



**OKP HOLDINGS LIMITED**

胡金標控股有限公司

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

**31 December 2012**



**20 February 2013**

## Table of Contents

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		<u>Page No</u>
1(a)	Income statement	2
	Consolidated statement of comprehensive income	3
1(b)(i)	Statements of financial position	7
1(b)(ii)	Borrowings and debts securities	22
1(c)	Consolidated statements of cash flows	23
1(d)(i)	Consolidated statement of changes in equity	26
1(d)(ii)	Changes in share capital	30
1(d)(iii)	Total number of issued shares	31
1(d)(iv)	Statement of sales, transfers, disposals, cancellations and/or use of treasury shares	31
2 & 3	Audit statement	31
4	Accounting policies	31
5	Changes in accounting policies	32
6	Earnings per share	33
7	Net asset value per share	35
8	Review of Group's performance	35
9	Variance from previous prospect statement	41
10	Outlook	42
11 & 12 & 17	Dividend	43 & 45
13	Interested person transactions	43
14 & 15	Segmental information (Business)	44
16	Breakdown of sales	45
18	Use of proceeds as at 31 December 2012	46
19	Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder	46

**Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2012**
**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)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Revenue</b>	27,469	23,200	18.4	104,482	109,817	(4.9)
Cost of works	(21,449)	(8,174)	162.4	(81,033)	(66,607)	21.7
<b>Gross profit</b>	<b>6,020</b>	<b>15,026</b>	(59.9)	<b>23,449</b>	<b>43,210</b>	(45.7)
Other income	1,108	335	230.7	2,681	1,017	163.6
Expenses						
- Administrative	(2,841)	(3,735)	(23.9)	(11,037)	(11,926)	(7.5)
- Other	(73)	(31)	135.5	(231)	(37)	524.3
- Finance	(18)	(26)	(30.8)	(89)	(114)	(21.9)
Share of loss of an associated company	(1)	-	n.m.	(10)	-	n.m.
<b>Profit before income tax</b>	<b>4,195</b>	<b>11,569</b>	(63.7)	<b>14,763</b>	<b>32,150</b>	(54.1)
Income tax expense	(239)	(2,065)	(88.4)	(2,239)	(5,640)	(60.3)
<b>Net profit</b>	<b>3,956</b>	<b>9,504</b>	(58.4)	<b>12,524</b>	<b>26,510</b>	(52.8)
Gross profit margin	21.9%	64.8%		22.4%	39.3%	
Net profit margin	14.4%	41.0%		12.0%	24.1%	
Effective tax rate	5.7%	17.8%		15.2%	17.5%	
Net profit attributable to:						
Equity holders of the Company	3,793	9,545	(60.3)	12,364	26,559	(53.4)
Non-controlling interests	163	(41)	497.6	160	(49)	426.5
	3,956	9,504	(58.4)	12,524	26,510	(52.8)

n.m. - not meaningful



(i) Consolidated statement of comprehensive income for the fourth quarter and financial year ended 31 December 2012

Note	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
<b>Net profit</b>	3,956	9,504	(58.4)	12,524	26,510	(52.8)
Other comprehensive income:						
Financial assets, available-for-sale						
- Fair value gains/(losses), net of tax	78	12	550.0	76	(26)	392.3
- Reclassification	23	-	n.m.	23	-	n.m.
	101	12	741.7	99	(26)	480.8
Revaluation gain on property, plant and equipment	1,372	-	n.m.	1,372	-	n.m.
<b>Total comprehensive income</b>	<b>5,429</b>	<b>9,516</b>	<b>(42.9)</b>	<b>13,995</b>	<b>26,484</b>	<b>(47.2)</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	5,266	9,557	(44.9)	13,835	26,533	(47.9)
Non-controlling interests	163	(41)	497.6	160	(49)	426.5
	5,429	9,516	(42.9)	13,995	26,484	(47.2)

Notes:

- (i) Fair value gains were mainly attributable to higher quoted prices of financial assets, available-for-sale.
- (ii) Revaluation gain on property, plant and equipment was due to rise in fair value of freehold properties which were reclassified as investment properties.



(ii) Additional disclosures

Profit before income tax was arrived at:

Note	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After charging:-</u>						
	8	11	(27.3)	-40	28	42.9
Non-audit fee paid to the auditors of the Company						
Amortisation of intangible assets	71	-	n.m.	71	-	n.m.
Depreciation of property, plant and equipment	362	98	269.4	659	384	71.6
Directors' remuneration						
- Directors of the Company	1,193	2,641	(54.8)	4,237	7,349	(42.3)
- Other Directors	109	95	14.7	428	468	(8.5)
Directors' fee	45	45	-	180	180	-
Interest paid and payable						
- Finance lease liabilities	19	26	(26.9)	89	114	(21.9)
Loss on foreign exchange	33	1	3,200.0	191	7	(2,628.6)
Loss on disposal of property, plant and equipment	17	1	1,600.0	17	1	1,600.0
Property, plant and equipment written off	-	-	-	-	37	n.m.
Currency translation differences arise from debt securities investment	2	37	(94.6)	43	(8)	637.5
Available-for-sale financial assets						
- Loss on disposal	5	-	n.m.	5	-	n.m.
- Reclassification from other comprehensive income upon disposal	23	-	n.m.	23	-	n.m.
Employees compensation cost	512	460	11.3	2,069	1,807	14.5
Preliminary expenses written off	2	2	-	2	2	-
Allowance for impairment of non-trade receivable	(22)	-	n.m.	1,474	-	n.m.

Notes:

- (i) Loss on foreign exchange mainly arose from the revaluation of assets denominated in United States dollar to Singapore dollar.
- (ii) Currency translation differences mainly arose from the revaluation of financial assets, available-for-sale denominated in United States dollar to Singapore dollar.

n.m. – not meaningful



Note	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase/ (Decrease)	Financial Year ended 31 Dec		Increase/ (Decrease)
	2012	2011		2012	2011	
	\$'000	\$'000	%	\$'000	\$'000	%
<u>After crediting:-</u>						
Interest income						
- Bank deposits	36	55	(34.5)	191	176	8.5
- Financial assets, held-to-maturity	11	5	120.0	47	21	123.8
- Financial assets, available for-sale	73	14	421.4	240	53	352.8
- Other receivables (non-current)	114	-	n.m.	232	-	n.m.
Gain on disposal of property, plant and equipment	5	103	(95.1)	146	309	(52.8)
Rental income from an investment property	13	12	8.3	47	45	4.4
Trade creditors written off	786	-	n.m.	1,273	-	n.m.
Fair value gain on an investment property	60	150	(60.0)	60	150	(60.0)
Gain on foreign exchange	-	3	n.m.	1	18	(94.4)
Government grant	63	85	(25.9)	240	140	71.4
<u>Included in the cost of works are the following:-</u>						
Depreciation of property, plant and equipment	499	740	(32.6)	2,624	2,672	(1.8)
Employees compensation cost	5,247	4,935	6.3	20,715	19,479	6.3

n.m. – not meaningful

(iii) Extraordinary/Exceptional items

Nil



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

The Group	
31 Dec 2012	31 Dec 2011
\$'000	\$'000

Tax expense attributable to profit is made up of:

- Profit from current financial year:		
Current income tax - Singapore	2,203	5,400
Deferred income tax	187	229
	<hr/>	<hr/>
	2,390	5,629
- (Over)/under provision of income tax in prior financial years	(151)	11
	<hr/>	<hr/>
	2,239	5,640
	<hr/>	<hr/>



