



MIDDLE EAST DEVELOPMENT SINGAPORE LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No: 196600189D)

Unaudited Financial Statements and Dividend
Announcement for the Fourth Quarter and
Financial Year Ended 30 June 2009

24 August 2009

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Fourth Quarter and Full Year 2009 Financial Statements And Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

UNAUDITED RESULTS FOR THE 4th QUARTER (“4Q2009”) AND FINANCIAL YEAR ENDED 30 JUNE 2009 (“FY2009”)

(Figures for FY2008 have been restated to account for reclassification of certain items to conform with the current year’s presentation).

	Note	3 Months Ended		+ / (-) %	12 Months Ended		+ / (-) %
		30.06.09 S\$	30.06.08 S\$		30.06.09 S\$	30.06.08 S\$	
Continuing Operations							
Revenue		3,096,590	2,619,922	18.19	11,379,493	11,189,119	1.70
Cost of Sales		(1,921,057)	(1,866,009)	2.95	(7,691,624)	(7,819,695)	-1.64
Gross Profit		1,175,533	753,913	55.92	3,687,869	3,369,424	9.45
Other Operating Income	(i)	96,293	86,807	10.93	654,692	283,320	131.08
Distribution Costs		(232,756)	(506,099)	-54.01	(1,268,229)	(1,575,456)	-19.50
Administrative Expenses		(1,191,516)	(1,625,322)	-26.69	(4,685,778)	(5,063,904)	-7.47
Other Operating Expenses	(ii)	(62,801)	(1,246,307)	-94.96	(683,877)	(1,748,688)	-60.89
Finance Cost		(10,277)	(6,712)	53.11	(51,962)	(36,786)	41.25
Loss before Income Tax	(iii)	(225,524)	(2,543,720)	-91.13	(2,347,285)	(4,772,090)	-50.81
Income Tax Expense		(238,696)	(282,722)	-15.57	(277,857)	(378,509)	-26.59
Loss for the Period/Year		(464,220)	(2,826,442)	-83.58	(2,625,142)	(5,150,599)	-49.03

Notes:

1(a)(i) Other operating income includes the following:

	3 Months Ended		12 Months Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
	S\$	S\$	S\$	S\$
Allowances for doubtful debts written back	17,331	20,217	112,836	20,217
Bad debts recovered	--	--	--	8,172
Dividend income from held-for-trading investment	--	2,265	--	5,765
Gain on disposal of property, plant and equipment	--	8,914	53,000	15,665
Government grants/subsidies	456	--	456	2,497
Interest income	17,795	29,909	62,295	185,739
Provision for impairment loss on project management written back	--	--	290,541	--
Payments Under Jobs Credit Scheme	34,514	--	65,150	--
Sundry income	26,197	25,502	70,414	45,265
	96,293	86,807	654,692	283,320

1(a)(ii) Other operating expenses includes the following:

	3 Months Ended		12 Months Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
	S\$	S\$	S\$	S\$
Allowances for doubtful debts	100,380	340,776	167,133	397,421
Allowance for stock obsolescence	5,696	--	5,696	--
Bad debts written off - trade receivables	32,340	--	44,047	950
Foreign exchange transaction loss/(gain)	11,395	(12,274)	28,046	5,453
Impairment loss on available-for-sale investment	--	--	89,662	--
Impairment loss on goodwill	--	--	--	52,175
Impairment (gain)/loss on held-for-trading investment	(90,467)	(236,502)	327,978	58,397
Inventory written off	3,457	1,545	7,492	1,545
Loss on disposal of held-for-trading investment	--	224,827	--	304,241
Property, plant and equipment written off	--	--	13,823	571
Provision for impairment loss on project management	--	927,935	--	927,935
	62,801	1,246,307	683,877	1,748,688

1(a)(iii) Loss before income tax is arrived at after charging the following:

	3 Months Ended		12 Months Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
	S\$	S\$	S\$	S\$
Amortisation of intangible assets	4,894	--	4,894	--
Depreciation of property, plant and equipment	51,485	59,468	204,063	296,660

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.

