



## Unaudited First Half Financial Statement and Dividend Announcement for the Period Ended 31 December 2012

### 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 2012

(In S\$'000) Description	2 <sup>nd</sup> Quarter			Group		
	Actual 2Q 2013	Actual 2Q 2012	Increase/ (Decrease)	Actual HY2013	Actual HY2012	Increase/ (Decrease)
<b>Revenue</b>	22,717	19,670	15.5	41,433	34,277	20.9
Cost of sales	(18,847)	(17,847)	5.6	(35,285)	(30,501)	15.7
<b>Gross profit</b>	3,870	1,823	112.3	6,148	3,776	62.8
Other income	2,250	1,655	35.9	4,277	3,659	16.9
Distribution & marketing expenses	(462)	(248)	86.3	(571)	(399)	43.1
Administrative expenses	(2,116)	(1,635)	29.4	(3,882)	(3,285)	18.2
Other operating expenses	(1,536)	(745)	106.2	(3,057)	(2,434)	25.6
<b>Profit from operations</b>	2,006	850	136.0	2,915	1,317	121.4
Finance costs	(181)	(156)	16.0	(357)	(301)	18.6
<b>Profit before income tax</b>	1,825	694	163.0	2,558	1,016	151.8
Income tax	(442)	(52)	750.0	(522)	(69)	656.5
<b>Profit after income tax</b>	1,383	642	115.4	2,036	947	115.0
Attributable to:						
Equity holders of the Company	776	642	20.8	1,213	947	28.1
Non-controlling interest	607	-	n.m.	823	-	n.m.
Profit after income tax	1,383	642	115.4	2,036	947	115.0
Profit for the period	1,383	642	115.4	2,036	947	115.0
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	1,383	642	115.4	2,036	947	115.0
Total comprehensive income attributable to:						
Equity holders of the Company	776	642	20.8	1,213	947	28.1
Non-controlling interest	607	-	n.m.	823	-	n.m.
	1,383	642	115.4	2,036	947	115.0

Profit before income tax is arrived at after crediting/(charging) the following: -

(In S\$'000) Description	Group		%
	Actual HY2013	Actual HY2012	Increase/ (Decrease)
Interest income	17	25	(32.0)
Depreciation of property, plant and equipment	(2,367)	(1,686)	40.4
Allowance for doubtful debts	(118)	(4)	2,850.0
Finance expenses	(357)	(301)	18.6
Net foreign exchange loss	(127)	(314)	(59.5)
Gain on disposal of property, plant and equipment	13	226	(94.2)
Amortisation of deferred gain on sale of properties	1,037	1,037	-
Amortisation of intangible assets	(177)	-	n.m.

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.

Statement of Financial Position

(In S\$'000) Description	Group		Company	
	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
<b>ASSETS</b>				
<u>Current Assets</u>				
Cash and cash equivalents	25,576	23,277	4,991	5,293
Trade receivables and other receivables	13,577	15,220	351	395
Amount owing by subsidiaries	-	-	5,303	7,348
Inventories	40,977	38,372	-	-
<b>Total current assets</b>	<b>80,130</b>	<b>76,869</b>	<b>10,645</b>	<b>13,036</b>
<u>Non-current Assets</u>				
Investment in subsidiaries	-	-	32,655	32,655
Property, plant and equipment	37,542	39,882	76	76
Intangible assets	15,520	15,697	-	-
Investment property	10,000	10,000	-	-
Golf club membership	159	159	159	159
Deferred income tax assets	50	50	-	-
<b>Total non-current assets</b>	<b>63,271</b>	<b>65,788</b>	<b>32,890</b>	<b>32,890</b>
<b>Total assets</b>	<b>143,401</b>	<b>142,657</b>	<b>43,535</b>	<b>45,926</b>
<b>LIABILITIES AND EQUITY</b>				
<u>Current Liabilities</u>				
Trade and other payables	4,904	6,023	425	625
Bank loans and bills payable	30,295	25,818	2,789	2,790
Finance lease liabilities	103	76	-	-
Deferred gain on sale of properties	1,901	2,074	-	-
Current tax liabilities	717	908	5	5
<b>Total current liabilities</b>	<b>37,920</b>	<b>34,899</b>	<b>3,219</b>	<b>3,420</b>
<u>Non-current Liabilities</u>				
Bank loans	15,726	18,313	9,763	11,158
Finance lease liabilities	157	35	-	-
Deferred gain on sale of properties	-	864	-	-
Deferred income tax liabilities	2,922	2,922	-	-
<b>Total non-current liabilities</b>	<b>18,805</b>	<b>22,134</b>	<b>9,763</b>	<b>11,158</b>
<b>Total liabilities</b>	<b>56,725</b>	<b>57,033</b>	<b>12,982</b>	<b>14,578</b>
<b>NET ASSETS</b>	<b>86,676</b>	<b>85,624</b>	<b>30,553</b>	<b>31,348</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	36,603	36,603	36,603	36,603
Retained earnings / (accumulated losses)	39,631	39,401	(6,050)	(5,255)
Non-controlling interest	10,442	9,620	-	-
<b>Total equity</b>	<b>86,676</b>	<b>85,624</b>	<b>30,553</b>	<b>31,348</b>
<b>TOTAL EQUITY</b>	<b>86,676</b>	<b>85,624</b>	<b>30,553</b>	<b>31,348</b>

