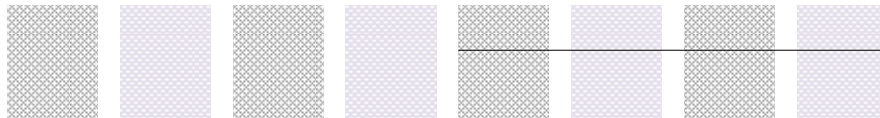




**Full Year Financial  
Statement and Dividend  
Announcement for the year ended  
31 December 2008**



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**16 February 2009**

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**Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2008**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**
**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase / (Decrease)	Financial Year ended 31 Dec		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	27,598	36,949	(25.3)	101,825	124,660	(18.3)
Cost of works	(19,053)	(30,230)	(37.0)	(80,501)	(102,815)	(21.7)
<b>Gross profit</b>	<b>8,545</b>	<b>6,719</b>	27.2	<b>21,324</b>	<b>21,845</b>	(2.4)
Other income	266	917	(71.0)	1,043	1,520	(31.4)
Other loss	(200)	-	n.m.	(200)	-	n.m.
Expenses						
- Administrative	(4,584)	(4,242)	8.1	(9,747)	(9,493)	2.7
- Finance	(52)	(39)	33.3	(193)	(137)	40.9
<b>Profit before income tax</b>	<b>3,975</b>	<b>3,355</b>	18.5	<b>12,227</b>	<b>13,735</b>	(11.0)
Income tax expense	(950)	(32)	2,868.8	(2,696)	(2,735)	(1.4)
<b>Net profit</b>	<b>3,025</b>	<b>3,323</b>	(8.9)	<b>9,531</b>	<b>11,000</b>	(13.4)
<u>Attributable to:-</u>						
Equity holders of the Company	3,018	3,277	(7.9)	9,458	10,921	(13.4)
Minority interests	7	46	(84.8)	73	79	(7.6)
	3,025	3,323	(8.9)	9,531	11,000	(13.4)

n.m. – not meaningful



(i) Additional disclosures

Profit before income tax was arrived at after:

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase / (Decrease)	Financial Year ended 31 Dec		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
Non-audit fee paid to the auditors of the Company	7	12	(41.7)	21	24	(12.5)
Depreciation of properties, plant & equipment	52	71	(26.8)	260	273	(4.8)
Directors' remuneration						
- Directors of the Company	2,029	1,788	13.5	3,209	2,914	10.1
- Other Directors	115	68	69.1	324	269	20.4
Directors' fee	37	30	23.3	150	120	25.0
Interest paid and payable						
- Finance lease liabilities	52	39	33.3	193	137	40.9
Loss/(Gain) on foreign exchange (net)	130	150	(13.3)	200	224	(10.7)
Loss on disposal of properties, plant & equipment	-	1	n.m.	21	2	950.0
Allowance for impairment of trade receivables	735	253	190.5	735	461	59.4
Employee compensation costs	383	534	(28.3)	1,438	1,382	4.1
Preliminary expenses written off	-	-	n.a.	-	2	n.m.
Fair value loss on an investment property	200	-	n.m.	200	-	n.m.
Properties, plant & equipment written off	49	-	n.m.	49	-	n.m.
<u>After crediting:-</u>						
Interest income from bank deposits	53	90	(41.1)	247	354	(30.2)
Gain on disposal of properties, plant & equipment	140	43	225.6	181	163	11.0
Fair value gain on an investment property	-	600	n.m.	-	600	n.m.
<u>Included in the cost of works are the following:-</u>						
Depreciation of properties, plant & equipment	524	593	(11.6)	1,991	1,674	18.9
Employee compensation costs	4,099	3,391	20.9	15,060	11,328	32.9

n.m. – not meaningful

n.a. – not applicable

(ii) Extraordinary/Exceptional items

Nil

(iii) Adjustments for under or over-provision of tax in respect of prior years

There were no material adjustments for under or over-provision of tax in respect of prior years.



