

OKP HOLDINGS LIMITED

Full Year Financial Statement And Dividend Announcement For Year Ended 31 December 2003

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OKP HOLDINGS LIMITED

**Full Year Financial Statement And Dividend Announcement For Year Ended
31 December 2003**

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

	Note	The Group S\$'000	The Group S\$'000	The Group %
		31 Dec 2003	31 Dec 2002	Increase/ (Decrease)
Revenue	i	56,756	51,818	9.5
Cost of works	ii	(49,552)	(44,601)	11.1
Gross profit	iii	7,204	7,217	(0.2)
Other income including interest income	iv	272	155	75.5
Administrative expenses	v	(4,553)	(3,780)	20.4
Other operating expenses	vi	(52)	(136)	(61.8)
Profit from operating before taxation, minority interests, extraordinary items, finance cost	vii	2,871	3,456	(16.9)
Finance cost	viii	(189)	(221)	(14.5)
Operating profit before taxation	ix	2,682	3,235	(17.1)
Taxation	x	(1,274)	(1,012)	25.9
Net profit after taxation	xi	1,408	2,223	(36.7)

Review of Results

i) Revenue

Revenue increased by \$5.0 million or 9.5% from \$51.8 million for FY2002 to \$56.8 million for FY2003. This was due mainly to an increase in revenue from road construction segment.

ii) Cost of works

Cost of works increased by \$5.0 million or 11.1% from \$44.6 million for FY2002 to \$49.6 million for FY2003. This was due mainly to an increase in cost of works from road construction segment.

iii) Gross profit

Gross profit stood at \$7.2 million for both FY2003 and FY2002.

iv) Other income

The increase in other income of \$0.1 million or 75.5% was largely attributable to gain on disposal of fixed assets.

v) Administrative expenses

Administrative expenses increased by \$0.8 million or 20.4% from \$3.8 million for FY2002 to \$4.6 million for FY2003. This was mainly attributable to an allowance for impairment loss of \$0.7 million arising from the revaluation of some of fixed assets and investment property in 2H2003.

vi) Other operating expenses

The decrease in other operating expenses decreased by \$0.1 million or 61.8% was due mainly to one-off fixed assets written off in FY2002.

vii) Profit from operations before taxation and finance costs

Profit from operations before taxation and finance costs declined by \$0.6 million or 16.9% due mainly to an allowance for impairment loss of \$0.7 million arising from the revaluation of some of fixed assets and investment property in 2H2003.

viii) Finance costs

The decrease in finance cost was due mainly to a reduction in long term loan interest with the repayment of bank long term loans.

ix) Profit from operations after finance costs but before taxation

Profit from operations after finance costs but before taxation was lower as a result of lower profit from operation before taxation and finance costs as explained in note (vii) above which was partially offset by a decrease in finance costs as explained in note (viii).

x) Taxation

Income tax expense increased by \$0.3 million from \$1.0 million for FY2002 to \$1.3 million for FY2003 despite the decrease in profit before taxation in FY2003. The increase was due mainly to adjustment for underprovision of tax in respect of prior years.

xi) Net profit after taxation

Net profit after taxation decreased by \$0.8 million from \$2.2 million for FY2002 to \$1.4 million for FY2003 as a result of lower profit before taxation as explained in note (ix) above.

Additional disclosure

i) Operating profit before taxation (note ix) was arrived:

	The Group	The Group	The Group
	S\$'000	S\$'000	%
	31 Dec 2003	31 Dec 2002	Increase/ (Decrease)
After charging:			
Amortisation of goodwill	236	239	(1.3)
Auditors' remuneration			
- Audit	43	42	2.4
- Others	4	4	-
Depreciation of fixed assets	373	389	(4.1)
Directors' remuneration			
- Directors of the Company	1,367	1,018	34.3
- Other Directors	272	183	48.6
Directors' fee			
- Directors of the Company	120	415	(71.1)
- Other Directors	-	90	nm
Fixed assets written off	-	107	nm
Interest			
- Hire purchase	99	97	2.1
- Bank overdrafts	-	12	nm
- Long term bank loan	90	113	(20.4)
Loss on disposal of fixed assets	47	29	62.1
Preliminary expenses written off	3	7	(57.1)
Impairment loss			
- Investment property	64	-	nm
- Fixed assets	663	-	nm
Loss on foreign exchange (unrealised)	4	-	nm
Staff cost	860	691	24.5
After crediting:-			
Fixed deposits income	22	29	(24.1)
Gain on disposal of fixed assets	134	25	436.0
Gain on foreign exchange (realised)	3	-	nm