- 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 2012		As at 30 June 2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,051	29,244	1,021	24,797

Amount repayable after one year

As at 31 December 2012		As at 30 June 2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
5,208	10,518	5,758	12,555

**Details of any collateral: -**

Property loans of approximately \$6.3 million are secured by mortgages over the properties and investment property of the Company's subsidiaries.

The unsecured amount consists of trust receipts and term loans held by the Company's subsidiaries arising from the ordinary course of business and bank borrowings. It also includes an acquisition loan granted to the Company during the period under review. Certain Group's 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 2012

(In S\$'000) Description	Group 6 months ended	
	31 Dec 2012 HY2013	31 Dec 2011 HY2012
<b>Cash flows from operating activities</b>		
Profit before income tax	<b>2,558</b>	<b>1,016</b>
Adjustments for:		
Depreciation of property, plant and equipment	2,367	1,686
Gain on disposal of property, plant and equipment	(13)	(226)
Amortisation of deferred gain on sale of properties	(1,037)	(1,037)
Amortisation of intangible assets	177	-
Allowance for doubtful debts	118	4
Finance expenses	357	301
Interest income	(17)	(25)
<b>Operating profit before working capital changes</b>	<b>4,510</b>	<b>1,719</b>
Changes in working capital:		
Decrease / (increase) in trade and other receivables	1,525	(4,029)
Decrease / (increase) in inventories	(2,605)	(9,778)
Increase / (decrease) in trade and other payables	(1,119)	844
Financial assets at fair value through profit and loss	-	(49)
<b>Cash generated from / (used in) operations</b>	<b>2,311</b>	<b>(11,293)</b>
Interest paid	(714)	(151)
Interest received	(357)	(301)
Income tax paid	17	25
<b>Net cash inflow from / (used in) operating activities</b>	<b>1,257</b>	<b>(11,720)</b>
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,914)	(6,119)
Proceeds from disposal of property, plant and equipment	1,899	491
<b>Net cash generated / (used in) investing activities</b>	<b>(15)</b>	<b>(5,628)</b>
Cash flows from financing activities		
Net addition / (repayment) of bank loans	(2,557)	(6,167)
Increase in bills payable	4,447	11,011
Dividends paid	(984)	(1,181)
Increase in finance lease liabilities	151	-
<b>Net cash generated from financing activities</b>	<b>1,057</b>	<b>3,663</b>
Net increase / (decrease) in cash and cash equivalents	2,299	(13,685)
Cash and cash equivalents at beginning of the financial year	23,277	30,171
<b>Cash and cash equivalents at end of financial period</b>	<b>25,576</b>	<b>16,486</b>

Cash and cash equivalents at the end of the period includes the following: -

(In S\$'000) Description	Group 6 months ended	
	31 Dec 2012 HY2013	31 Dec 2011 HY2012
Cash and bank balances	23,316	14,446
Fixed deposits	2,260	2,040
	<b>25,576</b>	<b>16,486</b>

