



**Full Year Financial
Statement and Dividend
Announcement for year ended
31 December 2004**

22 February 2005

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**Full Year Financial Statement And Dividend Announcement for the
year ended 31 December 2004**

**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 →		
		31 Dec 2004	31 Dec 2003	Increase/ (Decrease)
	Note	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Revenue	i	72,710	56,756	28.1
Cost of works	ii	(67,261)	(49,552)	35.7
Gross profit	iii	<u>5,449</u>	<u>7,204</u>	(24.4)
Other income including interest income	iv	444	272	63.2
Administrative expenses	v	(3,976)	(4,553)	(12.7)
Other operating expenses	vi	(11)	(52)	(78.8)
Profit from operating activities	vii	<u>1,906</u>	<u>2,871</u>	(33.6)
Share of results of associated company	viii	(16)	-	n.m.
Profit before interest and tax		<u>1,890</u>	<u>2,871</u>	(34.2)
Finance costs	ix	(178)	(189)	(5.8)
Profit before taxation	x	<u>1,712</u>	<u>2,682</u>	(36.2)
Taxation	xi	(150)	(1,274)	(88.2)
Profit after taxation	xii	<u>1,562</u>	<u>1,408</u>	10.9

n.m. – not meaningful

Explanatory Notes:

(i) Revenue

Revenue for FY2004 increased by \$16.0 million, an improvement of 28.1% from \$56.7 million to \$72.7 million over last year. The increase in revenue was mainly from the road and building construction segment, partly offset by lower revenue from the road maintenance segment.

(ii) Cost of works

Cost of works for FY2004 increased by \$17.7 million or 35.7% from \$49.6 million to \$67.3 million on the back of a higher revenue.

(iii) Gross profit

FY2004 gross profit recorded a 24.4% decline due to lower profit margins from some existing projects.

(iv) Other income

The increase in other income of \$0.2 million or 63.2% was largely attributable to income from sale of used construction materials at site.

(v) Administrative expenses

The decrease in administrative expenses of \$0.6 million or 12.7% was largely attributable to a lower allowance for impairment loss arising from freehold properties and investment property compared with last year and cessation of goodwill amortisation following the adoption of new and revised Financial Reporting Standards ("FRS") 103 (Business Combinations), FRS 36 (Impairment of Assets) and FRS 38 (Intangible Assets) in 2004.

(vi) Other operating expenses

Other operating expenses were mainly loss on disposal of plant & equipment.

(vii) Profit from operating activities

As a result of the above, profit from operating activities declined by \$0.9m from \$2.8 million to \$1.9 million.

(viii) Share of results of associated company

This represented the share of losses incurred by the associated company.

(ix) Finance costs

Finance costs decreased by \$0.01 million or 5.8%. The decrease was due to repayment to hire purchase creditors and of bank loans.

(x) Profit before taxation

Profit before taxation declined by \$0.97 million or 36.2% due mainly to lower gross profit margins as explained in note (iii) above which was partly offset by a decrease in administrative expenses as explained in note (v) above.

(xi) Taxation

The lower tax expense was mainly due to reduction in corporate tax rate from 22% to 20%, recognition of deferred tax assets and reversal of overprovision of taxes in respect of prior years.

(xii) Profit after taxation

Overall, profit after taxation increased \$0.2 million or 10.9% from \$1.4 million last year to \$1.6 million. The increase in profit after taxation was due mainly to the decrease in taxation as explained above.

(xiii) Additional disclosures

Profit before taxation was arrived at after:

