRS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards and FRS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 102 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 107 Financial Instruments: Disclosures
- FRS 108 Operating Segments
- Improvements to FRSs issued in 2008
- INT FRS 113 Customer Loyalty Programmes
- INT FRS 116 Hedges of a Net Investment in a Foreign Operation
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives and FRS 39 Financial Instruments: Recognition and Measurement – Embedded Derivatives

2.2 *Changes in accounting policies (cont'd)*

- INT FRS 118 Transfers of Assets from Customers

Adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group. They did however give rise to additional disclosures, including, in some cases, revisions to accounting policies.

The principal effects of these changes are as follows:

FRS 1 Presentation of Financial Statements – Revised Presentation

The revised FRS 1 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group has elected to present this statement as two linked statements.

Amendments to FRS 107 Financial Instruments: Disclosures

The amendments to FRS 107 require additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instrument. In addition, reconciliation between the beginning and ending balance for Level 3 fair value measurements is now required, as well as significant transfers between Level 1 and Level 2 fair value measurements. The amendments also clarify the requirements for liquidity risk disclosures. The fair value measurement disclosures and liquidity risk disclosures are presented in Note 35 to the financial statements.

FRS 108 Operating Segments

FRS 108 requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary and secondary reporting segments of the Group. The Group determined that the reportable operating segments are the same as the geographical segments previously identified under FRS 14 Segment Reporting. Additional disclosures about each of the segments are shown in Note 34, including revised comparative information.

Improvements to FRSs issued in 2008

In 2008, the Accounting Standards Council issued an omnibus of amendments to FRS. There are separate transitional provisions for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Group:

- FRS 16 Property, Plant and Equipment: Replaces the term "net selling price" with "fair value less costs to sell". The Group amended its accounting policy accordingly, which did not result in any change in the financial position.

- FRS 23 Borrowing Costs: The definition of borrowing costs is revised to consolidate the two types of items that are considered components of "borrowing costs" into one – the interest expense calculated using the effective interest rate method calculated in accordance with FRS 39. The Group has amended its accounting policy accordingly which did not result in any change in its financial position.

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

	Effective for annual periods beginning on or after
Amendments to FRS 27 Consolidated and Separate Financial Statements	1 July 2009
Amendments to FRS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Item	1 July 2009
Revised FRS 103 Business Combinations	1 July 2009
Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 July 2009
INT FRS 117 Distributions of Non-cash Assets to Owners	1 July 2009
INT FRS 118 Transfers of Assets from Customers	1 July 2009
Restructuring to FRS 101 First-Time Adoption of Financial Reporting Standards	1 July 2009
Amendments to FRS 32 Classification of Rights Issues	1 February 2010
Amendments to FRS 101 Additional Exemptions for First-time Adopters	1 January 2010
Amendments to FRS 102 Group Cash-Settled Share-Based Payment Transactions	1 January 2010
INT FRS 119 Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
Revised FRS 24 Related Party Disclosures	1 January 2011
Amendments to INT FRS 114 Prepayments of a Minimum Funding Requirement	1 January 2011
Improvements to FRSs issued in 2009	
- Amendments to FRS 38 Intangible Assets	1 July 2009
- Amendments to FRS 102 Share-based Payment	1 July 2009
- Amendments to FRS 108 Operating Segments	1 July 2009
- Amendments to INT FRS 109 Reassessment of Embedded Derivatives	1 July 2009
- Amendments to INT FRS 116 Hedges of a Net Investment in a Foreign Operation	1 July 2009
- Amendments to FRS 1 Presentation of Financial Statements	1 January 2010
- Amendments to FRS 7 Statement of Cash Flows	1 January 2010
- Amendments to FRS 17 Leases	1 January 2010
- Amendments to FRS 36 Impairment of Assets	1 January 2010
- FRS 39 Financial Instruments: Recognition and Measurement	1 January 2010
- Amendments to FRS 105 Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
- Amendments to FRS 108 Operating Segments	1 January 2010

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 *Basis of Consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2.4 Basis of Consolidation (cont'd)

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the balance sheet. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the income statement on the date of acquisition.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Transactions with minority interests

Minority interests represent the portion of income statement and net assets in subsidiaries not held by the Group and are presented separately in income statement of the Group and within equity in the consolidated balance sheet, separately from the parent shareholders' equity. Transactions with minority interests are accounted for using the entity concept method, whereby, transactions with minority interests are accounted for as transactions with owners. On acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is reflected as being a transaction between owners and recognised directly in equity. Gain or loss on disposal to minority interests is recognised directly in equity.

2.6 Foreign currency

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the balance sheet date are recognised in income statement except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to income statement of the Group on disposal of the foreign operation.

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the balance sheet date and their statement of comprehensive income are translated at the weighted average exchange rates for the period/year. The exchange differences arising on the translation are taken to translation reserve through other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in the translation reserve relating to that particular foreign operation is recognised in the income statement.

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building	–	30 years
Leasehold improvement	–	3 - 10 years
Plant and machinery	–	7 years
Construction/warehouse equipment, tools and containers	–	5 - 7 years
Motor vehicles	–	5 - 10 years
Office equipment	–	2 - 5 years
Computers and software	–	3 years
Furniture and fittings	–	10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the income statement in the period/year the asset is derecognised.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by available fair value indicators. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased cannot exceed the carrying amount that

2.8 Impairment of non-financial assets (cont'd)

would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the income statement unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.10 Financial assets

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through income statement, directly attributable transaction costs.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in income statement.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(a) Financial assets at fair value through income statement

Financial assets held for trading are classified as financial assets at fair value through income statement. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through income statement are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in income statement. Net gains or net losses on financial assets at fair value through income statement include exchange differences, interest and dividend income.

The Group classifies its investment securities as held for trading.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, and through the amortisation process.

2.11 Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(a) Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the income statement.

(b) Assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively, by reference to the stage of completion of the contract activity at the balance sheet date, when the outcome of a construction contract can be estimated reliably. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred. An expected loss on the construction contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

2.13 Construction contracts (cont'd)

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured. The stage of completion is determined by reference to professional surveys of work performed.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Financial liabilities

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in income statement when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in income statement. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when

2.17 Borrowing costs (cont'd)

the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

2.18 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to balance sheet date.

2.19 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of products

Revenue from sale of products is recognised upon the transfer of significant risk and rewards of ownership of the products to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of products.

(b) Construction contracts

Accounting policy for recognising construction contract revenue is stated in Note 2.13.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income arising on freehold land and building is accounted for on a straight-line basis over the lease terms.