	Group		Company	
	As At 30.06.09	As At 30.06.08	As At 30.06.09	As At 30.06.08
	S\$	S\$	S\$	S\$
ASSETS				
Current assets:				
Cash and cash equivalents	10,067,665	9,294,250	8,195,570	7,469,982
Trade and other receivables	6,832,368	6,679,405	2,735,785	3,256,373
Held-for-trading investment	166,022	494,000	--	--
Amount due from contract customers	222,680	373,575	--	--
Inventories	836,367	936,635	--	--
Total current assets	18,125,102	17,777,865	10,931,355	10,726,355
Non-current assets:				
Property, plant and equipment	814,765	781,031	75,560	96,514
Investment in subsidiaries	--	--	3,031,819	3,021,819
Investment in an associate	--	--	--	--
Intangible assets	53,827	--	--	--
Available-for-sale investment	--	--	--	--
Deferred tax asset	21,855	11,300	--	--
Total non-current assets	890,447	792,331	3,107,379	3,118,333
Total assets	19,015,549	18,570,196	14,038,734	13,844,688
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts and loans	562,813	315,862	--	--
Trade and other payables	3,611,212	4,561,489	1,105,120	1,822,171
Amount due to contract customers	86,370	60,053	--	--
Current portion of finance leases	34,836	68,321	--	39,216
Income tax payable	127,069	211,688	36,257	93,778
Total current liabilities	4,422,300	5,217,413	1,141,377	1,955,165
Non-current liabilities:				
Finance leases	125,625	92,314	--	32,556
Deferred tax liabilities	472	1,176	--	--
Total non-current liabilities	126,097	93,490	--	32,556
Capital and reserves:				
Share capital	22,054,845	18,325,460	22,054,845	18,325,460
Statutory reserve	346,410	346,410	--	--
Share option reserves	4,179	4,179	4,179	4,179
Foreign currency translation reserves	(577,570)	(681,186)	--	--
Accumulated losses	(7,360,712)	(4,735,570)	(9,161,667)	(6,472,672)
Total equity	14,467,152	13,259,293	12,897,357	11,856,967
Total liabilities and equity	19,015,549	18,570,196	14,038,734	13,844,688

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, please specify the following at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 30.06.09 S\$		As at 30.06.08 S\$	
Secured	Unsecured	Secured	Unsecured
597,649	--	384,183	--

Amount repayable after one year

As at 30.06.09 S\$		As at 30.06.08 S\$	
Secured	Unsecured	Secured	Unsecured
125,625	--	92,314	--

Details of any collaterals

The Group's secured borrowings comprise bank overdrafts and finance leases.

The bank overdrafts are secured on:

- (i) fixed deposits pledged; and
- (ii) corporate guarantees of the Company.

The finance leases are secured on the plant and equipment under finance lease. The net book value of these plant and equipment as at 30.06.09 is S\$179,116 (30.06.08: S\$101,938).

