

Financial Statement for the Second Quarter and Half Year Ended 30 June 2009

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.

	Second Quarter Ended 30 June			Half Year Ended 30 June		
	2009	2008	Change	2009	2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
INCOME STATEMENT						
Revenue	53,811	91,658	(41.3)	115,043	132,867	(13.4)
Cost of Sales	(50,355)	(86,289)	(41.6)	(107,637)	(123,588)	(12.9)
Gross Profit	3,456	5,369	(35.6)	7,406	9,279	(20.2)
Other income	772	662	16.6	1,313	792	65.8
Administrative costs	(962)	(2,120)	(54.6)	(1,859)	(3,165)	(41.3)
Other operating costs	(1,823)	(1,799)	1.3	(3,589)	(3,284)	9.3
Finance costs	(1,121)	(122)	818.9	(1,686)	(216)	680.6
Share of results of associates	1,846	-	N.M.	3,603	56	N.M.
Profit before tax	2,168	1,990	8.9	5,188	3,462	49.9
Income tax expenses	(363)	60	(705.0)	(594)	54	N.M.
Profit for the period	1,805	2,050	(12.0)	4,594	3,516	30.7
Attributable to :						
Owners of the parent	1,790	2,037	(12.1)	4,564	3,472	31.5
Minority interests	15	13	15.4	30	44	(31.8)
	1,805	2,050	(12.0)	4,594	3,516	30.7

	Second Quarter Ended 30 June			Half Year Ended 30 June		
	2009 S\$'000	2008 S\$'000	Change %	2009 S\$'000	2008 S\$'000	Change %
STATEMENT OF COMPREHENSIVE INCOME						
Profit for the period	1,805	2,050	(12.0)	4,594	3,516	30.7
Other comprehensive income :						
Foreign currency translation differences	(34)	36	(194.4)	(66)	239	(127.6)
Other comprehensive income for the period, net of tax	(34)	36	(194.4)	(66)	239	(127.6)
Total comprehensive income for the period	1,771	2,086	(15.1)	4,528	3,755	20.6
Total comprehensive income attributable to :						
Owners of the parent	1,748	2,096	(16.6)	4,493	3,733	20.4
Minority interests	23	(10)	(330.0)	35	22	59.1
	1,771	2,086	(15.1)	4,528	3,755	20.6

NOTES TO INCOME STATEMENT

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

Depreciation of property, plant and equipment	578	706	(18.1)	1,173	1,356	(13.5)
Foreign exchange currency adjustment loss/(gain)	6	875	(99.3)	(79)	964	(108.2)
Gain on disposal of property, plant and equipment	(103)	(481)	(78.6)	(103)	(519)	(80.2)
Interest expense on loans and borrowings	1,052	106	892.5	1,608	164	880.5
Interest income from fixed deposits	(169)	(30)	463.3	(190)	(66)	187.9
Allowance for doubtful receivables - external parties (net)	9	58	(84.5)	39	120	(67.5)
Write off of property, plant and equipment	2	-	N.M.	2	-	N.M.

N.M. = Not Meaningful

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

	Group		Company	
	30/06/2009 S\$'000	31/12/2008 S\$'000	30/06/2009 S\$'000	31/12/2008 S\$'000
Non-current assets				
Property, plant and equipment	15,349	16,774	123	142
Intangible assets	119	119	-	-
Investment securities	94	94	-	-
Investment in subsidiaries	-	-	22,016	22,016
Investment in associates	8,510	4,907	92	92
Deferred tax assets	1,200	1,200	-	-
Current assets				
Investment securities	13	13	13	13
Amounts due from subsidiaries	-	-	7,901	5,969
Development properties	73,382	73,930	-	-
Gross amount due from customers for work-in-progress	5,532	6,587	-	-
Inventories	5,152	7,523	-	-
Trade receivables	47,063	54,314	-	-
Other receivables	12,493	12,357	88	78
Cash and fixed deposits	42,625	27,935	1,300	5,908
	186,260	182,659	9,302	11,968
Current liabilities				
Amounts due to subsidiaries	-	-	-	1,965
Gross amount due to customers for work-in-progress	12,157	12,088	-	-
Trade and other payables	76,338	64,477	148	286
Other liabilities	7,461	11,300	-	-
Loans and borrowings	788	1,991	20	20
Income tax payable	1,546	1,457	-	-
	98,290	91,313	168	2,271
Net current assets	87,970	91,346	9,134	9,697
Non-current liabilities				
Deferred tax liabilities	(1,297)	(1,311)	-	-
Loans and borrowings	(58,697)	(64,409)	(47)	(57)
Net assets	53,248	48,720	31,318	31,890
Equity attributable to equity holders of the Company				
Share capital	43,966	43,966	43,966	43,966
Retained earnings/(accumulated losses)	9,071	4,507	(12,648)	(12,076)
Foreign currency translation reserve	(414)	(343)	-	-
	52,623	48,130	31,318	31,890
Minority interests	625	590	-	-
Total equity	53,248	48,720	31,318	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 30/06/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$788,000	-	S\$1,991,000	-