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

	Note	The Group		The Company	
		31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		35,410	24,862	3,367	2,700
Trade and other receivables	i	25,243	36,046	6,369	7,441
Construction contracts works-in progress		1,672	1,805	-	-
Other current assets		630	506	23	27
		62,955	63,219	9,759	10,168
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	14,476	14,476
Investment property		1,200	1,400	-	-
Properties, plant and equipment		10,978	10,623	13	13
Intangible assets		1,688	1,688	-	-
		13,866	13,711	14,489	14,489
<b>Total assets</b>		<b>76,821</b>	<b>76,930</b>	<b>24,248</b>	<b>24,657</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	ii	28,920	35,776	3,211	3,660
Current portion of finance lease liabilities		1,528	1,343	-	-
Current income tax liabilities		2,871	2,986	73	382
		33,319	40,105	3,284	4,042
<b>Non-current liabilities</b>					
Finance lease liabilities		2,647	2,451	-	-
Deferred income tax liabilities		149	202	-	-
		2,796	2,653	-	-
<b>Total liabilities</b>		<b>36,115</b>	<b>42,758</b>	<b>3,284</b>	<b>4,042</b>
<b>NET ASSETS</b>		<b>40,706</b>	<b>34,172</b>	<b>20,964</b>	<b>20,615</b>
<b>EQUITY</b>					
<b>Capital and reserve attributable to equity holders of the Company</b>					
Share capital		17,243	17,243	17,243	17,243
Retained earnings		22,863	16,402	3,721	3,372
		42,106	33,645	20,964	20,615
Minority interests		600	527	-	-
		<b>40,706</b>	<b>34,172</b>	<b>20,964</b>	<b>20,615</b>
<b>Net tangible assets</b>		<b>38,418</b>	<b>31,957</b>	<b>20,964</b>	<b>20,615</b>



**Notes to Balance Sheets:**

(i) Trade and other receivables comprise:

	The Group		The Company	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	6,406	3,414	-	-
- Minority shareholder of a subsidiary	358	474	-	-
- Subsidiaries	-	-	6,416	7,500
	6,764	3,888	6,416	7,500
Less: Allowance for impairment of receivables	(1,196)	(461)	(531)	(544)
Trade receivables - net	5,568	3,427	5,885	6,956
Construction contracts				
- Due from customers	17,874	30,678	-	-
- Retentions	1,568	1,373	-	-
	19,442	32,051	-	-
Non-trade receivables				
- Minority shareholder of a subsidiary	7	262	-	-
- Subsidiaries	-	-	1,504	1,564
	7	262	1,504	1,564
Less: Allowance for impairment of receivables	-	-	(1,021)	(1,080)
Non-trade receivables - net	7	262	483	484
Other receivables	226	306	1	1
	25,243	36,046	6,369	7,441

(ii) Trade and other payables comprise:

	The Group		The Company	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	19,206	23,423	165	251
- Minority shareholder of a subsidiary	-	-	-	-
	19,206	23,423	165	251
Non-trade payables				
- Subsidiaries	-	-	1,318	1,318
- Minority shareholders of a subsidiary	256	256	-	-
- Related parties	332	124	-	-
	588	380	1,318	1,318
Accrued operating expenses	9,092	11,897	1,728	2,091
Other payables	34	76	-	-
	28,920	35,776	3,211	3,660



**Explanatory Notes:**

(i) Current assets

Current assets remained fairly constant at \$63.0 million as at 31 December 2008 and 31 December 2007.

(ii) Non-current assets

The increase of \$0.2 million in non-current assets was due mainly to the addition of new plant & equipment, partially offset by a fair value loss of \$0.2 million on an investment property.

(iii) Current liabilities

Current liabilities decreased by \$6.8 million, from \$40.1 million to \$33.3 million. This was largely due to a decrease in trade & other payables following a decrease in business volumes in FY2008.

(iv) Non-current liabilities

The increase of \$0.1 million in non-current liabilities was due mainly to an increase in finance lease liabilities as a result of the purchase of new plant & equipment to support existing projects in FY2008.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, revenue reserves and minority interest, increased by \$6.5 million, from \$34.2 million to \$40.7 million. The increase was largely attributable to profit generated from operations in FY2008.



## 1(b)(ii) Aggregate amount of group's borrowings and debt securities

(a) Amount repayable in one year or less, or on demand

As at 31 Dec 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,528	-	1,343	-

(b) Amount repayable after one year

As at 31 Dec 2008		As at 31 Dec 2007	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
2,647	-	2,451	-

(c) Details of any collateral

The above secured borrowings of the Group relate to finance lease liabilities secured by way of corporate guarantees issued by the Company.