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		Group	
	For 3 Months Ended		For 12 Months Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
	S\$	S\$	S\$	S\$
Cash flows from operating activities:				
Loss before income tax	(225,524)	(2,543,720)	(2,347,285)	(4,772,090)
Adjustments for:				
Amortisation of intangible assets	4,894	--	4,894	--
Allowances for doubtful debts written back	(17,331)	(20,217)	(112,836)	(20,217)
Allowances for doubtful debts	100,380	340,776	167,133	397,421
Allowances for stock obsolescence	5,696	--	5,696	--
Bad debts written off	32,340	--	44,047	950
Depreciation of property, plant and equipment	51,485	59,468	204,063	296,660
Dividend income from held-for-trading investment	--	(2,265)	--	(5,765)
Property, plant and equipment written off	--	--	13,823	571
Gain on disposal of property, plant and equipment	--	(8,914)	(53,000)	(15,665)
Loss on disposal of held-for-trading investment	--	224,827	--	304,241
Impairment (gain)/loss on held-for-trading investment	(90,467)	(236,502)	327,978	58,397
Impairment loss on goodwill	--	--	--	52,175
Interest expense	10,277	6,712	51,962	36,786
Interest income	(17,795)	(29,909)	(62,295)	(185,739)
Inventory written off	3,457	1,545	7,492	1,545
Provision for impairment loss on project management	--	927,935	--	927,935
Provision for impairment loss on project management written back	--	--	(290,541)	--
Provision for warranties	18,942	31,428	109,825	128,254
Provision for reinstatement cost	30,000	--	30,000	--
Operating loss before working capital changes	(93,646)	(1,248,836)	(1,899,044)	(2,794,541)
Trade and other receivables	134,133	644,589	(484,996)	1,033,323
Amount due from/to contract customers	(60,490)	(492,733)	177,213	(848,108)
Inventories	61,861	(50,013)	87,081	(6,785)
Trade and other payables	(83,326)	675,027	(810,761)	(68,025)
Cash used in operations	(41,468)	(471,966)	(2,930,507)	(2,684,136)
Interest paid	(10,277)	(6,712)	(51,962)	(36,786)
Income tax paid	(50,598)	(374,869)	(140,111)	(397,500)
Net cash used in operating activities	(102,343)	(853,547)	(3,122,580)	(3,118,422)
Cash flows from investing activities:				
Dividend income from held-for-trading investment	--	2,265	--	5,765
Interest received	17,795	29,909	62,295	185,739
Proceeds from disposal of held-for-trading investment	--	963,302	--	6,833,935
Proceeds from disposal of property, plant and equipment	--	9,011	53,927	17,008
Purchase of held-for-trading investment	--	(966,127)	--	(7,690,573)
Purchase of property, plant and equipment (Note 1)	(44,585)	(8,236)	(106,633)	(34,981)
Purchase of intangible assets	(58,721)	--	(58,721)	--
Acquisition of additional interest in a subsidiary	--	--	--	(52,175)
Net cash (used in)/from investing activities	(85,511)	30,124	(49,132)	(735,282)
Cash flows from financing activities:				
Net proceeds from issue of shares	--	--	3,729,385	24,000
Net repayments from finance leases	(10,894)	(17,092)	(110,174)	(83,920)
Restricted cash	209,433	(407,232)	318,814	(400,305)
Short term borrowings	--	(71,925)	--	(164,388)
Net cash from/(used in) financing activities	198,539	(496,249)	3,938,025	(624,613)
Net effect of exchange rate changes in consolidating subsidiaries	(120,964)	(43,372)	78,965	(139,805)
Net (decrease)/increase in cash and cash equivalents	(110,279)	(1,363,044)	845,278	(4,618,122)
Cash and cash equivalents at beginning of period/year	8,876,848	9,284,335	7,921,291	12,539,413
Cash and cash equivalents at end of period/year	8,766,569	7,921,291	8,766,569	7,921,291

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

	Group		Group	
	For 3 Months Ended		For 12 Months Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
	S\$	S\$	S\$	S\$
Cash at end of period/year includes the following:				
Cash and cash equivalents	10,067,665	9,294,250	10,067,665	9,294,250
Bank overdrafts	(562,813)	(315,862)	(562,813)	(315,862)
	9,504,852	8,978,388	9,504,852	8,978,388
Restricted cash (Note 2)	(738,283)	(1,057,097)	(738,283)	(1,057,097)
Cash and cash equivalents at end of period/year	8,766,569	7,921,291	8,766,569	7,921,291

Notes:

(1) Property, plant and equipment

For 4Q2009, the Group acquired mainly plant and equipment by cash with an aggregate cost of S\$44,585 (4Q2008: S\$8,236).

During FY2009, the Group acquired mainly plant and equipment with an aggregate cost of S\$216,633 (FY2008: S\$104,481), of which S\$110,000 (FY2008: S\$69,500) was acquired by means of finance leases and S\$106,633 (FY2008: S\$34,981) was paid in cash.

(2) Restricted cash

Restricted cash pertains to fixed deposits of certain subsidiaries which have been pledged with banks as securities for banking facilities granted.