	← The Group →		
	31 Dec 2004	31 Dec 2003	Increase/ (Decrease)
	\$'000	\$'000	%
<u>After charging:-</u>			
Amortisation of goodwill	-	236	nm
Non-audit fee paid to the -auditors of the Company	4	4	-
Depreciation of property, plant & equipment	333	373	(10.7)
Directors' remuneration			
-Directors of the Company	1,370	1,367	0.2
-Other Directors	265	272	(2.6)
Directors' fee	120	120	-
Interest paid and payable			
- Hire purchase creditors	91	99	(8.1)
- Banks	87	90	(3.3)
Loss on disposal of plant & equipment	5	47	(89.4)
Preliminary expenses written off	-	3	n.m.
Impairment loss			
- Investment property	70	64	9.4
- Plant & equipment	23	663	(96.5)
Loss on foreign exchange (unrealised)	6	4	50.0
Allowances for doubtful receivables (trade)	48	-	n.m
Staff costs	1,062	860	23.5
<u>After crediting:-</u>			
Interest income from bank deposits	32	22	45.5
Gain on foreign exchange (realised)	-	3	n.m.
Gain on disposal of plant & equipment	36	134	(73.1)
<u>Included in the cost of works are the following:-</u>			
Depreciation of plant & equipment	1,220	1,267	(3.7)
Staff costs	8,035	7,250	10.8

(xiv) Extraordinary/Exceptional items

nil

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

The adjustment for overprovision of tax in respect of prior years is approximately \$0.4 million.

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 Group →		← The Company →	
	31 Dec 2004 \$'000	31 Dec 2003 \$'000	31 Dec 2004 \$'000	31 Dec 2003 \$'000
Non-Current Assets				
Properties, plant and equipment	7,160	6,907	36	50
Interests in subsidiary companies	-	-	13,926	13,926
Interests in associated company	63	78	-	-
Investment property	800	870	-	-
Intangible assets	1,688	1,688	-	-
Deferred tax assets	79	-	-	-
	9,790	9,543	13,962	13,976
Current Assets				
Construction contracts work-in-progress	5,284	3,315	-	-
Trade receivables	13,591	10,283	-	-
Advances to subsidiary companies	-	-	450	380
Amounts due from subsidiary companies (trade)	-	-	1,871	1,720
Amounts due from subsidiary companies (non-trade)	-	-	19	7
Amounts due from an associated company (non-trade)	1	-	-	-
Other receivables, deposits and prepayments	735	655	14	20
Cash and cash equivalents	11,935	10,400	218	54
	31,546	24,653	2,572	2,181
Current Liabilities				
Trade and other payables	18,424	11,382	522	425
Amount due to a subsidiary (non-trade)	-	-	-	3
Current portion of obligations under hire purchase creditors	835	744	11	11
Current portion of interest- bearing bank loans (secured)	1,100	140	-	-
Provision for income tax	447	1,038	33	10
	20,806	13,304	566	449
Net Current Assets	10,740	11,349	2,006	1,732
Non-Current Liabilities				
Obligations under hire purchase creditors	(1,284)	(890)	(19)	(30)
Interest-bearing banks loans (secured)	-	(1,726)	-	-
Deferred tax liabilities	(329)	(358)	-	-
Net assets	18,917	17,918	15,949	15,678
Capital and Reserves				
Share capital	13,626	13,626	13,626	13,626
Share premium	1,329	1,329	1,329	1,329
Revenue reserves	3,962	2,963	994	723
	18,917	17,918	15,949	15,678
Net tangible assets	17,229	16,230	15,949	15,678

Explanatory Notes:

(i) Non-current assets

The increase in non-current assets was due mainly to new addition of plant & equipment to support the newly awarded projects in FY2004.

(ii) Current assets

Current assets increased by \$6.8 million from \$24.7 million to \$31.5 million. The increase was due mainly to:

- (a) Increase in construction contracts work-in-progress resulted from excess construction costs over work done for certain projects
- (b) Increase of trade receivables which was in line with the increase in revenue and
- (c) Increase in cash and cash equivalents

(iii) Current Liabilities

Current liabilities increased by \$7.5 million from \$13.3 million to \$20.8 million. The increase was largely attributable to:

- (a) Increase in short term bank loans
- (b) Increase of trade and other payables which were in line with the higher revenue in FY2004

(iv) Non-current liabilities

The decrease in non-current liabilities was due mainly to full repayment of long term bank loans in second half of 2004.

(iv) Shareholders' equity

Shareholders' equity comprised share capital, share premium and revenue reserves. It increased by \$1.0 million from \$17.9 million to \$18.9 million. The increase was mainly in revenue reserves relating to profit for the financial year.

