



Unaudited First Half Financial Statement And Dividend Announcement For the Period Ended 31 DECEMBER 2011

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

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	GROUP 2nd Quarter			GROUP 6 Months Ended		
	FY 2012 S\$'000	FY 2011 S\$'000	Increase/ (Decrease) %	31 Dec 11 S\$'000	31 Dec 10 S\$'000	Increase/ (Decrease) %
Revenue	19,670	29,683	(33.7)	34,277	61,350	(44.1)
Cost of sales	(17,847)	(27,065)	(34.1)	(30,501)	(54,835)	(44.4)
Gross profit	1,823	2,618	(30.4)	3,776	6,515	(42.0)
Other income	1,655	8,373	(80.2)	3,659	10,834	(66.2)
Distribution and marketing expenses	(248)	(214)	15.8	(399)	(488)	(18.3)
Administrative expenses	(1,635)	(2,637)	(38.0)	(3,285)	(4,822)	(31.9)
Other operating expenses	(745)	(2,614)	(71.5)	(2,434)	(4,119)	(40.9)
Profit from operations	850	5,526	(84.6)	1,317	7,920	(83.4)
Finance costs	(156)	(242)	(35.6)	(301)	(565)	(46.7)
Profit before income tax	694	5,284	(86.9)	1,016	7,355	(86.2)
Income tax	(52)	24	n.m	(69)	(30)	129.9
Profit for the period	642	5,308	(87.9)	947	7,325	(87.1)
Profit attributable to:						
Equity holders of the Company	642	5,308		947	7,325	(87.1)
Minority Interests	-	-		-	-	
	642	5,308	(87.9)	947	7,325	(87.1)

STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	GROUP			GROUP		
	2nd Quarter		Increase/ (Decrease) %	6 Months Ended		Increase/ (Decrease) %
	FY 2012 S\$'000	FY 2011 S\$'000		31 Dec 11 S\$'000	31 Dec 10 S\$'000	
Profit for the period	642	5,308	(87.9)	947	7,325	(87.1)
Other comprehensive income:	-	-		-	-	
Total comprehensive income for the period	642	5,308	(87.9)	947	7,325	(87.1)
Total comprehensive income attributable to:						
Equity holders of the Company	642	5,308		947	7,325	
Minority Interests	-	-		-	-	
	642	5,308	(87.9)	947	7,325	(87.1)

Profit for the period is arrived at after crediting/ (charging):-

	GROUP		%
	6 Months Ended		
	31 Dec 11 S\$'000	31 Dec 10 S\$'000	Increase/ (Decrease)
Interest income	25	35	(29.2)
Depreciation of property, plant and equipment	(1,686)	(1,762)	(4.3)
Allowance for doubtful debts	(4)	-	n.m.
Bad debts written off	-	(5)	(100.0)
Finance expenses	(301)	(565)	(46.7)
Net foreign exchange loss	(314)	(100)	214.5
Gain on disposal of property, plant and equipment	1,263	6,056	(79.1)
Reversal of allowance for impairment of inventories	-	1,266	n.m.
Investment of financial assets, available for sale	-	(1,376)	n.m.

- 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.