**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**

Statements of Financial Position

	Note	The Group		The Company	
		31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
		\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		53,992	92,524	2,761	21,544
Trade and other receivables	i	30,919	29,433	11,144	12,949
Financial asset, held-to-maturity	ii	1,000	-	-	-
Construction contract work-in-progress		3,604	2,138	-	-
		<u>89,515</u>	<u>124,095</u>	<u>13,905</u>	<u>34,493</u>
<b>Non-current assets</b>					
Investments in subsidiaries	iii	-	-	15,774	15,674
Investments in joint ventures	iv	-	-	-	-
Investment in an associated company	v	101	-	-	-
Investment properties	vi	4,830	1,650	-	-
Other receivables	vii	18,664	-	18,543	-
Financial assets, held-to-maturity	viii	500	1,500	-	-
Financial assets, available-for-sale	ix	2,756	708	-	-
Property, plant and equipment		19,183	18,693	6,350	5,354
Intangible assets	x	1,970	1,688	31	-
		<u>48,004</u>	<u>24,239</u>	<u>40,698</u>	<u>21,028</u>
<b>Total assets</b>		<u>137,519</u>	<u>148,334</u>	<u>54,603</u>	<u>55,521</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	xi	36,648	52,976	11,558	11,090
Finance lease liabilities		524	647	-	-
Current income tax liabilities		2,204	5,525	-	79
		<u>39,376</u>	<u>59,148</u>	<u>11,558</u>	<u>11,169</u>
<b>Non-current liabilities</b>					
Finance lease liabilities		930	482	-	-
Deferred income tax liabilities		840	622	25	-
		<u>1,770</u>	<u>1,104</u>	<u>25</u>	<u>-</u>
<b>Total liabilities</b>		<u>41,146</u>	<u>60,252</u>	<u>11,583</u>	<u>11,169</u>
<b>NET ASSETS</b>		<u>96,373</u>	<u>88,082</u>	<u>43,020</u>	<u>44,352</u>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		36,578	36,163	36,578	36,163
Other reserves	xii	1,479	28	19	39
Retained profits		58,261	52,012	6,423	8,150
		<u>96,318</u>	<u>88,203</u>	<u>43,020</u>	<u>44,352</u>
<b>Non-controlling interests</b>		<u>55</u>	<u>(121)</u>	<u>-</u>	<u>-</u>
<b>Total equity</b>		<u>96,373</u>	<u>88,082</u>	<u>43,020</u>	<u>44,352</u>
<b>Net tangible assets</b>		<u>94,348</u>	<u>86,515</u>	<u>42,989</u>	<u>44,352</u>





**Notes to Statements of Financial Position:**

(i) Trade and other receivables

	The Group		The Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Trade receivables				
- Non-related parties	5,920	4,000	-	-
- Subsidiaries	-	-	11,016	13,431
	5,920	4,000	11,016	13,431
Less: Allowance for impairment of receivables	-	-	-	(531)
Trade receivables – net	5,920	4,000	11,016	12,900
Construction contracts				
- Due from customers	18,207	17,524	-	-
- Retentions	4,935	4,811	-	-
	23,142	22,335	-	-
Non-trade receivables				
- Non-controlling shareholder of a subsidiary	-	6	-	-
- Subsidiaries	-	-	717	1,486
- Joint venture partners	62	53	-	-
- Non-related parties	2,176	1,293	72	1
	2,238	1,352	789	1,487
Less: Allowance for impairment of receivables	(1,474)	-	(688)	(1,459)
Non-trade receivables - net	764	1,352	101	28
Deposits	398	1,149	11	8
Prepayments	695	597	16	13
	30,919	29,433	11,144	12,949

The non-trade amounts due from subsidiaries, non-controlling shareholder of a subsidiary and joint venture partners are unsecured, interest-free and repayable on demand.

(ii) Financial asset, held-to-maturity (current)

	The Group	
	31 Dec 2012	31 Dec 2011
	\$'000	\$'000
Unlisted debt security		
- Bond with fixed interest of 2.22% p.a. and maturity date on 5 July 2013 - Singapore	1,000	-



The fair value of the bond at the balance sheet date are as follows:

The Group	
31 Dec 2012	31 Dec 2011
\$'000	\$'000

Bond with fixed interest of 2.22% p.a.  
and maturity date on 5 July 2013

1,007

-

The fair values of the bonds are based on available market or common reference prices provided by the bank.

(iii) Investments in subsidiaries:

The Company	
31 Dec 2012	31 Dec 2011
\$'000	\$'000

**Equity investments at cost**

Beginning of financial year  
Incorporation of a new subsidiary  
End of financial year  
Less: Allowance for impairment

15,948

100

16,048

(274)

15,774

15,448

500

15,948

(274)

15,674



Name of subsidiaries	Principal activities	Country of incorporation	Equity holding	
			31 Dec 2012	31 Dec 2011
<u>Held by the Company</u>				
Or Kim Peow Contractors (Pte) Ltd <sup>(@)</sup>	Business of road and building construction and maintenance	Singapore	100%	100%
Eng Lam Contractors Co. (Pte) Ltd <sup>(@)</sup>	Business of road construction and maintenance	Singapore	100%	100%
OKP Technical Management Pte Ltd <sup>(@)(*)</sup>	Provision of technical management and consultancy services	Singapore	100%	100%
OKP Investments (China) Pte Ltd <sup>(@)(*)</sup>	Investment holding	Singapore	100%	100%
OKP (Oil & Gas) Infrastructure Pte Ltd <sup>(@)(*)</sup>	Business of carrying out civil engineering projects in respect of oil, petrochemical and gas related businesses in Singapore	Singapore	100%	100%
United Pavement Specialists Pte Ltd <sup>(@)(*)</sup>	Provision of rental services and investment holding	Singapore	55%	55%
OKP Land Pte Ltd <sup>(@)</sup>	Investment holding and property development	Singapore	100%	100%
OKP Transport & Trading Pte Ltd <sup>(@)(*)</sup>	Provision of transport and logistics services	Singapore	100%	-
OKP (CNMI) Corporation <sup>(#)</sup>	Business of general construction	Saipan, Commonwealth of the Northern Mariana Islands	-	96%
<u>Held by a subsidiary</u>				
United Pavement Specialists (CNMI) Corporation <sup>(#)</sup>	Business of general construction, subcontractor	Saipan, Commonwealth of the Northern Mariana Islands	-	99%

(@) Audited by Nexia TS Public Accounting Corporation

(#) Both OKP (CNMI) Corporation and United Pavement Specialists (CNMI) Corporation have been liquidated during FY2012.

(\*) Dormant company.



(iv) Investments in joint ventures

Name of joint ventures	Principal activities	Country of incorporation	Equity holding	
			31 Dec 2012	31 Dec 2011

Held by the subsidiaries

CIF-OKP Construction and Development Pte Ltd <sup>(1) (@)</sup>	Design, construction and execution of urban developments (including road infrastructure)	Singapore	50%	50%
Forte Builder Pte Ltd <sup>(2) (#)</sup>	Business of general construction	Singapore	50%	50%

(@) Audited by Heng Lee Seng LLP

(#) Audited by Nexia TS Public Accounting Corporation

(1) CIF-OKP Construction and Development Pte Ltd ("CIF-OKP"), incorporated in Singapore on 1 December 2009, remained inactive as at 31 December 2012. CIF-OKP is a joint venture company of OKP Technical Management Pte Ltd ("OKPTM"), a wholly-owned subsidiary, and CIF Singapore Pte Ltd, a subsidiary of China Sonangol International Limited, with a share capital of \$100,000 consisting of 100 ordinary shares. OKPTM has a 50% equity interest at a cost of \$50,000 (31 Dec 2011: \$50,000) in CIF-OKP.

(2) On 8 December 2010, Or Kim Peow Contractors (Pte) Ltd ("OKPC"), a wholly-owned subsidiary, entered into a joint venture agreement with Soil-Build (Pte) Ltd ("SBPL"), incorporated in Singapore and a subsidiary of Soilbuild Group Holdings Ltd., to form a 50:50 joint venture company. On the same date, the joint venture company, Forte Builder Pte. Ltd. ("FBPL") was incorporated in Singapore with a share capital of \$1,000,000 consisting of 1,000,000 ordinary shares. OKPC has a 50% equity interest at a cost of \$500,000 in FBPL. The principal activity of FBPL is the construction of the condominium housing development, comprising one (1) 36-storey block of 54 residential units at Angullia Park.



