

## ULTRO TECHNOLOGIES LIMITED

### FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

#### PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3, Q4, Q5 & Q6), HALF-YEAR AND FULL YEAR RESULTS

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

	6 <sup>th</sup> Quarter ended			Year ended (18 Months)		
	Dec 2011	Dec 2010	Change	Dec 2011	Dec 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Continuing Operations</b>						
Revenue	-	-	-	-	-	-
Cost of Sales	-	-	-	-	-	-
<b>Gross Profit</b>	-	-	-	-	-	-
Other Operating Income	4,370	(73)	6,086.3%	7,262	4,197	73.0%
Administrative Expenses	(2,505)	(1,395)	79.6%	(8,450)	(8,944)	-5.5%
Other Items	(274)	4	-6,950.0%	(1,316)	(569)	131.3%
Finance Expenses	(23)	(23)	-	(51)	(51)	-
	1,568	(1,487)	205.4%	(2,555)	(5,367)	-52.4
Share of Profit of Associates	-	1	-100.0%	-	244	-100.0%
<b>Profit/(Loss) Before Tax</b>	1,568	(1,486)	205.5%	(2,555)	(5,123)	-50.1%
Income Tax	(92)	(121)	-24.0%	(69)	75	-192.0%
<b>Profit/(Loss) from continuing operations</b>	1,476	(1,607)	191.8%	(2,624)	(5,048)	-48.0%
<b>Discontinued Operations</b>						
<b>(Loss)/Profit from discontinued operations</b>	(4,855)	995	-587.9%	(3,049)	(2,789)	9.3%
<b>Total Loss</b>	(3,379)	(612)	452.1%	(5,673)	(7,837)	-27.6%
<b>Other Comprehensive Income</b>						
Currency translation differences arising from consolidation	(15)	(40)	-62.5%	(518)	(327)	58.4%
Disposal	4,699	-	n/m	4,699	-	n/m
<b>Total Comprehensive Profit/(Loss)</b>	1,305	(652)	300.2%	(1,492)	(8,164)	-81.7%

**1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

	6 <sup>th</sup> Quarter ended			Year ended		
	Dec 2011	Dec 2010	Change	Dec 2011	Dec 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Net loss attributable to:</b>						
<b>Equity holders of the Company</b>	(3,377)	(562)	500.9%	(5,906)	(7,811)	-24.4%
<b>Non-controlling interest</b>	(2)	(50)	-96.0%	233	(26)	996.2%
	<u>(3,379)</u>	<u>(612)</u>	452.1%	<u>(5,673)</u>	<u>(7,837)</u>	-27.6%
<b>Comprehensive income/(loss) attributable to:</b>						
<b>Equity holders of the Company</b>	1,307	(602)	317.1%	(1,725)	(8,138)	-78.8%
<b>Non-controlling interest</b>	(2)	(50)	-96.0%	233	(26)	996.2%
	<u>1,305</u>	<u>(652)</u>	300.2%	<u>(1,492)</u>	<u>(8,164)</u>	-81.7%

*n/m – not meaningful*

**1(a)(ii) Notes to statement of comprehensive income**

	6 <sup>th</sup> Quarter ended			Year ended		
	Dec 2011	Dec 2010	Change	Dec 2011	Dec 2010	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Amortisation of deferred income	(30)	(30)	-	(180)	(180)	-
Bad debts written off	-	-	-	22	66	-66.7%
Depreciation of property, plant and equipment	15	28	-46.4%	100	318	-68.6%
Depreciation of investment Property	8	8	-	50	50	-
Exchange loss	574	(34)	1,788.2%	1,045	841	24.3%
Exchange gain	25	25	-	(3)	(395)	-99.2%
Impairment of plant and equipment	103	-	n/m	103	46	123.9%
Interest expense	-	-	-	2	12	-83.3%
Interest income	(1)	(1)	-	(16)	(16)	-
Allowance for doubtful trade debts	34	-	n/m	34	98	-65.3%
Allowance for doubtful non-trade debts	1,054	-	n/m	1,054	3,338	-68.4%
Allowance for slow moving inventories	-	-	-	-	63	-100.0%
Write back of impairment of property, plant and equipment	-	-	-	-	(14)	-100.0%
Reversal of allowance for doubtful trade debts no longer required	29	-	n/m	(230)	(218)	5.5%
Reversal of impairment on property, plant & equipment	-	(14)	-100.0%	-	(14)	-100.0%
Gain on disposal of property, plant and equipment	-	-	-	-	(65)	-100.0%
Share of profit of associated companies	-	1	-100.0%	-	(243)	-100.0%
Loss/(Gain) on disposal of Business	4,699	-	n/m	5,170	(1,507)	443.1%
Gain on disposal of associates	-	1	-100.0%	-	(148)	-100.0%

