


BOUSTEAD SINGAPORE LIMITED
AND ITS SUBSIDIARIES

A close-up, profile view of a woman's face, smiling warmly. She is holding a small, transparent globe of the Earth in her palm. The background is a soft, out-of-focus blue sky, suggesting a sunrise or sunset. The overall mood is optimistic and forward-looking.

ENGINEERING THE WORLD OF THE FUTURE

ENERGY-RELATED ENGINEERING • WATER & WASTEWATER ENGINEERING • REAL ESTATE SOLUTIONS • GEO-SPATIAL TECHNOLOGY

SGXNET ANNOUNCEMENT
UNAUDITED RESULTS FOR FY2008
ENDED 31 MARCH 2008



BOUSTEAD SINGAPORE LIMITED
(Company Registration No. 197501036K)

Unaudited Full-Year Financial Statement And Dividend Announcement for the Financial Year Ended 31 March 2008

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.

	GROUP			
	Note	31.3.08 \$'000	31.3.07 \$'000	Inc/(Dcr) %
Revenue		438,279	343,862	27.5
Cost of sales		(302,587)	(226,666)	33.5
Gross profit		135,692	117,196	15.8
Other operating income	1	12,549	12,003	4.5
Selling and distribution expenses		(20,912)	(23,433)	(10.8)
Administrative expenses		(40,559)	(40,622)	(0.2)
Other operating expenses		(9,659)	(9,754)	(1.0)
Finance costs		(1,077)	(1,448)	(25.6)
Share of results from associates		(323)	16	NM
Profit before income tax	2	75,711	53,958	40.3
Income tax expense	3	(17,711)	(14,162)	25.1
Profit for the year		58,000	39,796	45.7

Attributable to:			
Shareholders of the Company		51,487	35,245
Minority interests		6,513	4,551
		58,000	39,796

NM – Not meaningful

	GROUP	
	31.3.08	31.3.07
	\$'000	\$'000
<u>Note 1: Other operating income</u>		
Gain on disposal of assets held for sale	6,403	-
Interest income	3,864	3,054
Other rental income	2,123	1,193
Net foreign currency exchange adjustment gain	159	160
Transfer from investments revaluation reserve on disposal of investment	-	440
Gain on disposal of available-for-sale investments	-	7,156
	12,549	12,003
<u>Note 2 : The profit before income tax is arrived at after (charging)/crediting the following:</u>		
Allowance for doubtful receivables	(3,104)	(6,283)
Depreciation expense	(2,696)	(3,769)
Allowance for inventories	(208)	(117)
Amortisation expense	(29)	(29)
Gain/(Loss) on disposal of property, plant and equipment	27	(6)
Goodwill written off	-	(250)
Impairment loss on other intangible assets	-	(329)
Impairment loss on investment in associate	-	(146)
Allowance for balances due from associates	-	(1,305)
Loss on disposal of assets held for sale	-	(1,273)
Gain on disposal of other investments	-	390
<u>Note 3: Income tax expense</u>		
Over/(Under) provision in prior years	2,450	(434)

The provision for income tax is made after taking into account non-deductible expenses and temporary differences and based on the statutory tax rates of the respective countries. For the current period, the Group's income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 18% mainly due to certain expenses which are not deductible for tax purposes and overseas subsidiaries' profits which are subject to higher tax rates. There is a write-back of tax provision of a conservative amount of \$2.09 million (31.3.07: \$Nil) in respect of previous years.