Amount repayable after one year

As at 30/06/2009		As at 31/12/2008	
Secured	Unsecured	Secured	Unsecured
S\$58,697,000	-	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.

	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2009 S\$'000	2008 S\$'000	2009 S\$'000	2008 S\$'000
Cash flows from operating activities :				
Profit before tax	2,168	1,990	5,188	3,462
Adjustments for :				
Depreciation of property, plant and equipment	578	706	1,173	1,356
Interest income	(169)	(30)	(190)	(66)
Interest expense	1,052	106	1,608	164
Gain on disposal of property, plant and equipment	(103)	(481)	(103)	(519)
Share of results of associates	(1,846)	-	(3,603)	(56)
Write off of property, plant and equipment	2	-	2	-
Operating profit before working capital changes	1,682	2,291	4,075	4,341
Decrease/(increase) in development properties	484	(690)	548	(1,374)
Decrease/(increase) in contract work-in-progress	213	(109)	1,124	(1,628)
Decrease in trade receivables	7,068	3,225	7,251	5,531
(Increase)/decrease in other receivables	(2,389)	1,687	(136)	690
Decrease/(increase) in inventories	798	(2,281)	2,371	(2,287)
Increase/(decrease) in trade and other payables	3,245	(3,670)	11,861	(8,388)
(Decrease)/Increase in other liabilities	(1,228)	126	(3,839)	2,943
Cash from/(used in) operations	9,873	579	23,255	(172)
Interest paid	(1,052)	(106)	(1,608)	(164)
Interest received	169	30	190	66
Income tax (paid)/refunded	(493)	97	(505)	81
Net cash from/(used in) operating activities	8,497	600	21,332	(189)
Cash flows from investing activities :				
Proceeds from disposal of property, plant and equipment	776	1,315	776	1,540
Purchase of property, plant and equipment	(300)	(860)	(434)	(2,319)
Net cash from/(used in) investing activities	476	455	342	(779)
Cash flows from financing activities :				
(Repayment of)/proceeds from bank borrowings, secured	(5,679)	971	(5,863)	5,418
Repayment of finance leases	(465)	(1,095)	(1,052)	(1,702)
Repayment of pledged deposits	151	1,087	488	432
Net cash (used in)/from financing activities	(5,993)	963	(6,427)	4,148
Net effect of exchange rate changes in consolidating subsidiaries	32	61	(69)	135
Net increase in cash and cash equivalents	3,012	2,079	15,178	3,315
Cash and cash equivalents at beginning of the period	38,930	18,995	26,764	17,759
Cash and cash equivalents at end of the period (Note)	41,942	21,074	41,942	21,074
Note : Cash and cash equivalents at end of the period				
Cash and bank balances	27,412	12,304	27,412	12,304
Fixed deposits	15,213	10,546	15,213	10,546
	42,625	22,850	42,625	22,850
Less : Pledged fixed deposits	(683)	(1,776)	(683)	(1,776)
	41,942	21,074	41,942	21,074

- 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

	<u>Attributable to equity holders of the Parent</u>					
	Share capital S\$'000	Retained earnings S\$'000	Foreign currency translation reserve S\$'000	Total S\$'000	Minority interests S\$'000	Total equity 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
Balance at 31 March 2009 and 1 April 2009	43,966	7,281	(372)	50,875	602	51,477
Total comprehensive income for the period	-	1,790	(42)	1,748	23	1,771
Closing balance at 30 June 2009	43,966	9,071	(414)	52,623	625	53,248
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
Balance at 31 March 2008 and 1 April 2008	43,966	2,290	(309)	45,947	559	46,506
Total comprehensive income for the period	-	2,037	59	2,096	(10)	2,086
Closing balance at 30 June 2008	43,966	4,327	(250)	48,043	549	48,592

Company

	<u>Attributable to equity holders of the Company</u>		
	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)
Balance at 31 March 2009 and 1 April 2009	43,966	(12,324)	31,642
Total comprehensive income for the period	-	(324)	(324)
Closing balance at 30 June 2009	43,966	(12,648)	31,318
Opening balance at 1 January 2008	43,966	(11,987)	31,979
Total comprehensive income for the period	-	(185)	(185)
Balance at 31 March 2008 and 1 April 2008	43,966	(12,172)	31,794
Total comprehensive income for the period	-	(194)	(194)
Closing balance at 30 June 2008	43,966	(12,366)	31,600

- 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 30 June 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 30 June 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 30 June 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 current period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the half year ended 30 June 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.

