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**Financial Statement for the First Quarter Ended 31 March 2009**

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**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement with a consolidated statement of comprehensive income for the Group together with a comparative statement for the corresponding period of the immediate preceding financial year.

	First Quarter ended 31 March		
	2009	2008	Change
	S\$'000	S\$'000	%
<b>INCOME STATEMENT</b>			
Revenue	61,232	41,208	48.6
Cost of sales	(57,282)	(37,299)	53.6
<b>Gross Profit</b>	<u>3,950</u>	<u>3,909</u>	1.1
Other income	541	130	316.2
Administrative costs	(897)	(1,045)	(14.2)
Other operating costs	(1,766)	(1,485)	18.9
Finance costs	(565)	(93)	N.M.
Share of results of associates	1,757	56	N.M.
<b>Profit before tax</b>	<u>3,020</u>	<u>1,472</u>	105.2
Income tax expenses	(231)	(6)	N.M.
<b>Profit for the period</b>	<u>2,789</u>	<u>1,466</u>	90.2
<b>Attributable to :</b>			
Owners of the parent	2,774	1,435	93.3
Minority interests	15	31	(51.6)
	<u>2,789</u>	<u>1,466</u>	90.2

**First Quarter ended 31 March**

	2009 S\$'000	2008 S\$'000	Change %
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
Profit for the period	2,789	1,466	90.2
Other comprehensive income :			
Foreign currency translation differences	(32)	203	(115.8)
Other comprehensive income for the period, net of tax	(32)	203	(115.8)
Total comprehensive income for the period	<u>2,757</u>	<u>1,669</u>	65.2
Total comprehensive income attributable to :			
Owners of the parent	2,745	1,637	67.7
Minority interests	12	32	(62.5)
	<u>2,757</u>	<u>1,669</u>	65.2

**NOTES TO INCOME STATEMENT**

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

Depreciation of property, plant and equipment	595	650	(8.5)
Foreign exchange currency adjustment (gain)/loss	(85)	89	195.5
Gain on disposal of property, plant and equipment	-	(39)	N.M.
Interest expense on loans and borrowings	556	56	N.M.
Interest income from fixed deposits	(20)	(36)	(44.4)
Allowance for doubtful receivables			
- external parties (net)	30	61	(50.8)

N.M. = Not Meaningful

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

	Group		Company	
	31/03/2009 S\$'000	31/12/2008 S\$'000	31/03/2009 S\$'000	31/12/2008 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	16,382	16,774	133	142
Intangible assets	119	119	-	-
Investment securities	94	94	-	-
Investment in subsidiaries	-	-	22,016	22,016
Investment in associates	6,664	4,907	92	92
Deferred tax assets	1,200	1,200	-	-
<b>Current assets</b>				
Investment securities	13	13	13	13
Amounts due from subsidiaries	-	-	7,374	5,969
Development properties	73,866	73,930	-	-
Gross amount due from customers for contract work-in-progress	7,639	6,587	-	-
Inventories	5,951	7,523	-	-
Trade receivables	54,131	54,314	-	-
Other receivables	10,105	12,357	85	78
Cash and fixed deposits	39,764	27,935	4,345	5,908
	191,469	182,659	11,817	11,968
<b>Current liabilities</b>				
Amounts due to subsidiaries	-	-	1,965	1,965
Gross amount due to customers for contract work-in-progress	14,051	12,088	-	-
Trade and other payables	73,093	64,477	379	286
Other liabilities	8,692	11,300	-	-
Loans and borrowings	2,087	1,991	20	20
Income tax payable	1,675	1,457	-	-
	99,598	91,313	2,364	2,271
<b>Net current assets</b>	91,871	91,346	9,453	9,697
<b>Non-current liabilities</b>				
Deferred tax liabilities	(1,311)	(1,311)	-	-
Loans and borrowings	(63,542)	(64,409)	(52)	(57)
<b>Net assets</b>	51,477	48,720	31,642	31,890
<b>Equity attributable to equity holders of the Company</b>				
Share capital	43,966	43,966	43,966	43,966
Retained earnings/(accumulated losses)	7,281	4,507	(12,324)	(12,076)
Foreign currency translation reserve	(372)	(343)	-	-
	50,875	48,130	31,642	31,890
Minority interests	602	590	-	-
<b>Total equity</b>	51,477	48,720	31,642	31,890

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

Amount repayable in one year or less, or on demand

As at 31/03/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$2,087,000	-	S\$1,991,000	-

Amount repayable after one year

As at 31/03/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$63,542,000	-	S\$64,409,000	-

Details of any collateral

The secured borrowings repayable within one year and after one year comprise mainly of land loan, bank overdrafts and banker's acceptance which are secured by a charge over the fixed deposits from a subsidiary and corporate guarantee from the Company and over the properties held for sale at No. 19 & 21 Holland Hill, Singapore.