The following amounts represent the Group's 50% share of the assets, liabilities, income and expenses of the joint ventures which are included in the consolidated balance sheet and statement of comprehensive income using the line-by-line format of proportionate consolidation:

The Group		
	31 Dec 2012	31 Dec 2011
	\$'000	\$'000
<b>ASSETS</b>		
<b>Current assets</b>	4,792	2,717
Includes:		
- Cash and cash equivalents	1,049	647
<b>LIABILITIES</b>		
<b>Current liabilities</b>	(3,552)	(1,941)
<b>NET ASSETS</b>	1,240	776
<b>Revenue</b>	8,666	4,981
Expenses	(8,107)	(4,667)
Includes:		
- Interest income	2	-
<b>Profit before income tax</b>	559	314
Income tax expense	(78)	(38)
<b>Net profit</b>	481	276

(v) Investment in an associated company

Name of associated company	Principal activities	Country of incorporation	Equity holding	
			31 Dec 2012	31 Dec 2011
CS Amber Development Pte Ltd (formerly known as CS Land Properties Pte Ltd)	Property development	Singapore	10%	-

Held by a subsidiary

CS Amber Development Pte Ltd (formerly known as CS Land Properties Pte Ltd)	Property development	Singapore	10%	-
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(@) Audited by PricewaterhouseCoopers LLP

On 27 June 2012, OKP Land Pte Ltd ("OKPL"), a wholly-owned subsidiary, entered into an investment agreement with CS Amber Development Pte Ltd ("CSAmber") and China Sonangol Land Pte Ltd, pursuant to which OKPL subscribed for 111,111 ordinary shares in CSAmber, representing approximately 10% of the enlarged issued and paid-up share capital of CSAmber. The aggregate consideration for the subscription of the shares is \$111,111.



The Group accounts for its investment in CSAmber as an associated company although the Group holds less than 20% of the issued share capital of CSAmber as the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding and its representation on the Board).

The Group	
31 Dec 2012	31 Dec 2011
\$'000	\$'000

**Equity investment at cost**

Beginning of financial year	-	-
Acquisition of an associated company	111	-
Share of losses	(10)	-
End of financial year	101	-

The summarised financial information of associated companies, not adjusted for the proportion of ownership interest held by the Group, is as follows:

The Group	
31 Dec 2012	31 Dec 2011
\$'000	\$'000

Assets	188,675	186,412
Liabilities	187,668	185,429
Revenue	-	-
Net (loss)	(87)	(10)



(vi) Investment properties

The Group	The Group
31 Dec 2012	31 Dec 2011
\$'000	\$'000

Beginning of financial year	1,650	1,500
Additions:		
-Transfer from property, plant and equipment	3,120	-
Fair value gain recognised in profit and loss	60	150
End of financial year	4,830	1,650

At the balance sheet date, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure	Fair value	
			31 Dec 2012	31 Dec 2011
			\$'000	\$'000
190 Moulmein Road #10-03 The Huntington Singapore 308095	Apartment unit	Freehold	1,710	1,650
No 6 Tagore Drive B1-06 Tagore Building Singapore 787623	Office Unit	Freehold	1,600	-
No 6 Tagore Drive B1-05 Tagore Building Singapore 787623	Office unit	Freehold	1,520	-

The investment properties are carried at fair values at the balance sheet date as determined by an independent professional valuer.



(vii) Other receivables (non-current)

	The Group		The Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Other receivables				
- Loan to an associated company	18,664	-	-	-
- Loan to a subsidiary	-	-	18,543	-
	<u>18,664</u>	<u>-</u>	<u>18,543</u>	<u>-</u>

The loan to an associated company is unsecured, interest-bearing at 2.0% per annum above SIBOR (ie 0.44%) and will be repayable in full on 26 June 2018.

Loan made to a subsidiary

The loan made to a subsidiary form part of the Company's net investments in the subsidiary. The loan made to a subsidiary is interest-free advance for the purpose of operating and development activities in their respective fields. This loan is not expected to be repaid within the next 12 months.

(viii) Financial assets, held-to-maturity (non-current)

	The Group	
	31 Dec 2012	31 Dec 2011
	\$'000	\$'000
Unlisted debt securities		
- Bonds with fixed interest of 2.22% p.a. and maturity date on 5 July 2013 - Singapore	-	1,000
- Bonds with fixed interest of 4.30% p.a. and maturity date on 9 November 2016 - Singapore	500	500
	<u>500</u>	<u>1,500</u>





The fair values of the bonds at the balance sheet date are as follows:

The Group	
31 Dec 2012	31 Dec 2011
\$'000	\$'000
Bonds with fixed interest of 2.22% p.a. and maturity date on 5 July 2013	1,012
Bonds with fixed interest of 4.30% p.a. and maturity date on 9 November 2016	500
	517

The fair values of the bonds are based on available market or common reference prices provided by the bank.

(ix) Financial assets, available-for-sale (non-current)

The Group	
31 Dec 2012	31 Dec 2011
\$'000	\$'000
Beginning of financial year	726
Additions	-
Currency translation differences	8
Fair value gains/(losses) recognised in other comprehensive income	(26)
Disposals	-
	(2,500)
End of financial year	708

Financial assets, available-for-sale are analysed as follows:

Unlisted debt securities

- Bonds with fixed interest of 7.875% p.a. without fixed maturity	708
- Bonds with fixed interest of 5.125% p.a. without fixed maturity	-
	2,029
	727
	2,756
	708

The fair values of unlisted debt securities are based on available market or common reference prices provided by the bank.



(x) Intangible assets

The Group		The Company	
31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
\$'000	\$'000	\$'000	\$'000

Composition:

Goodwill arising on consolidation <sup>(a)</sup>	1,688	1,688	-	-
Computer software licences <sup>(b)</sup>	282	-	31	-
	<u>1,970</u>	<u>1,688</u>	<u>31</u>	<u>-</u>

(a) Goodwill arising on consolidation

<i>Cost/net book value</i>				
Beginning and end of financial year	<u>1,688</u>	<u>1,688</u>	<u>-</u>	<u>-</u>

Goodwill on consolidation represents the excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets of subsidiaries acquired during the Initial Public Offerings.

(b) Computer software licences

<i>Cost</i>				
Beginning of financial year	-	-	-	-
Additions	353	-	39	-
End of financial year	<u>353</u>	<u>-</u>	<u>39</u>	<u>-</u>
 <i>Accumulated amortisation</i>				
Beginning of financial year	-	-	-	-
Amortisation charge	71	-	8	-
End of financial year	<u>71</u>	<u>-</u>	<u>8</u>	<u>-</u>
Net book value	<u>282</u>	<u>-</u>	<u>31</u>	<u>-</u>

Computer software licences relate to fees paid to third parties in relations to the entitlement to use the computer software licences and are amortised over 5 years.



(xi) Trade and other payables

	The Group		The Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
Trade payables				
- Non-related parties	18,791	35,062	141	209
- Joint venture partner	3,445	1,888	-	-
	22,236	36,950	141	209
Non-trade payables				
- Subsidiaries	-	-	8,655	5,136
- Non-controlling shareholder of a subsidiary	450	459	-	-
- Joint venture partners	32	25	-	-
	482	484	8,655	5,136
Construction contracts				
- Advances received	2,091	2,191	-	-
Accrued operating expenses	11,623	13,296	2,762	5,745
Other payables	216	55	-	-
	<u>36,648</u>	<u>52,976</u>	<u>11,558</u>	<u>11,090</u>

The non-trade amounts due to subsidiaries, non-controlling shareholder of a subsidiary and joint venture partners are unsecured, interest-free and repayable on demand.



(xi) Other reserves

	The Group		The Company	
	31 Dec 2012	31 Dec 2011	31 Dec 2012	31 Dec 2011
	\$'000	\$'000	\$'000	\$'000
<b>(a) Composition:</b>				
Warrant reserve	19	39	19	39
Fair value reserve	88	(11)	-	-
Asset revaluation reserve	1,372	-	-	-
	<u>1,479</u>	<u>28</u>	<u>19</u>	<u>39</u>
<b>(b) Movements:</b>				
<b>Warrant reserve</b>				
Beginning of financial year	39	433	39	433
Warrants exercised	(20)	(394)	(20)	(394)
End of financial year	<u>19</u>	<u>39</u>	<u>19</u>	<u>39</u>
<b>Fair value reserve</b>				
Beginning of financial year	(11)	15	-	-
Financial asset – available-for-sale				
-Fair value loss	91	(26)	-	-
-Tax on fair value	(15)	-	-	-
	<u>76</u>	<u>(26)</u>	<u>-</u>	<u>-</u>
Reclassification to profit or loss	23	-	-	-
End of financial year	<u>88</u>	<u>(11)</u>	<u>-</u>	<u>-</u>
<b>Asset revaluation reserve</b>				
Beginning of financial year	-	-	-	-
Revaluation gains	1,372	-	-	-
End of financial year	<u>1,372</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other reserves are non-distributable.