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

Note	The Group		The Group	
	Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Net profit	3,025	3,323	9,531	11,000
Adjustments for:				
- Income tax expense	949	32	2,696	2,735
- Depreciation of properties, plant & equipment	576	664	2,251	1,947
- Gain on disposal of properties, plant & equipment (net)	(140)	(42)	(160)	(161)
- Net fair value loss/ (gain) on an investment property	200	(600)	200	(600)
- Interest income	(53)	(90)	(247)	(354)
- Interest expense	52	39	193	137
<b>Operating cash flow before working capital changes</b>	4,609	3,326	14,464	14,704
Change in working capital				
- Trade and other receivables	(1,910)	3,930	10,777	(14,856)
- Construction contracts work-in-progress	1,041	(30)	133	(569)
- Other current assets	102	72	(124)	35
- Trade and other payables	905	(238)	(6,856)	14,311
<b>Cash generated from operations</b>	4,747	7,460	18,394	13,625
- Interest income	53	90	247	354
- Income tax (paid)/ refund (net)	37	100	(2,864)	(985)
<b>Net cash provided by operating activities</b>	4,837	7,250	15,777	12,994
<b>Cash flows from investing activities</b>				
- Purchase of properties, plant & equipment	(237)	(271)	(872)	(2,117)
- Proceeds from disposal of properties, plant & equipment	225	43	308	208
<b>Net cash used in investing activities</b>	(12)	(228)	(564)	(1,909)
<b>Cash flows from financing activities</b>				
- Repayment of finance lease liabilities	(328)	(325)	(1,501)	(1,164)
- Interest expense	(52)	(39)	(193)	(137)
- Proceeds from issuance of shares	-	-	-	2,288
- Proceeds from issue of shares of subsidiaries to minority shareholders	-	-	-	451
- Dividend paid to shareholders	-	-	(2,997)	(2,247)
<b>Net cash used in financing activities</b>	(380)	(364)	(4,691)	(809)



	Note	The Group		The Group	
		Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
		2008	2007	2008	2007
		\$'000	\$'000	\$'000	\$'000
<b>Net increase in cash and cash equivalents</b>	i	4,445	6,658	10,522	10,276
Cash and cash equivalents at the beginning of the financial period/year		25,484	12,749	19,407	9,131
<b>Cash and cash equivalents at the end of the financial period/year</b>	ii	29,929	19,407	29,929	19,407

**Explanatory Notes:**

- (i) Our Group continued to enjoy positive cash flow and working capital for the year ended 31 December 2008. We generated a net cash amount of \$18.4 million from operating activities in FY2008. This is an increase of \$4.8 million from \$13.6 million in FY2007.

Net cash amounting to \$0.6 million used in investing activities related to the purchase of new property, plant & equipment to support existing projects.

Net cash amounting to \$4.7 million used in financing activities to repay finance lease liabilities, service interest payments and dividend payments to shareholders in FY2008.

Overall, cash and cash equivalents stood at \$29.9 million as at 31 December 2008. This is a significant increase of \$10.5 million, from \$19.4 million as at 31 December 2007.

We are in a healthy financial position and will retain surplus cash reserves for future expansion.

- (ii) For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents at the end of the financial period comprised the following:

	The Group	
	31 Dec 2008	31 Dec 2007
	\$'000	\$'000
Cash at bank and on hand	11,785	8,753
Short-term bank deposits	23,625	16,109
	_____	_____
	35,410	24,862
Short-term deposits pledged to banks	(5,481)	(5,455)
	_____	_____
Cash and cash equivalents in consolidated statement of cash flows	29,929	19,407
	_____	_____



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

Attributable to Equity holders of the Company				
Share capital	Retained earnings	Total	Minority interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Group

<b>As at 1 Jan 2008</b>	17,243	16,402	33,645	527	34,172
Total recognised income					
- Net profit	-	2,408	2,408	54	2,462
<b>As at 31 Mar 2008</b>	17,243	18,810	36,053	581	36,634
Total recognised income					
- Net profit	-	1,897	1,897	40	1,937
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
<b>As at 30 Jun 2008</b>	17,243	17,710	34,953	621	35,574
Total recognised income					
- Net profit	-	2,135	2,135	(28)	2,107
<b>As at 30 Sep 2008</b>	17,243	19,845	37,088	593	37,681
Total recognised income					
- Net profit	-	3,018	3,018	7	3,025
<b>As at 31 Dec 2008</b>	<b>17,243</b>	<b>22,863</b>	<b>40,106</b>	<b>600</b>	<b>40,706</b>



Attributable to Equity holders of the Company				
Share capital	Retained earnings	Total	Minority interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Group (Cont'd...)