2.21 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current taxes are recognised in income statement except to the extent that the tax relates to items recognised outside income statement, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income statement; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.21 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income statement; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the

2.22 Segment reporting (cont'd)

management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share Capital and share issue expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

2.25 Related party

A related party is defined as a company, not being a subsidiary or an associated company, in which the shareholders or directors of the Company have an equity interest or exercise control or significant influence over the operations of the related company.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Income taxes

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's provision for taxation and deferred tax liabilities at 31 March 2010 was $1,493 (31 December 2008: $1,493) $1,316 (31 December 2008: $1,316) respectively.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) *Useful lives of property, plant and equipment*

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these assets to be within 2 - 30 years. The carrying amount of the Group's property, plant and equipment at 31 March 2010 was $3,913,077 (31 December 2008: $3,933,276). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) *Impairment of loans and receivables*

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the balance sheet date is disclosed in the notes to the financial statements.

(c) *Impairment of non-financial assets*

The Group assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

(d) *Construction contracts*

The Group recognises contract revenue and contract costs by reference to the stage of completion of the contract activity at the balance sheet date, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to professional surveys of work performed.

Significant assumptions are required to estimate the stage of completion. The estimates are made based on past experience and the knowledge of project specialists. The carrying amount of the Group's assets and liabilities arising from construction contracts at the balance sheet date are disclosed in Note 16 to the financial statements.

3.2 *Key sources of estimation uncertainty (cont'd)*

(e) *Provision for foreseeable losses*

In estimating the foreseeable losses, management makes reference to the information such as (i) current quotes from sub-contractors and suppliers, (ii) recent quotes agreed with sub-contractors and suppliers, (iii) estimates on construction and material costs, and (iv) stages of completion of the contracts.

The Group estimated the stages of completion of the contract by reference to professional surveys of work performed.

4. Revenue

	Group	
	1.1.2009 to 31.3.2010	**1.1.2008 to 31.12.2008**
	$	**$**
Construction projects	2,551,254	4,383,148
Sale and installation of building materials	13,533,913	14,226,781
Sale of home furnishing products	2,107,643	3,618,332
	18,192,810	22,228,261

5. Other operating income

	Group	
	1.1.2009 to 31.3.2010	**1.1.2008 to 31.12.2008**
	$	**$**
Allowance for doubtful debts receivable written back	9,392	–
Dividend income from quoted securities	1,993	–
Fair value changes on quoted investment held for trading (Note 13)	26,568	–
Foreign exchange gain, net	175,907	117,515
Gain on disposal of a subsidiary	–	192,873
Income from labour supply	238,315	111,570
Management fee income from a related party	54,487	–
Miscellaneous income	84,140	73,637
Rental income	833,287	722,052
	1,424,089	1,217,647

6. Other operating expenses

The following items have been included in arriving at other operating expenses:

	Group	
	1.1.2009 to 31.3.2010	1.1.2008 to 31.12.2008
	$	$
Bad debts written off	7,763	–
Fair value changes on quoted investments held for trading	–	59,429
Impairment loss on doubtful receivables (trade)	177,030	126,912
Impairment loss on doubtful receivables (non-trade)	17,618	–
Loss on disposal of property, plant and equipment	–	6,212
Loss on liquidation of a subsidiary	151,222	–
Loan to a subsidiary under liquidation written off	227,719	–
Property, plant and equipment written off	36,665	–

7. Finance costs

	Group	
	1.1.2009 to 31.3.2010	1.1.2008 to 31.12.2008
	$	$
Interest expense		
- bank overdrafts	(990)	(203)
- finance lease	(1,511)	(2,021)
- term loans	(49,126)	(107,705)
- trust receipts/bills payable	(18,734)	(83,497)
	(70,361)	(193,426)
Bank charges	(93,600)	(109,536)
	(163,961)	(302,962)

8. Loss before tax

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

	Group	
	1.1.2009 to 31.3.2010	1.1.2008 to 31.12.2008
	$	$
Depreciation of property, plant and equipment	255,671	222,214
Employee benefits expense (Note 32)	3,736,349	3,682,441
Inventories recognised as an expense in cost of sales (Note 15)	5,297,888	8,575,096
Rental expenses	2,844,661	2,371,737

9. Income tax

	Group	
	1.1.2009 to 31.3.2010 $	1.1.2008 to 31.12.2008 $
Current tax		
- underprovision in respect of prior year	56,154	–

Relationship between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable tax rate for the period/year ended 31 March 2010 and 31 December 2008 are as follows:

	Group	
	1.1.2009 to 31.3.2010 $	1.1.2008 to 31.12.2008 $
Loss before tax	(2,922,405)	(107,349)
Tax at statutory tax rate of 17% (2008: 18%)	(496,809)	(19,323)
Adjustments:		
Deferred tax asset not recognised	384,307	9,352
Expenses not deductible for tax	128,697	59,839
Income not subject to tax	(11,782)	(44,437)
Under provision in respect of prior year	56,154	–
Others	(4,413)	(5,431)
Income tax recognised in income statement	56,154	–

As at 31 March 2010, the Group has unutilised tax losses and unabsorbed capital allowances of approximately $7,972,166 (31 December 2008: $5,805,256) and $380,647 (31 December 2008: $286,925) respectively available for offset against future taxable profits, subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. No deferred tax asset is recognised in accordance with Note 2.21(b).

	Group	
	1.1.2009 to 31.3.2010 $	1.1.2008 to 31.12.2008 $
Deferred tax liability		
Deferred tax liability arose from:		
Excess of net book value over tax written down value of property, plant and equipment	1,316	1,316

10. (Loss)/earnings per share

Basic earnings per share amounts are calculated by dividing (loss)/earnings for the period/year that is attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period/year.

Diluted earnings per share amounts are calculated by dividing (loss)/earnings for the period/year that is attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial period/year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the (loss)/earnings and share data used in the computation of basic and diluted earnings per share for the period/year ended 31 March 2010 and 31 December 2008:

	Group	
	1.1.2009 to 31.3.2010	**1.1.2008 to 31.12.2008**
	$	**$**
(Loss)/income for the period/year attributable to owners of the parent used in computation of basic and diluted (loss)/earnings per share	(2,962,004)	57,854
Weighted average number of ordinary shares for basic (loss)/earnings per share computation	311,307,692	269,480,769
Weighted average number of ordinary shares for diluted (loss)/earnings per share computation	311,307,692	269,480,769