## **Explanatory Notes:**

### (i) Current assets

Current assets decreased by \$34.6 million, from \$124.1 million as at 31 December 2011 to \$89.5 million as at 31 December 2012. The decrease was attributable to:

- (a) a decrease in cash and cash equivalents of approximately \$38.5 million. This was due mainly to the net cash used in operations of \$7.2 million, purchase of a financial asset, available-for-sale of \$4.5 million, dividend payment to shareholders of \$6.1 million, a loan extended to an associated company of \$18.4 million, the purchase of new property, plant and equipment of \$4.4 million, the repayment of finance lease liabilities of \$0.8 million, addition of intangible asset of \$0.4 million, investment in an associated company of \$0.1 million and payment of finance interest of \$0.1 million, which were partially offset by proceeds received from the disposal of property, plant and equipment of \$0.1 million, proceeds from the sale of a financial asset, available-for-sale of \$2.5 million and interest income of \$0.5 million and cash proceeds from the issuance of new shares upon the exercise of warrants of \$0.4 million during FY2012;

which was partially offset by:

- (b) an increase in construction contract work-in-progress of approximately \$1.4 million due mainly to the commencement of a few newly awarded projects during FY2012;
- (c) an increase in trade and other receivables of approximately \$1.5 million due mainly to the increase in amount due from customers which relates to work done but not billed in FY2012;
- (d) a reclassification of financial asset, held-to-maturity of \$1.0 million from non-current asset to current asset as it matures on 5 July 2013.

### (ii) Non-current assets

Non-current assets increased by \$23.8 million, from \$24.2 million as at 31 December 2011 to \$48.0 million as at 31 December 2012. The increase was due mainly to:

- (a) an increase in the financial assets, available-for-sale of \$2.0 million resulting from the purchase of a financial asset, available-for-sale of \$4.5 million, which was partially offset by the sale of a financial asset, available-for-sale of \$2.5 million during FY2012;
- (b) other receivable of \$18.7 million (including interest commencing from 27 June 2012) arising from a loan extended to an associated company, CSAmber;
- (c) an investment in an associated company for \$0.1 million during FY2012;
- (d) an increase in intangible assets of \$0.3 million resulting from the purchase of computer software licences during FY2012;
- (e) an increase in investment properties of \$3.2 million due mainly to a reclassification of two freehold properties from property, plant and equipment to investment properties during FY2012; and
- (f) an increase in property, plant and equipment of \$0.5 million resulting from the purchase of new plant and equipment, which was partially offset by the disposal and depreciation of property, plant and equipment during FY2012;

which were partially offset by:

- (g) a reclassification of financial asset, held-to-maturity of \$1.0 million from non-current asset to current asset as it matures on 5 July 2013.



(ii) Current liabilities

Current liabilities decreased by \$19.7 million, from \$59.1 million as at 31 December 2011 to \$39.4 million as at 31 December 2012. The decrease was due mainly to:

- (a) a decrease in trade and other payables of approximately \$16.3 million due mainly to lower business activities during FY2012;
- (b) a decrease in current income tax liabilities of approximately \$3.3 million due to tax payments partially offset by lower tax provision due to lower profits generated in FY2012; and
- (c) a decrease in finance lease liabilities of approximately \$0.1 million due to partial repayment of some hire purchase liabilities during FY2012.

(iv) Non-current liabilities

Non-current liabilities increased by \$0.7 million, from \$1.1 million as at 31 December 2011 to \$1.8 million as at 31 December 2012. The increase was due mainly to the increase in finance lease liabilities of \$0.4 million as a result of the purchase of new plant and equipment to support both newly-awarded and existing projects in FY2012, coupled with the increase in deferred tax liabilities of \$0.3 million for FY2012.

(v) Shareholders' equity

Shareholders' equity, comprising share capital, other reserves, retained profits and non-controlling interests, increased by \$8.3 million, from \$88.1 million as at 31 December 2011 to \$96.4 million as at 31 December 2012. The increase was largely attributable to:

- (a) the profit generated from operations of approximately \$12.4 million in FY2012;
- (b) the increase in other reserves of approximately \$1.5 million. The increase was due mainly to an asset revaluation reserve resulting from the revaluation gains of two freehold properties upon the transfer from property, plant and equipment to investment properties;
- (c) the increase in non-controlling interests of approximately \$0.1 million arising from the profits generated from a subsidiary during FY2012; and
- (d) the increase in share capital of approximately \$0.4 million resulting from the issuance of new shares arising from the exercise of warrants during FY2012;

which were partially offset by:

- (e) the dividend payments to shareholders of approximately \$6.1 million during FY2012.



## 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 2012		As at 31 Dec 2011	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
524	-	647	-

(b) Amount repayable after one year

As at 31 Dec 2012		As at 31 Dec 2011	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
930	-	482	-

(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 and charges over the property, plant and equipment under the finance leases.



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

Consolidated statements of cash flows

	The Group		The Group	
	Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Net profit	3,956	9,504	12,524	26,510
Adjustments for:				
- Income tax expense	239	2,065	2,239	5,640
- Depreciation of property, plant and equipment	861	838	3,283	3,056
- Amortisation of intangible assets	71	-	71	-
- Gain on disposal of property, plant and equipment (net)	12	(65)	(129)	(271)
- Share of loss of an associated company	1	-	10	-
- Loss on disposal of a financial asset, available-for-sale	5	-	5	-
- Reclassification adjustment from fair value reserve to profit and loss	23	-	23	-
- Unrealised currency translation loss/(gain)	2	-	43	(8)
- Fair value gain on an investment property	(60)	(150)	(60)	(150)
- Effects of liquidating non-controlling interests in overseas subsidiaries	16	-	16	-
- Interest income	(234)	(74)	(710)	(250)
- Finance expenses	19	26	89	114
<b>Operating cash flow before working capital changes</b>	<b>4,911</b>	<b>12,144</b>	<b>17,404</b>	<b>34,641</b>
Change in working capital				
- Trade and other receivables	1,235	(1,563)	(1,664)	(994)
- Construction contract work-in-progress	1,004	(266)	(1,467)	543
- Trade and other payables	(5,998)	(12,748)	(16,329)	(25,460)
<b>Cash generated from/(used in) operations</b>	<b>1,152</b>	<b>(2,433)</b>	<b>(2,056)</b>	<b>8,730</b>
- Interest received	36	55	191	176
- Income tax paid (net)	(1,007)	(40)	(5,359)	(3,392)
<b>Net cash provided by/(used in) operating activities</b>	<b>181</b>	<b>(2,418)</b>	<b>(7,224)</b>	<b>5,514</b>
<b>Cash flows from investing activities</b>				
- Additions to property, plant and equipment	185	(409)	(4,447)	(4,784)
- Disposal of property, plant and equipment	17	149	177	533
- Purchase of financial asset, available-for-sale	-	(500)	(4,500)	(500)
- Additions to intangible assets	(353)	-	(353)	-
- Sale of financial asset, available-for-sale	2,500	-	2,500	-
- Loan to an associated company	-	-	(18,437)	-
- Investment in an associated company	-	-	(111)	-
- Interest received	198	19	519	74
<b>Net cash generated from/(used in) investing activities</b>	<b>2,547</b>	<b>(741)</b>	<b>(24,652)</b>	<b>(4,677)</b>





Consolidated statements of cash flows (Cont'd)

	The Group		The Group	
	Fourth Quarter ended 31 Dec		Financial Year ended 31 Dec	
	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from financing activities</b>				
- Repayment of finance lease liabilities	(197)	(208)	(799)	(943)
- Finance expenses	(19)	(26)	(89)	(114)
- Proceeds from issuance of shares	256	101	395	7,884
- Dividend paid to shareholders	-	-	(6,115)	(15,221)
<b>Net cash generated from/(used in) financing activities</b>	40	(133)	(6,608)	(8,394)
<b>Net decrease in cash and cash equivalents</b>	2,768	(3,292)	(38,484)	(7,557)
Cash and cash equivalents at the beginning of the financial period/year	46,196	90,740	87,448	95,005
<b>Cash and cash equivalents at the end of the financial period/year</b>	48,964	87,448	48,964	87,448

**Explanatory Notes:**

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

	The Group	
	31 Dec 2012	31 Dec 2011
	\$'000	\$'000
Cash at bank and on hand	17,934	29,842
Short-term bank deposits	36,058	62,682
Short-term bank deposits pledged to banks	(5,028)	(5,076)
Cash and cash equivalents per consolidated statement of cash flows	48,964	87,448

Bank deposits of \$5,027,860 (31 Dec 2011: \$5,076,142) are pledged to banks for banking facilities of certain subsidiaries.