1(b)(ii) Aggregate amount of group's borrowings and debt securities (including hire purchase creditors)

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

As at 31 Dec 2004		As at 31 Dec 2003	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,935	-	884	-

(b) Amount repayable after one year

As at 31 Dec 2004		As at 31 Dec 2003	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
1,284	-	2,616	-

(c) Details of any collateral

The borrowings of the Group are generally secured by:-

- (1) Legal mortgage over one of the Group's freehold properties and investment property with net carrying value amounting to \$1,150,000 (2003:\$2,200,002) and \$800,048 (2003:\$870,048) respectively
- (2) Pledge of fixed deposits of subsidiary companies
- (3) Negative pledges over assets of certain subsidiary companies and
- (4) Corporate guarantee by OKP Holdings Limited.

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 →	
Note	31 Dec 2004 \$'000	31 Dec 2003 \$'000
Cash flows from operating activities		
Profit before taxation and after share of results of associated company	1,712	2,682
Adjustments for:		
Amortisation of intangible assets	-	236
Depreciation of properties, plant and equipment	1,553	1,640
Loss on foreign exchange (unrealised)	6	4
Gain on disposal of plant and equipment	(35)	(134)
Loss on disposal of plant and equipment	5	47
Impairment loss of properties	23	663
Impairment loss of investment property	70	64
Interest income from bank deposits	(32)	(22)
Hire purchase interest	91	99
Bank loans interest	87	90
Preliminary expenses written off	-	3
Allowances for doubtful receivables(trade)	48	-
Share of results of associated company	16	-
	3,544	5,372
Change in operating assets and liabilities:		
Construction contracts work-in-progress	(1,969)	(2,465)
Trade receivables	(3,355)	1,660
Other receivables, deposits and prepayments	(80)	41
Amounts due from an associated company	(1)	-
Trade and other payables	7,040	(40)
	5,179	4,568
Cash generated from operations		
Hire purchase interest paid	(91)	(99)
Bank loans interest paid	(87)	(90)
Interest income from bank deposits received	32	22
Income tax paid	(850)	(1,246)
	4,183	3,155
NET CASH GENERATED FROM OPERATING ACTIVITIES		
Cash flows from investing activities		
Purchase of plant and equipment	(819)	(586)
Proceeds from disposal of plant and equipment	221	248
Investment in associated company	-	(78)
	(598)	(416)
NET CASH USED IN INVESTING ACTIVITIES		
Cash flows from financing activities		
Payment to hire purchase creditors	(716)	(998)
Payment of dividend to shareholders	(563)	(668)
Repayment of bank loans	(1,866)	(140)
Proceeds from short term bank loans	1,100	-
Fixed deposits pledged with banks	(1,732)	1,287
	(3,777)	(519)
NET CASH USED IN FINANCING ACTIVITIES		

	Note	← The Group →	
		31 Dec 2004 \$'000	31 Dec 2003 \$'000
Net increase in cash and cash equivalents held	i	(192)	2,220
Cash and cash equivalents at the beginning of the financial year		7,164	4,948
Effects of exchange rate changes on balances held in foreign currencies		(6)	(4)
Cash and cash equivalents at the end of the financial year	ii	<u>6,966</u> =====	<u>7,164</u> =====

Explanatory Notes:

- (i) Net cash inflow from operating activities in FY2004 was higher at \$4.2 million, a 32.6% increase because of stronger operational performance.

Net cash outflow from investing activities of \$0.6 million in FY2004 comprised mainly cash payments for plant & equipment less proceeds from sale of plant & equipment.

The repayment of bank borrowings of \$1.9 million was mainly from net cash generated from operating activities.