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

GROUP	Share Capital	Statutory Reserve	Share Option Reserves	Foreign Currency Translation Reserves	Retained Earnings/ (Accumulated Losses)	Total
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 30.06.07	18,296,125	326,231	9,514	(521,160)	435,208	18,545,918
Exchange differences on translating foreign operations, representing net expense recognised directly in equity	--	--	--	(160,026)	--	(160,026)
Net loss for the year	--	--	--	--	(5,150,599)	(5,150,599)
Total recognised expense for the year	--	--	--	(160,026)	(5,150,599)	(5,310,625)
Transfer to statutory reserve	--	20,179	--	--	(20,179)	--
Exercise of share options	24,000	--	--	--	--	24,000
Transfer to share capital upon exercise of share options	5,335	--	(5,335)	--	--	--
Balance at 30.06.08	18,325,460	346,410	4,179	(681,186)	(4,735,570)	13,259,293
Balance at 30.06.08	18,325,460	346,410	4,179	(681,186)	(4,735,570)	13,259,293
Exchange differences on translating foreign operations, representing net income recognised directly in equity	--	--	--	103,616	--	103,616
Net loss for the year	--	--	--	--	(2,625,142)	(2,625,142)
Total recognised income and expense for the year	--	--	--	103,616	(2,625,142)	(2,521,526)
Issuance of shares	3,975,000	--	--	--	--	3,975,000
Share issue expenses	(245,615)	--	--	--	--	(245,615)
Balance at 30.06.09	22,054,845	346,410	4,179	(577,570)	(7,360,712)	14,467,152

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

COMPANY	Share Capital	Share Option Reserves	Accumulated Losses	Total
	S\$	S\$	S\$	S\$
Balance at 30.06.07	18,296,125	9,514	(2,449,428)	15,856,211
Net loss for the year	--	--	(4,023,244)	(4,023,244)
Exercise of share options	24,000	--	--	24,000
Transfer to share capital upon exercise of share options	5,335	(5,335)	--	--
Balance at 30.06.08	18,325,460	4,179	(6,472,672)	11,856,967
Balance at 30.06.08	18,325,460	4,179	(6,472,672)	11,856,967
Net loss for the year	--	--	(2,688,995)	(2,688,995)
Issuance of shares	3,975,000	--	--	3,975,000
Share issue expenses	(245,615)	--	--	(245,615)
Balance at 30.06.09	22,054,845	4,179	(9,161,667)	12,897,357

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

In January 2009, pursuant to a placement agreement signed with UOB Kay Hian Private Limited, 79,500,000 new shares of the Company were issued at S\$0.05 per share.

The number of ordinary shares that may be issued upon exercise of all outstanding share options under the Hitchins Employees' Share Option Scheme as at 30 June 2009 was 235,000 (as at 30 June 2008: 235,000). As at 30 June 2009, there were no other outstanding convertibles (as at 30 June 2008: Nil)

In December 2006, the Company granted a call option to M.E. Development L.L.C., to subscribe for 120,000,000 ordinary shares at S\$0.05 per share, exercisable within 2 years after January 2007. In FY2009, no shares were subscribed for pursuant to such option and as at 30 June 2009, this option had lapsed (as at 30 June 2008: remaining option to subscribe for 100,000,000 ordinary shares at S\$0.05 per share).

As at 30 June 2009 and 30 June 2008 respectively, there were no treasury shares held.

- 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.**

The total number of issued shares excluding treasury shares, as at 30 June 2009, was 477,477,500 (as at 30 June 2008: 397,977,500).

- 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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.**

The figures have not been audited nor reviewed by our auditors.

- 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 same accounting policies and methods of computation as in the FY2008 audited annual financial statements have been applied for the current reporting period. There

are no new or amended FRS and Interpretations to FRS (INT FRS) that are mandatory for application for the Group for FY2009.

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

None.

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.

	3 Months Ended		12 Months Ended	
	30.06.09	30.06.08	30.06.09	30.06.08
(i) Based on weighted average number of ordinary shares in issue	(0.11) cents	(0.71) cents	(0.60) cents	(1.29) cents
(ii) On a fully diluted basis	(0.11) cents	(0.71) cents	(0.60) cents	(1.29) cents

Basic earnings per share ("EPS") is computed based on the weighted average number of shares in issue during the financial year. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

Options that have a dilutive effect, were not included in the calculation of diluted EPS. As at 30 June 2009, these included outstanding share options, under the Hitchins Employees' Share Option Scheme of 235,000, with an exercise price of S\$0.08 per share. As at 30 June 2008, options that have a dilutive effect included the following:

- i) Outstanding share options, under the Hitchins Employees' Share Option Scheme, of 235,000, with an exercise price of S\$0.08 per share; and
- ii) Call option granted to M.E. Development L.L.C., to subscribe for 100,000,000 ordinary shares of S\$0.05 per share. At as 30 June 2009, this option has lapsed.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group	Company
As at 30.06.09	3.03 cents	2.70 cents
As at 30.06.08	3.33 cents	2.98 cents

Net asset value per share is calculated based on the existing number of shares in issue (excluding treasury shares) of 477,477,500 as at 30 June 2009 (30.06.08: 397,977,500) and net asset value of S\$14,467,152 as at 30 June 2009 (30.06.08: S\$13,259,293).