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

	<b>First Quarter ended 31 March</b>	
	<b>2009</b> S\$'000	<b>2008</b> S\$'000
<b>Cash flows from operating activities :</b>		
Profit before tax	3,020	1,472
Adjustments for :		
Depreciation of property, plant and equipment	595	650
Interest income	(20)	(36)
Interest expense	556	93
Gain on disposal of property, plant and equipment	-	(39)
Share of results of associates	(1,757)	(56)
<b>Operating profit before working capital changes</b>	<b>2,394</b>	<b>2,084</b>
Decrease/(increase) in development properties	64	(684)
Decrease/(increase) in contract work-in-progress	911	(1,518)
Decrease in trade receivables	183	2,307
Decrease/(increase) in other receivables	2,252	(998)
Decrease/(increase) in inventories	1,572	(6)
Increase/(decrease) in trade and other payables	8,616	(4,718)
(Decrease)/increase in other liabilities	(2,608)	2,817
<b>Cash from/(used in) operations</b>	<b>13,384</b>	<b>(716)</b>
Interest paid	(556)	(93)
Interest received	20	36
Income tax paid	(13)	(16)
<b>Net cash from/(used in) operating activities</b>	<b>12,835</b>	<b>(789)</b>
<b>Cash flows from investing activities :</b>		
Proceeds from disposal of property, plant and equipment	-	226
Purchase of property, plant and equipment	(134)	(1,459)
<b>Net cash used in investing activities</b>	<b>(134)</b>	<b>(1,233)</b>
<b>Cash flows from financing activities :</b>		
Proceeds from bank borrowings, secured	506	4,448
Repayment of long term borrowings	(690)	-
Repayment of finance leases	(587)	(607)
Repayment/(placement) of pledged deposits	337	(655)
<b>Net cash (used in)/from financing activities</b>	<b>(434)</b>	<b>3,186</b>
Net effect of exchange rate changes in consolidating subsidiaries	(101)	72
Net increase in cash and cash equivalents	12,166	1,236
Cash and cash equivalents at beginning of the period	26,764	17,759
<b>Cash and cash equivalents at end of the period (Note 6)</b>	<b>38,930</b>	<b>18,995</b>
<b>Note 6: Cash and cash equivalents at end of the period</b>		
Cash at bank and in hand	23,823	6,269
Fixed deposits	15,941	15,589
	39,764	21,858
Less : Pledged deposits	(834)	(2,863)
	38,930	18,995

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

## STATEMENT OF CHANGES IN EQUITY

### Group

	Attributable to equity holders of the Parent					Total equity S\$'000
	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	Minority interests S\$'000	
Opening balance at 1 January 2009	43,966	4,507	(343)	48,130	590	48,720
Total comprehensive income for the period	-	2,774	(29)	2,745	12	2,757
Closing balance at 31 March 2009	43,966	7,281	(372)	50,875	602	51,477
Opening balance at 1 January 2008	43,966	855	(511)	44,310	527	44,837
Total comprehensive income for the period	-	1,435	202	1,637	32	1,669
Closing balance at 31 March 2008	43,966	2,290	(309)	45,947	559	46,506

### Company

	Attributable to equity holders of the Company		
	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Opening balance at 1 January 2009	43,966	(12,076)	31,890
Total comprehensive income for the period	-	(248)	(248)
Closing balance at 31 March 2009	43,966	(12,324)	31,642
Opening balance at 1 January 2008	43,966	(11,987)	31,979
Total comprehensive income for the period	-	(185)	(185)
Closing balance at 31 March 2008	43,966	(12,172)	31,794

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There have been no changes to the issued share capital of the Company since the end of the previous financial period. As at 31 March 2009, the issued share capital of the Company was S\$43,967,199 comprising 1,541,052,278 ordinary shares.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2009 was 1,541,052,278 (as at 31 December 2008: 1,541,052,278). The Company did not hold any treasury shares as at 31 March 2009 and 31 December 2008.

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

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the quarter ended 31 March 2009.

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

The figures have not been audited nor reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors report (including any qualifications or emphasis of matters).**

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2008.

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

The Group has adopted the new and Revised Singapore Financial Reporting Standards ("FRS") that are mandatory for financial years beginning on or after 1 January 2009, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there are no material impacts on the retained earnings of the Group as at 1 January 2009.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>First Quarter ended</u>	
	<u>31/03/2009</u>	<u>31/03/2008</u>
	Cents	Cents
Earnings per ordinary share of the Company attributable to shareholders :		
(a) Based on the weighted average number of ordinary shares on issue	0.18	0.09
(b) On a fully diluted basis (detailing any adjustment made to the earnings)	0.18	0.09

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 1,541,052,278 shares (2008: 1,541,052,278 shares).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
- (a) current financial period reported on; and
- (b) immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	<u>31/03/2009</u>	<u>31/12/2008</u>	<u>31/03/2009</u>	<u>31/12/2008</u>
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued capital at the end of the period	3.30	3.12	2.05	2.07

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the followings:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement Review - First Quarter 2009 (1Q 2009) vs First Quarter 2008 (1Q 2008)

The Group recorded a 48.6% increase in revenue to S\$61 million in the 1Q 2009 compared to S\$41 million in 1Q 2008. The increase was mainly due to recognition of revenue from key construction projects of higher value in 1Q 2009. The Group's general construction business contributed 80% of the revenue and the balance of 20% came from the specialised engineering business.

