

Unaudited Full Year Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	S\$'000		%
	12 months 30/09/05	12 months 30/09/04	Increase/ (Decrease)
Revenue	60,898	128,896	(53)
Direct costs	(60,445)	(139,943)	(57)
Gross profit / (loss)	453	(11,047)	(104)
Other income	1,669	949	76
Administrative expenses	(3,960)	(7,561)	(48)
Other operating expenses	(9,642)	(9,111)	6
Loss from operations	(11,480)	(26,770)	(57)
Finance costs	(2,055)	(2,564)	(20)
Share of results of associated corporations	-	(75)	(100)
Exceptional items (provide separate disclosure of items)	(3,559)	1,806	(297)
Loss before tax	(17,094)	(27,603)	(38)
Taxation	(607)	1,140	(153)
Loss after tax	(17,701)	(26,463)	(33)
Minority interests	-	(14)	(100)
Net loss for the period	(17,701)	(26,477)	(33)

1(a)(ii) Notes to the Income Statement

Loss from operating activities included the followings :

	Group		
	S\$'000		%
	12 months 30/09/05	12 months 30/09/04	Increase/ (Decrease)
Depreciation and amortisation	(4,863)	(7,729)	(37)
Bad debts recovered and allowance for doubtful debt	(557)	1,367	(141)
Write Back/(Allowance) for stock obsolescence and stocks written off	(11)	(553)	(98)
Foreign exchange loss	(69)	(430)	(84)
Profit on sale of property, plant and equipment	1,602	804	99

The exceptional loss of S\$ 2,145,000 for the Group was attributed to :-

	S\$'000
a. Gain on disposal of investment	993
b. Gain on disposal of subsidiaries	1,368
c. Loss on assignment of inter-co debtors to set off amount due to ex-employee	(1,928)
d. Impairment loss of property held for sale	(2,892)
c. Loss on disposal of investment property - The Riverwalk	(1,100)
Total	(3,559)

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	
	30/09/05	30/09/04	30/09/05	30/09/04
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
Non-Current Assets				
Property, plant and equipment	27,971	35,941	-	-
Investment properties	100	100	-	-
Interests in subsidiaries	-	-	7,911	19,919
Interests in associated corporations	1,316	1,474	-	-
Other investments	1,195	1,152	1,043	1,043
Long-term receivables	3,808	3,808	3,808	3,808
	34,390	42,475	12,762	24,770
Current Assets				
Inventories	854	2,441	-	-
Work-in-progress	15,134	9,401	-	-
Trade receivables	14,228	21,912	-	-
Other receivables	3,486	4,961	1,078	436
Property held for sale	4,150	13,030	-	-
Cash and cash equivalents	1,272	1,581	167	-
	39,124	53,326	1,245	436
Less : Current Liabilities				
Progress billings in excess of work-in-progress	14,062	12,004	-	-
Trade payables	18,954	29,649	-	-
Other payables	20,614	22,569	7,279	7,210
Hire purchase and finance lease payables	87	126	-	-
Provision for taxation	2,481	1,725	573	103
Due to banks	19,232	23,189	7,962	11,508
	75,430	89,262	15,814	18,821
Net Current Liabilities	(36,306)	(35,936)	(14,569)	(18,385)
Less : Non-Current Liabilities				
Hire purchase and finance lease payables	3	113	-	-
Due to banks	23,339	24,238	22,000	22,000
Amounts due to associated corporations	23	23	-	-
	23,365	24,374	22,000	22,000
Less : Minority interests	0	304	0	0
	(25,281)	(18,139)	(23,807)	(15,615)
Represented by :				
Share capital	87,568	77,568	87,568	77,568
Reserves	(112,849)	(95,707)	(111,375)	(93,183)
	(25,281)	(18,139)	(23,807)	(15,615)

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

Amount repayable in one year or less, or on demand

As at 30/09/05		As at 30/09/04	
Secured	Unsecured	Secured	Unsecured
4,334,000	14,985,000	8,897,000	14,418,000