*n/m – not meaningful*

**1(b)(i) A Statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>Dec 2011</b>	<b>June 2010</b>	<b>Dec 2011</b>	<b>June 2010</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Non-current assets:</b>				
Investment properties	1,410	1,658	-	-
Property, plant and equipment	-	161	-	161
Investment in subsidiaries	-	-	-	823
Restricted cash	2,454	2,442	2,454	2,442
Deferred tax assets	-	117	-	-
<b>Total non-current assets</b>	<b>3,864</b>	<b>4,378</b>	<b>2,454</b>	<b>3,426</b>
<b>Current assets:</b>				
Trade debtors	-	29	-	28
Other debtors, deposits and Prepayments	3,013	5,110	3,001	6,327
Due from subsidiaries-non-trade	-	-	14	-
Cash and bank balances	2,465	2,749	2,240	1,163
<b>Total current assets</b>	<b>5,478</b>	<b>7,888</b>	<b>5,255</b>	<b>7,518</b>
Disposal group classified as held for sale	252	452	-	-
	<b>5,730</b>	<b>8,340</b>	<b>5,255</b>	<b>7,518</b>
<b>Total assets</b>	<b>9,594</b>	<b>12,718</b>	<b>7,709</b>	<b>10,944</b>
<b>Current Liabilities:</b>				
Trade creditors	-	399	-	365
Other creditors	1,271	1,161	1,239	923
Provision for taxation	5	2	-	-
Deferred income	120	120	120	120
<b>Total current liabilities</b>	<b>1,396</b>	<b>1,682</b>	<b>1,359</b>	<b>1,408</b>
Liabilities directly associated with disposal group classified as held for sale	41	1,131	-	-
	<b>1,437</b>	<b>2,813</b>	<b>1,359</b>	<b>1,408</b>
<b>Non-current liabilities</b>				
Deferred tax	42	-	-	-
Deferred Income	100	165	100	165
<b>Total non-current liabilities</b>	<b>142</b>	<b>165</b>	<b>100</b>	<b>165</b>
<b>Total liabilities</b>	<b>1,579</b>	<b>2,978</b>	<b>1,459</b>	<b>1,573</b>
<b>Net assets</b>	<b>8,015</b>	<b>9,740</b>	<b>6,250</b>	<b>9,371</b>

**1(b)(i) A Statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year (cont'd)**

	Group		Company	
	Dec 2011	June 2010	Dec 2011	June 2010
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Equity</b>				
Share Capital	59,313	59,313	59,313	59,313
Accumulated losses	(51,435)	(45,529)	(53,063)	(47,570)
Currency translation reserves	137	(4,044)	-	(2,372)
	<u>8,015</u>	<u>9,740</u>	<u>6,250</u>	<u>9,371</u>
Non-Controlling Interests	-	-	-	-
	<u>8,015</u>	<u>9,740</u>	<u>6,250</u>	<u>9,371</u>
<b>Total liabilities and equity</b>	<u>9,594</u>	<u>12,718</u>	<u>7,709</u>	<u>10,944</u>

**1(b)(ii) Aggregate amount of the Group's borrowing and debt securities**

The Group has no borrowing and debt securities as at 31 December 2011 and 30 June 2010.