Gross profit increased by approximately 1.1% from S\$3.9 million in 1Q 2008 to S\$4.0 million in 1Q 2009 as a result of higher revenue. However, gross profit margin declined from 9.5% in 1Q 2008 to 6.5% in 1Q 2009 mainly due to a project of higher value with lower profit margin secured in 1Q 2008 but no revenue and profit were recognised in 1Q2008 as the project was at an early stage of construction.

Other income increased by approximately 316.2% from S\$0.1 million in 1Q 2008 to S\$0.5 million in 1Q 2009 mainly due to increase in rental income of S\$0.4 million relating to the existing premises at Holland Hill and Changi South Street 1.



Administrative and other operating costs increased by approximately S\$0.1 million largely attributable to higher staff costs which were partially offset against the gain in foreign exchange.

Finance cost increased by S\$0.5 million from S\$0.1 million in 1Q 2008 to S\$0.6 in 1Q 2009 mainly due to interest expense on loans and borrowings relating to the property at Holland Hill which was temporarily rented out to a third party.

Share of results of associates increased by S\$1.7 million from S\$0.06 million in 1Q 2008 to S\$1.8 million in 1Q 2009. This was attributable to the Group's share of profits recognised from the development project at No. 8 Nassim Hill.

Profit before tax increased by 105.2% from S\$1.5 million in 1Q 2008 to S\$3.0 million in 1Q 2009 mainly due to the increase in share of results from associates of S\$1.7 million. Overall, net profit attributable to owners of the parent increased by 93.3% from S\$1.4 million in 1Q 2008 to S\$2.8 million in 1Q 2009.

### Balance Sheet Review

The increase of S\$1.4 million in non-current assets was mainly due to the increase of S\$1.7 million in the share of results of associates for profit recognised from the development of No. 8 Nassim Hill project which was offset by reduction of S\$0.4 million in property, plant and equipment.

Current assets increased by S\$8.8 million from S\$182.7 million as at 31 December 2008 to S\$191.5 million as at 31 March 2009. The increase was attributable to an increase in cash and fixed deposits of S\$11.8 million which was partially offset by a decrease of S\$2.3 million in other receivables.

Current liabilities increased by S\$8.3 million from S\$91.3 million as at 31 December 2008 to S\$99.6 million as at 31 March 2009. The increase was mainly due to an increase in trade and other payables of S\$8.6 million due to the surge in construction activities.

Non-current liabilities decreased by S\$0.9 million which was due mainly to repayment for some of the finance leases and long term loan in 1Q 2009.

As at 31 March 2009, net asset value per share stood at 3.30 cents or 5.8% higher than the value at 31 December 2008.

The Group maintained a healthy liquidity position. As at 31 March 2009, it had a cash and cash equivalent position of approximately S\$38.9 million compared to S\$19 million as at 31 March 2008.

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

The results reported herein are in line with the announcement made previously.

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

Based on the Building and Construction Authority's (BCA) latest Development Plans Survey conducted in Oct/Nov 2008 and BCA Construction Demand Forecast Model as well as taking into account of the latest development in the global economic condition, BCA projected that total construction demand in 2009 is likely to be in the region of S\$22 billion to S\$28 billion.

In view of the current global financial crisis, demand for private residential properties in Singapore has been greatly affected in 2009. Therefore, the public sector will be the key construction demand driver and in the 2009 budget, the Government announced that it would spend between S\$18 billion to S\$20 billion in public infrastructure projects for 2009 including S\$1.3 billion worth of smaller projects which were originally slated to commence in 2010. The Group will continue to leverage its track record and capabilities in building construction and civil engineering to secure more public sector projects.

In an already tight and competitive market environment, the Group will be selective in tendering for new projects and will focus on projects that will generate reasonable returns and profit margins. In addition, the Group will continue to explore ways to mitigate cost effectively and optimise its efficiency in the managing of upcoming and on-going projects.

As at the date of this announcement, the Group has a healthy year-to-date order book of S\$284 million, predominantly in Singapore and Malaysia. With the healthy order book, the Group is expected to remain profitable for FY 2009.

## 11. Dividend

### *(a) Current Financial Period Reported On*

Any dividend declared/recommended for the current financial period reported on?

No.

### *(b) Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

### **(c) Date payable**

Not applicable.

### **(d) Books closure date**

Not applicable.

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

No dividend has been declared/recommended for the current financial period.

## CONFIRMATION BY THE BOARD

We, Tan Kheng Hwee Andrew and Carrie Luk Kai Lai, being two of the Directors of the Company, do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 March 2009 to be false or misleading.

On behalf of the Board of Directors



TANKHENG HWEE ANDREW  
Group Chief Executive Officer



CARRIE LUK KA LAI  
Non-Executive Director

Singapore  
11 May 2009