(ii) **Review of Cash Flows for FY2012**

Net cash used in operating activities

Our Group reported net cash of \$7.2 million used in operating activities in FY2012, a decrease of \$12.7 million from net cash provided by operating activities of \$5.5 million in FY2011. The net cash used in operating activities comprise:

- (a) a decrease in cash generated from operating activities before working capital changes of \$17.2 million; and
- (b) an increase in income tax paid of \$2.0 million during FY2012;

which were partially offset by:

- (c) a decrease in net working capital of \$6.5 million.

Net cash used in investing activities

Net cash of \$24.7 million used in investing activities was due to the purchase of new property, plant and equipment of \$4.4 million, purchase of a financial asset, available-for-sale for \$4.5 million, investment in an associated company for \$0.1 million, additions to intangible assets of \$0.4 million and a loan to an associated company of \$18.4 million, which were partially offset by interest received from financial assets, held-to-maturity and available-for-sale and other receivables and the proceeds received from the disposal of property, plant and equipment and a financial asset, available-for-sale in FY2012.

Net cash used in financing activities

Net cash of \$6.6 million was used in financing activities in FY2012. This was due to repayment of finance lease liabilities, interest payments and dividend payments to shareholders amounting to \$7.0 million which was partially offset by cash proceeds from the issuance of new shares upon the exercise of warrants of \$0.4 million.

Overall, free cash and cash equivalents stood at \$49.0 million as at 31 December 2012, a decrease of \$38.4 million, from \$87.4 million as at 31 December 2011. This works out to cash of 15.9 cents per share (based on 307,220,210 shares issued) as at 31 December 2012 as compared to 28.6 cents per share (based on 305,244,585 shares issued) as at 31 December 2011.

(iii) **Review of Cash Flows for fourth quarter ended 31 December 2012**

Net cash provided by operating activities

Our Group's net cash provided by operating activities for the fourth quarter ended 31 December 2012 was \$0.2 million as compared with net cash used in operating activities of \$2.4 million for the fourth quarter ended 31 December 2011. The increase was due mainly to operating cash inflow before working capital changes in the fourth quarter ended 31 December 2012 resulting from a decrease in net working capital outflow before interest and taxes of \$10.8 million.

Net cash generated from investing activities

Net cash of \$2.5 million was generated from investing activities for the fourth quarter ended 31 December 2012, compared with net cash used in investing activities of \$0.7 million for the fourth quarter ended 31 December 2011. The major inflow for the fourth quarter ended 31 December 2012 related to proceeds received from the sale of financial asset, available-for-sale of \$2.5 million, disposal of property, plant and equipment of \$0.1 million and interest received from financial assets, held-to-maturity and available-for-sale of \$0.2 million. The inflows for the fourth quarter ended 31 December 2012 were partially offset by additions of intangible assets of \$0.4 million.

Net cash generated from financing activities

The net cash generated from financing activities was \$40,000 for the fourth quarter ended 31 December 2012, compared with net cash used in financing activities of \$0.1 million for the fourth quarter ended 31 December 2011. The proceeds from the issuance of new shares upon the exercise of warrants was partially offset by repayment of finance lease liabilities and interest payments in the fourth quarter ended 31 December 2012.



**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	Warrants reserve	Fair value reserve	Asset revaluation reserve	Retained profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>								
<b>As at 1 Jan 2012</b>	36,163	39	(11)	-	52,012	88,203	(121)	88,082
Total comprehensive income for the period	-	-	18	-	3,054	3,072	(1)	3,071
Issue of shares pursuant to exercise of warrants	67	(3)	-	-	-	64	-	64
<b>As at 31 Mar 2012</b>	36,230	36	7	-	55,066	91,339	(122)	91,217
Total comprehensive income for the period	-	-	(42)	-	3,085	3,043	(1)	3,042
Issue of shares pursuant to exercise of warrants	42	(2)	-	-	-	40	-	40
Dividend in respect of FY2011 paid	-	-	-	-	(6,115)	(6,115)	-	(6,115)
<b>As at 30 Jun 2012</b>	36,272	34	(35)	-	52,036	88,307	(123)	88,184
Total comprehensive income for the period	-	-	22	-	2,432	2,454	(1)	2,453
Issue of shares pursuant to exercise of warrants	37	(2)	-	-	-	35	-	35
<b>As at 30 Sep 2012</b>	36,309	32	(13)	-	54,468	90,796	(124)	90,672
Total comprehensive income for the period	-	-	101	1,372	3,793	5,266	163	5,429
Issue of shares pursuant to exercise of warrants	269	(13)	-	-	-	256	-	256
Effects of liquidating non-controlling interests in overseas subsidiaries	-	-	-	-	-	-	16	16
<b>As at 31 Dec 2012</b>	36,578	19	88	1,372	58,261	96,318	55	96,373



Attributable to equity holders of the Company						
Share capital	Warrants reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Group

<b>As at 1 Jan 2011</b>	27,885	433	15	40,674	69,007	(72)	68,935
Total comprehensive income for the period	-	-	4	5,235	5,239	(3)	5,236
Issue of shares pursuant to exercise of warrants	3,306	(157)	-	-	3,149	-	3,149
<b>As at 31 Mar 2011</b>	31,191	276	19	45,909	77,395	(75)	77,320
Total comprehensive income for the period	-	-	11	6,891	6,902	(2)	6,900
Issue of shares pursuant to exercise of warrants	4,797	(229)	-	-	4,568	-	4,568
Dividend in respect of FY2010 paid	-	-	-	(12,174)	(12,174)	-	(12,174)
<b>As at 30 Jun 2011</b>	35,988	47	30	40,626	76,691	(77)	76,614
Total comprehensive income for the period	-	-	(53)	4,888	4,835	(3)	4,832
Issue of shares pursuant to exercise of warrants	69	(3)	-	-	66	-	66
Interim dividend in respect of FY2011 paid	-	-	-	(3,047)	(3,047)	-	(3,047)
<b>As at 30 Sep 2011</b>	36,057	44	(23)	42,467	78,545	(80)	78,465
Total comprehensive income for the period	-	-	12	9,545	9,557	(41)	9,516
Issue of shares pursuant to exercise of warrants	106	(5)	-	-	101	-	101
<b>As at 31 Dec 2011</b>	36,163	39	(11)	52,012	88,203	(121)	88,082



Attributable to equity holders of the Company						
Share capital	Warrants reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Company

<b>As at 1 Jan 2012</b>	36,163	39	-	8,150	44,352	-	44,352
Total comprehensive income for the period	-	-	-	53	53	-	53
Issue of shares pursuant to exercise of warrants	67	(3)	-	-	64	-	64
<b>As at 31 Mar 2012</b>	36,230	36	-	8,203	44,469	-	44,469
Total comprehensive income for the period	-	-	-	116	116	-	116
Issue of shares pursuant to exercise of warrants	42	(2)	-	-	40	-	40
Dividend in respect of FY2011 paid	-	-	-	(6,115)	(6,115)	-	(6,115)
<b>As at 30 Jun 2012</b>	36,272	34	-	2,204	38,510	-	38,510
Total comprehensive income for the period	-	-	-	195	195	-	195
Issue of shares pursuant to exercise of warrants	37	(2)	-	-	35	-	35
<b>As at 30 Sep 2012</b>	36,309	32	-	2,399	38,740	-	38,740
Total comprehensive income for the period	-	-	-	4,024	4,024	-	4,024
Issue of shares pursuant to exercise of warrants	269	(13)	-	-	256	-	256
<b>As at 31 Dec 2012</b>	36,578	19	-	6,423	43,020	-	43,020



