

Unaudited Half-Year Financial Statement

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 immediate financial year

Income Statements

	GROUP		Change %
	6 months ended 30 Sep 2005 S\$'000	6 months ended 30 Sep 2004 S\$'000	
Revenue			
Construction income	3,238	4,098	(21)
Rental income	63	-	NM
Interest income	-	3	NM
Other income - Gain on disposal of fixed assets	139	86	62
Total revenue	<u>3,440</u>	<u>4,187</u>	(18)
Costs and expenses			
Raw materials and consumables used	3,159	3,933	(20)
Subcontract costs	(18)	-	NM
Staff costs	1,249	1,102	13
Other operating expenses	1,727	1,232	40
Total costs and expenses	<u>6,117</u>	<u>6,267</u>	(2)
Operating loss	(2,677)	(2,080)	29
Finance costs	(271)	(389)	(30)
Share of profit of associated companies	-	-	NM
Gain from disposal of subsidiary companies	301	-	NM
Loss before tax	(2,647)	(2,469)	7
Provision for taxation	(6)	-	NM
Loss after taxation	(2,653)	(2,469)	7
Minority interests	-	-	-
Loss for the year	<u>(2,653)</u>	<u>(2,469)</u>	7

Notes to Income Statements

The following items were charged/(credited) to the income statements:

	GROUP		Change %
	6 months ended 30 Sep 2005 S\$'000	6 months ended 30 Sep 2004 S\$'000	
Depreciation of fixed assets	185	282	(34)
Exchange loss/(gain)	92	(181)	NM
Provision for doubtful debts	229	-	NM
Provision for impairment of fixed assets	-	-	NM
Provision for impairment of associated company	-	-	NM
Provision for settlement of legal claims	-	-	NM
Under provision for taxation in respect of previous years	-	-	NM

* NM - Not Meaningful

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

Balance Sheets

	Group		Company	
	30 Sep 2005 S\$'000	31 Mar 2005 S\$'000	30 Sep 2005 S\$'000	31 Mar 2005 S\$'000
FIXED ASSETS	1,571	1,876	1,518	1,840
SUBSIDIARY COMPANIES	-	-	1,503	1,503
INVESTMENT	1,099	1,099	1,099	1,099
CURRENT ASSETS				
Contracts-in-progress	67	2,153	-	1,840
Trade receivables	2,063	2,068	1,819	2,038
Other receivables	1,340	1,286	394	263
Amounts owing by subsidiary company	-	-	370	165
Amounts owing by associated company	330	515	3	446
Amounts owing by related party	5,095	9,583	2,944	9,159
Cash at bank and in hand	205	269	52	39
	<u>9,100</u>	<u>15,874</u>	<u>5,582</u>	<u>13,950</u>
LESS: CURRENT LIABILITIES				
Contracts-in-progress	-	-	-	-
Bank overdraft	5,931	5,551	5,931	5,551
Loan from the bank	1,557	2,062	1,557	2,062
Trade payables	1,344	3,668	1,082	2,059
Other payables	3,224	3,057	2,800	2,859
Amounts owing to an associated companies	81	86	13	-
Amounts owing to subsidiary companies	-	-	8,331	7,098
Amounts owing to related party	15,053	16,951	3,981	10,712
Provision for taxation	28	43	-	-
	<u>27,218</u>	<u>31,418</u>	<u>23,695</u>	<u>30,341</u>
NET CURRENT LIABILITIES	(18,118)	(15,544)	(18,113)	(16,391)
NON-CURRENT LIABILITIES				
Hire purchase creditors	(100)	(286)	(100)	(286)
	<u>(15,548)</u>	<u>(12,855)</u>	<u>(14,093)</u>	<u>(12,235)</u>
SHARE CAPITAL	20,752	20,752	20,752	20,752
SHARE PREMIUM	11,540	11,595	11,540	11,595
CAPITAL RESERVE	-	-	-	-
REVENUE RESERVE	(47,830)	(45,177)	(46,385)	(44,582)
FOREIGN CURRENCY TRANSLATION RESERVE	(10)	(25)	-	-
	<u>(15,548)</u>	<u>(12,855)</u>	<u>(14,093)</u>	<u>(12,235)</u>

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	
Secured S\$'000	Unsecured S\$'000
4	7,488

As at 31/03/05	
Secured S\$'000	Unsecured S\$'000
59	7,613

Amount repayable after one year.