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 affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Income Statement

Revenue

The Group's waterproofing division remained the key driver for the Group's revenue. With the termination of project and construction management contracts, there was no revenue contribution from the Group's project management division.

4Q2009 vs 4Q2008

The Group reported revenue of S\$3.10 million for 4Q2009, as compared to S\$2.62 million for the corresponding quarter of FY2008, an increase of 18.19%.

The growth in the Group's revenue was mainly driven by an increase in business activities as well as higher revenue recognition from progressive completion of its projects undertaken during the financial period under review.

Revenue from our marketing activities contributed to 46% (4Q2008: 48%) of the total revenue while our contracting arm generated 54% (4Q2008: 52%) of the total revenue.

FY2009 vs FY2008

The Group's revenue for FY2009 amounted to S\$11.38 million, as compared to S\$11.19 million for FY2008.

Revenue from our marketing activities represented 43% of the Group's revenue, while the remaining 57% came from our contracting arm in FY2009 as compared to 44% from marketing activities and 56% from contracting activities in FY2008.

The Group predominantly operates in Singapore, Malaysia and China. Revenue from Singapore's operations represented 50% of FY2009 revenue, as compared to 62% of FY2008 revenue. Malaysia's operations generated 24% of FY2009 revenue (FY2008: 16%). Our Malaysia operations were able to secure and complete more projects in FY2009. China's operations also performed better in FY2009 with contribution of 10.6% towards FY2009 revenue (FY2008: 7.6%).

Gross Profit

4Q2009 vs 4Q2008

FY2009 vs FY2008

The Group's gross profit for 4Q2009 grew 55.92% to S\$1.18 million from S\$0.75 million for the corresponding quarter of FY2008. The improved margin was mainly due to better product mix as well as better utilisation of our manufacturing facility in Shanghai.

For FY2009, the Group's gross profit was S\$3.69 million, as compared to S\$3.37 million for FY2008.

Other Operating Income

The Group's Other Operating Income consists mainly of gain on disposal of property, plant and equipment, government subsidies and write back of allowances and provision.

4Q2009 vs 4Q2008

The Group's Other Operating Income for 4Q2009 was S\$96,293, as compared to S\$86,807 in the corresponding quarter of FY2008.

Lower interest income was earned as interest rates fell in 4Q2009, as compared to those prevailing for the corresponding quarter of FY2008.

Due to amounts recovered from trade debtors, the Group has written back allowances for doubtful debts of S\$17,331.

We received the second payment of the cash grants of S\$34,514 under the Jobs Credit Scheme, which is part of the Resilience Package as announced in the 2009 Budget by the Singapore Government.

FY2009 vs FY2008

For FY2009, the Group's Other Operating Income was S\$0.65 million, as compared to S\$0.28 million in FY2008.

The increase was due largely to the write back of provision of S\$0.29 million. This provision was previously made for impairment loss on project management. After reviewing our cost incurred-to-date, this provision was deemed to be unnecessary.

The increase was also due to the write back of allowances of S\$0.11 million as we had recovered money from trade debtors.

Cash grants received from the Singapore Government amounted to S\$65,150 and gain on disposal of property, plant and equipment of S\$53,000 was recognised, contributing to the higher Other Operating Income reported for FY2009.

Lower interest rates in FY2009 accounted for the decrease in interest income earned of S\$62,295 (FY2008: S\$185,739). Interest rates in FY2009 ranged from 0.15% per annum to 1.78% per annum, as compared to a range of 0.63% per annum to 2.36% per annum in FY2008.

Distribution Costs

4Q2009 vs 4Q2008

FY2009 vs FY2008

The Distribution Costs for 4Q2009 amounted to S\$0.23 million, as compared to S\$0.51 million for the corresponding quarter of FY2008.

The Group's Distribution Costs for FY2009 amounted to S\$1.27 million, as compared to S\$1.58 million in FY2008.