ii) Included in the cost of works are the following:-

Depreciation of fixed assets	1,267	1,154	9.8
Staff costs	7,250	7,416	(2.2)

nm: not meaningful

iii) Amount of any adjustment for under or overprovision of tax in respect of prior years

The adjustment for underprovision of tax and overprovision of deferred tax in respect of prior years is \$0.3 million and \$0.1 million respectively.

iv) Amount of any pre-acquisition profits

There are no pre-acquisition profits.

v) Amount of profits on any sale of investments and/or properties

There are no profits on any sale of investments and properties.

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

	The Company	The Company	The Group	The Group
	S\$'000	S\$'000	S\$'000	S\$'000
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
Fixed assets	50	66	6,907	7,934
Investment in Subsidiaries	13,926	13,926	-	-
Investment in Associated company	-	-	78	-
Investment property	-	-	870	934
Intangible assets	-	-	1,688	1,924
Current assets				
Construction in progress	-	-	3,315	849
Trade receivables	-	-	10,283	11,943
Other debtors, deposits and prepayments	20	10	655	697
Amount due from related party (trade)	1,720	1,845	-	-
Amount due from related parties (non-trade)	387	204	-	-
Fixed deposits	-	-	3,332	4,523
Cash and bank balances	54	92	7,068	4,948
	2,181	2,151	24,653	22,960

Current liabilities				
Trade payables	21	-	9,705	10,121
Other payables	-	-	3	9
Amount due to a subsidiary (non-trade)	3	31	-	-
Hire purchase creditors	11	11	744	786
Long term bank loans (secured) – current portion	-	-	140	140
Accrued operating expenses	404	236	1,674	1,294
Provision for income tax	10	185	1,038	972
	449	463	13,304	13,322
Net current assets	1,732	1,688	11,349	9,638
Less:				
Non-current liabilities				
Hire purchase creditors	(30)	(42)	(890)	(971)
Long term bank loans (secured)	-	-	(1,726)	(1,866)
Deferred taxation	-	-	(358)	(415)
	15,678	15,638	17,918	17,178
Represented by:				
Share capital	13,626	13,626	13,626	13,626
Share Premium	1,329	1,329	1,329	1,329
Dividend reserve	563	668	563	668
Unappropriated profits	160	15	2,400	1,555
	15,678	15,638	17,918	17,178

Review of Balance Sheet

i) Fixed assets

The net book value of fixed assets decreased by \$1.0 million or 12.9% from \$7.9 million as at 31 December 2002 to \$6.9 million as at 31 December 2003. The decrease was due mainly to the allowance for impairment loss on our Group's freehold properties which amounted to \$0.7 million in 2H2003.

ii) Investment property

The decrease was due to allowance for impairment loss arising from the revaluation of the investment property.

iii) Current assets

Current assets increased by \$1.7 million from \$22.9 million as at 31 December 2002 to \$24.6 million as at 31 December 2003. The increase was due mainly to:

- a. Increase in construction in progress by \$2.5 million because the costs incurred for some of the on-going projects exceeds the progress claim certified by the customers as at 31 December 2003;
- b. Increase in cash and cash equivalent by \$0.9 million and
- c. Decrease in trade receivables by \$1.7 million due to settlement of billings by customers at year end.

iv) Current liabilities

Current liabilities stood at \$13.3 million as at 31 December 2003 and 31 December 2002.

v) Shareholders' equity

Shareholders' equity which comprises share capital, share premium and unappropriated profit, increased by \$0.7 million from \$17.2 million as at 31 December 2002 to \$17.9 million as at 31 December 2003. This was mainly a result of profit generated from operations.