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

Statement of Changes in Equity

Group (in S\$'000)	Share Capital	Retained Earnings	Attributable to equity holders of the Company	Non- controlling Interest	Total Equity
Balance as at 1 Jul 2012	36,603	39,402	76,005	9,619	85,624
Dividend paid	-	(984)	(984)	-	(984)
Total comprehensive income	-	1,213	1,213	823	2,036
<b>Balance as at 31 Dec 2012</b>	<b>36,603</b>	<b>39,631</b>	<b>76,234</b>	<b>10,442</b>	<b>86,676</b>
Balance as at 1 Jul 2011	36,603	36,847	73,450	-	73,450
Dividend paid	-	(1,182)	(1,182)	-	(1,182)
Total comprehensive income	-	947	947	-	947
<b>Balance as at 31 Dec 2011</b>	<b>36,603</b>	<b>36,612</b>	<b>73,215</b>	<b>-</b>	<b>73,215</b>

Company (in S\$'000)	Share Capital	Retained Losses	Total Equity
Balance as at 1 Jul 2012	36,603	(5,255)	31,348
Dividend paid	-	(984)	(984)
Total comprehensive income	-	189	189
<b>Balance as at 31 Dec 2012</b>	<b>36,603</b>	<b>(6,050)</b>	<b>30,553</b>
Balance as at 1 Jul 2011	36,603	(5,511)	31,092
Dividend paid	-	(1,181)	(1,181)
Total comprehensive income	-	128	128
<b>Balance as at 31 Dec 2011</b>	<b>36,603</b>	<b>(6,564)</b>	<b>30,039</b>

- 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, issues of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

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 2012, the share capital of the Company was 393,781,089 ordinary shares (as at 30 June 2012: 393,781,089 ordinary shares).

- 1(d) (iv) A statement showing all shares, 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 or reviewed by the Company's auditors.

- 3 Where the figures have been audited and 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 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 2012.

- 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 the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings/(loss) per ordinary share	Group	
	31 Dec 2012	31 Dec 2011
(a) Based on weighted average number of ordinary shares in issue	0.31 cents	0.24 cents
(b) On a fully diluted basis	0.31 cents	0.24 cents

The earnings per share for the period ended 31 December 2012 is calculated by dividing the profit attributable to shareholders of \$1,213,000 (31 December 2011: \$947,000) by the weighted average number of ordinary shares of 393,781,089 (31 December 2011: 393,781,089) in issue during the financial period.

The diluted earnings per share for the period ended 31 December 2012 is calculated by dividing the profit attributable to shareholders of \$1,213,000 (31 December 2011: \$947,000) by the weighted average number of ordinary shares of 393,781,089 (31 December 2011: 393,781,089) in issue during the financial period.

- 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 per ordinary share	Group		Company	
	31 Dec 2012	30 Jun 2012	31 Dec 2012	30 Jun 2012
Based on issued share capital as at the end of the period reported on	19.36 cents	19.30 cents	7.76 cents	7.96 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of \$76,234,000 (30 June 2012: \$76,004,000) and 393,781,089 (30 June 2012: 393,781,089) ordinary shares.

The net asset value per share of the Company has been calculated based on equity attributable to shareholders of \$30,553,000 (30 June 2012: \$31,348,000) and 393,781,089 (30 June 2012: 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 3 months results: 2<sup>nd</sup> quarter ended 31 December 2012 ("2Q2013") vs 2<sup>nd</sup> quarter ended 31 December 2011 ("2Q2012")

Revenue increased by approximately \$3.0 million or 15.5% to \$22.7 million in 2Q2013 was mainly due to contribution from our scaffolding services business segment of \$3.5 million, offset by slight net decrease in trading and recycling revenues of \$0.5 million due to lower selling prices.

Cost of sales increased by approximately \$1.0 million or 5.6% from \$17.8 million in 2Q2012 to \$18.8 million to 2Q2013, in line with the increase in Group's revenue streams.



Gross profit margin improved from 9.3% in 2Q2012 to 17.0% in 2Q2013 by approximately \$2.0 million mainly attributed by our scaffolding services business segment, and offset by lower trading business segment's gross profit as selling prices lowered.

The increased in other income by approximately \$595,000 or 35.9% was mainly due to higher rental income.

Distribution expenses increased by approximately \$214,000 and these were in line with our revenue streams and increased business activities, largely contributed by our scaffolding services business segment.

Administrative expenses increased by approximately \$481,000 or 29.4% to \$2.1 million in 2Q2013 from \$1.6 million in 2Q2012 were mainly due to our scaffolding services business segment. Whilst in our recycling and trading business segments, we saw slight improvements in our efficiency.