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

	Year ended	
	Dec 2011	Dec 2010
	S\$'000	S\$'000
<b>Cashflow from operating activities:</b>		
Loss before taxation and minority interests	(5,609)	(8,028)
Adjustments for:		
Amortisation of deferred income	(180)	(180)
Bad debts written off	22	66
Depreciation of investment properties	50	50
Depreciation of property, plant and equipment	100	318
Gain on disposal of plant & equipment	-	(65)
Loss/(Gain) on disposal of business	5,170	(1,507)
Gain on disposal of investment in an associated company	-	(148)
Impairment of plant and equipment	103	46
Interest Income	(16)	(16)
Interest Expense	2	12
Allowance for doubtful trade debts	34	98
Allowance for doubtful non-trade debts	1,054	3,338
Allowance for slow moving inventories	-	63
Write back of impairment on plant and equipment	-	(14)
Reversal of allowance for doubtful trade debts no longer required	(230)	(218)
Share of profit of associated companies	-	(243)
<b>Operating profit/(loss) before working capital changes</b>	<u>500</u>	<u>(6,428)</u>

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

	Year ended	
	Dec 2011 S\$'000	Dec 2010 S\$'000
Changes in operating assets and liabilities:		
Inventories	71	160
Trade and other receivables	(2)	(3,572)
Trade and other payables	562	(706)
<b>Cash generated from/(used in) operating activities</b>	<b>1,131</b>	<b>(10,546)</b>
Income tax paid	(26)	(20)
<b>Net cash flow from/(used in) operating activities</b>	<b>1,105</b>	<b>(10,566)</b>
<b>Cashflow from investing activities:</b>		
Interest received	16	16
Purchase of plant and equipment	(43)	(414)
Proceeds from disposals of plant and equipment	96	161
Contribution from minority interest	691	740
Proceeds from disposal of investment in an associate company	-	700
Net cash flows from disposal of business	(1,723)	(3,978)
<b>Net cash used in investing activities</b>	<b>(963)</b>	<b>(2,775)</b>
<b>Cashflow from financing activities:</b>		
Interest paid	(2)	(12)
Proceeds from issuance of shares by right issue	-	3,599
Shares issue expenses	-	(216)
Repayments of hire purchase obligations	(129)	(160)
(Increase)/Decrease in cash restricted in used	(11)	612
<b>Net cash (used in)/flow from financing activities</b>	<b>(142)</b>	<b>3,823</b>
<b>Net decrease in cash and cash equivalents</b>	<b>-</b>	<b>(9,518)</b>
<b>Cash and cash equivalents, at beginning of year</b>	<b>2,835</b>	<b>11,500</b>
Foreign exchange adjustments	(344)	(310)
<b>Cash and cash equivalents, at end of year</b>	<b>2,491</b>	<b>1,672</b>
<b>Cash and cash equivalent comprised:</b>		
Cash and bank balances	2,465	1,480
Fixed deposit	2,454	2,454
Cash and cash equivalent from discontinued operations	26	192
	4,945	4,126
Less Cash restricted in use *	(2,454)	(2,454)
	2,491	1,672

\* This relates to short term deposit held by bank as security deposit for performance guarantee granted to the Group

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

<u>Group</u>	Share Capital S\$'000	Accumulated losses S\$'000	Translation reserves S\$'000	Minority interests S\$'000	Total S\$'000
Balance at 1 July 2010	59,313	(45,529)	(4,044)	-	9,740
Acquisition of a subsidiary	-	-	-	691	691
Disposal of a subsidiary	-	-	-	(924)	(924)
Total comprehensive profit/(loss) for the year	-	(5,906)	4,181	233	(1,492)
Balance at 31 December 2011	<u>59,313</u>	<u>(51,435)</u>	<u>137</u>	<u>-</u>	<u>8,015</u>
Balance at 1 July 2009	55,930	(38,979)	(4,163)	-	12,788
Issuance of shares by way of right issue	3,599	-	-	-	3,599
Share issue expenses	(216)	-	-	-	(216)
Acquisition of a subsidiary	-	-	-	740	740
Total comprehensive loss for the year	-	(7,811)	(327)	(26)	(8,164)
Balance at 31 December 2010	<u>59,313</u>	<u>(46,790)</u>	<u>(4,490)</u>	<u>714</u>	<u>8,747</u>