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 Dec 2003	As at 31 Dec 2003	As at 31 Dec 2002	As at 31 Dec 2002
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
884,000	-	926,000	-

Amount repayable after one year

As at 31 Dec 2003	As at 31 Dec 2003	As at 31 Dec 2002	As at 31 Dec 2002
Secured	Unsecured	Secured	Unsecured
\$	\$	\$	\$
2,616,000	-	2,837,000	-

Details of any collateral

As at the end of the financial year, property with net carrying value/net book value as follows were mortgaged to banks to secured banking facilities for the subsidiaries:

	The Group	The Group
	As at 31 Dec 2003	As at 31 Dec 2002
	\$'000	\$'000
Freehold building and investment properties mortgaged to banks	3,070	3,857

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

	The Group	The Group
	31 Dec 2003	31 Dec 2002
	\$'000	\$'000
Cash flows from operating activities		
Profit before tax	2,682	3,235
Adjustments for:		
Depreciation of fixed assets	1,640	1,543
Amortisation of intangible assets	236	239
Loss on disposal of fixed assets	47	29
Gain on disposal of fixed assets	(134)	(25)
Loss on foreign exchange (unrealised)	4	-
Fixed deposit interest income	(22)	(29)
Hire purchase interest	99	97
Bank overdraft interest	-	12
Long term bank loans interest	90	113
Impairment loss of assets	727	-
Fixed assets written off	-	107
Preliminary expenses written off	3	7
Operating profit before working capital changes	5,372	5,328
Construction in progress	(2,465)	(736)
Trade receivables	1,660	(4,102)
Other debtors, deposits and prepayments	41	(486)
Amount due from directors of the company (non-trade)	-	1,660
Amount due from shareholders of the company (non-trade)	-	18
Amount due from related party (trade)	-	118
Trade payables	(415)	3,271
Other payables	(6)	(51)
Amount due to a director of a subsidiary (non-trade)	-	(11)
Accrued operating expenses	381	902
Cash generated from operations	4,568	5,911
Hire purchase interest paid	(99)	(97)
Bank overdraft interest paid	-	(12)
Long term bank loans interest paid	(90)	(113)

Fixed deposit interest income	22	29
Income tax paid	(1,246)	(1,367)
Net cash generated from operating activities	3,155	4,351
Cash flows from investing activities		
Purchase of fixed assets	(585)	(920)
Proceeds from disposal of fixed assets	248	55
Investment in associated company	(78)	-
Proceeds from sale of investment property	-	600
Net cash generated from/ (used in) investing activities	(415)	(265)
Cash flow used in financing activities		
Payment to hire purchase creditors	(998)	(1,055)
Proceeds from short term bank loan	-	300
Proceeds from long term bank loans	-	1,100
Payment of dividends to shareholders	(668)	(1,892)
Repayment of long term bank loans	(140)	(1,335)
Repayment of short term bank loans	-	(350)
Proceeds from issue of shares less expenses	-	3,529
Net cash generated from/(used in) financing activities	(1,806)	297
Net increase in cash and cash equivalents	934	4,383
Cash and cash equivalents at beginning of year	9,470	5,088
Effects of exchange rate changes on balances held in foreign currencies	(4)	-
Cash and cash equivalents at end of the year (Note i)	10,400	9,471

Review of Cashflow Statement

- i) For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents at the end of the financial year comprised as follows:

	The Group	The Group
	31 Dec 2003	31 Dec 2002
	\$'000	\$'000
Cash and cash equivalents:-		
Fixed deposits	3,332	4,523
Cash and bank balances	7,068	4,948
	10,400	9,471

- ii) Net increase in cash and cash equivalents for FY2003 of \$0.9 million was due mainly to the net cash generated from operating activities of \$3.2 million and proceeds from disposal of fixed assets of \$0.2 million partially offset by the purchase of \$0.6 million of fixed assets and repayment of hire purchases creditors, loans and dividends payments to shareholders, in aggregate of, \$1.8 million.