Attributable to equity holders of the Company						
Share capital	Warrants reserve	Fair value reserve	Retained profits	Total	Non-controlling interests	Total equity
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

The Company

<b>As at 1 Jan 2011</b>	27,885	433	-	10,837	39,155	-	39,155
Total comprehensive income for the period	-	-	-	3,414	3,414	-	3,414
Issue of shares pursuant to exercise of warrants	3,306	(157)	-	-	3,149	-	3,149
<b>As at 31 Mar 2011</b>	31,191	276	-	14,251	45,718	-	45,718
Total comprehensive income for the period	-	-	-	3,121	3,121	-	3,121
Issue of shares pursuant to exercise of warrants	4,797	(229)	-	-	4,568	-	4,568
Dividend in respect of FY2010 paid	-	-	-	(12,174)	(12,174)	-	(12,174)
<b>As at 30 Jun 2011</b>	35,988	47	-	5,198	41,233	-	41,233
Total comprehensive income for the period	-	-	-	80	80	-	80
Issue of shares pursuant to exercise of warrants	69	(3)	-	-	66	-	66
Interim dividend in respect of FY2010 paid	-	-	-	(3,047)	(3,047)	-	(3,047)
<b>As at 30 Sep 2011</b>	36,057	44	-	2,231	38,332	-	38,332
Total comprehensive income for the period	-	-	-	5,919	5,919	-	5,919
Issue of shares pursuant to exercise of warrants	106	(5)	-	-	101	-	101
<b>As at 31 Dec 2011</b>	36,163	39	-	8,150	44,352	-	44,352



**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**

	Number of shares	\$
<u>Share Capital</u>		
Ordinary shares issued and fully paid		
Balance as at 1 January 2012	305,244,585	36,163,238
Issue of new shares pursuant to exercise of warrants	316,000	63,200
Transfer from warrants reserve to share capital upon exercise of warrants	-	3,160
Balance as at 31 March 2012	305,560,585	36,229,598
Issue of new shares pursuant to exercise of warrants	201,000	40,200
Transfer from warrants reserve to share capital upon exercise of warrants	-	2,010
Balance as at 30 June 2012	305,761,585	36,271,808
Issue of new shares pursuant to exercise of warrants	176,500	35,300
Transfer from warrants reserve to share capital upon exercise of warrants	-	1,765
Balance as at 30 September 2012	305,938,085	36,308,873
Issue of new shares pursuant to exercise of warrants	1,282,125	256,425
Transfer from warrants reserve to share capital upon exercise of warrants	-	12,821
Balance as at 31 December 2012	307,220,210	36,578,119



The Company issued 61,822,852 warrants on 6 January 2010, of which 1,282,125 had been exercised by warrant holders at the exercise price of \$0.20 per share during the fourth quarter ended 31 December 2012. There were 1,894,050 and 3,869,675 outstanding warrants as at 31 December 2012 and 31 December 2011, respectively.

Except as mentioned above, there have been no changes in the issued share capital of the Company since 30 September 2012.

Under the Share Buy Back Mandate which was approved by the Shareholders on 25 April 2012, no shares were bought back by the Company during the fourth quarter ended 31 December 2012.

Except as mentioned above, there were no outstanding convertibles issued or treasury shares held by the Company as at 31 December 2012 and 31 December 2011.

**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 December 2012	31 December 2011
Total number of issued shares (excluding treasury shares)	307,220,210	305,244,585

**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**

Except as disclosed in Note 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 for the audited financial statements as at 31 December 2011.





**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 amendments to the existing accounting standards that are effective for the financial year ending 31 December 2012 are as follows:

- Amendments to FRS 12 – Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012)
- Amendments to FRS 107 Disclosures – Transfer of Financial Assets (effective for annual periods beginning on or after 1 July 2011)

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor any material impact on the financial statements of the Group.

Below are the mandatory standards and amendments to existing standards that have been published and effective for the financial year ending 31 December 2013 onward:

- Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
- FRS 19 (Revised) – Employee Benefits (effective for annual periods beginning on or after 1 January 2013)
- FRS 113 (New) – Fair Value Measurements (effective for annual periods beginning on or after 1 January 2013)
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards – Government Loans (effective for annual periods beginning on or after 1 January 2013)
- Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013)
- FRS 27 (Revised) – Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 28 (Revised) – Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)
- Amendments to FRS 32 – Financial Instruments: Offsetting of Financial Liabilities and Assets (effective for annual periods beginning on or after 1 January 2014)
- FRS 110 (New) – Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)
- FRS 111 (New) – Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)
- FRS 112 (New) – Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)
- FRS 113 (New) – Fair Value Measurements (effective for annual periods beginning on or after 1 January 2013)



**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**

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period:

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase / (Decrease)	Financial Year ended 31 Dec		Increase / (Decrease)
	2012	2011		2012	2011	
			%			%
Net profit attributable to equity holders of the Company (\$'000)	3,793	9,545	(60.3)	12,364	26,559	(53.4)
Weighted average number of ordinary shares outstanding for basic earnings per share	305,771,345	294,406,934	3.9	305,771,345	294,406,934	3.9
Basic earnings per share (cents)	1.24	3.24	(61.7)	4.04	9.02	(55.2)



### Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted for the effects of all dilutive potential shares. The Company has warrants as dilutive potential ordinary shares.

	The Group			The Group		
	Fourth Quarter ended 31 Dec		Increase / (Decrease)	Financial Year ended 31 Dec		Increase / (Decrease)
	2012	2011		2012	2011	
			%			%
Net profit attributable to equity holders of the Company (\$'000)	3,793	9,545	(60.3)	12,364	26,559	(53.4)
Weighted average number of ordinary shares outstanding for basic earnings per share	305,771,344	294,406,934	3.9	305,771,344	294,406,934	3.9
Adjustment for - warrants	1,202,160	2,564,374	(53.1)	1,202,160	2,564,374	(53.1)
	306,973,504	296,971,308	3.4	306,973,504	296,971,308	3.4
Diluted earnings per share (cents)	1.24	3.21	(61.4)	4.03	8.94	(54.9)



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 period reported on and**  
**(b) immediately preceding financial year**

	The Group		The Company		Increase / (Decrease) %	
	As at 31 Dec 2012	As at 31 Dec 2011	As at 31 Dec 2012	As at 31 Dec 2011	The Group	The Company
Net tangible assets (\$'000)	94,348	86,515	42,989	44,352	9.1	(3.1)
Number of shares	307,220,210	305,244,585	307,220,210	305,244,585	0.6	0.6
NTA per share (cents)	30.71	28.34	13.99	14.53	8.4	(3.7)

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 and 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.

We have two core business segments: Construction and Maintenance.



**Income Statement Review (Current financial year ended 31 December 2012 vs previous financial year ended 31 December 2011)**

	The Group					
	Current financial year ended 31 December 2012		Previous Financial year ended 31 December 2011		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	91,516	87.6%	90,226	82.2%	1,290	1.4
Maintenance	12,966	12.4%	19,591	17.8%	(6,625)	(33.8)
<b>Total Revenue</b>	<b>104,482</b>	<b>100.0%</b>	<b>109,817</b>	<b>100.0%</b>	<b>(5,335)</b>	<b>(4.9)</b>

**Revenue**

Our Group registered a revenue of \$104.5 million for FY2012 compared to \$109.8 million recorded in the previous corresponding year ("FY2011").

The decrease in revenue from the maintenance segment was due mainly to the substantial completion of existing maintenance projects, coupled with a lower percentage of revenue recognised from a few newly-awarded maintenance projects in FY2012.

The decrease in maintenance revenue was partially offset by an increase in revenue from the construction segment. The growth in revenue from the construction segment was largely attributable to a higher percentage of revenue recognised from a few major design and build construction projects in FY2012.

The construction segment continued to be the major contributor to our Group's revenue. On a segmental basis, our core construction segment and maintenance segment accounted for 87.6% (2011: 82.2%) and 12.4% (2011: 17.8%) of our Group's revenue respectively for FY2012.

**Gross profit and gross profit margin**

Our gross profit decreased by 45.7% or \$19.8 million from \$43.2 million for FY2011 to \$23.4 million for FY2012. Our lower gross profit was due to our gross profit margin declining from 39.3% for FY2011 to 22.4% for FY2012.