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 Dec 11	30 Jun 11	31 Dec 11	30 Jun 11
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	16,486	30,171	4,259	11,240
Financial assets at fair value through profit or loss	49	-	-	-
Trade and other receivables	13,493	9,468	35	25
Amount owing by subsidiaries	-	-	7,673	2,613
Inventories	49,824	40,047	-	-
	79,852	79,686	11,967	13,878
Assets classified as held-for-sale	-	188	-	-
Total current assets	79,852	79,873	11,967	13,878
Non-current assets				
Goodwill	1,237	1,237	-	-
Properties, plant and equipment	33,649	29,293	1	-
Investments in subsidiaries	-	-	18,708	18,708
Investment property	9,500	9,500	-	-
Golf club membership	159	159	159	159
Financial assets, available-for-sale	-	-	-	-
Deferred income tax assets	50	50	-	-
Total non-current assets	44,595	40,239	18,868	18,867
Total assets	124,447	120,112	30,835	32,745
LIABILITIES				
Current liabilities				
Trade and other payables	11,224	10,380	787	1,645
Bank loans and bills payable	26,627	20,645	-	-
Deferred gain on sale of properties	2,074	2,074	-	-
Current income tax liabilities	300	382	8	8
Total current liabilities	40,225	33,481	796	1,653
Non-current liabilities				
Bank loans	7,565	8,703	-	-
Deferred gain on sale of properties	1,901	2,938	-	-
Deferred income tax liabilities	1,541	1,541	-	-
Total non-current liabilities	11,007	13,182	-	-
Total liabilities	51,232	46,663	796	1,653
Net assets	73,215	73,450	30,039	31,092
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	36,603	36,603	36,603	36,603
Capital reserve	-	-	-	-
Retained earnings/ (Accumulated losses)	36,612	36,847	(6,564)	(5,511)
	73,215	73,450	30,039	31,092
Minority interests	-	-	-	-
Total equity	73,215	73,450	30,039	31,092

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts securities, specify the following as 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 31 December 2011		As at 30 June 2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,277	25,350	1,472	19,173

Amount repayable after one year

As at 31 December 2011		As at 30 June 2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,525	2,040	4,290	4,413

Details of any collateral:

Property loans of S\$6.8 million is secured by mortgages over the properties and investment property of the Company's subsidiaries.

The unsecured amount consists of trust receipts and terms loans held by the Company's subsidiaries arising from the ordinary course of business and bank borrowings. Certain Group borrowings are covered by corporate guarantees.

- 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.

STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Group	
	6 Months Ended	
	31 Dec 11	31 Dec 10
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	1,016	7,355
Adjustments for:		
Depreciation of property, plant and equipment	1,686	1,762
Gain on disposal of property, plant and equipment	(226)	(5,019)
Amortisation of deferred gain on sale of properties	(1,037)	(1,037)
Allowance for doubtful debts	4	-
Allowance for financial assets, available for sale	-	1,376
Finance expenses	301	565
Interest income	(25)	(35)
Net reversal for impairment loss in value of inventories	-	(1,266)
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	1,719	3,701
Changes in working capital:		
Trade and other receivables	(4,029)	(2,028)
Inventories	(9,778)	8,264
Financial assets at fair value through profit and loss	(49)	-
Assets classified as held-for-sale	-	719
Trade and other payables	844	176
CASH GENERATED FROM/(USED IN) OPERATIONS	(11,293)	10,832
Income tax paid	(151)	(181)
Income tax refund	-	35
Interest paid	(301)	(565)
Interest received	25	35
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	(11,720)	10,156
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(6,118)	(435)
Investment in subsidiary	-	(747)
Derivative financial assets	-	2,796
Proceeds from disposal of property, plant and equipment	491	5,246
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(5,627)	6,860
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of ordinary shares	-	3
Reversed placement of fixed deposits pledged with bank	-	1,000
Funds from bank loans	-	8,500
Repayment of bank loans	(6,167)	(9,836)
Increase/(Decrease) in bills payable	11,011	(6,399)
Dividends paid	(1,181)	-
Repayment of finance lease liabilities	-	(34)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	3,662	(6,766)
Net increase/(decrease) in cash and cash equivalents	(13,685)	10,250
Cash and cash equivalents at beginning of the financial year	30,171	18,202
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16,486	28,452
Cash and cash equivalents at end of the period includes the following:		
Cash and bank balances	14,446	24,420
Fixed deposits	2,040	4,032
	16,486	28,452