<u>Company</u>	Share Capital S\$'000	Accumulated losses S\$'000	Translation reserves S\$'000	Total S\$'000
Balance at 1 July 2010	59,313	(47,570)	(2,372)	9,371
Total comprehensive loss for the year	-	(5,493)	2,505	(2,988)
Effect of changes of functional currency of the Company	-	-	(133)	(133)
Balance at 31 December 2011	<u>59,313</u>	<u>(53,063)</u>	<u>-</u>	<u>6,250</u>
Balance at 1 July 2009	55,930	(43,967)	(2,086)	9,877
Issuance of shares by way of right issue	3,599	-	-	3,599
Share issue expenses	(216)	-	-	(216)
Total comprehensive loss for the year	-	(4,823)	(418)	(5,241)
Balance at 31 December 2010	<u>59,313</u>	<u>(48,790)</u>	<u>(2,504)</u>	<u>8,019</u>

**1(d)(ii) Details of any changes in the company's share capital arising from right issues, bonus issue, share buy-back, exercise of share option 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.**

There was no change in the Company's share capital since the end of the previous period reported on.

As at 31 December 2011, the Company's issued and paid-up share capital was S\$59,313,321 and there were no shares held as treasury shares.

The Company issued 143,952,885 warrants in June 2010 and these warrants were listed on the SGX-ST on 17 June 2010. Each warrant entitles the warrant holder to subscribe for 1 new share in the share capital of the Company at an exercise price of S\$0.10 in cash during the exercise period.

During the financial year, no shares were issued pursuant to the exercise of any warrants.

**1(d)(iii) To show the 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.**

	<b>31 December 2011</b>	<b>30 June 2010</b>
Total number of issued shares excluding treasury shares	431,858,656	431,858,656

**1(d)(iv) A statement showing all sales, transfers, disposal, 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 standards 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 accounting policies and method of computation applied by the Group are consistent with those disclosed in the most recently audited annual financial statements of the Group for the year ended 30 June 2010.

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

There are no changes in the accounting policies and method of computation. However, the following points should be noted with regard to change in functional currency and financial year.

*a) Change in functional currency*

In prior years, the Company measured its transactions in United States Dollars ("USD") and presented the Group's and the Company's financial statements in Singapore Dollars ("SGD"). In compliance with FRS 21 (The Effects of Changes in Foreign Exchange Rates), the Company has determined that its functional currency is SGD and has accordingly changed its functional currency from USD to SGD with effect from 1 July 2010 to reflect the economic substance of the underlying circumstances and events relevant to the Company. The underlying change is prospective and has therefore no effect on the Company's financial results prior to 1 July 2010. The Group and the Company have also determined that it is more appropriate to present the financial statements of the Group and the Company in SGD.

*b) Change in financial year*

The financial year end was changed from 30 June to 31 December following an approval from the Singapore Stock Exchange dated 6 July 2011 (as announced on 6 July 2011). Pursuant to this, the current financial year for the Group would be for 18 months from 1 July 2010 to 31 December 2011 and the financial period has been defined in Para 8.