<b>As at 1 Jan 2007</b>	14,955	7,728	22,683	(2)	22,681
Total recognised income					
- Net profit	-	1,592	1,592	42	1,634
Issue of shares	2,288	-	2,288	-	2,288
Incorporation of new subsidiaries	-	-	-	450	450
<b>As at 31 Mar 2007</b>	17,243	9,320	26,563	490	27,053
Total recognised income					
- Net profit	-	2,540	2,540	(78)	2,462
Dividend relating to 2006 paid	-	(2,247)	(2,247)	-	(2,247)
<b>As at 30 Jun 2007</b>	17,243	9,613	26,856	412	27,268
Total recognised income					
- Net profit	-	3,512	3,512	69	3,581
<b>As at 30 Sep 2007</b>	17,243	13,125	30,368	481	30,849
Total recognised income					
- Net profit	-	3,277	3,277	46	3,323
<b>As at 31 Dec 2007</b>	<b>17,243</b>	<b>16,402</b>	<b>33,645</b>	<b>527</b>	<b>34,172</b>



Attributable to Equity holders of the Company				
Share capital	Retained earnings	Total	Minority interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Company

<b>As at 1 Jan 2008</b>	17,243	3,372	20,615	-	20,615
Total recognised income - Net profit	-	137	137	-	137
<b>As at 31 Mar 2008</b>	17,243	3,509	20,752	-	20,752
Total recognised income - Net profit	-	26	26	-	26
Dividend relating to 2007 paid	-	(2,997)	(2,997)	-	(2,997)
<b>As at 30 Jun 2008</b>	17,243	538	17,781	-	17,781
Total recognised income - Net profit	-	28	28	-	28
<b>As at 30 Sep 2008</b>	17,243	566	17,809	-	17,809
Total recognised income - Net profit	-	3,155	3,155	-	3,155
<b>As at 31 Dec 2008</b>	<b>17,243</b>	<b>3,721</b>	<b>20,964</b>	-	<b>20,964</b>



Attributable to Equity holders of the Company				
Share capital	Retained earnings	Total	Minority interest	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000

The Company (Cont'd...)

<b>As at 1 Jan 2007</b>	14,955	3,360	18,315	-	18,315
Total recognised income					
- Net profit	-	16	16	-	16
Issue of shares	2,288	-	2,288	-	2,288
<b>As at 31 Mar 2007</b>	17,243	3,376	20,619	-	20,619
Total recognised income					
- Net profit	-	41	41	-	41
Dividend relating to 2006 paid	-	(2,247)	(2,247)	-	(2,247)
<b>As at 30 Jun 2007</b>	17,243	1,170	18,413	-	18,413
Total recognised income					
- Net profit	-	166	166	-	166
<b>As at 30 Sep 2007</b>	17,243	1,336	18,579	-	18,579
Total recognised income					
- Net profit	-	2,036	2,036	-	2,036
<b>As at 31 Dec 2007</b>	17,243	3,372	20,615	-	20,615



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

There has been no change in the issued share capital of the Company since 31 December 2007.

There are no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2008 and 31 December 2007.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	31 Dec 2008	31 Dec 2007
Total number of issued shares (excluding treasury shares)	149,860,940	149,860,940

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

Not applicable

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

The figures have not been audited or reviewed.

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

Not applicable.



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

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as compared with the audited financial statements for the financial year ended 31 December 2007.

**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**

There are no significant changes in the accounting policies and method of computation adopted in the financial statements for the current reporting year.

**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**

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase / (Decrease)	Financial Year ended 31 Dec		Increase / (Decrease)
	2008	2007		2008	2007	
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the period/year (\$'000)	3,018	3,277	(7.9)	9,458	10,921	(13.4)
Weighted average number of ordinary shares in issue	149,860,940	149,860,940	-	149,860,940	148,445,050	-
EPS based on weighted average number of ordinary shares in issue (cents)	2.01	2.19	(8.2)	6.31	7.36	(14.3)
EPS based on fully diluted basis (cents)	2.01	2.19	(8.2)	6.31	7.36	(14.3)





7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares, of the issuer at the end of the**  
**(a) current financial period reported on and**  
**(b) immediately preceding financial year**