11. Property, plant and equipment

Group	Freehold land $	Building $	Leasehold improvement $	Plant and machinery $	Construction/ warehouse equipment, tools and containers $	Motor vehicles $	Office equipment $	Computers and software $	Furniture and fittings $	Total $
Cost										
At 1 January 2008	3,245,425	321,900	551,052	1,748,416	490,789	1,108,405	208,802	683,844	959,018	9,317,651
Additions	–	–	26,700	–	2,427	–	7,899	18,378	67,714	123,118
Disposals	(201,166)	(63,600)	(14,775)	(87,163)	–	–	–	(875)	(3,664)	(371,243)
Disposal of a subsidiary	–	–	–	–	–	–	–	(17,954)	–	(17,954)
Disposal of hardware business	–	–	–	–	–	(276,988)	(26,491)	(58,016)	(91,563)	(453,058)
Translation	–	–	26,290	91,783	–	5,211	–	3,695	–	126,979
At 31 December 2008 and 1 January 2009	3,044,259	258,300	589,267	1,753,036	493,216	836,628	190,210	629,072	931,505	8,725,493
Additions	–	–	19,510	–	3,600	12,800	49,920	103,764	261,159	450,753
Written off	–	–	(85,564)	–	(146,256)	–	(64,614)	(46,791)	(221,757)	(564,982)
Liquidation of a subsidiary	–	–	(431,404)	(1,418,880)	–	(85,505)	–	(59,745)	–	(1,995,534)
At 31 March 2010	3,044,259	258,300	91,809	334,156	350,560	763,923	175,516	626,300	970,907	6,615,730
Accumulated depreciation and impairment										
At 1 January 2008	–	164,930	483,411	1,575,053	442,743	747,240	183,434	636,322	598,105	4,831,238
Charge for the year	–	9,670	13,339	12,582	9,692	64,123	5,893	21,383	85,532	222,214
Disposals	–	(54,060)	(14,775)	(75,970)	–	–	–	(841)	(2,836)	(148,482)
Disposal of a subsidiary	–	–	–	–	–	–	–	(15,924)	–	(15,924)
Disposal of hardware business	–	–	–	–	–	(85,467)	(21,619)	(57,086)	(45,319)	(209,491)
Reclassification	–	–	(1)	(1,081)	–	(109)	1	1,190	–	–
Translation	–	–	26,291	78,597	–	4,445	–	3,329	–	112,662
At 31 December 2008 and 1 January 2009	–	120,540	508,265	1,589,181	452,435	730,232	167,709	588,373	635,482	4,792,217
Charge for the period	–	10,763	16,440	–	13,167	60,647	9,495	39,817	105,342	255,671
Written off	–	–	(68,995)	–	(146,000)	–	(63,607)	(46,793)	(202,922)	(528,317)
Liquidation of a subsidiary	–	–	(431,404)	(1,255,025)	–	(75,946)	–	(54,543)	–	(1,816,918)
At 31 March 2010	–	131,303	24,306	334,156	319,602	714,933	113,597	526,854	537,902	2,702,653
Net book value										
At 31 March 2010	3,044,259	126,997	67,503	–	30,958	48,990	61,919	99,446	433,005	3,913,077
At 31 December 2008	3,044,259	137,760	81,002	163,855	40,781	106,396	22,501	40,699	296,023	3,933,276

11. Property, plant and equipment (cont'd)

Assets held under finance leases

Motor vehicles with net book value of $Nil (31 December 2008: $44,792) were acquired under finance lease agreements.

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

The Group's freehold land, leasehold property and building with a net book value of $3,171,256 (31 December 2008: $3,182,019) have been pledged as security in connection with the Group's bank overdrafts, bills payable and bank term loans as disclosed in Notes 24 and 27.

12. Investments in subsidiaries

	Company	
	31.3.2010 $	31.12.2008 $
Shares, at cost	9,299,998	9,299,998
Impairment losses	(4,798,510)	(4,798,510)
Carrying amount of investments	4,501,488	4,501,488

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest 31.3.10	31.12.08
Held by the Company				
Shining Construction Private Limited	Construction activities	Singapore	100	100
Builders Shop Pte Ltd	Importer/ distributor/ retailer/contractor of building materials and products	Singapore	100	100
Luban Investments Pte Ltd	Investment holding	Singapore	100	100
Held through subsidiaries				
Builders Centre Pte Ltd	Hiring out motor vehicles, machinery and equipment and provision of warehousing services	Singapore	100	100
Cream Homestore Pte Ltd	Retailing and trading of furniture and home lifestyle products and design	Singapore	80	80

12. Investment in subsidiaries (cont'd)

Name	Principal activities	Country of incorporation	Proportion (%) of ownership interest 31.3.10	31.12.08
Embryo Design Pte Ltd [1]	Dormant	Singapore	100	100
Room Interior Pte Limited [1]	Dormant	Singapore	100	100
Shenzhen Calo-Enersave Furnishing Co. Ltd [2]	Manufacturing furniture	People's Republic of China	54	54

Note:
All entities in the Group are audited by Ernst & Young LLP, Singapore, except as otherwise indicated:

(1) Not required to be audited as the companies are dormant.
(2) Not audited as the entity is under liquidation.

13. Investment securities

	Group 31.3.2010 $	31.12.2008 $
Held for trading investments		
Equity instruments (quoted)	71,219	44,651

Fair value gain of $26,568 (2008: loss of $59,429) on quoted investment held for trading are recognised in income statement.

14. Long term deposits/ Deferred lease expenses

Long term deposits and deferred lease expenses relate to the disposal of a leasehold building property under a sale and leaseback arrangement in prior years.

15. Inventories

	Group 31.3.2010 $	31.12.2008 $
Balance sheet:		
Building materials	3,687,154	5,534,633
Furniture	423,589	2,067,555
	4,110,743	7,602,188

15. Inventories (cont'd)

	Group	
	31.3.2010	31.12.2008
	$	$
Income statement:		
Inventories recognised as an expense in cost of sales	5,297,888	8,575,096
Inventories recognised as an expense in income statement		
- Allowance for inventory obsolescence recognised directly to income statement	92,066	67,919

16. Gross amounts due from/(to) customers for contract work-in-progress

	Group	
	31.3.2010	31.12.2008
	$	$
Contract work-in-progress		
Project costs	14,153,248	35,500,632
Attributable profits	4,265,590	6,464,610
	18,418,838	41,965,242
Less: Progress billings	(15,247,033)	(41,480,402)
	3,171,805	484,840
Presented as:		
Gross amounts due from customers for contract work	3,372,559	935,407
Gross amounts due to customers for contract work	(200,754)	(450,567)
	3,171,805	484,840
Retention sums on construction contract included in trade receivables	218,630	691,596

17. Trade receivables

	Group	
	31.3.2010	31.12.2008
	$	$
Trade receivables	4,129,447	5,599,502
Allowance for doubtful debts	(637,847)	(649,252)
	3,491,600	4,950,250

Trade receivables

Trade receivables are non-interest bearing and are generally on 30-90 days' terms. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

17. *Trade receivables (cont'd)*

Receivables that are past due but not impaired

The Group has trade receivables amounting to $874,661 (31 December 2008: $1,708,199) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their aging at the balance sheet date is as follows:

	Group	
	31.3.2010	**31.12.2008**
	$	**$**
Trade receivables past due:		
1 to 60 days	91,639	228,407
More than 60 days	783,022	1,479,792
	874,661	1,708,199