As at 30/09/05	
Secured S\$'000	Unsecured S\$'000
100	-

As at 31/03/05	
Secured S\$'000	Unsecured S\$'000
286	-

Details of any collateral.

The secured borrowings are in relation to assets acquired under hire purchase financing.

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

Cash Flow Statements

	GROUP	
	6 months ended 30 Sep 2005 S\$'000	6 months ended 30 Sep 2004 S\$'000
Cash flow from operating activities		
Loss before tax	(2,647)	(2,469)
Adjustments for:		
Depreciation of fixed assets	185	282
Provision for trade debts	229	30
Gain on disposal of subsidiaries	(301)	-
Provision for other assets	-	-
Gain on disposal of fixed assets	(139)	-
Provision for impairment of fixed assets	-	-
Interest expense	271	389
Interest income	-	(3)
Fixed assets written off	-	-
Share of profit of associated companies	-	-
Currency realignment	92	186
	<u>(2,310)</u>	<u>(1,585)</u>
(Increase)/decrease in debtors	(49)	3,664
Decrease/(increase) in stocks and contracts-in-progress	2,086	(1,756)
Decrease in creditors and accruals	(2,157)	(2,383)
Increase in bills payable and trust receipts	-	257
	<u>(2,430)</u>	<u>(1,803)</u>
Cash used in operations		
Interest income	-	3
Interest expense	(271)	(389)
Income taxes paid	(21)	(98)
	<u>(2,722)</u>	<u>(2,287)</u>
Cash flow from investing activities		
Purchase of fixed assets	(4)	-
Proceeds from sale of fixed assets	266	-
Decrease/(increase) in amount due from associated company	180	(140)
Increase/(decrease) in amount due to from related parties	2,590	(885)
Disposal of subsidiaries, net of cash disposed	(2)	-
	<u>3,030</u>	<u>(1,025)</u>
Cash flow from financing activities		
Decrease in repayment to financial institute	(505)	(1,086)
Decrease in hire purchase creditors	(247)	(182)
Payment of expenses on issuance of shares	-	(51)
Issuance of shares	-	1,982
Increase in fixed deposits	-	(800)
	<u>(752)</u>	<u>(137)</u>
Net cash used in financing activities		
Net decrease in cash & cash equivalents	(444)	(3,449)
Cash and cash equivalents at beginning of the period	(5,282)	(1,450)
	<u>(5,726)</u>	<u>(4,899)</u>
Cash and cash equivalents at end of the period		
Cash and cash equivalents comprise the following:-		
Fixed deposits	-	800
Cash at bank and in hand	205	345
Bank overdraft	(5,931)	(6,044)
	<u>(5,726)</u>	<u>(4,899)</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Changes in equity - Group (S\$'000)	Share Capital	Share Premium	Capital Reserve	Translation Reserve	Accumulated Losses	Total
As at 1 April 2005	20,752	11,595		(25)	(45,177)	(12,855)
Foreign currency translation arising on consolidation	-	-		15	-	15
Due to disposal of subsidiaries	-	-		-	-	-
New shares issued	-	(55)	-	-	-	(55)
Expenses on issue of ordinary shares	-	-	-	-	-	-
Net loss for the period	-	-	-	-	(2,653)	(2,653)
As at 30 September 2005	20,752	11,540	-	(10)	(47,830)	(15,548)
As at 1 April 2004	18,634	10,654	375	296	(36,955)	(6,996)
Foreign currency translation arising on consolidation	-	-	-	(110)	-	(110)
Due to disposal of subsidiaries	-	-	-	-	-	-
New shares issued	991	991	-	-	-	1,982
Expenses on issue of ordinary shares	-	(51)	-	-	-	(51)
Net loss for the period	-	-	-	-	(2,469)	(2,469)
As at 30 Sep 2004	19,625	11,594	375	186	(39,424)	(7,644)
Changes in equity - Company (S\$'000)	Share Capital	Share Premium	Capital Reserve	Translation Reserve	Accumulated Losses	Total
As at 1 April 2005	20,752	11,595	-	-	(44,582)	(12,235)
Due to disposal of subsidiaries	-	-	-	-	-	-
Expenses on issue of ordinary shares	-	(55)	-	-	-	(55)
Net loss for the period	-	-	-	-	(1,803)	(1,803)
As at 30 September 2005	20,752	11,540	-	-	(46,385)	(14,093)
As at 1 April 2004	18,634	10,654	-	-	(35,020)	(5,732)
New shares issued	991	991	-	-	-	1,982
Expenses on issue of ordinary shares	-	(51)	-	-	-	(51)
Net loss for the period	-	-	-	-	(2,281)	(2,281)
As at 30 September 2004	19,625	11,594	-	-	(37,301)	(6,082)