For FY2002, the positive net cash flow of \$4.4 million was due mainly to the net cash proceeds from IPO of \$3.5 million and net cash generated from operating activities of \$4.4 million and proceeds from disposal of fixed assets of \$0.7 million partially offset by the purchase of \$0.9 million of fixed assets and repayment of hire purchase creditors and dividends payments to shareholders, in aggregate of, \$2.9 million.

- 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**

The Group

	Issued Capital	Share Premium	Dividend Reserves	Revenue Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2002	11,426		-	-	11,426
Initial Public Offer	2,200	2,200	-	-	4,400
Share issue expenses	-	(871)	-	-	(871)
Profit for the year	-	-	-	2,223	2,223
Dividends for 2002 - proposed	-	-	668	(668)	-
Balance at 31 December 2002	13,626	1,329	668	1,555	17,178
Profit for the year	-	-	-	1,408	1,408
Dividends for 2002 - paid	-	-	(668)	-	(668)
Dividends for 2003 - proposed	-	-	563	(563)	-
Balance at 31 December 2003	13,626	1,329	563	2,400	17,918

The Company

	Issued Capital	Share Premium	Dividend Reserves	Revenue Reserves	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2002	11,426		-	-	11,426
Initial Public Offer	2,200	2,200	-	-	4,400
Share issue expenses	-	(871)	-	-	(871)
Profit for the year	-	-	-	683	683
Dividends for 2002 - proposed	-	-	668	(668)	-
Balance at 31 December 2002	13,626	1,329	668	15	15,638
Profit for the year	-	-	-	708	708
Dividends for 2002 - paid	-	-	(668)	-	(668)
Dividends for 2003 - proposed	-	-	563	(563)	-
Balance at 31 December 2003	13,626	1,329	563	160	15,678

- 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 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 during the financial year ended 31 December 2003.

2. **Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor 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**

Except as mentioned in Section 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of the audited financial statements as at 31 December 2002.

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 financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) including related interpretations promulgated by the Council on Corporate Disclosure and Governance.

The financial statements were previously prepared in accordance with Singapore Statements of Accounting Standard (“SAS”). The transition from SAS to FRS did not give rise to any adjustments to the opening balances of revenue reserves of the prior and current years or changes in comparatives.

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

	The Group	The Group
	31 Dec 2003	31 Dec 2002
Net profit after taxation (S\$'000)	1,408	2,223
Number of shares	136,260,940	136,260,940
EPS (cents)	1.03	1.63

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 period reported on and (b) immediately preceding financial year

	The Group	The Group	The Company	The Company
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
Net tangible assets(\$'000)	16,230	15,254	15,678	15,638
Number of shares	136,260,940	136,260,940	136,260,940	136,260,940
Net tangible assets per share (cents)	11.91	11.19	11.51	11.48

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

	Revenue	Revenue	Increase/ (Decrease)	Profit before interest and tax	Profit before interest and tax	Increase/ (Decrease)
	31/12/2003	31/12/2002		31/12/2003	31/12/2002	
	\$'000	\$'000	%	\$'000	\$'000	%
Road construction	32,734	25,885	26.5	1,773	1,668	6.3
Road maintenance	24,022	25,933	(7.4)	1,098	1,788	(38.6)
Total	56,756	51,818	9.5	2,871	3,456	(16.9)

(i) Revenue

Our Group's revenue posted a 9.5% growth over FY2002 to \$56.8 million.

The revenue was boosted by the strong performance of the road construction segment which recorded a 26.5% revenue growth to \$32.7 million. The major contributor to the revenue growth came from the projects namely, the Construction of 2nd South Cross Taxiway and Associated Works, Singapore Changi Airport ("CAAS"), Design and Widen Bukit Timah Expressway from Kranji Expressway to Seletar Expressway ("BKE") and Dunman View Project which have contributed, in aggregate, \$24.6 million to our total revenue in FY2003. However, the increase was dampened by a decrease of 7.4% in road maintenance revenue in FY2003 which was due to a lower percentage of revenue recognised from previously awarded and substantially completed road maintenance projects in 2H2003.