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	31.3.2010	**31.12.2008**
	$	**$**
Trade receivables – nominal amounts	783,090	1,387,458
Less: Allowance for impairment	(637,847)	(649,252)
	145,243	738,206
Movement in allowance accounts		
At beginning of the period/year	649,252	574,568
Allowance for doubtful receivables written back	(9,392)	–
Bad debts written off against allowances	(176,147)	(52,405)
Charge for the period/year	177,030	126,912
Translation adjustment	–	177
Written off – liquidation of a subsidiary	(2,896)	–
As at end of the period/year	637,847	649,252

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

18. Other receivables and deposits

	Group		Company	
	31.3.2010	**31.12.2008**	**31.3.2010**	**31.12.2008**
	$	**$**	**$**	**$**
Deposits to suppliers	2,071,070	33,821	–	–
Due from directors	–	8,214	–	–
Miscellaneous deposits	121,304	183,690	–	–
Other receivables	50,915	331,290	28,962	–
	2,243,289	557,015	28,962	–

19. Due from subsidiaries

	Group	
	31.3.2010	31.12.2008
	$	$
Due from subsidiaries:		
- Trade	4,160,541	4,101,924
- Non-trade	9,746,774	5,652,788
	13,907,315	9,754,712

Amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

20. Due from related parties

	Group		Company	
	31.3.2010	31.12.2008	31.3.2010	31.12.2008
	$	$	$	$
Due from related parties:				
- Trade	697,613	596,407	–	–
- Non-trade	–	49,214	–	–
	697,613	645,621	–	–

Amounts due from related parties are unsecured, interest-free and repayable on demand.

21. Cash and cash equivalents/Fixed deposits pledged

	Group		Company	
	31.3.2010	31.12.2008	31.3.2010	31.12.2008
	$	$	$	$
Current				
Cash at banks and in hand	1,761,694	1,207,389	295,417	215,348
Fixed deposits	17,405,139	21,688,331	17,388,251	21,642,393
	19,166,833	22,895,720	17,683,668	21,857,741

Cash at banks do not earn interest. Fixed deposits are placed for varying periods between 2 weeks to 12 months (31 December 2008: 2 weeks to 12 months) depending on the immediate cash requirements of the Group, and earn interest at the respective fixed deposit rates. The weighted average effective interest rate of fixed deposits is 0.5% (31 December 2008: 0.4%) per annum.

Fixed deposits pledged of $1,286,000 (31 December 2008: $750,912) is restricted in use as it is held by a bank as collateral for the use of banking facilities granted.

22. Trade payables

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Included in trade payables of the Group is an amount of $348,546 (2008: $193,352) and $795,003 (2008: $768,973) denominated in US dollars and Euros respectively. Trade payables of the Company are denominated in Singapore dollars.

23. Other payables and accruals

	Group		Company	
	31.3.2010	31.12.2008	31.3.2010	31.12.2008
	$	$	$	$
Other payables	2,616,938	544,589	19,077	12,396
Accrued operating expenses	1,092,869	1,210,858	886,404	177,767
	3,709,807	1,755,447	905,481	190,163

Other payables are unsecured, interest-free and repayable on demand.

24. Bills payable to banks (secured)

Bills payable to banks are secured by:

(a) collateral mortgage on the freehold land and property at 432, Balestier Road, Singapore 329813;

(b) a corporate guarantee by the Company; and

(c) first fixed charge over fixed deposits of subsidiaries.

The effective interest rate for the bills payable is 6.5% (31 December 2008: 6.5%) per annum.

25. Due to subsidiaries (non-trade)

These amounts are unsecured, interest-free and repayable on demand.

26. Due to related parties

Amounts due to related parties are trade related, unsecured, interest-free and repayable on demand.

27. Bank term loans

Bank term loans were repaid during the current financial period.

The bank term loans were secured by:

(a) first legal mortgage on freehold land and property at 432, Balestier Road, Singapore 329813; and

(b) a corporate guarantee by the Company.

Interest on the above loans were payable at interest rates of 7% (31 December 2008: 7%) per annum.

28. Share capital

	Group and Company			
	31.3.2010		31.12.2008	
	No. of shares	$	No. of shares	$
Beginning of the period/year	311,307,692	38,943,468	144,000,000	17,827,400
Issued during the period/year	–	–	167,307,692	21,750,000
Share issue expenses	–	–	–	(633,932)
As at end of the period/year	311,307,692	38,943,468	311,307,692	38,943,468

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

29. Translation reserve

Translation reserve records the exchange differences that arose from the translation of the financial statements of foreign operations with functional currencies that are different from that of the Group's presentation currency.

30. Commitments

(a) ***Operating lease commitments – as lessee***

The Group has entered into various operating lease agreements for leasehold land, offices and other facilities. These leases have an average tenure of between 2 and 10 years with no renewal option or contingent rent provision included in the contracts. Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

Minimum lease payments recognised as an expense in the income statement for the financial period from 1 January 2009 to 31 March 2010 amounted to $2,844,661 (31 December 2008: $2,371,737).

Future minimum rental payable under non-cancellable operating leases as at 31 March 2010 and 31 December 2008 are as follows:

	Group	
	31.3.2010	31.12.2008
	$'000	$'000
Not later than 1 year	2,152	2,281
Later than 1 year but not later than 5 years	8,207	8,588
Later than 5 years	674	5,155
	11,033	16,024

30. Commitments (cont'd)

(b) ***Operating lease commitments – as lessor***

The Group has entered into various operating sub-lease agreements for its leasehold land and offices. These non-cancellable leases have remaining lease terms of between 1 to 5 years.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2010 and 31 December 2008 are as follows:

	Group	
	31.3.2010	**31.12.2008**
	$'000	**$'000**
Not later than 1 year	598	451
Later than 1 year but not later than 5 years	146	537
	744	988

31. Contingencies

Financial support to subsidiary

As at 31 March 2010, the Company has undertaken to provide continuing financial support to its subsidiaries, Luban Investments Pte Ltd and Embryo Design Pte Ltd, which have net liabilities of $497,785 (31 December 2008: $627,303) and $370,010 (31 December 2008: $23,849) respectively.

Guarantees

As at 31 March 2010, guarantees issued to banks by the Company in respect of banking facilities extended to subsidiaries amounted to $8,845,000 (31 December 2008: $6,008,000), of which the amounts utilised by the subsidiaries was $2,119,207 (31 December 2008: $3,789,513).

The Company has provided guarantee to an insurance company in relation to performance bonds of $746,300 (31 December 2008: $622,620) issued for the performance of contract by subsidiaries of the Company.

32. Employee benefits

Employee benefits expense (including executive directors):

	Group	
	1.1.2009 to 31.3.2010	**1.1.2008 to 31.12.2008**
	$	**$**
Salaries and bonuses	3,350,254	3,954,706
CPF contributions	246,591	205,159
Other short-term benefits	219,463	164,561
	3,816,308	4,324,426
Less: Staff costs capitalised	(79,959)	(641,985)
	3,736,349	3,682,441

The above includes directors' remuneration shown in Note 33.

33. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties who are not members of the Group took place during the period/year at terms agreed between the parties:

	Group	
	1.1.2009 to 31.3.2010	**1.1.2008 to 31.12.2008**
	$	**$**
Disposal of hardware business to a related party	–	378,894
Purchases from related parties	306,686	222,409
Rental income from related parties	277,620	216,414
Sale of a property to a related party	–	213,887
Sales to related parties	144,021	664,253

(b) Compensation of key management personnel

	Group	
	1.1.2009 to 31.3.2010	**1.1.2008 to 31.12.2008**
	$	**$**
Short-term employee benefits	1,521,489	1,037,038
CPF contributions	50,675	52,156
Other short-term benefits	110,000	110,000
Total compensation paid to key management personnel	1,682,164	1,199,194
Comprise amounts paid to:		
Directors of the company	712,312	850,530
Other key management personnel	969,852	348,664
	1,682,164	1,199,194

34. Segment information

For management purposes, the Group is organised into business units based on their products and services, and the four reportable operating segments are as follows:

I. The Construction segment is involved in construction activities for public and private projects.

II. The Building Materials segment is an importer/distributor/retailer/contractor of building materials and products, in particular, building finishes.

III. The Rental Services segment is involved in renting of properties, hiring out motor vehicles, machinery and equipment and provision of warehousing services.

IV. The Home Furnishing segment focuses on retailing and trading of furniture and home lifestyle products and designs.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs and income) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are set at term agreed between the parties in a manner similar to transactions with third parties.

34. *Segment information (cont'd)*

	Construction		Building materials		Rental services		Home furnishing		Adjustments and eliminations		Notes	Group	
	2010	2008	2010	2008	2010	2008	2010	2008	2010	2008		2010	2008
	$	$	$	$	$	$	$	$	$	$		$	$
Revenue:													
External customers	2,551,254	4,383,148	13,533,913	14,226,781	161,532	118,825	2,107,643	3,618,332	(161,532)	(118,825)	A	18,192,810	22,228,661
Inter-segment	2,263	–	148,911	21,493	35,942	133,494	–	–	(187,116)	(154,987)	B	–	–
Total revenue	2,553,517	4,383,148	13,682,824	14,248,274	197,474	252,319	2,107,643	3,618,332	(348,648)	(273,812)		18,192,810	22,228,661
Results:													
Depreciation of property, plant and equipment	5,604	6,558	168,399	124,916	55,547	53,355	26,121	37,385	–	–		255,671	222,214
Other non-cash expenses	37,335	70,324	197,482	138,069	–	633,156	(117,535)	55,560	402,892	(762,592)	C	520,174	134,517
Segment profit/(loss)	489,865	(47,962)	(2,063,524)	26,357	86,003	(537,634)	(416,363)	(190,677)	(1,018,386)	642,567	D	(2,922,405)	(107,349)
Assets													
Additions to non-current assets	–	25	396,559	93,114	–	–	54,194	29,979	–	–		450,753	123,118
Segment assets	1,563,658	2,997,059	14,283,587	12,158,884	3,335,751	3,320,305	4,243,153	4,148,855	17,734,177	21,871,550	E	41,160,326	44,496,653
Liabilities													
Segment liabilities	1,455,684	2,612,554	4,884,981	2,910,125	29,418	1,379,908	2,403,592	2,767,432	920,407	205,451	F	9,694,082	9,875,470

34. *Segment information (cont'd)*

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A The amounts relating to external rental services has been excluded to arrive at the revenue shown in the income statement as they are classified as other operating income in the income statement.

B Inter-segment revenues are eliminated on consolidation.

C Other non-cash expenses consist of bad debts written off, fair value changes on quoted investment held for trading, property, plant and equipment written off, impairment loss on doubtful receivables (trade and non trade), foreign exchange (gain)/loss and allowance for inventory obsolescence.

D The following items are added to/(deducted from) segment (loss)/profit to arrive at "loss before tax" presented in the consolidated income statement.

	Group	
	1.1.2009 to 31.3.2010	**1.1.2008 to 31.12.2008**
	$	**$**
Finance costs	(163,961)	(302,962)
Finance income	188,937	241,977
Gain on disposal of a subsidiary	–	192,873
Loan to a subsidiary under liquidation written off	(227,719)	–
Loss on liquidation of a subsidiary company	(151,222)	–
Profit from inter-segment sales	48,299	649,141
Unallocated expenses	(712,720)	(138,462)
(1,018,386)	642,567	

Unallocated expenses primarily relate to directors' fee, directors' remuneration, and other corporate related expenses.

E The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheets.

	31.3.2010	**31.12.2008**
	$	**$**
Cash and cash equivalents	19,166,833	22,895,720
Fixed deposits pledge	1,286,000	750,912
Inter-segment assets	(2,718,656)	(1,775,082)
17,734,177	21,871,550	

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheets:

	31.3.2010	**31.12.2008**
	$	**$**
Other creditors and accruals	3,709,807	1,755,447
Inter-segment liabilities	(2,789,400)	(1,549,996)
920,407	205,451	

34. Segment information (cont'd)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenues		Non-current assets	
	1.1.2009 to 31.3.2010	1.1.2008 to 31.12.2008	31.3.2010	31.12.2008
	$	$	$	$
Singapore	18,192,810	20,883,314	3,913,077	3,933,276
People's Republic of China	–	1,344,947	–	–
	18,192,810	22,228,261	3,913,077	3,933,276

Non-current assets information presented above consist of property, plant and equipment as presented in the consolidated balance sheets.

Information about a major customer

Revenue from one major customer amounts to $2,836,722 (31 December 2008 : NIL), arising from sales by the building materials segment.

35. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and foreign currency risk. The Board of Directors review and agree policies and procedures for the management of these risks, which are executed by the Directors.

It is, and has been throughout the current and previous financial year, the Company's policy that no derivative shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks:

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and cash equivalents) the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

35. *Financial risk management objectives and policies (cont'd)*

Exposure to credit risks

At the balance sheet date, the Group's and the Company's maximum exposure to credit risk is represented by:

– the carrying amounts of each class of financial assets recognised in the balance sheet, and
– a nominal amount of $2,119,207 (31 December 2008: $3,789,513) relating to corporate guarantees provided by the Company and utilised by its subsidiaries to secure banking facilities for a subsidiary (Note 31).