	The Group		The Company		Increase / (Decrease) %	
	Current financial year ended 31 Dec 2008	Previous financial year ended 31 Dec 2007	Current financial year ended 31 Dec 2008	Previous financial year ended 31 Dec 2007	The Group	The Company
Net tangible assets (\$'000)	38,418	31,957	20,964	20,615	20.2	1.7
Number of shares	149,860,940	149,860,940	149,860,940	149,860,940	-	-
NTA per share (cents)	25.64	21.32	13.99	13.76	20.3	1.7

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (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**

### **Our Business**

OKP Holdings Limited is a home-grown infrastructure and civil engineering company in the region. It specialises in the construction of urban and arterial roads, expressways, vehicular bridges, flyovers, airport infrastructure and oil & gas related infrastructure for petrochemical plants and oil storage terminals as well as the maintenance of roads and roads related facilities and building construction-related works. It has two core business segments: Construction and Maintenance.



**Income Statement Review (Current Financial Year ended 31 Dec 2008 vs Previous Financial Year ended 31 Dec 2007)**

	The Group			
	Current financial year ended 31 Dec 2008	Previous financial year ended 31 Dec 2007	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	70,910	104,687	(33,377)	(32.3)
Maintenance	30,915	19,973	10,942	54.8
<b>Total Revenue</b>	<b>101,825</b>	<b>124,660</b>	<b>(22,835)</b>	<b>(18.3)</b>

Revenue

For the financial year ended 31 December 2008 ("FY2008"), our Group recorded a revenue of \$101.8 million. This is a decrease of 18.3% from the \$124.7 million registered in the previous corresponding year ("FY2007"). The decrease was due mainly to a drop in revenue from the construction segment. This fall was partially offset by an increase in revenue contributed by the maintenance segment. The increase in revenue from the maintenance segment was due mainly to a higher percentage of contribution from a number of newly-awarded maintenance projects during 2008.

The construction segment continues to be the major contributor to our Group's revenue. It accounted for 69.6% (2007: 84.0%) of total Group revenue in FY2008, with the maintenance segment making up the remaining 30.4% (2007:16.0%).

Gross profit

Our gross profit margin increased from 17.5% for FY2007 to 20.9% for FY2008. Significant variation orders on a few construction projects helped to boost our gross profit margin in FY2008. Gross profit, however, was lower due largely to a decline in revenue generated in FY2008.

Other income

The decrease in other income of \$0.5 million from \$1.5 million in FY2007 to \$1.0 million in FY2008 was largely attributable to a revaluation gain on an investment property of \$0.6 million in FY2007 which did not recur in FY2008.



#### Other loss

Other loss related to a revaluation loss on an investment property incurred in the fourth quarter of 2008.

#### Administrative expenses

The increase in administrative expenses of \$0.3 million, or 2.7%, was largely attributable to higher directors' remuneration and an allowance for impairment of trade receivables made in the fourth quarter of 2008.

#### Finance expenses

The increase in finance expenses was due mainly to an increase in finance lease interest expense arising from additional plant and equipment acquired in FY2008.

#### Profit before income tax

The Group registered a profit before income tax of \$12.2 million, a decrease of \$1.5 million – or 11.0% -- from the previous corresponding year. This was due mainly to a \$0.5 million decrease in the gross profit due to a decline in revenue coupled with increases in both the administrative expenses and finance expenses. The Group reported a profit before income tax margin of 12.0% and 11.0% for FY2008 and FY2007 respectively.

#### Income tax expense

Income tax expense for FY2008 was \$2.7 million, representing an effective tax rate of 22.0%. The effective tax rate for FY2008 was higher than the statutory tax rate of 18% due mainly to certain non-deductible items added back for tax purposes.

#### Net profit

Overall, net profit decreased by 13.4% to \$9.5 million as compared to FY2007 following the decrease in profit before income tax, as explained above. However, we saw an improvement in our net profit margin from 8.8% in FY2007 to 9.4% in FY2008.



**Income Statement Review (Fourth Quarter ended 31 Dec 2008 vs Fourth Quarter ended 31 Dec 2007)**

	The Group			
	Current fourth quarter ended 31 Dec 2008	Previous fourth quarter ended 31 Dec 2007	Increase / (Decrease)	
	\$'000	\$'000	\$'000	%
Construction	14,698	30,420	(15,722)	(51.7)
Maintenance	12,900	6,529	6,371	97.6
<b>Total Revenue</b>	<b>27,598</b>	<b>36,949</b>	(9,351)	(25.3)

Revenue

The construction segment contributed \$14.7 million to our Group's revenue in the fourth quarter of 2008, compared to \$30.4 million in the fourth quarter of 2007. The decrease in revenue from the construction segment was due to substantial completion of a few key construction projects in the second quarter. Revenue from the maintenance segment increased by 97.6% to \$12.9 million in the fourth quarter of 2008 from \$6.5 million previously. This was due mainly to the contributions from a number of newly-awarded maintenance projects.