Overall, our Group is in healthy position and we will retain additional cash reserves in our Group 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 year comprised the following:

	The Group	
	31 Dec 2004	31 Dec 2003
	\$'000	\$'000
Cash at bank and in hand	6,875	7,068
Fixed deposits with banks	5,060	3,332
	<u>11,935</u>	<u>10,400</u>
Fixed deposits pledged to banks	(4,969)	(3,236)
	<u>6,966</u>	<u>7,164</u>
Cash and cash equivalents in consolidated statement of cash flows	<u>6,966</u>	<u>7,164</u>

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

	Issue Capital	Share Premium	Revenue Reserves	Total
<u>The Group</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 Jan 2003	13,626	1,329	2,223	17,178
Net profit for the year	-	-	1,408	1,408
Final dividend paid of 0.49 cents per share in respect of financial year ended 31 December 2002	-	-	(668)	(668)
As at 31 December 2003	<u>13,626</u>	<u>1,329</u>	<u>2,963</u>	<u>17,918</u>
Net profit for the year	-	-	1,562	1,562
Final dividend paid of 0.41 cents per share in respect of financial year ended 31 December 2003	-	-	(563)	(563)
As at 31 December 2004	<u>13,626</u>	<u>1,329</u>	<u>3,962</u>	<u>18,917</u>

	Issue Capital	Share Premium	Revenue Reserves	Total
<u>The Company</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
As at 1 Jan 2003	13,626	1,329	683	15,638
Net profit for the year	-	-	708	708
Final dividend paid of 0.49 cents per share in respect of financial year ended 31 December 2002	-	-	(668)	(668)
As at 31 December 2003	<u>13,626</u>	<u>1,329</u>	<u>723</u>	<u>15,678</u>
Net profit for the year	-	-	834	834
Final dividend paid of 0.41 cents per share in respect of financial year ended 31 December 2003	-	-	(563)	(563)
As at 31 December 2004	<u>13,626</u>	<u>1,329</u>	<u>994</u>	<u>15,949</u>

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 since 31 December 2003.

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

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 2003.

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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the financial statements as at 31 December 2003, except for the early adoption of the following new and revised Singapore Financial Reporting Standards (“FRS”) issued in July 2004 by the Council on Corporate Disclosure and Governance (“CCDG”), with effect from the financial year beginning 1 January 2004:

FRS 103	Business Combinations
Revised FRS 36	Impairment of Assets
Revised FRS 38	Intangible Assets

On 1 July 2004, CCDG issued FRS 103 to replace FRS 22 Business Combinations. These FRS are to be applied to the accounting for business combinations for annual periods beginning on or after 1 July 2004. However, the Group has adopted these FRS with effect from 1 January 2004.

The early adoption of FRS 103, revised FRS 36 and revised FRS 38 resulted in a change in the accounting treatment for goodwill. FRS 103 required goodwill acquired in a business combination to be measured at cost less any accumulated impairment losses. Goodwill shall no longer be amortised, instead, impairment is tested annually, or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

Had FRS 103 not been implemented, the goodwill amortisation to the profit and loss statement of \$236,306 would be made and reduced the profit before taxation by the same amount.

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	
	31 Dec 2004	31 Dec 2003
Profit after taxation (\$'000)	1,562	1,408
Number of shares	136,260,940	136,260,940
EPS (cents)	1.15	1.03

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 Company	
	31 Dec 2004	31 Dec 2003	31 Dec 2004	31 Dec 2003
Net tangible assets (\$'000)	17,229	16,230	15,949	15,678
Number of shares	136,260,940	136,260,940	136,260,940	136,260,940
NTA per share (cents)	12.64	11.91	11.70	11.51

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

(i) **Revenue**

	The Group			
	31 Dec 04	31 Dec 03	Increase/(Decrease)	
	\$'000	\$'000	\$'000	%
Road and Building Construction	54,129	32,734	21,395	65.4
Road Maintenance	18,581	24,022	(5,441)	(22.7)
Total Revenue	72,710	56,756	15,954	28.1

Our Group has posted a revenue of \$72.7 million for FY2004, up 28.1% from \$56.8 million despite the difficult construction industry in Singapore. The major contributor to the revenue growth came from the new projects which were awarded in first half of 2004. The road and building construction segment recorded a surge of revenue from \$32.7 million in FY2003 to \$54.1 million in FY2004, or 65.4% increase year-on-year. This resulted in the change of revenue structure between road and building construction revenue and road maintenance revenue from 58% against 42% in FY2003 to 74% against 26% for FY2004.

The strong growth in the road and building construction segment was due to the recognition of higher revenue from a few new road construction projects secured in 2004.