Amount repayable after one year

As at 30/09/05		As at 30/09/04	
Secured	Unsecured	Secured	Unsecured
23,343,000	-	24,351,000	-

Details of any collateral

(a) UOB Refinancing Facility of S\$30 million under the Company is secured by

- (i) Charge over 100% of the issued share capital of a subsidiary, L&M Geotechnic Pte Ltd; and
- (ii) All-monies debentures over the assets of two subsidiaries, L&M Geotechnic Pte Ltd and L&M Precast (Tuas) Pte Ltd.

(b) UOB working capital facility of S\$9.6 million and a leasehold property loan of S\$6.7 million under a subsidiary company are secured by a first legal mortgage over leasehold property held by the said subsidiary with a carrying value of S\$ 14,709,000 (2004: S\$ 15,159,000).

(c) UOB leasehold property loan of S\$ 700,000 under a subsidiary company is secured over the leasehold property with a carrying value of S\$ 992,000 (2004: S\$ 992,000).

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

	12 months 30/09/05 S\$'000	12 months 30/09/04 S\$'000
Cash flow from operating activities		
Operating loss before taxation	(17,095)	(27,603)
Adjustments for non-cash items and other adjustments	6,772	5,399
Changes in working capital	(57)	14,646
Interest income	(6)	(6)
Interest expense	2,055	2,564
Income tax paid	148	(523)
Exchange difference arising from investing activities & cash & cash equivalents	(16)	2
Net cash outflow from operating activities	(8,199)	(5,521)
Cash flow from investing activities		
Acquisition of fixed assets	(139)	(323)
Additional investments in associated corporations and other investments	-	(42)
Proceeds from disposal of fixed assets	1,853	849
Proceeds from sale of investment property	5,900	-
Interest received	6	6
Repayment of advances from associated corporations	123	(166)
Disposal of subsidiaries, net of cash disposed	1,107	410
Net cash inflow from investing activities	8,850	734
Cash flow from financing activities		
Interest paid	(927)	(784)
Repayment of term loans	(5,423)	(579)
Principal payments of hire purchase obligations	(106)	(220)
Purchase of bills payable and trust receipts	64	70
Proceeds from issue of shares, net of expenses	4,913	-
Net cash inflow/(outflow) from financing activities	(1,479)	(1,513)
Net Decrease in cash and cash equivalents	(828)	(6,300)
Cash and cash equivalents at beginning of period	(7,448)	(1,146)
Effect of exchange differences on cash and cash equivalents	16	(2)
Cash and cash equivalents at end of period	(8,260)	(7,448)

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

Consolidated statement of changes in equity for the period ended 30 Sep 2005

	Share Capital S\$'000	Share Premium S\$'000	Capital Reserve S\$'000	Exchange Translation Reserve S\$'000	Accu- mulated Losses S\$'000	Total S\$'000
At 1 October 2003	19,568	89,586	2,059	(22)	(160,890)	(49,699)
Exchange translation gain arising on consolidation of foreign subsidiaries and associated corporations	0	0	0	113	0	113
Loss for the period	0	0	0	0	(13,195)	(13,195)
At 31 March 2004	19,568	89,586	2,059	91	(174,085)	(62,781)
Debt and Equity restructuring exercises	58,000	0	0	0	0	58,000
Exchange translation loss arising on consolidation of foreign subsidiaries and associated corporations	0	0	0	(76)	0	(76)
Loss for the period	0	0	0	0	(13,282)	(13,282)
At 30 September 2004	77,568	89,586	2,059	15	(187,367)	(18,139)
Issue of shares pursuant to private placement	10,000	0	0	0	0	10,000
Exchange translation gain arising on consolidation of foreign subsidiaries and associated corporations	0	0	0	56	0	56
Realisation of goodwill on disposal of subsidiary	0	0	482	0	0	482
Loss for the period	0	0	0	0	(1,080)	(1,080)
At 31 March 2005	87,568	89,586	2,541	71	(188,447)	(8,681)
Exchange translation gain arising on consolidation of foreign subsidiaries and associated corporations				21		21
Loss for the period					(16,621)	(16,621)
At 30 Sep 2005	87,568	89,586	2,541	92	(205,068)	(25,281)