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back, 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 change in the Company's share capital since the end of the previous period reported on.

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

The figures have not been audited or reviewed by its auditors, Messrs Ernst & Young.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualification 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 statement have been applied.

The financial statements have been prepared based on accounting policies and methods of computation consistent with those adopted in the most recently audited financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by any accounting standard what has changed, as well as the reason 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

	6 months ended 30 Sep 2005	6 months ended 30 Sep 2004
Loss per ordinary share:		
(i) Based on weighted average number of ordinary shares in issue	(0.64) cents	(0.65) cents
(ii) On a fully diluted basis	(0.64) cents	(0.65) cents

The computation of loss per ordinary share is based on weighted average number of shares of 415,045,060. (30 Sept 2004: 381,841,652 shares)

7. Net asset value (for the issuer and the 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 Sep 2005	31 Mar 2005	30 Sep 2005	31 Mar 2005
Net liability value per ordinary share (cents)	(3.75)	(3.06)	(3.40)	(2.95)

Net liability value per ordinary share for the Group and Company is based on 415,045,060 shares (31 March 2005: 415,045,060 shares).

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, asset or liabilities of the group during the current financial period reported on

Revenue for the Group for the half-year ended 30 September 2005 was \$3.4 million, a decrease of \$0.8 million (18%) compared to the revenue of \$4.2 million for the last corresponding period. The decrease was mainly due to lower construction income.

The Group incurred a loss of \$2.7 million for the half-year ended 30 September 2005, an increase of \$0.2 million (7%) compared to the loss of \$2.5 million for the half-year ended 30 September 2004. The increase in loss for the current half year was mainly due to the increase in staff cost of \$0.1 million and other operating expenses of \$0.5 million, despite the gain from disposal of subsidiary and fixed asset of \$0.4 million.

Of the \$0.5 million increase in other operating expenses, \$0.4 million is reflected in Notes to Income Statement on page 1 of the report, which includes: a decrease of \$0.1 million in depreciation of fixed assets; an increase of \$0.3 million in exchange loss, and a provision for doubtful debts at \$0.2 million.

During the period, legal fees increased by 0.1 million compared to the half-year ended 30 September 2004. The increased legal expenses were mainly pertaining from the law suit against Mr Willie Teo, former executive chairman and director of the Company. The litigation is on-going as at the end of the period.

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

There was no forecast or prospect statement which has been previously disclosed to shareholders.

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 6 months.

The construction industry in Singapore is still in a very competitive environment. As such, the Group has launched into other regional markets and has successfully completed projects in Malaysia and Myanmar previously. In addition, it is also in advanced stage of negotiating contracts in the Middle East and Vietnam. The Group will be focusing in these markets where there are significant business potential.

The Group is considering several corporate exercises to raise funds for working capital as well as assets injection to strengthen and improve its financial position. These are expected to be submitted together for the appropriate authorities' approvals within the next reporting period.

11. Dividend

(a) Current Financial Period Reported On

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

(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

NA

(d) Books closure date

NA

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

No dividend has been declared/recommended for the half-year.

13. Interested Person Transactions

The aggregate value of interested person transactions is as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	\$'000	\$'000
<u>Revenue</u>		
Kejuruteraan Bintai Kindenko Sdn Bhd	-	3,180
Bintai Kindenko Private Limited	-	121
<u>Costs and expenses</u>		
Kejuruteraan Bintai Kindenko Sdn Bhd	-	3,092

BY ORDER OF THE BOARD

Ong Puay Koon
Executive Vice Chairman
MAE ENGINEERING LTD

14 November 2005