- 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 state for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital S\$' 000	Capital reserve S\$' 000	Retained earnings S\$' 000	Attributable to equity holders of the Company S\$' 000	Total equity S\$' 000
Balance as at 1 July 2011	36,603	-	36,847	73,450	73,450
Dividend paid	-	-	(1,181)	(1,181)	(1,181)
Total comprehensive income	-	-	947	947	947
Issue of new shares on conversion of warrants	-	-	-	-	-
Issue of shares to minority shareholders	-	-	-	-	-
Minority interest share of losses	-	-	-	-	-
Balance as at 31 December 2011	36,603	-	36,612	73,215	73,215
Balance as at 1 July 2010	30,258	1,914	26,925	59,097	59,097
Total comprehensive income	-	-	7,325	7,325	7,325
Issue of new shares on conversion of warrants	3	-	-	3	3
Minority interest share of losses	-	-	(245)	(245)	(245)
Balance as at 31 December 2010	30,261	1,914	34,005	66,180	66,180

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share capital S\$' 000	Capital reserve S\$' 000	Accumulated losses S\$' 000	Total S\$' 000
Balance as at 1 July 2011	36,603	-	(5,511)	31,092
Dividend paid	-	-	(1,181)	(1,181)
Total comprehensive (loss)	-	-	128	128
Issue of new shares on conversion of warrants	-	-	-	-
Balance as at 31 December 2011	36,603	-	(6,564)	30,039
Balance as at 1 July 2010	30,258	1,914	(3,911)	28,261
Total comprehensive (loss)	-	-	(1,495)	(1,495)
Issue of new shares on conversion of warrants	3	-	-	3
Balance as at 31 December 2010	30,261	1,914	(5,406)	26,769

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, 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 previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.**

As at 31 December 2011, the share capital of the Company was 393,781,089 ordinary shares (30 June 2011: 393,781,089 ordinary shares).

- 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 standard or practice.**

The figures have not been audited nor reviewed by the Company's 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 Group has applied the same accounting policies and methods of computation in the financial year as those applied for the audited financial statements for the year ended 30 June 2011.

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

Not applicable.

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

The Group

Earnings/(loss) per ordinary share (cents)	31-Dec-11	31-Dec-10
(i) Based on weighted average number of ordinary shares in issue	0.24	2.08
(ii) On a fully diluted basis	0.24	2.05

The earnings per share for the period ended 31 December 2011 is calculated by dividing the profit attributable to shareholders of \$947,000 (31 December 2010: \$7,325,000) by the weighted average number of ordinary shares of 393,781,089 (31 December 2010: 351,499,582) in issue during the financial period.

The diluted earnings per share for the period ended 31 December 2011 is calculated by dividing the profit attributable to shareholders of \$947,000 (31 December 2010: \$7,325,000) by the adjusted weighted average number of ordinary shares of 393,781,089 (31 December 2010: 356,501,278) in issue during the financial period.

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 period reported on; and**
(b) immediately preceding financial year

	Group		Company	
	31-Dec-11	30-Jun-11	31-Dec-11	30-Jun-11
Net asset value per ordinary share based on issued shares capital as at the end of the period reported on	18.59 cents	18.65 cents	7.63 cents	7.90 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of \$73,215,000 (30 June 2011: S\$73,450,000) and 393,781,089 (30 June 2011: 393,781,089) ordinary shares.

The net asset value per share of the Company has been calculated based on equity attributable to shareholders of \$30,039,000 (30 June 2011: S\$31,092,000) and 393,781,089 (30 June 2011: 393,781,089) ordinary shares.

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.

STATEMENT OF COMPREHENSIVE INCOME REVIEW

Review for the three months ended 31 December 2011

Revenue decreased by 33.7% to \$19.7 million due mainly to a significant reduction in export sales. Gross profit margin at 9.3% was slightly better compared to 8.8% for 2QFY11 due to higher margin product mix.

Other income decreased by 80.2% to \$1.7 million due mainly to no gain from sale of property (the property at 76 Joo Koon Circle was sold in 2QFY11) and no reversal for impairment in inventory.

Distribution and marketing expenses increased by 15.8% to \$0.2 million due mainly to higher local transportation expenses.