	Second Quarter Ended 30 June		Half Year Ended 30 June	
	2009 Cents	2008 Cents	2009 Cents	2008 Cents
Earnings per ordinary share of the Company attributable to shareholders :				
(a) Based on the weighted average number of ordinary shares on issue	0.12	0.13	0.30	0.23
(b) On a fully diluted basis (detailing any adjustment made to the earnings)	0.12	0.13	0.30	0.23

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

	Group		Company	
	30/06/2009 Cents	31/12/2008 Cents	30/06/2009 Cents	31/12/2008 Cents
Net asset value per ordinary share based on issued capital at the end of the period	3.41	3.12	2.03	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 – Second Quarter 2009 (2Q 2009) vs Second Quarter 2008 (2Q 2008)

The Group's revenue decreased by approximately 41.3% to S\$53.8 million in 2Q 2009 compared to S\$91.7 million in 2Q 2008. The decrease was mainly due to substantial completion of a few key construction projects in 2Q 2009.

Cost of sales decreased by approximately 41.6% from S\$86.3 million in 2Q 2008 to S\$50.4 million in 2Q 2009 in tandem with the decrease in revenue.

Gross profit decreased by 35.6% from S\$5.4 million in 2Q 2008 to S\$3.5 million in 2Q 2009 mainly due to decrease in revenue. Gross profit margin increased marginally from 5.9% in 1Q 2008 to 6.4% in 2Q 2009 mainly due to higher revenue contribution from specialist engineering which normally enjoys higher gross profit margin.

Other income increased by approximately 16.6% from S\$0.7 million in 2Q 2008 to S\$0.8 million in 2Q 2009 mainly due to an increase in rental income of S\$0.4 million relating to the existing premises at Holland Hill and Changi South Street 1 and an increase in interest income from fixed deposits of S\$0.1 million. This was partially offset by a decrease in profit on disposal of property, plant and equipment of S\$0.4 million.

Administrative and other operating costs decreased by S\$1.1 million from S\$3.9 million in 2Q 2008 to S\$2.8 million in 2Q 2009 mainly due to a decrease in foreign currency adjustment loss of S\$0.9 million.

Finance costs increased by S\$1.0 million from S\$0.1 million in 2Q 2008 to S\$1.1 million in 2Q 2009 mainly due to interest expense on loans and borrowings relating to the property at Holland Hill. Pending the commencement of construction of the development property, the property was temporarily rented out and in accordance to FRS 23, interest expenses were charged to the income statement instead of being capitalised as in the previous corresponding period. .

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

As a result of the above, profit before tax increased by 8.9% from S\$2.0 million in 2Q 2008 to S\$2.2 million in 2Q 2009.

Income Statement Review – First Half 2009 (1H 2009) vs First Half 2008 (1H 2008)

The Group recorded a 13.4% decrease in revenue to S\$115.0 million in 1H 2009 compared to S\$132.9 million in 1H 2008. The decrease was mainly due to substantial completion of a few key construction projects in 2Q 2009.

Cost of sales decreased by approximately 12.9% from S\$123.6 million in 1H 2008 to S\$107.6 million in 1H 2009 in tandem with the decrease in revenue.

Gross profit decreased by 20.2% from S\$9.3 million in 1H 2008 to S\$7.4 million in 1H 2009 mainly due to decrease in revenue. Gross profit margin decreased marginally from 7.0% in 1H 2008 to 6.4% in 1H 2009 mainly due to a project of higher value with lower profit margin.

Other income increased by approximately 65.8% from S\$0.8 million in 1H 2008 to S\$1.3 million in 1H 2009 mainly due to an increase in rental income of S\$0.8 million relating to the existing premises at Holland Hill and Changi South Street 1 and an increase in interest income from fixed deposits of S\$0.1 million. This was partially offset by a decrease in profit on disposal of property, plant and equipment of S\$0.4 million.