Gross profit

Our higher gross profit margin was largely due to significant variation orders on a few construction projects which contributed to our gross profit and gross profit margin in the fourth quarter of 2008.

Other income

The decrease in other income was largely attributable to a revaluation gain on an investment property of \$0.6 million in the fourth quarter of 2007 which did not recur in the fourth quarter of 2008.

Other loss

Other loss related to a revaluation loss on an investment property incurred in the fourth quarter of 2008.

Administrative expenses

The increase in administrative expenses was largely attributable to the higher directors' remuneration and an allowance for impairment of trade receivables made in the fourth quarter of 2008.



#### Finance costs

The increase in finance costs was due mainly to an increase in finance lease interest expense arising from additional plant and equipment acquired during the fourth quarter of 2008.

#### Profit before income tax

Profit before income tax increased by \$0.6 million or 18.5% to \$4.0 million due mainly to an increase in gross profit of \$1.8 million, and was partially offset by increases in both administrative and finance costs, as explained above.

#### Income tax expense

The lower effective tax rate in FY2007, as compared to FY2008, was the result of overprovision of income tax expenses in the previous quarters in 2007, a refund from tax authority in the fourth quarter of 2007 and certain income which is not taxable.

#### Net profit

In the fourth quarter of 2008, the Group turned in a net profit of \$3.0 million, a decline of 8.9% from the \$3.3 million recorded in the previous corresponding quarter. We registered a net profit margin of 11.0% and 9.0% for the fourth quarter of 2008 and 2007 respectively.

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

No forecast or prospect statement was previously disclosed.



**10. A commentary at the date of the announcement of the 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**

For the 2009 budget, the Government announced that it would spend \$18 billion to \$20 billion in public infrastructure projects this year, including \$1.3 billion worth of smaller contracts that were originally slated to start in 2010. We believe that we are well positioned to benefit from the Government's move to stimulate the economy via the bringing forward of public projects. We will continue to build our capabilities and track record with a mind to securing more contracts in this sector. Our outlook for the Singapore construction industry remains positive, albeit competitive, for the next twelve months.

Since the start of 2009, we have secured two contracts totalling approximately \$134.7 million from public sector agencies. These include one from the Public Utilities Board for drainage improvement works (\$15.4 million) and another from the Land Transport Authority to widen the Central Expressway from the Pan Island Expressway to Braddell Interchange (\$119.3 million). Public projects will continue to be the mainstay of our earnings base in 2009, although we will continue to tender for both public and private civil engineering projects to strengthen our construction order book. We currently have a good construction order book of approximately \$302.5 million with contracts lasting up to FY2011.

We remain committed to forging a presence in the Oil & Gas Sector, although our focus on public sector projects has somewhat overshadowed our efforts in this area, partly due to an apparent slowdown in this sector because of the economic downturn. Nonetheless, we will continue to hone our knowledge in the Oil & Gas Sector, and to maintain relationships with our clients and industry players. In this manner, we shall be ready to tackle the market when demand picks up again.

We seek to stay focused on our traditional core business of construction and maintenance activities. At the same time, we will prospect actively for more contracts in the Oil & Gas Sector. Our core skills and expertise can be deployed in various industries. We will do our utmost to seek out opportunities and strike up alliances where it makes strategic sense. Where opportunities arise and where there are synergies to be reaped, we will be quick to act.



**11. Dividend**

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

Any dividend declared for the current financial period reported on? Yes

Name of Dividends	First and final
Dividend Type	Cash
Dividend amount per share	\$0.02
Tax rate	One-tier tax exempt

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

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

Name of Dividends	First and final
Dividend Type	Cash
Dividend amount per share	\$0.02
Tax rate	One-tier tax exempt

**(c) Date payable**

Payment of the said dividends, if approved by shareholders at the forthcoming Seventh Annual General Meeting of the Company will be made on 27 May 2009.

**(d) Books closure date**

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed on 7 May 2009 for the preparation of Dividend Payment. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 3 Church Street #08-01 Samsung Hub Singapore 049483 up to 5.00 p.m. on 6 May 2009 will be registered to determine shareholders' entitlement to the proposed first and final dividend.