**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.**

(Loss)/Earning per share (EPS)	6 <sup>th</sup> Quarter ended		Year ended	
	Dec 2011	Dec 2010	Dec 2011	Dec 2010
<b><u>Continuing operations</u></b>				
EPS based on weighted average number of ordinary shares on issue (cents)	0.34	(0.47)	(0.66)	(1.48)
EPS based on a fully diluted basis	0.34	(0.47)	(0.66)	(1.48)
<b><u>Discontinued operations</u></b>				
Based on weighted average number of shares (cents)	(1.12)	0.29	(0.71)	(0.82)
EPS based on a fully diluted basis	(1.12)	0.29	(0.71)	(0.82)
Weighted average number of shares	431,858,656	340,085,414	431,858,656	340,085,414

**7. Net assets 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 financial period reported on; and**
- (b) immediately preceding financial year**

Net asset value (NAV)	Group		Company	
	Dec 2011	June 2010	Dec 2011	June 2010
NAV per ordinary share(cents)	1.86	2.26	1.45	2.17
Number of shares	431,858,656	431,858,656	431,858,656	431,858,656

- 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 earning of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
  - (b) any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on.**

**Income Statement**

The current reporting period covered 18 months from 1 July 2010 to 31 December 2011 (“FP2011”) following the change of financial year end from 30 June 2010 to 31 December 2011. The corresponding period of the previous financial year also covered 18 months from 1 July 2009 to 31 December 2010 (“FP2010”).

Pursuant to the announcement dated 26 December 2011 and 15 February 2012 with regard to the proposed acquisition, the Company is in the process of winding down the current operations. According to the conditions precedents of the proposed acquisition, as at the completion, the Group shall have no assets and liabilities save for, a) a cash reserve of approximately \$2.4 million; b) a liability of approximately \$600,000; and c) the entire issued and paid-up share capital of its wholly-owned subsidiary Ranoda (M) Sdn Bhd, comprising 2,950,000 ordinary shares provided that Ranoda (M) Sdn Bhd has no other existing businesses and assets other than the property (classified as investment properties in the Statement of financial position above.

In view of the above, the financial results of all the entities, except for the parent company Ulro Technologies Ltd and the wholly owned subsidiary Ranoda (M) Sdn Bhd, have been classified as Discontinued Operations in the Income Statement. In other words, the Continuing Operations comprises of Ulro Technologies Ltd and Ranoda (M) Sdn Bhd only. Similarly, the financial position of the Discontinued Operations is presented as “Assets” and “Liabilities” held for sale in the Statement of Financial Position. Further, the previous year (comparative period) amounts were also reclassified, in line with the current year classification.

Revenue

The revenue of the Group for the FP2011 was generated by the former subsidiary PT Anugrah Ulro Sejati (“PT AUS”) and it is included in the net operating results under Discontinued Operations.

### Other operating income

The other operating income for FP2011 mainly consisted of rental income and the miscellaneous income, attributable to the recovery of doubtful debts provided for the former subsidiary CP Solutions Pte Ltd ("CPS") which is under liquidation. The other operating income increased by 73% to S\$7.3 million in FP2011 compared to S\$4.2 million in FP2010 mainly due to higher rental income amounting to S\$1.1 million and the miscellaneous income amounting to S\$1.9 million.

### Operating expenses

The operating expenses consisted of administrative expenses, other items and finance expenses. There was no significant change in the operating expenses on overall basis in FP2011 compared to FP2010.

Administrative expenses mainly consisted of building lease related expenses and provision for doubtful debts amounting to S\$5.5 million and S\$0.8 million respectively, among other expenses, in FP2011. The administrative expenses decreased by 5.5% to S\$8.5 million due to lower salary expenses and overheads in FP2011 compared to S\$8.9 million in FP2010.

The other items increased to S\$1.3 million in FP2011 compared to S\$0.6 million in FP2010, mainly attributable to the higher exchange loss and the loss on disposal of former subsidiary PT AUS.

### Discontinued Operations

The net loss of discontinued operations, amounting to S\$3 million, includes a charge-off of translation reserve to profit or loss, attributable to the disposed businesses amounting to S\$4.7 million. Barring this charge-off, the discontinued operations would have reported a net profit of S\$1.6 million in FP2011 (mainly from the subsidiaries PT AUS attributable to the operating income and Ranoda Singapore Pte Ltd attributable to the write-back of payables) compared to the net loss of S\$ 2.8 million in FP2010.