However, the higher revenue from the road and building construction segment was dampened by the lower percentage of revenue recognition for the road maintenance segment due to completion of a few road maintenance projects in the second half of 2004.

(ii) **Profitability**

	The Group			
	31 Dec 04	31 Dec 03	Increase/(Decrease)	
	\$'000	\$'000	\$'000	%
Profit before interest and tax	1,890	2,871	(981)	(34.2)
<u>Comprising:</u>				
Road and Building Construction	714	1,773	(1,059)	(59.7)
Road Maintenance	1,176	1,098	78	7.1
Profit before interest and tax	1,890	2,871	(981)	(34.2)
Profit after tax	1,562	1,408	154	10.9

Profit before interest and tax

Our Group reported a dip in profit before interest and tax from \$2.9 million in FY2003 to \$1.9 million in FY2004. The decrease was due mainly to decrease in profit before interest and tax for the road and building construction segment.

The profit before interest and tax from the road maintenance segment improved by 7.1% to \$1.2 million despite having a 22.7% dip in revenue, reflecting the success of the continuous cost control efforts.

On the other hand, the decline in the profit before interest and tax by 59.7% for the road and building construction segment was due mainly to lower profit margins from some existing projects.

Profit after tax

Profit after tax increased from \$1.4 million in FY003 to \$1.6 million in FY2004. The increase was due mainly to the decrease in taxation as a result of the reduction in corporate tax rate from 22% to 20%, recognition of deferred tax assets and reversal of overprovision of taxes in respect of prior years.

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

No forecast was made in the previous announcement.

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.

The construction industry has faced several tough challenges. The recovery of the construction industry has been sluggish despite the strong rebound in the other sectors of the economy. The construction demand in Singapore has plunged from a peak of \$24 billion in 1997 to \$10 billion in FY2003. According to the Ministry of National Development ("MND"), our local construction industry in FY2004 managed to maintain the same total value of construction contracts awarded in FY2003 amounting to \$10 billion. The MND also added that the construction volume has stopped sliding further and it is expected to also stabilise in the range between \$10 billion and \$11 billion in FY2005. Hence, our Group expects the outlook for the construction industry in Singapore to remain weak and very competitive.

Despite the continued weakness and intense competition in the construction industry, we have successfully tendered for and been awarded 8 new contracts in FY2004, with a combined contract value of approximately \$67.6 million. These include the Widening of Pan-Island Expressway from Kranji Expressway to Jalan Ahmad Ibrahim (\$22.2 million), Planned Maintenance of Roads in East & West Sector For A Period of Two Years (\$14.0 million), Painting and Cleansing of Road Related Facilities in East Sector For A Period of Two Years (\$9.2 million), Proposed Parcellation plan and infrastructure works comprising erection of Powergrid Substation 1 with Ancillary MDF Building and Powergrid Substation 2 and Internal Roads on Lots 2155PT & 2156PT MK at Tuas South Avenue 3/8 URA Land Parcel 498 (\$5.2 million), Final Premix Surfacing, Reinstatement and Ancillary Works at Tuas View, Phase 3 (\$3.7 million), Proposed Road at Kranji Water Reclamation Plant Road to Lorong Limau (\$0.5 million), Design and Build Contract for Widening of Runway Shoulders and Associated Works at Singapore Changi Airport (\$9.6 million) and Improvement to Old Roadside Drains in Tanjong Katong (\$3.2 million).

OKP enters confidently into FY2005 with a strong defensive order book of \$155.5 million as at 31 December 2004, of which \$62.3 million is expected to be recognised as revenue for FY2005 and thereafter. We have generated strong and healthy operating cash flows with cash and cash equivalents at \$11.9 million as at 31 December 2004 despite the fact that the construction sector in Singapore continues to be weak.

We have demonstrated our capability to compete and tender for projects that involved both civil engineering and building works. We have successfully completed the construction of the Dunman View Condominium project in FY2004, our first high-rise building construction related project in our 38 years of history. While we will continue to look for business synergies with our Group's business, we will focus primarily on our core businesses of road and building construction and maintenance.

While we will continue to explore suitable opportunities beyond our shores, we will remain prudent and will only consider projects that are commercially viable.