Shareholders whose securities account with the Central Depository (Private) Limited are credited with shares at 5.00 p.m. on 6 May 2009 will be entitled to the proposed first and final dividend payment.

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

Not applicable.



**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Business Segments

The Company has the following main business segments:

Construction – It relates to the construction of urban and arterial roads, expressways, vehicular bridges, flyovers and buildings, airports infrastructure and oil & gas-related infrastructure for petrochemical plants and oil storage terminals.

Maintenance – It relates to re-construction work performed on roads, road reserves, pavements, footpaths and kerbs, guardrails, railings, drains, signboards as well as bus bays and shelters.

	Primary Reporting- Business Segment					
	Current financial year ended 31 Dec 2008			Previous financial year ended 31 Dec 2007		
	Construction	Maintenance	Group	Construction	Maintenance	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Revenue and expenses</u></b>						
External revenue	70,910	30,915	101,825	104,687	19,973	124,660
Inter-segment revenue	5,276	2,447	7,723	6,852	-	6,852
Total revenue	76,186	33,362	109,548	111,539	19,973	131,512
Elimination			(7,723)			(6,852)
			101,825			124,660
Segment result	18,946	2,378	21,324	20,407	1,438	21,845
Other income			1,043			1,520
Other loss			(200)			-
Unallocated costs			(9,747)			(9,493)
Finance expense			12,420			13,872
			(193)			(137)
Profit before income tax			12,227			13,735
Income tax expense			(2,696)			(2,735)
Net profit			9,531			11,000
<b><u>Other Information</u></b>						
Segment assets	17,815	8,873	26,688	30,608	5,369	35,977
Unallocated assets	-	-	50,133	-	-	40,953
Consolidated total assets	17,815	8,873	76,821	30,608	5,369	76,930
Segment liabilities	17,856	7,537	25,393	23,891	7,777	31,668
Unallocated liabilities	-	-	10,722	-	-	11,090
Consolidated total liabilities	17,856	7,537	36,115	23,891	7,777	42,758





Geographical Segments

	Secondary Reporting- Geographical Segment					
	Current financial year ended 31 Dec 2008			Previous financial year ended 31 Dec 2007		
	Singapore	Outside Singapore	Group	Singapore	Outside Singapore	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b><u>Revenue and expenses</u></b>						
External revenue	101,825	-	101,825	121,650	3,010	124,660
Inter-segment revenue	7,723	-	7,723	6,852	-	6,852
Total revenue	109,825	-	109,548	128,502	3,010	131,512
Elimination			(7,723)			(6,852)
Total revenue			101,825			124,660
<b><u>Other Information</u></b>						
Capital expenditure						
- property, plant and equipment	2,850	-	2,850	4,767	1	4,768
Depreciation	2,239	12	2,251	1,918	29	1,947
Segment assets	76,503	318	76,821	75,495	1,435	76,930
Unallocated assets	-	-	-	-	-	-
Consolidated total assets	76,503	318	76,821	75,495	1,435	76,930
Segment liabilities	35,464	651	36,115	34,221	877	35,098
Unallocated liabilities	-	-	-	-	-	7,660
Consolidated total liabilities	35,464	651	36,115	34,221	877	42,758

14. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

As explained under paragraph 8 above.



**15. A breakdown of sales**

	The Group			
	Current financial year ended 31 Dec 2008	Previous financial year ended 31 Dec 2007	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	50,935	49,062	1,873	3.8
(b) Operating profit after taxation before deducting minority interests reported for the first half year	4,304	4,132	172	4.2
(c) Sales reported for second half year	50,890	75,598	(24,708)	(32.7)
(d) Operating profit after taxation before deducting minority interests reported for the second half year	5,154	6,789	(1,635)	(24.1)

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Total Annual Dividend

	FY2008 (\$'000)	FY2007 (\$'000)
Ordinary	2,997	2,997
Preference	-	-
Total	-	-

The total annual dividend of \$0.02 per share based on the enlarged share capital of 149,860,940 ordinary shares amounted to \$2,997,219.



**17. Interested persons transactions disclosure**

There was no interested person transaction, as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, entered into by the Group or by the Company during the fourth quarter and financial year ended 31 December 2008.

**BY ORDER OF THE BOARD**

Or Toh Wat  
Group Managing Director  
16 February 2009