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the balance sheet date is as follows:

	Group			
	31.3.2010		31.12.2008	
	$	% of total	$	% of total
By Country:				
Singapore	3,491,600	100%	4,845,417	98%
People's Republic of China	–	–	104,833	2%
3,491,600	100%	4,950,250	100%	
By Industry:				
Construction	3,415,216	97.8%	4,159,972	84.0%
Home Furnishing	76,384	2.1%	780,000	15.8%
Rental Services	–	–	10,278	0.2%
3,491,600	100%	4,950,250	100%	

At the balance sheet date, approximately:

- 57.5% (2008: 28.4%) of the Group's trade receivables were due from 5 major customers who are from construction industry located in Singapore; and

- 10% (31 December 2008: 10%) of the Group's trade and other receivables were due from related parties.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17 (Trade receivables) and Note 13 (Investment securities).

35. Financial risk management objectives and policies (cont'd)

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company monitor and maintain a level of cash and bank balances deemed adequate by the management to finance the Group's and Company's operations and mitigate the effected of fluctuations in cash flows.

The Group also has stand-by facilities e.g. overdraft and trade financing facilities from three different banks.

35. *Financial risk management objectives and policies (cont'd)*

(b) ***Liquidity risk (cont'd)***

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	31.3.2010				**31.12.2008**			
	1 year or less $	**1 to 5 years $**	**Over 5 years $**	**Total $**	**1 year or less $**	**1 to 5 years $**	**Over 5 years $**	**Total $**
Group								
Financial assets:								
Investment securities	–	71,219	–	71,219	–	44,651	–	44,651
Retention sum receivables	–	927,563	–	927,563	–	35,943	–	35,943
Long term deposits	–	1,445,950	–	1,445,950	–	–	1,403,832	1,403,832
Cash and cash equivalents	19,166,833	–	–	19,166,833	22,895,720	–	–	22,895,720
Fixed deposits pledged	–	1,286,000	–	1,286,000	–	750,912	–	750,912
Trade and other receivables	5,734,889	–	–	5,734,889	5,507,265	–	–	5,507,265
Due from related parties	697,613	–	–	697,613	645,621	–	–	645,621
Total undiscounted financial assets	25,599,335	3,730,732	–	29,330,067	29,048,606	831,506	1,403,832	31,283,944
Financial liabilities:								
Trade payables	4,053,069	–	–	4,053,069	5,331,598	–	–	5,331,598
Other payables and accruals	3,709,807	–	–	3,709,807	1,755,447	–	–	1,755,447
Bills payable to banks	1,538,247	–	–	1,538,247	953,797	–	–	953,797
Due to related parties	189,396	–	–	189,396	17,083	–	–	17,083
Bank term loans	–	–	–	–	252,108	1,008,432	427,223	1,687,763
Finance lease obligations	–	–	–	–	21,845	–	–	21,845
Total undiscounted financial liabilities	9,490,519	–	–	9,490,519	8,331,878	1,008,432	427,223	9,767,533
Total net undiscounted financial assets/(liabilities)	16,108,816	3,730,732	–	19,839,548	20,716,728	(176,926)	976,609	21,516,411

35. *Financial risk management objectives and policies (cont'd)*

(b) ***Liquidity risk (cont'd)***

	31.3.2010				31.12.2008			
	1 year or less $	1 to 5 years $	Over 5 years $	Total $	1 year or less $	1 to 5 years $	Over 5 years $	Total $
Company								
Financial assets:								
Other receivables	28,962	–	–	28,962	–	–	–	–
Due from subsidiaries	13,907,315	–	–	13,907,315	9,754,712	–	–	9,754,712
Cash and cash equivalents	17,683,668	–	–	17,683,668	21,857,741	–	–	21,857,741
Total undiscounted financial assets	31,619,945	–	–	31,619,945	31,612,453	–	–	31,612,453
Financial liabilities:								
Trade payables	13,609	–	–	13,609	12,199	–	–	12,199
Other payables and accruals	905,481	–	–	905,481	190,163	–	–	190,163
Due to subsidiaries	1,591,460	–	–	1,591,460	1,746,374	–	–	1,746,374
Total undiscounted financial liabilities	2,510,550	–	–	2,510,550	1,948,736	–	–	1,948,736
Total net undiscounted financial assets	29,109,395	–	–	29,109,395	29,663,717	–	–	29,663,717

Analysis of contingent liabilities by contractual expiry

The table below shows the contractual expiry by maturity of the Group and Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	31 March 2010 $'000				31 December 2008 $'000			
	One year or less	One to five years	Over five years	Total	One year or less	One to five years	Over five years	Total
Company								
Financial guarantees:								
- Banking facilities	–	8,845	–	8,845	–	6,008	–	6,008
- Performance bonds	746	–	–	746	623	–	–	623

35. *Financial risk management objectives and policies (cont'd)*

(c) *Foreign currency risk*

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the Group entities, which is SGD. The foreign currencies in which these transactions are denominated are mainly Euro (EUR) and United States dollars (USD). Approximately, 66% (2008: 57%) of the Group's costs are denominated in foreign currencies of the Group entities. The Group's trade payable balances at the balance sheet date have similar exposures.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss/profit net of tax to a reasonably possible change in the USD and EUR exchange rates (against SGD), with all other variables held constant.

	Group			
	31.3.2010		31.12.2008	
	Loss net of tax $	Equity $	Profit net of tax $	Equity $
USD – strengthened 3% (2008: 3%)	- 17,075	- 17,075	- 8,828	- 8,828
– weakened 3% (2008: 3%)	+ 17,075	+ 17,075	+ 8,828	+ 8,828
EUR – strengthened 3% (2008: 3%)	- 39,188	- 39,188	- 45,216	- 45,216
– weakened 3% (2008: 3%)	+ 39,188	+ 39,188	+ 45,216	+ 45,216

36. Fair value of financial instruments

A. *Fair value of financial instruments that are carried at fair value*

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Group			
	31.3.2010			
	Quoted price in active markets for identical instruments (Level 1) $	Significant observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Total $
Financial assets:				
Held for trading investments (Note 13)				
- Equity instruments (quoted)	71,219	–	–	71,219

36. Fair value of financial instruments (cont'd)

Fair value hierarchy

The Group classify fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

– Level 1- Quoted prices (unadjusted) in active markets for identical assets or liabilities
– Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and
– Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Determination of fair value

Quoted equity instruments (Note 13): Fair value is determined directly by reference to their published market bid price at the balance sheet date.

B. *Fair value of financial instruments that are not carried at fair value and whose carrying amount are reasonable approximate of fair value.*

Current trade receivables, other receivables and deposits, due from related parties, due from subsidiaries, retention sum receivable, trade payables, other payables and accruals, due to related parties, due to subsidiaries, bill payables to bank, bank terms loans, fixed deposits pledged and cash and cash equivalents.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the balance sheet date.