Lower staff cost resulted from resignations with no replacements and accounted mainly for the decrease in Distribution Costs incurred in FY2009.

Administrative Expenses

4Q2009 vs 4Q2008

FY2009 vs FY2008

For 4Q2009, the Group's Administrative Expenses amounted to S\$1.20 million, as compared to S\$1.63 million for the corresponding quarter of FY2008.

The Group's Administrative Expenses decreased by 7.47% to S\$4.69 million in FY2009, from S\$5.06 million in FY2008.

The Group's corporate office is in its second year of operations. Stabilisation of staff force experienced in the corporate office has resulted in lower salary cost incurred for FY2009. In April 2009, we shifted our corporate office. This shift resulted in monthly savings in rental of approximately S\$14,000 but the full impact of such savings will only be felt in FY2010.

The decrease in Administrative Expenses was also due to lower legal and professional fees incurred in FY2009, as compared to in FY2008. In FY2008, the Company conducted certain corporate exercises such as the Share Award Plan, amendments to its Memorandum and Articles of Association, change of auditors and restructuring of the Group. These corporate exercises increased the legal and professional fees incurred in FY2008.

Other Operating Expenses

4Q2009 vs 4Q2008

FY2009 vs FY2008

For 4Q2009, the Group's Other Operating Expenses amounted to S\$62,801, as compared to S\$1.25 million for the corresponding quarter of FY2008.

For FY2009, the Group's Other Operating Expenses amounted to S\$0.68 million, as compared to S\$1.75 million for FY2008.

The decrease was largely due to the provision for impairment loss on project management of S\$0.93 million in FY2008 as well as a loss incurred of S\$0.30 million upon disposal of held-for-trading investment.

However, weaker stock market sentiments in FY2009 resulted in the recording of an impairment loss on held-for-trading investment of S\$0.33 million, as compared to a loss of S\$58,397 in FY2008. The Group also recorded an impairment loss of S\$89,662 in FY2009, for its available-for-sale investment.

The shift in the Group's corporate office during FY2009 resulted in a write off of cost of fixtures of S\$13,823.

Allowances for doubtful debts decreased to S\$0.17 million in FY2009, as compared to S\$0.40 million in FY2008. A one-time allowance for doubtful debts of S\$0.25 million, in respect of project management services, was recognised in FY2008.

Finance Cost

4Q2009 vs 4Q2008

FY2009 vs FY2008

For 4Q2009, the Group's Finance Cost amounted to S\$10,277, as compared to S\$6,712 for the corresponding quarter of FY2008.

In FY2009, the Group's Finance Cost amounted to S\$51,962, as compared to S\$36,786 in FY2008.

The effects of the global credit crunch resulted in higher usage of our banking facilities. Early redemption of a hire purchase agreement also accounted for the increase in Finance Cost.

Depreciation and Amortisation

4Q2009 vs 4Q2008

FY2009 vs FY2008

The Group recorded an expense for Depreciation and Amortisation of S\$56,379 for in 4Q2009, as compared to S\$59,468 for the corresponding quarter of FY2008.

Total Depreciation and Amortisation expense for FY2009 amounted to S\$0.21 million, as compared to S\$0.30 million for FY2008. The lower expense was due to fixed assets that had been fully depreciated. During FY2009, to enhance our management information system, we implemented an ERP system. This resulted in an amortisation expense of S\$4,894 for FY2009.

Income Tax Expense

4Q2009 vs 4Q2008

FY2009 vs FY2008

For the 4Q2009, the Group recorded an amount of S\$238,696 for Income Tax Expense, as compared to S\$282,722 for the corresponding quarter of FY2008.

For FY2009, the Group's Income Tax Expense amounted to S\$277,857 as compared to S\$378,509 for FY2008.

Additional tax assessments raised by IRAS accounted for the tax expense recorded.

Loss for the Period/Year

4Q2009 vs 4Q2008

FY2009 vs FY2008

After taking into consideration the above factors, the Group's Loss was S\$0.46 million in 4Q2009, as compared to S\$2.83 million for the corresponding quarter of FY2008. Loss per share was reduced to 0.11 cents for 4Q2009, from 0.71 cents for the corresponding quarter of FY2008.