The lower gross profit margin was largely attributable to lower profit margins for new and current projects as a result of a more competitive pricing environment and costs which were higher than expected for some sewer-related projects during FY2012. The higher costs resulted from unfavourable ground conditions which required additional unforeseen works. The completion dates for these projects were extended. Additional prolongation costs were incurred during the periods when these projects were extended. A provision for foreseeable loss was necessary and made on one of these projects in view of the impact of an increase in unforeseen costs during the execution stage.



#### Other income

Other income increased by \$1.7 million or 163.6% from \$1.0 million for FY2011 to \$2.7 million for FY2012. The increase was due mainly to a write-back of accrued operating expenses of \$0.7 million as a result of the liquidation of two overseas subsidiaries and a write-back of trade payables of \$0.5 million during FY2012. This write-back of trade payables was a one-time exercise, mainly for trade payables that had been outstanding for more than seven years. The remaining \$0.5 million increase in other income was due mainly to the increase in interest from bank deposits, interest earned from financial assets, held-to-maturity and available-for-sale, government grants and equipment hiring income from the rental of equipment and machinery during FY2012.

#### Administrative expenses

Administrative expenses decreased by \$0.9 million or 7.5% from \$11.9 million for FY2011 to \$11.0 million for FY2012. The decrease was largely attributable to lower directors' remuneration (including profit sharing) accrued as a result of the lower profit generated by the Group for FY2012. The decrease was partially offset by an allowance for impairment on a non-trade receivable from a third party of \$1.5 million made during FY2012, increase in staff costs due to salary adjustments, increase in tender charges and increase in depreciation charges to support the Group's operations.

#### Other expenses

Other expenses increased by \$0.2 million or 524.3% due mainly to a loss from foreign exchange resulting from the weakening of the US dollar against the Singapore dollar and loss on sale of a financial asset, available-for-sale during FY2012.

#### Finance expenses

Finance expenses decreased marginally by \$25,000 due mainly to repayment of finance leases during FY2012.

#### Share of loss of an associated company

The share of loss of an associated company was due mainly to the operating expenses incurred for the joint venture development project.

#### Profit before income tax

Profit before income tax decreased by \$17.4 million or 54.1% from \$32.2 million for FY2011 to \$14.8 million for FY2012. The decrease was due mainly to the decrease in gross profit of \$19.8 million and increase in other expenses of \$0.2 million which were partially offset by an increase in other income of \$1.7 million and decrease in administrative expenses of \$0.9 million, as explained above.



### Income tax expense

Income tax expense decreased by \$3.4 million or 60.3% from \$5.6 million for FY2011 to \$2.2 million for FY2012 due mainly to lower profit before income tax, as explained above.

The effective tax rates for FY2012 and FY2011 were 15.2% and 17.5% respectively.

The effective tax rate for FY2012 was lower than the statutory tax rate of 17% due mainly to higher tax deduction under the Productivity and Innovation Credit scheme in FY2012 which was partially offset by certain non-deductible items added back for tax purposes.

### Non-controlling interests

Non-controlling interests arose from the profits generated by a subsidiary for FY2012.

### Net profit

Our Group reported net profit of \$12.5 million for FY2012. Net profit dropped by \$14.0 million, or 52.8%, from \$26.5 million for FY2011 to \$12.5 million for FY2012 following the decrease in profit before income tax of \$17.4 million which was partially offset by the decline in income tax expense of \$3.4 million, as explained above.

Our net profit margin decreased from 24.1% for FY2011 to 12.0% for FY2012.



## Income Statement Review (Fourth Quarter ended 31 Dec 2012 vs Fourth Quarter ended 31 Dec 2011)

	The Group					
	Current fourth quarter ended 31 Dec 2012		Previous fourth quarter ended 31 Dec 2011		Increase / (Decrease)	
	\$'000		\$'000		\$'000	%
Construction	24,723	90.0%	17,183	74.1%	7,540	43.9
Maintenance	2,746	10.0%	6,017	25.9%	(3,271)	(54.4)
<b>Total Revenue</b>	<b>27,469</b>	<b>100.0%</b>	<b>23,200</b>	<b>100.0%</b>	4,269	18.4

### Revenue

Our Group's revenue was \$27.5 million in the fourth quarter ended 31 December 2012 compared to \$23.2 million in the fourth quarter ended 31 December 2011.

The construction segment contributed \$24.7 million to our Group's revenue in the fourth quarter ended 31 December 2012, compared to \$17.2 million in the fourth quarter ended 31 December 2011. A higher percentage of revenue was recognised from the construction segment as some of the design and build construction projects progressed to a more active construction phase during the fourth quarter ended 31 December 2012.

Revenue from the maintenance segment decreased by 54.4% to \$2.8 million in the fourth quarter ended 31 December 2012 from \$6.0 million previously. This was due mainly to the substantial completion of a few maintenance projects and a lower percentage of revenue recognised from a few newly-awarded maintenance projects in the fourth quarter ended 31 December 2012.

### Gross profit and gross profit margin

Despite higher revenue, our gross profit for the fourth quarter ended 31 December 2012 decreased by \$9.0 million or 59.9% from \$15.0 million for the fourth quarter ended 31 December 2011 to \$6.0 million for the fourth quarter ended 31 December 2012.

Our gross profit margin dropped from 64.8% in the fourth quarter ended 31 December 2011 to 21.9% in the fourth quarter ended 31 December 2012.

The difference was largely attributable to lower profit margins for new and current projects and costs which were higher than expected for some sewer-related projects during the fourth quarter ended 31 December 2012. The higher costs resulted from unfavourable ground conditions which required additional unforeseen works. The completion dates for these projects were extended. Additional prolongation costs were incurred during the periods when these projects were extended. A provision for foreseeable loss was necessary and made in the fourth quarter ended 31 December 2012 on one of these projects in view of the impact of an increase in unforeseen costs during the execution stage.





#### Other income

Other income increased by \$0.8 million or 230.7% in the fourth quarter ended 31 December 2012. The increase was due mainly to a write-back of accrued operating expenses of \$0.7 million as a result of the liquidation of two overseas subsidiaries during the fourth quarter ended 31 December 2012. The remaining \$0.1 million increase in other income was due mainly to the increase in interest from bank deposits arising from higher interest rates, interest earned from financial assets, held-to-maturity and available-for-sale, government grants and rental income from equipment and machinery for the fourth quarter ended 31 December 2012.

#### Administrative expenses

Administrative expenses decreased by \$0.9 million or 23.9% from \$3.7 million for the fourth quarter ended 31 December 2011 to \$2.8 million for the fourth quarter ended 31 December 2012. The decrease was largely attributable to lower directors' remuneration (including profit sharing) accrued as a result of the lower profit generated by the Group for FY2012. The decrease was partially offset by an increase in staff costs due to salary adjustments and increase in depreciation charges.

#### Other expenses

Other expenses increased by \$42,000 or 135.5%, which related to foreign exchange fluctuation and a loss on sale of a financial asset, available-for-sale during the fourth quarter ended 31 December 2012.

#### Finance expenses

Finance expenses decreased marginally by \$8,000 due to repayment of finance leases in the fourth quarter ended 31 December 2012.

#### Share of loss of an associated company

The share of loss of an associated company in the fourth quarter ended 31 December 2012 was due mainly to the operating expenses incurred for the joint venture development project.

#### Profit before income tax

Profit before income tax decreased by \$7.4 million or 63.7% from \$11.6 million in the fourth quarter ended 31 December 2011 to \$4.2 million in the fourth quarter ended 31 December 2012. The decrease was due mainly to a decrease in gross profit of \$9.0 million and increase in other expenses of \$0.1 million, which were partially offset by an increase in other income of \$0.8 million and decrease in administrative expenses of \$0.9 million, as explained above.



### Income tax expense

The \$1.9 million decrease in income tax expense from \$2.1 million for the fourth quarter ended 31 December 2011 to \$0.2 million for the fourth quarter ended 31 December 2012 was due mainly to lower profit before income tax, as explained above.

The effective tax rates for the fourth quarter ended 31 December 2012 and fourth quarter ended 31 December 2011 were 5.7% and 17.8% respectively.

The effective tax rate for the fourth quarter ended 31 December 2012 was lower than the statutory tax rate of 17% due mainly to higher tax deduction under the Productivity and Innovation Credit scheme in the fourth quarter ended 31 December 2012.