(ii) Profitability

For the full year ended 31 December 2003, the Group recorded a profit from operations before taxation and finance costs amounting to \$2.9 million. This was \$0.6 million or 16.9% lower compared with FY2002 due mainly to:

- (a) Increase in other income of \$0.1 million
- (b) Increase in administrative expenses of \$0.7 million
- (c) Decrease in other operating expenses of \$0.1 million

Profit before taxation and finance costs from road construction surged 6.3% to \$1.8 million. The improvement in profit margin of the road construction segment was attributable to our continuous stringent cost-saving efforts and better project management of some road construction projects.

On the other hand, the decline in profit before taxation and finance costs from the road maintenance segment resulted from the decrease in gross profit. The decrease in gross profit resulted from an increase in cost of works which was due mainly to an increase in sub-contracting costs. The sub-contracting costs as a percentage of revenue from the road maintenance segment increased from 25.37% in FY2002 to 32.42% in FY2003.

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 has been 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

Outlook and future plans

According to the Building and Construction Authority, total construction demand in FY2004 is expected to range between \$10 billion and \$11 billion. The public sector construction demand will continue to underpin total construction demand and it is expected to award between \$5.4 billion to \$6.1 billion worth of contracts. And these include about \$350 million worth of projects brought forward, as announced by the Government last year. The Government has announced a 3-year plan for \$600 million worth of accelerated public construction projects to give the struggling construction industry a financial boost. This will definitely aid the sluggish construction industry.

We have moved beyond our core road construction and road maintenance operations. In November 2003, we entered into a novation agreement with Koru Bena Sdn Bhd and Dunman Heights Pte Ltd. This is our first high-rise building construction related project in our 37 years of history. This project involves the construction, completion and maintenance of the proposed Dunman View Condominium, which is expected to contribute positively but have no material impact on our Group's earnings per share or net tangible assets per share for FY2004.

In view of the maturing construction industry in Singapore, we are pursuing opportunities to regionalise our core business. In August 2003, we entered into an Alliance Agreement with other building and construction professionals, ranging from architecture and engineering to planner, to form the STA Consortium, to offer services to clients in India. Besides India, we are also evaluating regional business prospects in China and Cambodia. During FY2003, we incorporated a wholly-owned subsidiary, OKP Investments (China) Pte Ltd to handle all construction-related business in China. It has invested in an associated company known as Anhui SIN-HK Management Consultancy Company Limited to provide technical management and consultancy services.

Given the weak local construction industry, our Group continues to operate in a challenging business environment. We have maintained our competitive edge in Singapore due to our track record. As at the date of this announcement, we maintain a healthy construction order book, which stands at \$137.6 million.

We have demonstrated our capabilities to generate strong operating cash flows in a difficult business environment with a positive \$3.2 million net cash generated from our operating activities. Our cash and cash equivalent has grown from \$9.4 million in FY2002 to \$10.4 million in FY2003.

As the construction industry generally lags behind economic recovery, the outlook for the Singapore's beleaguered construction industry is expected to remain weak. We will continue to adopt a cautious approach to bid for projects that yield reasonable returns coupled with cost control measures and improve project management process in order to stay competitive.

11. Dividend

(a) Current Financial Period Reported On

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

Name of Dividend	First and Final
Dividend Type	Cash
Dividend amount per share	0.41 cents
Dividend Rate	4.1% per ordinary share
Par value of shares	\$0.10
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 Dividend	First and Final
Dividend Type	Cash
Dividend amount per share	0.49 cents
Dividend Rate	4.9% per ordinary share
Par value of shares	\$0.10
Tax Rate	One-tier tax exempt

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

No 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

The Company operates in two business segments - road construction and road maintenance.

Segments results, assets and liabilities include items directly attributable as well as those that can be allocated on a reasonable basis.

Business Segments

The Company has the following main business segments:

Road construction – It relates to the construction of urban and arterial roads, expressways, vehicular bridges and flyovers.

Road 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.