Loss for FY2009 decreased to S\$2.63 million, as compared to S\$5.15 million for FY2008. Loss per share was 0.60 cents in FY2009, as compared to loss per share of 1.29 cents in FY2008. Waterproofing division's loss for FY2009 amounted to S\$92,218, as compared to S\$523,868 for FY2008, while project management division's loss for FY2009 amounted to S\$230,824 (FY2008: S\$1,682,980). Loss attributable to corporate

expenses amounted to S\$2.03 million for FY2009, as compared to S\$2.74 million for FY2008.

Balance Sheet

Total assets

As at 30.06.09, the Group's Total Assets amounted to S\$19.02 million (30.06.08: S\$18.57 million). The increase was due mainly to increase in Bank Balances of S\$0.77 million, increase in trade and other receivables of S\$0.15 million, offset by a decrease in Held-for-Trading Investment of S\$0.33 million and inventories of S\$0.10 million.

As at 30.06.09, the Group's Bank Balances stood at S\$10.07 million (30.06.08: S\$9.29 million). In January 2009, we did a placement of new shares which resulted in an inflow of funds of S\$3.73 million. For FY2009, the Group used S\$2.96 million in its operations.

The increase in the trade and other receivables balances was mainly due to the increase in business activity from the contracting arm.

The decrease in the held-for-trading investment was due to the impairment loss made for held-for-trading investment of S\$0.33, due to weaker stock market sentiments.

Total liabilities

As at 30.06.09, the Group's Total Liabilities was S\$4.55 million, as compared to S\$5.31 million as at 30.06.08. Reduced balance of trade and other payables (30.06.09: S\$3.61 million; 30.06.08: S\$4.56 million) largely accounted for the decrease in Total Liabilities. The decrease in the trade and other payables was mainly due to partial payment of a long outstanding payable. Payment of income tax also accounted for the decrease in the Group's Total Liabilities.

Total Equity

Share Capital increased to S\$22.05 million as at 30.06.09, from S\$18.32 million as at 30.06.08. The increase was due to the placement of 79.50 million new shares at S\$0.05 per share in January 2009. Net proceeds from the said placement amounted to S\$3.73 million.

The Group's Total Equity, after taking into account the loss for FY2009, amounted to S\$14.47 million as at 30.06.09 (30.06.08 : S\$13.26 million).

Cash Flow Statement

4th Quarter FY09 vs 4th Quarter FY08

Full Year FY09 vs Full Year of FY08

For 4Q2009, lower loss recognised resulted in lesser cash being used in operation of S\$0.10 million as compared to S\$0.85 million reported in 4Q2008.

For FY2009, in running operations, the Group used S\$2.93 million, as compared to S\$2.68 million for FY2008. The increase was due mainly to working capital requirements amounting to S\$1.03 million, as compared to S\$0.11 million generated from operations during FY2008.

For FY2009, the Group did not carry out any trading activities for held-for-trading investment, whilst for FY2008, the Group invested in held-for-trading investment of S\$7.70 million.

For FY2009, the placement of 79.50 million new shares in January 2009, with net proceeds of S\$3.73 million, accounted mainly for the cash obtained from financing activities.

Other Matters

In June 2009, the Company, through its wholly owned subsidiary, MEDS Investment Pte. Ltd., signed a Sale and Purchase Agreement to acquire 100% interest in Win King Investments Limited, a company incorporated in Hong Kong, for a cash consideration of HK\$1.00. It has not carried out any business or operations since its incorporation other than holding a wholly-owned subsidiary in China (the “WFOE”). The objective of the acquisition is that the Company intends to use the WFOE to further develop our existing waterproofing business and explore new business opportunities in China. The transaction was completed on 13 July 2009. The Company will make the necessary announcements on new business opportunities as and when appropriate.

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 to shareholders.

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

Although there have been signs of stabilisation in the global economy, the pace of recovery is still uncertain.

Notwithstanding an outstanding order book of S\$9 million, the Group’s waterproofing division continues to operate under challenging environment.

As announced on 24 July 2009, the Company entered into a conditional subscription agreement with Germir Group Limited, one of its current substantial shareholders. The subscription agreement will provide the Company with fresh working capital and a stronger equity base. In addition, Germir Group Limited, whose shareholder, Wang Yuzhu, is experienced in the construction-related industry, will assist the Company in accessing more business opportunities in the construction and resources sector. The subscription agreement is subject to approval from the relevant authorities as well as from the Company’s shareholders. For further details on the subscription, please refer to the Company’s announcement released on 24 July 2009. The Company will make the necessary announcements when appropriate.