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

	Note	Group		Company	
		31.3.08 \$'000	31.3.07 \$'000	31.3.08 \$'000	31.3.07 \$'000
ASSETS					
Current assets:					
Cash and bank balances		165,285	121,142	31,712	23,084
Trade receivables		94,416	83,492	-	-
Other receivables and prepayments		24,236	24,033	24,032	5,926
Loans to subsidiaries		-	-	16,635	22,932
Inventories		8,826	5,382	-	-
Properties held for sale		29,006	3,259	-	-
Costs and recognised profits on uncompleted contracts in excess of billings		13,095	4,269	-	-
Assets held for sale		-	5,963	-	-
Total current assets		334,864	247,540	72,379	51,942
Non-current assets:					
Property, plant and equipment		25,586	38,809	-	-
Goodwill		51	51	-	-
Other intangible assets		92	147	30	30
Investments in associates		19,734	15,486	21,535	15,535
Investments in subsidiaries		-	-	67,355	64,970
Available-for-sale investments		5,223	1,924	7	7
Deferred tax assets		2,083	1,648	-	-
Total non-current assets		52,769	58,065	88,927	80,542
Total assets		387,633	305,605	161,306	132,484
LIABILITIES AND EQUITY					
Current liabilities:					
Bank loans and overdrafts	1(b)(ii)	5,758	3,812	-	-
Trade and other payables		156,763	103,466	589	442
Derivative financial instruments		-	292	-	-
Loans from subsidiaries		-	-	67,666	49,090
Billings in excess of costs and recognised profits on uncompleted contracts		11,475	6,462	-	-
Income tax payable		26,475	19,783	-	-
Liabilities associated with assets held for sale		-	1,810	-	-
Total current liabilities		200,471	135,625	68,255	49,532
Non-current liabilities:					
Long-term bank loans	1(b)(ii)	8,749	16,628	-	-
Pension liability		1,015	-	-	-
Deferred tax liabilities		186	233	-	-
Total non-current liabilities		9,950	16,861	-	-
Equity attributable to shareholders of the Company:					
Share capital	1(d)(i)	72,125	71,019	72,125	71,019
Accumulated profits		99,952	66,844	20,924	11,818
Other reserves	1(d)(i)	(7,299)	(3,021)	2	115
Equity attributable to shareholders of the Company		164,778	134,842	93,051	82,952
Minority interests		12,434	18,277	-	-
Total equity		177,212	153,119	93,051	82,952
Total liabilities and equity		387,633	305,605	161,306	132,484

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

	As at 31.03.08 \$'000		As at 31.03.07 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	3,178	2,580	2,042	1,770

	As at 31.03.08 \$'000		As at 31.03.07 \$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	8,749	-	16,628	-

An amount of \$3,155,000 (31.3.07: \$3,538,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 63 Ubi Ave 1, 6th and 7th floor (excluding unit #07-06) of Boustead House, Singapore.

An amount of \$6,375,000 (31.3.07: \$6,875,000) is secured by way of a legal mortgage on a leasehold property of a subsidiary at 12 Changi North Way, Singapore.

An amount of \$2,397,000 (31.3.07: \$873,000) is secured by way of a legal mortgage on a leasehold land and building of a subsidiary at Kompleks Kawasan, Sarana Terpadu, Jalan Raya Cikarang Desa, Pasir Gombong Kec. Lemah Abang, Bekasi 17750, Indonesia.

In 2007, an amount of \$4,765,000 was secured by way of a legal mortgage on a leasehold property of a subsidiary at 80 Alps Avenue, Singapore. The loan was repaid during the year following the disposal of the property.

In 2007, an amount of \$2,619,000 was secured by way of a legal mortgage on a leasehold property of a subsidiary at 40 Changi North Crescent, Singapore. The loan was repaid during the year following the disposal of the property.

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

		Group	
		31.3.08	31.3.07
		\$'000	\$'000
Cash flows from operating activities:			
Profit before income tax		75,711	53,958
Adjustments for:			
Depreciation expense		2,696	3,769
Amortisation expense		29	29
Impairment loss on other intangible assets		-	329
Goodwill on acquisition of subsidiary written off		-	250
Share option expense		37	113
Impairment loss on investments in associates		-	146
Allowance for balances due from associates		-	1,305
(Gain)/Loss on disposal of property, plant and equipment		(27)	6
(Gain)/Loss on disposal of assets held for sale	Note (a)	(6,403)	1,273
Gain on disposal of available-for-sale investments		-	(7,596)
Share of results from associates		323	(16)
Fair value adjustment on derivative financial instruments		(292)	368
Interest expense		1,077	1,448
Interest income		(3,864)	(3,054)
Operating income before changes in working capital		69,287	52,328
Increase in receivables		(17,127)	(21,544)
Increase in inventories and contract work-in-progress		(7,129)	(6,955)
Increase in properties held for sale		(6,717)	-
Increase in payables		51,770	24,322
Decrease in investment properties		-	7,549
Cash generated from operations		90,084	55,700
Interest income received		3,864	3,054
Interest expense paid		(1,077)	(1,448)
Income tax paid		(11,516)	(9,641)
Net cash from operating activities		81,355	47,665
Cash flows from investing activities:			
Proceeds from the disposal of property, plant and equipment		456	411
Purchase of property, plant and equipment		(9,257)	(7,309)
Acquisition of shares from minority shareholders		(9,600)	(25,427)
Purchase of available-for-sale investments		(3,298)	(1,917)
Proceeds from the disposal of available-for-sale investments		-	9,015
Unrealised profit on construction of property for associate		1,421	-
Net cash inflow on disposal of assets held for sale	Note (a)	10,171	2,233
Net cash outflow on acquisition of a subsidiary	Note (b)	-	(278)
Net cash used in investing activities		(10,107)	(23,272)
Cash flows from financing activities:			
Net proceeds from issue of shares of the company		956	659
Proceeds from short-term bank loans		723	1,490
Proceeds from long-term bank loans		-	2,794
Repayment of long-term bank loans		(8,268)	(6,406)
Payment of dividends to minority interests		(1,746)	(536)
Decrease in pledged fixed deposits		930	5,183
Dividends paid		(17,119)	(6,093)
Net cash used in financing activities		(24,524)	(2,909)
Net effect of exchange rate changes in consolidating subsidiaries		(3,028)	(1,765)
Net increase in cash and cash equivalents		43,696	19,719
Cash and cash equivalents at beginning of year	Note (c)	119,370	99,651
Cash and cash equivalents at end of year	Note (c)	163,066	119,370