Statement of changes in equity of the company for the period ended 30 Sep 2005

	Share Capital S\$'000	Share Premium S\$'000	Share Discount S\$'000	Accumulated Losses S\$'000	Total S\$'000
At 1 October 2003	19,568	89,586	(5,440)	(155,083)	(51,369)
Loss for the period	0	0	0	(9,520)	(9,520)
At 31 March 2004	19,568	89,586	(5,440)	(164,603)	(60,889)
Debt and Equity restructuring scheme	58,000	0	0	0	58,000
Loss for the period	0	0	0	(12,726)	(12,726)
At 30 September 2004	77,568	89,586	(5,440)	(177,329)	(15,615)
Issue of shares pursuant to private placement	10,000	0	0	0	10,000
Profit for the period	0	0	0	565	565
At 31 March 2005	87,568	89,586	(5,440)	(176,764)	(5,050)
Loss for the period				(18,756)	(18,756)
At 30 September 2005	87,568	89,586	(5,440)	(195,520)	(23,806)

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or 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

	No of Shares	S\$'000
Balance as at October 01, 2004	7,756,808,957	77,568
Issue pursuant to a placement in Dec 2004	1,000,000,000	10,000
Balance as at 30 Nov, 2005	8,756,808,957	87,568

Issuance of 1 billion new ordinary shares of S\$0.01 each at an issue price of S\$0.01 per new share pursuant to the terms and conditions of the placement agreement dated 28 September 2004

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

The figures have not been audited nor reviewed.

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

Not applicable

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 30 September 2004

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

Not applicable

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

Earnings per ordinary share for the year based on net profit attributable to shareholders :-

- (i) Based on weighted average number of ordinary shares in issue
Weighted average number of shares
- (ii) On a fully diluted basis
Weighted average number of shares

Group Figures	
12 months 30/09/05	12 months 30/09/04
(0.21) cents 8,366,699,067	(0.57) cents 4,642,288,409
(0.21) cents 8,366,699,067	(0.57) cents 4,642,288,409

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

	Group		Company	
	30/09/05	30/09/04	30/09/05	30/09/04
	cents		cents	
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	(0.29)	(0.23)	(0.27)	(0.20)

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Turnover

The Group's consolidated full year turnover for FY2005 was S\$60.9 million, a decrease of 52.8% compared to the full year turnover for the FY 2004. The breakdown of turnover by segments is as follows:-

	12 months 30/09/05 S\$'M	12 months 30/09/04 S\$'M	Variance S\$'M	Percentage %
a. Construction				
- Geotechnic Division	44.13	84.10	(39.97)	(47.53)
- Structural Systems Division	16.77	42.30	(25.53)	(60.35)
b. Manufacturing, Properties & Others	-	2.50	(2.50)	(100.00)
c. Total	60.90	128.90	(68.00)	(52.75)

The decrease in turnover is mainly due to the continued slow down in the construction industry as fewer projects were secured.

Gross Profit

The gross profit/(loss) contributions by segments is as follows: -

	12 months 30/09/05 S\$'M	12 months 30/09/04 S\$'M	Variance S\$'M	Percentage %
a. Construction				
- Geotechnic Division	6.68	5.70	0.98	17.19
- Structural Systems Division	(6.23)	(17.60)	11.37	(64.60)
b. Manufacturing, Properties & Others	0.00	0.90	(0.90)	(100.00)
c. Total	0.45	(11.00)	11.45	(104.09)

Despite the decrease in turnover, gross profit improved by 104.1% to S\$0.45 million as compared to loss of S\$11.00 million in the last year. The improvement in gross profit is mainly due to cost control measures implemented and restructuring of the two divisions, Geotechnic and Structural System, into a single operating unit so that synergic and effective deployment of resources within the divisions is realised.