Meanwhile, we will remain focussed on our strength in home soil and tender primarily for governmental projects. While we continue to build our project list on hand, we will be selective in our tenders to avoid tendering at unprofitable prices. Our priority remains to achieve consistent long term profitability by tendering for projects that yield reasonable returns.

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	0.49 cents
Dividend Rate	4.9% 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 Dividends	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

(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

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:

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

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.

<u>31 December 2004</u>	Road and Building Construction	Road Maintenance	Elimination	Group
	\$'000	\$'000	\$'000	\$'000
<u>Revenue and expenses</u>				
External revenue	54,129	18,581	-	72,710
Inter-segment revenue	2,470	1,844	(4,314)	-
Total revenue	56,599	20,425	(4,314)	72,710
Profit from operations				1,906
Share of results of associated company				(16)
Profit before interest and tax	714	1,176		1,890
Finance costs				(178)
Profit before tax				1,712
Taxation				(150)
Profit after tax				1,562
<u>Other Information</u>				
Segment assets	16,368	2,506	-	18,874
Unallocated assets	-	-	-	22,462
Consolidated total assets	16,368	2,506	-	41,336
Segment liabilities	12,771	4,743	-	17,514
Unallocated liabilities	-	-	-	4,905
Consolidated total liabilities	12,771	4,743	-	22,419

<u>31 December 2003</u>	Road and building Construction	Road Maintenance	Elimination	Group
	\$'000	\$'000	\$'000	\$'000
<u>Revenue and expenses</u>				
External revenue	32,734	24,022	-	56,756
Inter-segment revenue	-	10,457	(10,457)	-
Total revenue	32,734	34,479	(10,457)	56,756
Profit from operations				2,871
Share of results of associated company				-
Profit before interest and tax	1,773	1,098		2,871
Finance costs				(189)
Profit before tax				2,682
Taxation				(1,274)
Profit after tax				1,408
<u>Other Information</u>				
Segment assets	8,292	5,305	-	13,597
Unallocated assets	-	-	-	20,599
Consolidated total assets	8,292	5,305	-	34,196
Segment liabilities	7,704	2,798	-	10,502
Unallocated liabilities	-	-	-	5,776
Consolidated total liabilities	7,704	2,798	-	16,278

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			
	31 Dec 2004	31 Dec 2003	Increase/(Decrease)	
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	36,123	28,814	7,309	25.4
(b) Profit after taxation reported for the first half year	1,251	1,205	46	3.8
(c) Sales reported for second half year	36,587	27,942	8,645	30.9
(d) Profit after taxation reported for the second half year	311	203	108	53.2

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

	Latest Full Year (\$'000)	Previous Full Year (\$'000)
Ordinary	667	563
Preference	-	-
Total	667	563

The dividend of \$667,000 (2003:\$563,000) represents approximately 42.7% (2003:40.0%) of the Group's profit after taxation for FY2004.

The dividend yield calculated based on the Company's transacted price on 7 January 2005 of 11 cents is approximately 4.5% per annum.

17. Interested persons transactions disclosure

Interested Party	Nature of Transactions	Relationship	For full year ended 31 Dec 2004	For full year ended 31 Dec 2003
			\$'000	\$'000
Sin Kah Heng Motor Trading Co	Purchase of fixed assets	Sin Kah Heng Motor Trading Co is owned by sister-in-law of Mr Or Kim Peow, our Chairman	57	207
Loo & Partners	Provision of legal services	Mr Loo Choon Chiaw, our independent director, is the Managing Partner of Loo & Partners	23	18
Citysafe Pte Ltd	Purchase of fixed asset	Mr Or Kim Peow, our Chairman, Mr Or Toh Wat, our Group Managing Director and Mr Or Kiam Meng are directors of Citysafe Pte Ltd	7	-
Helmi Construction Pty Ltd	Sale of equipment	Helmi Construction Pty Ltd is owned by Alvin Chua who is the brother-in-law of Mr Or Toh Wat, our Group Managing Director	-	8

BY ORDER OF THE BOARD

Or Toh Wat
Group Managing Director
22 February 2005