31 December 2003	Road Construction	Road Maintenance	Eliminations of turnover with the Group	Consolidated
\$'000				
Revenue				
External sales	32,734	24,022	-	56,756
Inter-company sales		10,457	(10,457)	-
Total sales	32,734	34,479	(10,457)	56,756
Results				
Segment Result	4,448	2,756		7,204
Other income				272
Administrative expenses				(4,553)
Other operating expenses				(52)
Profit from operations				2,871
Finance costs				(189)
Profit before tax				2,682
Tax				(1,274)
Profit after tax				1,408
Other information				
Segment assets	8,292	5,306	-	13,598
Unallocated assets	-	-	-	20,598
Total assets	8,292	5,306	-	34,196
Unallocated liabilities	-	-	-	16,278
Total liabilities	-	-	-	16,278

31 December 2002	Road Construction	Road Maintenance	Eliminations of turnover with the Group	Consolidated
\$'000				
Revenue				
External sales	25,885	25,933	-	51,818
Inter-company sales	-	8,806	(8,806)	-
Total sales	25,885	34,739	(8,806)	51,818
Results				
Segment Result	3,484	3,733		7,217
Other income				155
Administrative expenses				(3,780)
Other operating expenses				(136)
Profit from operations				3,456
Finance costs				(221)
Profit before tax				3,235
Tax				(1,012)
Profit after tax				2,223
Other information				
Segment assets	3,815	8,977	-	12,792
Unallocated assets	-	-	-	20,960
Total assets	3,815	8,977	-	33,752
Unallocated liabilities	-	-	-	16,574
Total liabilities	-	-	-	16,574

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 in paragraph 8.

15. A breakdown of sales

		The Group	The Group	The Group
				%
		31 Dec 2003	31 Dec 2002	Increase/ (Decrease)
(a)	Sales reported for the first half year	28,814	23,248	23.9
(b)	Net profit after taxation for the first half year	1,205	1,292	(6.7)
(c)	Sales reported for the second half year	27,942	28,570	(2.2)
(d)	Net profit after taxation for the second half year	203	931	(78.2)

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 (Refer to Para 16 of Appendix 7.2 for the required details)

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	563	668
Preference	0	0
Total	563	668

The dividends of \$563,000 represents approximately 40.0% of our Group's profit after tax for FY2003 which amounted to \$1.4 million.

The dividend yield calculated based on final dividend and the Company transacted price on 9 February 2004 of 15 cents is approximately 2.7% per annum.

17. Interested persons transactions disclosure

	Interested Party	Relationship	For year ended 31 Dec 2003 \$'000	For year ended 31 Dec 2002 \$'000
a	Purchase of fixed assets			
	Sin Kah Heng Motor Trading Co	Sin Kah Heng is owned by sister-in-law of Mr Or Kim Peow, our Chairman	207	348
	Or Toh Wat	Or Toh Wat is our Executive Director	-	22
	Oh Enc Nam	Oh Enc Nam is our Executive Director	-	5
b	Sale of fixed assets			
	Citysafe Pte Ltd	Directors of Citysafe Pte Ltd are Mr Or Kim Peow, our Chairman, Or Toh Wat, our Group Managing Director and Or Kiam Meng, Executive Director	-	8
c	Sale of property			
	Or Toh Wat, Or Kiam Meng and Or Lay Huat, Daniel	Or Toh Wat, our Group Managing Director, Or Kiam Meng, our Executive Director, Or Lay Huat, Daniel is son of Mr Or Kim Peow, our Chairman	-	600

d	Provision for legal services			
	Loo & Partners	Mr Loo Choon Chiaw, our independent director, is the Managing Partner of Messrs Loo & Partners	18	133
e	Provision for management consultancy fees			
	Or Lay Wah, Elaine	Or Lay Wah, Elaine is daughter of Mr Or Kim Peow, our Chairman	-	25
f	Sale of equipment			
	Helmi Construction Pty Ltd	Helmi Construction Pty Ltd is owned by Alvin Chua who is the brother-in-law of Or Toh Wat, our Group Managing Director.	8	-

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
27 February 2004