Administrative expenses decreased by 38.0% to \$1.6 million due mainly to lower manpower costs.

Other operating expenses reduced by 71.5% to \$0.7 million due mainly to no impairment in financial assets (the financial assets were fully impaired in 2QFY11).

Finance cost decreased 35.6% to \$0.2 million due mainly to reduction in bank interest costs.

Hence, Group net profit after tax was lower by 87.9% to \$0.6 million.

Review for the half year ended 31 December 2011

Revenue fell by 44.1% to \$34.3 million due mainly to a significant reduction in export sales.

Gross profit margin at 11.0% was slightly better compared to 10.6% in 1HFY11 due to higher margin product mix.

Other income decreased by 66.2% to \$3.7 million due mainly to no gain from sale of property (the property at 76 Joo Koon Circle was sold in 2QFY11) and no reversal for impairment in inventory.

Distribution and marketing expenses decreased by 18.3% to \$0.4 million as a result of the reduction in carriage and freight expenses arising from lower export sales and more exports on ex-works freight terms.

Administrative expenses decreased by 31.9% to \$3.3 million due mainly to lower manpower costs.

Other operating expenses reduced by 40.9% to \$2.4 million due mainly to no impairment in financial assets (the financial assets were fully impaired in 2QFY11).

Finance cost decreased 46.7% to \$0.3 million due mainly to reduction in bank interest costs.

Hence, Group net profit after tax was lower by 87.1% to \$0.9 million.

STATEMENT OF FINANCIAL POSITION REVIEW

Group shareholders' equity was steady at \$73.2 million compared to \$73.5 million in the previous financial period.

Trade and other receivables increased to \$13.5 million from \$9.5 million. The increase can be largely attributed to certain large sales to existing customers amounting to \$3.6 million in December 2011 (which were fully paid in January 2012). If accounts receivable from these customers were excluded, Trade and other receivables would be \$9.9 million. Inventories increased 24.4% to \$49.8 million as the Group positioned its product mix.

Properties, plant and equipment increased 14.9% to \$33.6 million due to purchases of steel materials to expand the rental materials business. Cash and cash equivalents reduced 45.4% to \$16.5 million due mainly to more purchases of inventories and steel materials for rental, and payment of dividends to shareholders.

Total assets was at \$124.4 million compared to \$120.1 million in the previous financial period.

Total liabilities increased 9.8% to \$51.2 million due mainly to higher trade financing and bank borrowings.

STATEMENT OF CASH FLOWS REVIEW

Net cash used in operating activities was \$11.7 million due mainly to lower profits, higher inventories and trade and other receivables.

Net cash used in investing activities was \$5.6 million due mainly to purchases of steel materials for rental.

Net cash generated from financing activities was \$3.7 million due mainly to the increase in bill payables.

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

Not applicable.

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.

Given the uncertain global economy, the Group expects price and demand volatility to persist throughout the year. In the wake of weaker export sales, the Group is seeing more domestic sales in its revenue mix. Although the Group expects trading conditions to remain competitive, it will seek to enhance its competitiveness through providing more value-added services to its customers.

The Group is in the process of completing its acquisition of Hock Ann Metal Scaffolding Pte Ltd. The acquisition is part of the strategic drive to develop new growth businesses that can provide the Group with a more stable income stream.

Barring unforeseen circumstances, the Group expects its profitability for this financial year to be significantly lower than that of the previous financial year.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on ?

None

(b) Corresponding Period of the immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

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, statement to that effect

The Group does not have an interested person transaction ("IPT") mandate.

14 Use of warrants proceeds

The warrants proceeds have been fully utilised for repayment of the Group's borrowings and to fund working capital.

15 Confirmation by Directors pursuant to Rule 705(5) of the SGX Listing Manual

The Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render these unaudited interim financial statements for the half year ended 31 December 2011, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

ANG YU SENG
CEO/ EXECUTIVE DIRECTOR
9 February 2012