### Total Loss

The Group reported a total loss of S\$5.7 million for the FP2011 mainly due to a) charge-off of translation reserve to profit or loss of S\$4.7 million; and b) provision for doubtful debts of S\$0.8 million. The total loss decreased to S\$5.7 million in FP2011 compared to S\$7.8 million in FP2010.

### Other Comprehensive Income

The translation reserve attributable to the disposed businesses, amounting to S\$ 4.7 million, has been charged off to the profit or loss and it is included in the loss from discontinued operations.

## **Balance Sheet**

The net assets of the Group reduced by 17.7% to S\$8 million as at 31 December 2011 compared to S\$9.7 million as at 30 June 2010, mainly attributable to, amongst others, a) other

receivables reduced by S\$2.1 million mainly due to the proceeds received from the former subsidiary PT AUS towards repayment of working capital loan; and b) the liabilities of the disposal group reduced by S\$1 million mainly due to the write-back of payables.

## **Cashflow**

The Group's cash and cash equivalent stood at S\$2.5 million as at 31 December 2011.

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

No forecast or prospect statement has been previously disclosed.

**10. A commentary at the date of 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 Company has been put on SGX-ST's Watch-List on 3 December 2009.

In its effort to turnaround its business such that it may apply to be removed from the SGX-ST's Watch-List, the Company has been actively pursuing various business opportunities, including venturing into the new core business relating to minerals and resource based products. Unfortunately, given the challenges and difficulties faced by the Company in the minerals and resource industry, the Company was of the view that more time would be required for it to achieve profitability, which is a requirement that the Company is required to fulfil before it may apply to be removed from the SGX-ST's Watch-List.

As such, the Board of Directors decided to undertake the proposed acquisition of the entire issued and paid-up share capital of Ley Choon Constructions and Engineering Pte Ltd ("LCCE") ("Proposed RTO") such that the Company may then apply to be removed from the SGX-ST's Watch-List and continue to maintain its listing status.

The Company believes that the Proposed RTO is in the best interests of the Shareholders as it provides the Company with an opportunity to acquire an entity with a credible operating track record in the businesses of Underground Utilities Infrastructure (as defined in the Company's announcement dated 26 December 2011) construction and maintenance, sewer pipeline rehabilitation as well as road and airfield construction and maintenance.

LCCE and its subsidiaries ("LC Group") is a one-stop Underground Utilities Infrastructure construction and maintenance service provider and it provides its customers with the full-range of construction, commission and maintenance services. In addition, it is also engaged in the businesses of production of asphalt pre-mixes and construction waste recycling, which complement its other business activities. The LC Group's asphalt plant produces asphalt pre-mixes, which is an essential raw material required for the construction and maintenance of roads and airfield as well as road resurfacing. The LC Group's construction waste recycling plant also allows it to recycle the construction waste generated from its other business activities. The concrete aggregates are then transported back to the site for re-use.

The new businesses acquired by the Company under the Proposed RTO is expected to meet the criteria for admission to SGX-ST's Mainboard set out in Rule 210(2)(a) and Rule 210(2)(b) of the Listing Manual.

In view of the above, the Board of Directors are of the view that the Proposed RTO will support the Company's application to be removed from the SGX-ST's Watch-List, which would then allow the Company to preserve its listing status on the SGX-ST's Mainboard.

As stated in the Company's announcement dated 16 February 2012, the Company has on 16 February 2012 received a notification from the SGX-ST that it has no objections to the Company's request to extend the deadline for it to submit its application to exit the SGX-ST's Watch List to 31 August 2012 for the purpose of allowing the Company to have sufficient time to complete the Proposed RTO.

Pursuant to Rule 1014 of the SGX-ST Listing Manual, the Company will be holding an Extraordinary General Meeting to seek the Shareholders' approval for, inter alia, the Proposed Acquisition. A circular containing information required pursuant to the applicable listing rules will also be despatched to the Shareholders in due course.

Shareholders and investors of the Company are advised to exercise caution when dealing in the Shares and to refrain from taking any action in relation to their Shares which may be prejudicial to their interests. Persons, who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser.