### Non-controlling interests

Non-controlling interests arose from the profits generated by a subsidiary during the fourth quarter ended 31 December 2012.

### Net profit

Overall, for the fourth quarter ended 31 December 2012, net profit decreased by \$5.5 million or 58.4% to \$4.0 million as compared to the fourth quarter ended 31 December 2011 following the decrease in profit before income tax of \$7.4 million which was partially offset by the drop in income tax expense of \$1.9 million, as explained above.

Our net profit margin decreased from 41.0% for the fourth quarter ended 31 December 2011 to 14.4% for the fourth quarter ended 31 December 2012.

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

There is no material deviation in the actual results for the fourth quarter ended 31 December 2012 from what was previously discussed under paragraph 10 of the announcement of the Company's financial statements for the third quarter ended 30 September 2012.



**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**

Economic Outlook

On 2 January 2013, the Ministry of Trade and Industry announced that based on advance estimates, the Singapore economy grew at a modest pace of 1.1% on a year-on-year basis in the fourth quarter of 2012, an improvement from the flat growth in the previous quarter. The construction sector grew by 5.9% on a year-on-year basis in the fourth quarter of 2012.

Industry Outlook

The outlook for the Singapore construction industry for the next twelve months remains positive but competitive. The Building and Construction Authority expects the overall construction demand to remain strong at between \$26.0 billion and \$32.0 billion for 2013. The public sector construction demand is expected to strengthen and contribute about 53.0% of the industry demand, or between \$14.0 billion and \$17.0 billion worth of construction orders.

Growth is likely to be supported by a stronger public housing and infrastructure construction pipeline. Major public sector road-related projects likely to be awarded in 2013 include Land Transport Authority's (LTA) expansion of Kallang Paya Lebar Expressway (KPE)/ Tampines Expressway (TPE) Interchange as well as various construction contracts for the Thomson MRT Line. On 24 January 2013, the LTA also announced that it would spend \$700 million on three new initiatives to improve the commuter experience and "last mile" connectivity, with more sheltered walkways, underground pedestrian networks, and to reduce noise pollution from trains along elevated tracks.

Company Outlook and Order Book Update

Our leading position in the public sector arena will put us in good stead to benefit directly from the slew of contracts anticipated in the years ahead. Over the years, we have broadened and deepened our expertise and this has prepared us to take on bigger challenges. This may take the form of larger and more complex civil engineering projects that will generate higher revenue and profitability. As at the date of this announcement, we have a gross construction order book of approximately \$376.6 million (31 December 2011: \$248.6 million) with contracts lasting up to FY2015.

We will continue to focus on our traditional civil engineering business, by leveraging on our established track record, expertise and strengths as the preferred civil engineering contractor for various industries, locally and overseas. In FY2012, we secured five new public sector projects and one private sector project. We were awarded a design-and-build project involving the expansion of the CTE/TPE/SLE Interchange worth \$75.27 million by the Land Transport Authority. The four other public sector projects were awarded by the Public Utilities Board, namely improvement to roadside drains at Sunset Drive, Clementi Avenues and Tiong Bahru Road areas worth \$5.3 million; improvement to roadside drains at Queen Astrid Park, Benoi Road and Wan Lee Road areas worth \$7.5 million; lining works and removal of NEWater mains for Stamford Canal at Orchard Road worth \$4.9 million; and replacement of open scupper inlets/drains and existing drop inlet chambers to new inlet chambers worth \$4.4 million. The private sector project, which involved the construction of the East (North) aircraft parking apron, associated taxiways and ancillary works at Seletar Airport, was worth \$39.8 million and awarded by the Changi Airport Group.

As we pursue growth, we are faced with increasing manpower supply constraints at the supervisory level and increasing labour costs. To address these issues, we will continue to improve productivity through various measures including the adoption of advanced technology such as Building Information Modelling (BIM) and training courses to upgrade the skills of our employees and equip them with multiple skill sets. At the same time, we are actively exploring opportunities for new businesses and appropriate investments to grow our business.



## 11. Dividend

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

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

Name of Dividends	Final
Dividend Type	Cash
Dividend amount per share	\$0.015
	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	Final
Dividend Type	Cash
Dividend amount per share	\$0.02
	One-tier tax exempt

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

Payment of the said dividends, if approved by shareholders at the forthcoming Eleventh Annual General Meeting of the Company to be held on 30 April 2013 (Tuesday), will be made on 27 May 2013.

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

Notice is hereby given that the Transfer Book and Register of Members of the Company will be closed on 10 May 2013 for the preparation of dividend payment. Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. of 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 9 May 2013 will be registered to determine shareholders' entitlement to the proposed final dividend.

Shareholders whose securities accounts with the Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 9 May 2013 will be entitled to the proposed final dividend.

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

Not applicable.

## 13. Interested person 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 ended 31 December 2012. The Company does not have a general mandate from shareholders for interested person transactions.



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

**14. 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 Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group's operating segments are its strategic business units which offer different services and are managed separately. The reportable segment presentation is based on the Group's management and internal reporting structure used for its strategic decision-making purposes.

The Group's activities comprise the following reportable segments:

- (i) Construction – It relates to the construction of urban and arterial roads, expressways, vehicular bridges, flyovers and buildings, airports infrastructure and oil and gas-related infrastructure for petrochemical plants and oil storage terminals.
- (ii) 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 December 2012			Previous financial year ended 31 December 2011		
	Construction	Maintenance	Total	Construction	Maintenance	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>The Group</b>						
<b>Revenue</b>						
Total segment revenue	91,516	15,003	106,519	90,226	26,977	117,203
Inter-segment revenue	-	(2,037)	(2,037)	-	(7,386)	(7,386)
Revenue to external parties	91,516	12,966	104,482	90,226	19,591	109,817
<b>Gross profit</b>	20,681	2,768	23,449	36,304	6,906	43,210
Other income			2,681			1,017
Unallocated costs			(11,268)			(11,963)
Share of loss of an associated company			(10)			-
Finance expenses			14,852			32,264
			(89)			(114)
Profit before income tax			14,763			32,150
Income tax expense			(2,239)			(5,640)
<b>Net profit</b>			12,524			26,510
Segment assets	29,526	6,856	36,382	23,555	7,294	30,849
Segment liabilities	27,647	4,337	31,984	38,047	7,166	45,213

Revenue between segments are carried out as agreed by both parties. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the statement of comprehensive income.

The Board of Directors assesses the performance of the operating segments based on gross profit. Administrative and finance expenses and other income are not allocated to segments.



### Geographical Segments

Our Group operates predominately in Singapore.

**15. 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.

**16. A breakdown of sales**

	The Group			
	Current financial year ended 31 Dec 2012	Previous financial year ended 31 Dec 2011	Increase/ (Decrease)	
	\$'000	\$'000	\$'000	%
(a) Sales reported for first half year	48,530	61,140	(12,610)	(20.6)
(b) Operating profit after taxation before deducting minority interests reported for the first half year	6,139	12,126	(5,987)	(49.4)
(c) Sales reported for second half year	55,952	48,677	7,275	14.9
(d) Operating profit after taxation before deducting minority interests reported for the second half year	6,225	14,433	(8,208)	(56.9)

**17. 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

	FY2012 (\$'000)	FY2011 (\$'000)
Ordinary	4,626	9,162
Preference	-	-
Total	4,626	9,162

#### FY2011

Based on interim dividend of \$0.01 per share for 304,723,710 issued shares and final dividend of \$0.02 per share for 305,758,585 issued shares.

#### FY2012

Based on the proposed final dividend of \$0.015 per share for 308,430,594 issued shares as at the date of this announcement. The payment of the proposed final dividend of \$0.015 per share is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.



**18. Use of proceeds as at 31 December 2012**

Exercise of 59,928,802 warrants at \$0.20 for each share as at 31 December 2012 raising net proceeds of \$11.99 million

<b>Use of proceeds</b>	<b>Amount allocated (\$'million)</b>	<b>Amount utilised (\$'million)</b>	<b>Balance amount (\$'million)</b>
To be used as general working capital for the Company	11.99	10.72	1.27

The unutilised proceeds are deposited with a bank pending deployment.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Or Toh Wat  
Group Managing Director  
20 February 2013