The detailed breakdown of expenses by segments is as follows: -

	12 months 30/09/05 S\$'M	12 months 30/09/04 S\$'M	Variance S\$'M	Percentage %
a. Construction				
- Geotechnic Division	7.82	7.20	0.62	8.61
- Structural Systems Division	4.91	5.30	(0.39)	(7.36)
b. Manufacturing, Properties & Others	0.87	4.20	(3.33)	(79.31)
c. Total	13.60	16.70	(3.10)	(18.57)

Operating expenses for the current period decreased by 18.56% to S\$13.60 million as compared to S\$16.70 million. The decrease in operating expenses is mainly due to restructuring of the group.

Loss from Operations

The Group also manages to reduce its financing costs by 20% to S\$2.06 million as compared to S\$2.56 million in the previous period due to less interest expense on borrowings.

As a result the Group managed to reduce the loss for the year ended 30 Sep 2005 by 38% to S\$15.8 million as compared to a loss of S\$26.5 million for the last year.

Loss on Exceptional Items

Please refer to note in 1(a)(ii)

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

The results are in line with the prospect statement made in the Full year financial result ending 30 September 2004.

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 Group's order book at 30 Sep 2005 was S\$64 million.

The construction industry will remain weak and difficult in Singapore. The Group has a negative NTA position of S\$25.28m as at 30 September 2005. The Company has on 29 November 2005 made an application to the High Court of the Republic of Singapore for the appointment of a judicial manager as it is of the opinion that a judicial management order would achieve one or more of the following:

- (a) the survival of the Company, or the whole or part of its undertaking as a going concern;
- (b) the approval under section 210 of the Companies Act (Cap.50) of a compromise or arrangement between the Company and its creditors; and
- (c) a more advantageous realization of the Company's assets than would be effected on a winding up.

The Company will make further announcements to update developments on its application for the appointment of a judicial manager.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

Name of Dividend
Dividend Type
Dividend Rate
Par value of shares
Tax Rate

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

12 If no dividend has been declared/recommendeded, 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

Item Description	Revenue		Profit/(Loss) before Interest and Taxation	
	12 months 30/09/05 (S\$'000)	12 months 30/09/04 (S\$'000)	12 months 30/09/05 (S\$'000)	12 months 30/09/04 (S\$'000)
By Business Activities				
Construction	60,898	126,355	(14,428)	(24,017)
Manufacturing	0	2,541	0	84
Properties and Investments	0	0	1,427	(1,164)
Others	0	0	(2,039)	133
Total	60,898	128,896	(15,040)	(24,964)

Item Description	Revenue		Profit/(Loss) before Interest and Taxation	
	12 months 30/09/05 (S\$'000)	12 months 30/09/04 (S\$'000)	12 months 30/09/05 (S\$'000)	12 months 30/09/04 (S\$'000)
By Geographical Locations				
Singapore	57,091	114,011	(15,261)	(25,929)
Indonesia	0	2,541	0	84
Hong Kong	1,872	1,919	(807)	17
Other Asia Pacific Countries	1,935	10,425	1,028	864
Total	60,898	128,896	(15,040)	(24,964)

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

Please refer to Paragraph 8

15 A breakdown of sales

	Group	
	S\$'000	%
	12 months 30/09/05	12 months 30/09/04 Increase/ (Decrease)
Sales reported for first half year	35,207	70,615 (50)
Operating loss after tax before deducting minority interests reported for first half year	(1,080)	(13,182) (92)
Sales reported for second half year	25,691	58,281 (56)
Operating loss after tax before deducting minority interests reported for second half year	(16,621)	(13,281) 25

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year
Not applicable

BY ORDER OF THE BOARD
Peter Tay Yew Beng
Company Director
30/11/2005