Administrative and other operating costs decreased by S\$1.0 million from S\$6.4 million in 1H 2008 to S\$5.4 million in 1H 2009. This was mainly due to a foreign exchange currency adjustment gain of S\$0.08 million in 1H 2009 compared to a foreign currency adjustment loss of S\$1.0 million in 1H 2008.

Finance costs increased by S\$1.5 million from S\$0.2 million in 1H 2008 to S\$1.7 million in 1H 2009 mainly due to interest expense on loans and borrowings relating to the property at Holland Hill. Pending the commencement of construction of the development property, the property was rented out and in accordance to FRS 23, interest expenses were charged to the income statement instead of capitalising it.

Share of results of associates increased by S\$3.5 million from S\$0.06 million in 1H 2008 to S\$3.6 million in 1H 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 49.9% from S\$3.5 million in 1H 2008 to S\$5.2 million in 1H 2009 mainly due to an increase in other income of S\$0.5 million, a decrease in administrative and other operating costs of S\$1.0 million and an increase in share of results from associates of S\$3.5 million. This was partially offset by a decrease in gross profit of S\$1.9 million as a result of decrease in revenue and an increase in finance costs of S\$1.5 million. Overall, net profit attributable to owners of the parent increased by 31.5% from S\$3.5 million in 1H 2008 to S\$4.6 million in 1H 2009.

Balance Sheet Review

The increase of S\$2.2 million in non-current assets was mainly due to the increase of S\$3.5 million in the share of results of associates for profit recognised from the development of No. 8 Nassim Hill project, which was offset by the reduction of S\$1.4 million in property, plant and equipment.

Current assets increased by S\$3.6 million from S\$182.7 million as at 31 December 2008 to S\$186.3 million as at 30 June 2009. The increase was mainly attributable to an increase in cash and fixed deposits of S\$14.7 million, which was partially offset by a decrease in gross amount due from customers for work-in-progress of S\$1.1 million, a decrease in inventories of S\$2.4 million and a decrease in trade receivables of S\$7.3 million.

Current liabilities increased by S\$7.0 million from S\$91.3 million as at 31 December 2008 to S\$98.3 million as at 30 June 2009. The increase was mainly due to an increase in trade and other payables of S\$11.9 million due to longer credit terms extended by certain suppliers as well as an increase in retention sums for completed jobs during the period. This was partially offset by a decrease in other liabilities of S\$3.8 million and a decrease in short term loans and borrowings of S\$1.2 million.

The decrease in non-current liabilities of S\$3.1 million was mainly due to partial repayment of finance leases and a long term loan in 1H 2009.

As at 30 June 2009, net asset value per ordinary share stood at 3.41 cents or 9.3% higher than the value as at 31 December 2008.

The Group continues to maintain a healthy liquidity position with a net cash surplus of S\$21.3 million from operating activities in 1H 2009. As at 30 June 2009, it had a cash and cash equivalents amounted to approximately S\$41.9 million versus S\$21.1 million as at 30 June 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 Ministry of Trade and Industry ("MTI") announcement made on 14 July 2009, the Singapore economy is expected to contract by 4.0% to 6.0% in 2009, an upward revision from the contraction of 6.0% to 9.0% that it had forecast on 14 April 2009. In addition, based on the Land Transport Master Plan published by the Land Transport Authority ("LTA"), the government will spend approximately S\$54 billion to improve the current land transport networks expansion over the next 10 to 15 year.

It was stated in the Building and Construction Authority's ("BCA") First Quarter 2009 Review issued on 26 May 2009 that construction GDP continued its robust growth momentum, registering a 24.4% growth in the first quarter. However, construction demand in the first quarter dropped to S\$4.2 billion, weighed down by the significant softening of private sector demand due to the global economic downturn.

The fairly positive general outlook coupled with the strong pipeline of committed public sector projects indicates that the outlook for the construction industry is expected to remain fairly stable for the next twelve months. The Group will leverage on its steady track record and capabilities in building construction and civil engineering to secure more public sector projects. In addition, the development property segment will also contribute positively to the Group.

As at the date of this announcement, the Group has an order book of S\$292 million, predominantly in Singapore and Malaysia. With the current 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.

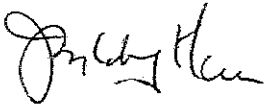
12. If no dividend has been declared/recommended, a statement to that effect.

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 30 June 2009 to be false or misleading.

On behalf of the Board of Directors



TAN KHENG HWEE ANDREW
Group Chief Executive Officer



CARRIE LUK KA LAI
Non-Executive Director

Singapore

7 August 2009