Notes to the consolidated cash flow statement:

(a) Disposal of assets held for sale

Assets held for sale	5,963	4,254
Liabilities associated with assets held for sale	(1,810)	(145)
	4,153	4,109
Release of investments revaluation reserve	(146)	-
Minority interests	(474)	-
Gain/(Loss) on disposal	6,403	(1,273)
Consideration	9,936	2,836
Net bank overdrafts/(cash and bank balances) disposed	235	(603)
Net cash inflow on disposal of assets held for sale	10,171	2,233

(b) Acquisition of a subsidiary

Cash and bank balances, net of overdrafts	-	26
Trade receivables	-	5
Property, plant and equipment	-	2
Other receivables and prepayments	-	55
Costs and recognised profits on uncompleted contracts in excess of billings	-	185
Trade and other payables	-	(219)
Net assets acquired	-	54
Goodwill	-	250
Consideration	-	304
Net cash and bank balances acquired	-	(26)
Net cash outflow on acquisition of a subsidiary	-	278

Group	
31.3.08	31.3.07
\$'000	\$'000
5,963	4,254
(1,810)	(145)
4,153	4,109
(146)	-
(474)	-
6,403	(1,273)
9,936	2,836
235	(603)
10,171	2,233
-	26
-	5
-	2
-	55
-	185
-	(219)
-	54
-	250
-	304
-	(26)
-	278

The above acquisition of subsidiary was accounted for using the purchase method. The carrying value of the assets and liabilities acquired approximates its fair value and the acquisition has no material impact on the group's results.

(c) Cash and cash equivalents

Cash at bank	66,440	27,503
Short-term deposits	98,845	93,639
Bank overdrafts	(2,219)	(607)
	163,066	120,535
Pledged short-term deposits	-	(930)
Net bank overdrafts included in assets held for sale	-	(235)
Cash and cash equivalents at end of year	163,066	119,370

Group	
31.3.08	31.3.07
\$'000	\$'000
66,440	27,503
98,845	93,639
(2,219)	(607)
163,066	120,535
-	(930)
-	(235)
163,066	119,370

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.

	(-----Other reserves-----)					Sub-total \$'000	Attributable to equity holders of the company \$'000	Minority interests \$'000	Total \$'000
	Share capital \$'000	Accumulated profits \$'000	Investments revaluation reserve \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000				
GROUP									
Balance at 1 April 2006	70,360	37,676	442	-	(1,834)	(1,392)	106,644	42,104	148,748
Exchange differences arising during the year	-	-	-	-	(1,448)	(1,448)	(1,448)	(586)	(2,034)
Revaluation of available-for-sale investments	-	-	146	-	-	146	146	-	146
Net income/(loss) recognised directly in equity	-	-	146	-	(1,448)	(1,302)	(1,302)	(586)	(1,888)
Net profit for the year	-	35,245	-	-	-	-	35,245	4,551	39,796
Disposable of available-for-sale investments	-	-	(440)	-	-	(440)	(440)	-	(440)
Total recognised income and expense for the year	-	35,245	(294)	-	(1,448)	(1,742)	33,503	3,965	37,468
Acquisition of minority interests	-	16	-	-	-	-	16	(25,427)	(25,411)
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	(2,365)	(2,365)
Dividends	-	(6,093)	-	-	-	-	(6,093)	-	(6,093)
Share option expense	-	-	-	113	-	113	113	-	113
Issue of shares	659	-	-	-	-	-	659	-	659
Balance at 31 March 2007	71,019	66,844	148	113	(3,282)	(3,021)	134,842	18,277	153,119