C. *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value*

	Group				Company			
	31.3.2010 $'000		31.12.2008 $'000		31.3.2010 $'000		31.12.2008 $'000	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial asset:								
Long term deposits	1,446	1,637	1,404	1,637	–	–	–	–

36. Fair value of financial instruments (cont'd)

D. *Classification of financial instruments*

	Group		Company	
	31.3.2010	31.12.2008	31.3.2010	31.12.2008
	$	$	$	$
Loan and receivables				
Retention sum receivable	927,563	35,943	–	–
Long-term deposits	1,445,950	1,403,832	–	–
Fixed deposits pledged	1,286,000	750,912	–	–
Trade receivables	3,491,600	4,950,250	–	–
Other receivables and deposits	2,243,289	557,015	28,962	–
Due from related parties	697,613	645,621	–	–
Due from subsidiaries	–	–	13,907,315	9,754,712
Cash and cash equivalents	19,166,883	22,895,720	17,683,668	21,857,741
Total loan and receivables	29,258,898	31,239,293	31,619,945	31,612,453
Held for trading				
Investment securities	71,219	44,651	–	–
Financial liabilities at amortised cost				
Trade payables	4,053,069	5,331,598	13,609	12,199
Other payables and accruals	3,709,807	1,755,447	905,481	190,163
Bills payable to banks (secured)	1,538,247	953,797	–	–
Due to related parties	189,396	17,083	–	–
Due to subsidiaries	–	–	1,591,460	1,746,374
Bank term loans	–	1,343,833	–	–
Finance lease obligations	–	20,336	–	–
Total financial liabilities measured at amortised costs	9,490,519	9,422,094	2,510,550	1,948,736

37. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period/year ended 31 March 2010 and 31 December 2008.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's current policy is to keep the gearing ratio below 50%. The Group includes within net debt, trade and other payables, due to related parties, bills payable, bank overdrafts and loans, finance lease obligations, less cash and cash equivalents. Capital comprises equity attributable to the equity holders of the parent.

37. Capital management (cont'd)

	Group	
	31.3.2010	31.12.2008
	$	$
Trade payables	4,053,069	5,331,598
Other payables and accruals	3,709,807	1,755,447
Due to related parties	189,396	17,083
Bills payable to banks	1,538,247	953,797
Bank term loans	–	1,343,833
Finance lease obligations	–	20,336
Less: Cash and cash equivalents	(19,166,833)	(22,895,720)
Net cash and cash equivalents	(9,676,314)	(13,473,626)
Equity attributable to the equity holders of the Company	31,466,244	34,452,196
Gearing ratio	N.A.	N.A.

38. Comparatives

The financial statement for prior year covers a 12-month period from 1 January 2008 to 31 December 2008.

39. Subsequent event

With effect from 22 June 2010, the Company has changed its name from Shining Corporation Ltd to Pollux Properties Ltd.

40. Authorisation of financial statements

The financial statements for the period from 1 January 2009 to 31 March 2010 were authorised for issue in accordance with a resolution of the directors on 28 June 2010.

USE OF SHARES PLACEMENT PROCEEDS

On 31 March 2008, the Company allotted and issued 167,307,692 new ordinary shares at issue price of S$0.13 per share raising S$21.75 million.

The Company intends to use the net proceeds from the shares placement:

(1) to undertake activities relating to high-end residential development of properties in Singapore; and

(2) to provide general working capital.

As at the date of this report, the status on the use of proceeds is as follows:

	$
Gross proceeds from shares placement	21,750,000
Payment of shares placement expenses	(461,728)
Balance as at 31 December 2008	21,288,272
Repayment of term loans of a subsidiary	(1,327,795)
Provided for Subsidiaries' working capital (net of repayment)	(821,737)
Balance unutilised as at the date of this report	19,138,740

The remaining net proceeds have been deposited with a bank pending further disbursements.

SHAREHOLDINGS STATISTICS

Number of Issued Shares	-	311,307,692
Issued and Paid-capital	-	S$39,676,140.96
Number of Treasury Shares held	-	Nil
No of shareholders	-	1,726
Class of shares	-	Ordinary shares each with equal voting rights

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 18 June 2010, approximately 40% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of Section B of the Listing Manual issued by SGX-ST is complied with.

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	8	0.51	3,438	0.00
1,000 - 10,000	1,038	66.97	3,904,200	1.26
10,001 - 1,000,000	478	30.84	41,162,505	13.22
1,000,001 and above	26	1.68	266,237,549	85.52
	1,550	100.00	311,307,692	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	Sunny Scene Investment Limited	39,393,939	12.65
2	Dragon Diligent International Limited	36,363,636	11.68
3	Ocean Blue Asia Limited	33,111,133	10.64
4	Silver Finance Investment Limited	30,156,156	9.69
5	Fair Billion Holdings Limited	28,282,828	9.09
6	OCBC Securities Private Ltd	14,596,230	4.69
7	Shining Holdings Pte Ltd	13,950,420	4.48
8	Tan Kay Sing	11,025,000	3.54
9	Phillip Securities Pte Ltd	8,143,177	2.62
10	UOB Kay Hian Pte Ltd	5,404,000	1.74
11	Tay Swee Leng	4,999,980	1.61
12	Yeong Yoon Ying	4,500,000	1.45
13	Chang Soon Kheong	4,463,000	1.43
14	Tan Siok Hwee	2,499,990	0.80
15	Tan Li Yu	2,250,000	0.72
16	Tan Zheng Yu (Chen Zhengyu)	2,250,000	0.72
17	Tan Ren Feng	2,172,500	0.70
18	Kim Eng Securities Pte Ltd	2,124,000	0.68
19	Jaz Tan Hsiao Nung (Chen Xiaonong)	2,021,010	0.65
20	Tan Kay Kiang	1,549,920	0.50
		249,256,919	80.07

SUBSTANTIAL SHAREHOLDERS AS AT 18 June 2010

(According to the Register of Substantial Shareholders)

	No. of Shares		
Name of Substantial Shareholder	Direct Interests	Deemed Interest	%
Tan Kay Kiang[(1)]	1,549,920	18,950,400	6.59
Tan Chin Hoon[(2)]	314,910	15,950,400	5.23
Tan Kay Tho[(3)]	1,474,890	18,450,420	6.40
Tan Kay Sing[(4)]	11,025,000	14,500,420	8.20
Nico Purnomo Po[(5)]	-	167,307,692	53.74
Fair Billion Holdings Limited	28,282,828	-	9.09
Silver Finance Investment Limited	30,156,156	-	9.69
Ocean Blue Asia Limited	33,111,133	-	10.64
Dragon Diligent International Limited	36,363,636	-	11.68
Sunny Scene International Limited	39,393,939	-	12.65

Notes:

(1) Tan Kay Kiang is deemed to be interested in 13,950,420 shares held by Shining Holdings Pte Ltd, by virtue of section 7(4A) of the Companies act, Cap.50 (the "Act"), and 4,999,980 shares held by his spouse.