Going forward, the Group will continue to exercise and entrench prudent cost discipline in its operations while seeking new business opportunities.

11. If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**
- (b) (i) Amount per share in cents
(ii) Previous corresponding period in cents**
- (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 shareholders, this must be stated).**
- (d) The date the dividend is payable.**
- (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.**

No dividends were declared for the current financial period reported on, and the previous corresponding period.

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

No dividends have been declared or recommended.

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

(A) By Business Segments:

	Waterproofing		Project Management		Consolidated	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
REVENUE	S\$	S\$	S\$	S\$	S\$	S\$
External sales	11,379,493	11,189,119	--	--	11,379,493	11,189,119
Inter-segment sales	--	--	--	--	--	--
Total revenue	11,379,493	11,189,119	--	--	11,379,493	11,189,119
RESULTS						
Segment results from continuing operations	(92,218)	(523,868)	(230,824)	(1,682,980)	(323,042)	(2,206,848)
Unallocated corporate expense					(2,034,576)	(2,714,195)
Interest expense					(51,962)	(36,786)
Interest income					62,295	185,739
Loss before income tax					(2,347,285)	(4,772,090)
Income tax expense					(277,857)	(378,509)
Net loss for the year					(2,625,142)	(5,150,599)
BALANCE SHEET						
Segment assets	10,347,623	9,978,983	18,773	2,282	10,366,396	9,981,265
Unallocated corporate assets					8,649,153	8,588,932
					19,015,549	18,570,197
Segment liabilities	3,506,905	3,348,165	37,509	363,067	3,544,414	3,711,232
Unallocated corporate liabilities					1,003,983	1,599,671
					4,548,397	5,310,903
OTHER INFORMATION						
Capital expenditure	230,998	93,933	--	--	230,998	93,933
Unallocated expenditure					55,556	10,548
					286,554	104,481
Depreciation and amortisation	158,834	257,953	--	--	158,834	257,953
Unallocated depreciation and amortisation					50,123	38,707
					208,957	296,660

(B) By Geographical Segments:

	Revenue		Assets		Capital expenditure	
	FY2009	FY2008	FY2009	FY2008	FY2009	FY2008
	S\$	S\$	S\$	S\$	S\$	S\$
Singapore	5,640,533	6,954,366	13,238,342	13,495,903	280,196	93,494
Malaysia	2,774,244	1,812,667	2,900,872	2,425,361	5,365	7,549
People's Republic of China	1,201,458	846,498	2,425,288	2,189,394	993	3,438
Indian Continent	893,276	981,359	221,789	304,999	--	--
Other Countries	869,982	594,229	229,258	154,540	--	--
	11,379,493	11,189,119	19,015,549	18,570,197	286,554	104,481

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

Please refer to paragraphs 8 and 13.

15. **A breakdown of sales**

	Group		Increase / (Decrease) %
	FY2009	FY2008	
	S\$	S\$	
Sales reported for first half year	5,637,721	5,826,412	(3.2)
Operating loss after tax and before deducting minority interests reported for the first half year	(1,572,643)	(1,513,514)	NM
Sales reported for second half year	5,741,772	5,362,707	7.1
Operating loss after tax and before deducting minority interests reported for the second half year	(1,052,499)	(3,637,085)	NM

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

Total annual dividend

Ordinary	None
Preference	None
Total	None

17. Interested Person Transactions

Interested person transactions conducted for the 12 months ended 30 June 2009 were as follows:

Name of interested person	Aggregate Value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate Value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
M.E. Development L.L.C.		
<u>Type of transactions</u>		
Project Construction	Nil	Nil
Management Services		
Total	Nil	Nil

The General Mandate which covers project construction management services with M.E. Development L.L.C., will expire at the forthcoming Annual General Meeting to be convened, the Company will not renew this General Mandate.

BY ORDER OF THE BOARD

CHEW KOK LIANG
Company Secretary

24 August 2009

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte Ltd (the "Sponsor"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited (the "Exchange"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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