	-----Other reserves-----						Sub-total \$'000	Attributable to equity holders of the company \$'000	Minority interests \$'000	Total \$'000
	Share capital \$'000	Accumulated profits \$'000	Investments revaluation reserve \$'000	Share option reserve \$'000	Foreign currency translation reserve \$'000	Capital reserve \$'000				
GROUP (Cont'd)										
Balance at 1 April 2007	71,019	66,844	148	113	(3,282)	-	(3,021)	134,842	18,277	153,119
Exchange differences arising during the year	-	-	-	-	(2,157)	-	(2,157)	(2,157)	(1,115)	(3,272)
Net loss recognised directly in equity	-	-	-	-	(2,157)	-	(2,157)	(2,157)	(1,115)	(3,272)
Net profit for the year	-	51,487	-	-	-	-	-	51,487	6,513	58,000
Actuarial loss net of deferred tax	-	(1,260)	-	-	-	-	-	(1,260)	(119)	(1,379)
Total recognised income and expense for the year	-	50,227	-	-	(2,157)	-	(2,157)	48,070	5,279	53,349
Acquisition of minority interests	-	-	-	-	-	(1,862)	(1,862)	(1,862)	(7,738)	(9,600)
Disposal of assets held for sale	-	-	(146)	-	-	-	(146)	(146)	(474)	(620)
Minority share of net dividends from subsidiaries	-	-	-	-	-	-	-	-	(2,910)	(2,910)
Dividends	-	(17,119)	-	-	-	-	-	(17,119)	-	(17,119)
Share option expense	-	-	-	37	-	-	37	37	-	37
Issue of shares	1,106	-	-	(150)	-	-	(150)	956	-	956
Balance at 31 March 2008	72,125	99,952	2	-	(5,439)	(1,862)	(7,299)	164,778	12,434	177,212

	(-----Other Reserves-----)					Total \$'000
	Share capital \$'000	Accumulated profits \$'000	Investments revaluation reserve \$'000	Share option reserve \$'000	Sub-total \$'000	
COMPANY						
Balance at 1 April 2006	70,360	524	442	-	442	71,326
Disposal of available-for-sale investments	-	-	(440)	-	(440)	(440)
Net profit for the year	-	17,387	-	-	-	17,387
Total recognised income and expense for the year	-	17,387	(440)	-	(440)	16,947
Dividends	-	(6,093)	-	-	-	(6,093)
Share option expense	-	-	-	113	113	113
Issue of shares	659	-	-	-	-	659
Balance at 31 March 2007	71,019	11,818	2	113	115	82,952
Net profit for the year	-	26,225	-	-	-	26,225
Total recognised income for the year	-	26,225	-	-	-	26,225
Dividends	-	(17,119)	-	-	-	(17,119)
Share option expense	-	-	-	37	37	37
Issue of shares	1,106	-	-	(150)	(150)	956
Balance at 31 March 2008	72,125	20,924	2	-	2	93,051

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

During the year, the issued and paid up capital of the Company was increased from \$71,018,603 divided into 254,836,866 ordinary shares to \$72,125,270 divided into 255,977,762 ordinary shares. This is a result of the allotment of shares upon exercise of employees' share options.

As at 31 March 2008, there were unexercised options of 2,895,292 (31.3.07: 4,036,188) of unissued ordinary shares under the Boustead Share Option Scheme 2001.

- 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 a 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 same accounting policies and methods of computation as in the most recently audited annual financial statements have been applied, except as described in paragraph 5.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group and the Company have adopted all the new and revised Financial Reporting Standards (FRS) effective for financial period beginning 1 April 2007. The effect of adopting all the new and revised FRSs do not have a significant impact on the results of the Group and balance sheet of the Group and the Company as of 31 March 2008.