(2) Tan Chin Hoon is deemed to be interested in 13,950,420 shares held by Shining Holdings Pte Ltd, by virtue of section 7(4A) of the Act and 1,999,980 shares held by his spouse.

(3) Tan Kay Tho is deemed to be interested in 13,950,420 shares held by Shining Holdings Pte Ltd, by virtue of section 7(4A) of the Act and 4,500,000 shares held by his spouse.

(4) Tan Kay Sing is deemed to be interested in 13,950,420 shares held by Shining Holdings Pte Ltd, by virtue of section 7(4A) of the Act and 550,000 shares held by his spouse.

(5) Nico Purnomo Po is deemed to be interested in the 28,282,828 shares held by Fair Billion Holdings Limited, 30,156,156 shares held by Silver Finance Investment Limited, 33,111,133 shares held by Ocean Blue Asia Limited, 36,363,636 shares held by Dragon Diligent International Limited and 39,393,939 shares held by Sunny Scene International Limited, by virtue of section 7(4A) of the Act.

POLLUX PROPERTIES LTD.

(Formerly known as Shining Corporation Ltd)
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199904729G)

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of the Company will be held at 11 Changi South Street 3, #04-01 Builders Centre, Singapore 486122, on Monday, 26 July 2010 at 2.00 p.m., for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial period ended 31 March 2010 and the Directors' Reports and the Auditors' Report thereon. Resolution 1

2. To approve Directors' fees of S$110,000 for financial period ended 31 March 2010. (2008: S$110,000). Resolution 2

3. To re-elect Mr Gurdaib Singh s/o Pala Singh, a Director retiring by rotation pursuant to Article 104 of the Company's Articles of Association. *(See Explanatory Note)* Resolution 3

4. To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration. Resolution 4

SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions:

5. THAT pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of Section B of the Listing Manual of Singapore Exchange Securities Trading Limited (the "SGX-ST"), authority be and is hereby given to the Directors to: Resolution 5

   (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, notwithstanding that the authority granted by this Resolution may have ceased to be in force at the time of such issuance of shares.

PROVIDED THAT:

(1) the aggregate number of shares to be issued shall not exceed 100% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 50% of the total number of issued shares in the capital of the Company excluding treasury shares (as calculated in accordance with paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue or consolidation or subdivision of shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Rules of Catalist of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. *(See Explanatory Note)*

6. That subject to and pursuant to the share issue mandate in Resolution 5 above being obtained, authority be and is hereby given to the Directors to issue new shares other than on a *pro rata* basis to shareholders of the Company at an issue price per new share which shall be determined by the Directors in their absolute discretion; provided that such price for the new shares shall not represent more than a 20% discount to the weighted average price per share determined in accordance with the requirements of the SGX-ST (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by the law to be held, whichever is the earlier. Resolution 6
(See Explanatory Note)

7. To transact any other business.

BY ORDER OF THE BOARD

HO WUI MEE MARIAN / CHEW BEE LENG
Company Secretaries

Singapore
9 July 2010

Explanatory Notes:

Resolution 3

Mr Gurdaib Singh s/o Pala Singh will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration and Nominating Committee and a member of the Audit Committee, and he will be considered independent for the purpose of Rule 704(7) of Section B of the Listing Manual of the SGX-ST.

Resolution 5

Resolution no. 5, if passed, will empower the Directors of the Company to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding in aggregate 100% of the total number of issued shares (excluding treasury shares), of which up to 50% may be issued other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Resolution no. 5 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Resolution no. 5 is passed, and (b) any subsequent bonus issue or consolidation or subdivision of shares.

Resolution 6

Resolution no. 6, if passed, will empower the Directors of the Company to determine the issue price for new shares issued other than on a *pro rata* basis to shareholders of the Company; provided that such price for the new shares shall not represent more than a 20% discount to the weighted average price per share determined in accordance with the requirements of the SGX-ST. This authority is proposed pursuant to the SGX-ST news release of 19 February 2009 which introduced further measures to accelerate and facilitate listed issuers' fund raising efforts. These measures are effective until 31 December 2010 and will be reviewed by SGX-ST at the end of the period.

Notes:

(1) A member of the company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies and vote in his stead. Such proxy need not be a member of the Company. Where there is more than one proxy, the proportion (expressed as a percentage of the whole) of his shareholding to be represented by each proxy must be stated.

(2) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing.

(3) If the appointer is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.

(4) The instrument appointing proxy or proxies must be deposited at the registered office of the Company at 11 Changi South Street 3, #04-01, Singapore 486122 not later than 48 hours before the time set for the Annual General Meeting or any adjournment thereof.

(5) This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this notice including the correctness of any of the figures used, statements or opinions made.

This notice has not been examined or approved by SGX-ST and SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Foo Quee Yin, telephone number: 6221 0271.

POLLUX PROPERTIES LTD.

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PROXY FORM – ANNUAL GENERAL MEETING

IMPORTANT
1. For investors who have used their CPF moneys to buy ordinary shares in the capital of Pollux Properties Ltd., this 2009/10 Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We ____ NRIC/Passport No. ________________

of ____

being a member/members of POLLUX PROPERTIES LTD. (the "Company") hereby appoint

Name	Address	NRIC/Passport No.	Proportion of Shareholdings (%)

and/or failing him/her (delete as appropriate)

or failing him/her, the Chairman of the Tenth Annual General Meeting ("AGM") of the Company as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the AGM of the Company to be held at 11 Changi South Street 3, #04-01 Builders Centre, Singapore 486122, on Monday, 26 July 2010 at 2.00 p.m., and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of the AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM).

	Ordinary Resolutions	For	Against
	Ordinary Business		
1.	To receive, consider and adopt the Audited Financial Statements for the financial period ended 31 March 2010 and the Directors' Reports and the Auditors' Report thereon		
2.	To approve Directors' fees of S$110,000 for financial period ended 31 March 2010		
3.	To re-elect Mr Gurdaib Singh s/o Pala Singh retiring by rotation pursuant to Article 104 of the Company's Articles of Association		
4.	To re-appoint Messrs Ernst & Young LLP as Auditors and to authorise the Directors to fix their remuneration		
	Special Business		
5.	To authorise the Directors to allot/issue new shares		
6.	To authorise the Directors to issue new shares other than on a *pro rata* basis at a discount of up to 20%		

Dated this ______________ day of ______________ 2010

Total number of Shares

____
Signature(s) of Shareholder(s) / Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at the above-mentioned meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his stead. Where a member appoints more than one proxy, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 11 Changi South Street 3, #04-01 Builders Centre, Singapore 486122, not less than 48 hours before the time set for the meeting.

4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed under its common seal or under the hand of its attorney duly authorised.

6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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POLLUX PROPERTIES LTD.

11 Changi South Street 3
#04-01 Builders Centre
Singapore 486122
Tel : 65 6603 0000
Fax : 65 6545 5665