Shareholders should however note that there can be no assurance that SGX-ST will remove the Company's name from the SGX-ST's Watch-List as a result of the Proposed RTO.

The Company will keep the shareholders apprised of any major developments as and when it is appropriate.

**11. Dividends**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

None

**(b) (i) Amount per share: Nil**

**(ii) Previous corresponding period: Nil**

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of the shareholders, this must be stated).**

Not applicable

**(d) The date the dividend is payable**

Not applicable

- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

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

No dividend has been declared or recommended.

- 13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

No mandate has been obtained from shareholders for IPT.

- 14. Negative confirmation pursuant to Rule 705(5)**

Not required for full year result announcement.

**Part II Additional Information Required for Full Year Announcement**

- 15. 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 segment**

<u>Year ended Dec 2011</u>	<b>Others</b>	<b>Discontinued operations</b>	<b>Elimination</b>	<b>Group</b>
S\$'000				
Segment revenue	-	7,527		7,527
Segment result	(2,505)	(3,047)		(5,552)
Financial expenses				(57)
Loss from associates				-
Loss before tax				(5,609)
Tax				(64)
Loss after tax before minority interest				(5,673)
Minority Interest				(233)
Loss for the financial year				(5,906)
Capital expenditure				43
Depreciation and Amortization				(30)
Impairment				103
Other non-cash expenses/(income)				5,681

<u>At 31 Dec 2011</u>			
Segment assets	9,342	252	9,594
Unallocated assets			-
Total assets			<u>9,594</u>
Segment liabilities	1,538	41	1,579
Unallocated liabilities			-
Total liabilities			<u>1,579</u>

<u>Year ended Dec 2010</u>	<b>Others</b>	<b>Discontinued operations</b>	<b>Elimination</b>	<b>Group</b>
S\$'000				
Segment revenue	-	6,536	-	6,536
Segment result	(5,121)	(3,099)	-	(8,220)
Financial expenses				(51)
Profit from associates				244
Loss before tax				(8,027)
Tax				190
Loss after tax before minority interest				(7,837)
Minority interest				26
Loss for the financial year				<u>(7,811)</u>
Capital expenditure	77	337	-	414
Depreciation and Amortization	(23)	341	(130)	188
Impairment	-	46	-	46
Other non-cash expenses/(income)	2,654	2,468	(5,326)	(204)
<u>At 30 Jun 2010</u>				
Segment assets	12,754	2,324	(2,360)	12,718
Unallocated assets				-
Total assets				<u>12,718</u>
Segment liabilities	3,668	7,763	(8,453)	2,978
Unallocated liabilities				-
Total liabilities				<u>2,978</u>

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments**

The revenue of the Group for the FP2011 was generated by the former subsidiary PT Anugrah Ulro Sejati ("PT AUS"), which was incorporated and disposed off in the same financial period.

**17. A breakdown of sales as follows:**

	Latest financial year \$'000 Group	Previous financial year S\$'000 Group	% increase/ (decrease) Group
(a) Sales reported in the first half year *	1,843	2,548	(27.7%)
(b) Operating loss after tax before deducting minority interests for first half year	(1,287)	(2,058)	(37.5%)
(c) Sales reported in the second half year *	5,218	2,145	143.3%
(d) Operating profit/(loss) after tax before deducting minority interests for second half year	2,604	(4,492)	158.0%
(e) Sales reported in the third half year *	467	1,843	(74.7%)
(f) Operating loss after tax before deducting minority interest for third half year	(6,990)	(1,287)	443.1%

\* - Sales were disclosed as part of discontinued operations

Note: The sales amounts mentioned above are reported under discontinued operations, classified as one line item loss from discontinued operations.

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

No dividend was declared and paid during the latest full year or the previous full year.

**19. Disclosure of the 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) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lim Siew Lay	62	Sister	Senior Manager (HR & Admn)	NA

**BY ORDER OF THE BOARD**

Lim Ee Chuan  
Chief Executive Officer and Executive Director

28 February 2012