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

	Group	
	31.3.08	31.3.07
(i) Based on weighted average number of ordinary shares in issue (¢)	20.1	13.9
(ii) On a fully diluted basis (¢) (detailing any adjustments made to the earnings)	19.9	13.7

The basic earnings per share ("EPS") is computed based on weighted average number of ordinary shares in issue of 255,755,946 shares (31.3.07: 253,931,897 shares). The fully diluted EPS is computed based on weighted average number of ordinary shares in issue of 258,129,965 shares (31.3.07: 256,926,835 shares) adjusted for the effects of all potential dilutive ordinary shares.

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 current financial period reported on and immediately preceding financial year.

	Group		Company	
	31.3.08	31.3.07	31.3.08	31.3.07
Net asset value per ordinary share based on issued share capital as at the end of the year reported on (¢)	64	53	36	33

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.

Overview

Established in 1828, the Group is a progressive global service provider of infrastructure-related engineering services and geo-spatial solutions. Focusing on the engineering and development of key infrastructure to support economic growth in the public and private sectors of developing nations, the Group's strong suite of Engineering Services comprises:

- Energy-Related Engineering;
- Water & Wastewater Engineering; and
- Real Estate Solutions.

Under the Group's Geo-Spatial Technology arm, it provides professional services and exclusively distributes ESRI geo-spatial technology – the world's leading geographic information systems and location intelligence solutions – to major markets across Australia and South East Asia. These solutions are essential to the effective planning, deployment and management of key infrastructure and resources in countries.

To date, the Group has undertaken infrastructure-related projects in 73 countries globally.

For FY2008 ended 31 March 2008, the Group surpassed its previous record achievements attained in FY2007, reaching new milestones in revenue of \$438.3 million and net profit attributable to shareholders of \$51.5 million, an increase of 27.5% and 46.1% respectively. The latest achievements mark six consecutive years of record-breaking revenue and net profit for the Group since its listing on the Singapore Exchange in 1975.

Segment Revenue

Segment	FY2008	FY2007	Change
	\$m	\$m	%
Engineering Services	366.4	279.2	+31.2
Geo-Spatial Technology	67.8	62.4	+8.7
Investment Activities	4.1	2.3	+78.3
Group Total	438.3	343.9	+27.5

The Group's overall revenue growth was underpinned by the strong revenue performance of Engineering Services, which rose by 31.2% to \$366.4 million. Geo-Spatial Technology expanded steadily by 8.7% to \$67.8 million. The Group's revenue base was globally-diversified.

Engineering Services Revenue

Engineering Services	FY2008	FY2007	Change
	\$m	\$m	%
Energy-Related Engineering	137.2	130.6	+5.1
Water & Wastewater Engineering	35.9	23.8	+50.8
Real Estate Solutions	193.3	124.8	+54.9
Engineering Services Total	366.4	279.2	+31.2

A review of the revenue performance for each division of Engineering Services is provided below.

In FY2008, the Energy-Related Engineering Division improved its revenue contribution by 5.1% over its previous year's revenue milestone, reaching \$137.2 million. The downstream and upstream oil & gas business units (i.e. Boustead International Heaters and Boustead Controls & Electrics) enjoyed a year of planned growth based on strategically strengthening the core engineering teams without compromising on quality. However, the growth from these business units was offset by the mediocre revenue contribution of the solid waste energy recovery business unit (i.e. Boustead Maxitherm) which underwent restructuring to consolidate the newly-acquired Australian business with the existing Indonesian business. Overall, the division secured fewer large value contracts throughout FY2008 but balanced the order book with a significantly larger quantity of small to medium value contract awards from Africa, China, Europe, India, the Middle East, South America and South East Asia.

The Water & Wastewater Engineering Division (i.e. Salcon) experienced strong revenue growth of 50.8% in FY2008. Despite revenue reaching \$35.9 million, the turnaround of the division did not occur. This was expected by management as mentioned in the 1H FY2008 financial results announcement. The division faced severe setbacks in two major projects. In the Philippines, the division halted its \$18 million municipal project due to non-payment by the client. The division has commenced court proceedings to reclaim its outstanding payment. In a second major project, there were operational cost overruns because of unforeseen circumstances and bad weather. On a much brighter note, the division secured several industrial water and wastewater treatment plants for the power industry including a sizeable contract from Toshiba, the world's largest power plant engineering corporation.

The Real Estate Solutions Division continued its strong performance in FY2008, supported by the buoyant activity of the Singapore construction industry. As the star performer of Engineering Services, the division contributed \$193.3 million in revenue, up 54.9%. Of this amount, the industrial real estate solutions business unit (i.e. Boustead Projects) generated \$190.0 million in revenue, up 52.2%. During 2H FY2008, the \$46.0 million sale of a 50% joint venture industrial leasehold property was completed. Stripping out the sale of two industrial leasehold properties in FY2008, comparative revenue from core turnkey design and build activities grew by \$57.3 million, an increase of 58.9%.

In Libya, the new township business unit (i.e. Boustead InfraStructures) set up its complete engineering team to undertake the new township at Al Marj. Revenue recognition from this project was negligible in 2H FY2008. The project is on schedule and will contribute significantly to revenue and net profit in FY2009.

Geo-Spatial Technology Revenue

Geo-Spatial Technology revenue grew at a steady pace of 8.7%. The Australian business unit registered healthy double-digit growth but this was offset by the flat revenue performance of the South East Asian business units, which were affected by the lack of additional government investment directed towards geo-spatial solutions in the region.

Profitability

In FY2008, "Gross profit" improved to \$135.7 million, up 15.8%. Gross profit margin declined from 34.1% in FY2007 to 31.0% in FY2008, due mainly to lower margins in the Water & Wastewater Engineering Division's major projects.

Effective management of operating expenses helped to ensure that "Profit before income tax" grew by 40.3% to \$75.7 million.

"Profit for the year" rose by 45.7%, aided by the strong operating profit of the Group and a \$2.1 million write-back of an overprovision in income tax made previously.

The Group achieved net profit attributable to shareholders of \$51.5 million, up 46.1% over FY2007.

Based on the record financial performance achieved in FY2008 and in conjunction with the celebration of the 180th Anniversary of the Group this year, the Directors have proposed a final tax-exempt cash dividend of 5.0 cents per ordinary share and a special tax-exempt cash dividend of 2.0 cents per ordinary share. Including the interim dividend for FY2008 of 3.0 cents per ordinary share, this represents a 53.8% increase over the gross cash dividend declared and paid for FY2007.

Cash Flow & Balance Sheets

The Group generated healthy cash flows from operating activities of \$81.4 million. The major increase in "Cash and cash equivalents at end of year" to \$163.1 million was due mainly to: 1) strong cash flows from operating activities; 2) the sale of a property in the UK; and 3) the sale of two industrial leasehold properties.

On the Balance Sheets, "Current assets" rose by 35.3% to \$334.9 million, due largely to significant increases in "Cash and bank balances" and "Properties held for sale" of \$44.1 million and \$25.7 million respectively. "Trade receivables" and "Trade and other payables" had large increases due to the Group's strong revenue growth.

The Group strengthened its net cash position to \$150.8 million in FY2008 versus \$100.7 million in FY2007.

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

Results are consistent with the prospect statement in the results announcement for the half-year ended 30 September 2007 released on 14 November 2007.

10. A commentary at the date of the announcement of the significant trends and 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 is anticipating global demand for its infrastructure-related engineering services and geo-spatial solutions to remain buoyant throughout FY2009.

With global oil prices reaching unprecedented levels in recent months, the Energy-Related Engineering Division should continue to perform well in a buoyant environment supported by heavy investment in downstream and upstream oil & gas infrastructure. In addition, the solid waste energy recovery business unit is expected to produce improved revenue and net profit contribution after the completion of its restructuring. Currently, the division has a healthy pipeline of enquiries and is optimistic of converting a significant portion of these into contract awards in FY2009.

The Water & Wastewater Engineering Division is expected to turnaround in FY2009. A major R&D initiative is in the testing and validation stage at a full-scale textile plant in China. Once the technology is validated, this should pave the way for the division to create a successful niche to operate in China's congested water market and serve as a platform to address China's unique water pollution problems. Alongside its R&D initiatives, the division will continue to strengthen its business development efforts in the key markets of North Africa and the Middle East.

Strong fundamental support for the industrial real estate market in Singapore should open more opportunities for the Real Estate Solutions Division locally. The division will also continue to expand its regional presence in China and Vietnam, which are viewed as key markets of the future.

In Libya, the Real Estate Solutions Division has commenced full operations and will contribute to revenue and net profit significantly in FY2009.

Geo-Spatial Technology is expected to experience steady high single-digit growth in FY2009. The revenue mix is changing to provide a greater percentage of professional services and hence, reduce the skewed reliance on standard exclusive distribution services, so as to improve gross margins further and shift into higher value-added services.

With a current order book exceeding \$500 million, the Group is poised to improve on its record financial performance achieved in FY2008, although performance will vary from quarter to quarter given the nature of the Group's businesses.

2008 also marks the 180th Anniversary of the Group, a monumental milestone in the long history of the Group and Singapore. During the month of July 2008, the Group will showcase its achievements and contributions to the economic and social development of Singapore over 180 years, a feat that will not be easily replicated by most of today's global corporations.

11. Dividend**(a) Current Financial Period Reported On**

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

Name of Dividend	Interim declared and paid	Final proposed	Special proposed
Dividend Type	Cash	Cash	Cash
Dividend Amount (per ordinary share)	3.0 cents	5.0 cents	2.0 cents
Tax Rate	Tax Exempt (1-tier)	Tax Exempt (1-tier)	Tax Exempt (1-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Amount (per ordinary share)	2.0 cents	4.5 cents
Tax Rate	20%	18%

(c) Date payable

20 August 2008.

(d) Books closure date

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 7 August 2008 for the purpose of determining shareholders' entitlements to the final and special dividends to be paid on 20 August 2008, subject to and contingent upon shareholders' approval for the proposed dividends being obtained at the forthcoming Annual General Meeting of the Company.

Duly completed transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00 p.m. on 6 August 2008 will be registered before entitlements to the dividends are determined.

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

Not applicable.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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.**

Segment information is presented in respect of the group's business and geographical segments. The primary segment is analysed based on its business activities which comprises of its two core businesses, engineering and geo-spatial technology, and its investment activities. The secondary segment is analysed based on the geographical location of customers.

BY BUSINESS SEGMENTS

2008					
Primary segments	Engineering	Geo-spatial	Investment	Adjustment/	Group
	\$'000	technology	activities	elimination	\$'000
		\$'000	\$'000	\$'000	
Revenue					
External sales	366,423	67,761	4,095	-	438,279
Inter-segment sales	6,320	-	34,066	(40,386)	-
Total revenue	372,743	67,761	38,161	(40,386)	438,279
Segment result	47,692	16,266	(542)	13,372	76,788
Finance costs					(1,077)
Profit before income tax					75,711
Income tax expense					(17,711)
Profit for the year					<u>58,000</u>
Attributable to:					
Shareholders of the Company					51,487
Minority interests					6,513
					<u>58,000</u>
2007					
Primary segments	Engineering	Geo-spatial	Investment	Adjustment/	Group
	\$'000	technology	activities	elimination	\$'000
		\$'000	\$'000	\$'000	
Revenue					
External sales	279,143	62,438	2,281	-	343,862
Inter-segment sales	-	-	17,007	(17,007)	-
Total revenue	279,143	62,438	19,288	(17,007)	343,862
Segment result	39,476	13,689	3,996	(1,755)	55,406
Finance costs					(1,448)
Profit before income tax					53,958
Income tax expense					(14,162)
Profit for the year					<u>39,796</u>
Attributable to:					
Shareholders of the Company					35,245
Minority interests					4,551
					<u>39,796</u>

BY GEOGRAPHICAL SEGMENT

Segment revenue	Asia Pacific *	Australia	North & South America	MENA **	Europe	Others	Group
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External sales							
31.3.08	274,631	60,340	46,027	35,753	21,402	126	438,279
31.3.07	193,992	50,639	23,994	33,007	42,191	39	343,862

* Excludes Australia which has been separately disclosed.

** Middle East & North Africa

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

As detailed in Note 8.

15. A breakdown of sales.

	Group		Increase/ (Decrease) %
	31.3.08 \$'000	31.3.07 \$'000	
Sales reported for first half year	206,179	139,717	47.6
Operating profit after income tax reported for first half year	29,204	9,606	204.0
Sales reported for second half year	232,100	204,145	13.7
Operating profit after income tax reported for second half year	28,796	30,190	(4.6)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Latest Full Year \$'000	Latest Full Year \$'000
Ordinary	35,142	15,503
Preference	-	-
Total:	35,142	15,503

17. Interested person transactions

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 of the SGX-ST Listing Manual) \$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than \$100,000) \$'000
	Nil	Not applicable

BY ORDER OF THE BOARD

Alvin Kok
Company Secretary
 28 May 2008