Other operating expenses increased by approximately \$791,000 million and were mainly due to amortization of intangible assets pertaining to an acquisition, among others to support the increased business activities.

Finance cost increased by approximately \$25,000 or 16.0% as we have taken up an acquisition term loan to finance our scaffolding services business in April 2012.

Hence, our net profit increased from \$642,000 in 2Q2012 to \$1.4 million in 2Q2013.

Review for half-year results: 6 months ended 31 December 2012 ("HY2013") vs 6 months ended 31 December 2011 ("2Q2012")

The increase in revenue of approximately \$7.2 million or 20.9% to \$41.4 million in HY2013 was mainly due to contribution from our scaffolding services business segment and the increase in business activities.

Cost of sales increased by approximately \$4.8 million or 15.7% from \$30.5 million in HY2012 to \$35.3 million in HY2013, in line with the increase in Group's revenue and business activities.

Gross profit margin improved from 11.0% in HY2012 to 14.8% in HY2013 as we witnessed direct contribution from our scaffolding services business segment offset by the lower gross profit margin from our trading segment due to lower selling prices.

Other income increased by approximately \$618,000 or 16.9% due mainly to higher rental income.

The increase in distribution expenses by approximately \$172,000 or 43.1% to \$571,000 was in line with the addition of our scaffolding services business segment.

In tandem with our increased business activities, administrative expenses also increased by \$597,000 or 18.2% to \$3.9 million in HY2013, largely contributed by our scaffolding services business segment.

Other operating expenses increased by approximately \$623,000 or 25.6% mainly due to amortization of intangible assets pertaining to an acquisition, among others to support the increased business activities.

Finance cost increased by approximately \$56,000 or 18.6% as we have increased our term loan in value to finance an acquisition which concluded in April 2012.

As such, our net profit improved to \$2.0 million in HY2013 from \$0.9 million in HY2012. Net profit margins improved from 2.8% to 4.9% for HY2012 and HY2013 respectively.

#### **STATEMENT OF FINANCIAL POSITION REVIEW**

Group's shareholders equity as at 31 December 2012 stood at \$86.6 million as compared to the end of the immediately preceding financial year, 30 June 2012 at \$85.6 million. The stronger balance sheet position was mainly due to increased financial performance for the six months period, net of increased borrowings.

For the period under review, trade and other receivables position has reduced from \$15.2 million as at 30 June 2012 to \$13.6 million as at 31 December 2012 despite the increased revenue. This showed our improved credit controls put in place.

Inventories increased by \$2.6 million to a level at \$41.0 million as we replenished our inventory in December 2012.

Properties, plant and equipment decreased to \$37.5 million as at 31 December 2012 as we disposed some of our fixed assets and the usual depreciation charge for the period.

As such, our total assets strengthen from \$142.6 million to \$143.4 million as at 31 December 2012.

#### **STATEMENT OF CASH FLOW STATEMENT REVIEW**

Net cash generated from operating activities was \$1.3 million for HY2013 and this was mainly due to improved financial performance, better working capital management and improved collections from credit customers.

Net cash used in investing activities movement was \$15,000 due to increased proceeds from our disposal of fixed assets offset by purchases of steel and scaffolding rental materials.

Net cash generated from financing activities was \$1.1 million due to acquisition loan of \$13.9 million, offset by principal repayments of bank loans and increase in bills payables due to inventories purchases.

In view of the above, cash and cash equivalents increased to \$25.6 million as at 31 December 2012 compared to \$16.5 million as at 30 June 2012.

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

The Group's actual 2Q 2013 result is in line with the statement made in the previous result announcement.

**10     A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The lingering uncertainties of the Eurozone sovereign debt situation and the US economy, coupled with the tightening of foreign labour into Singapore continued to weigh down the environment we operate.

Additionally, the slowdown in demand is exacerbating the excess inventory situation in the metals supply chain which has somewhat led to heightened competition and downward pressure on selling prices.

Amid operating in challenging surroundings, we continue to be vigilant and cautious on the business outlook and explore ways to up productivity.

Apart from seeking growth organically through an increase in productivity, we continue to actively seek out value accretive and complementary businesses to augment our overall growth plans.

11 Dividend

(a) Current Financial Period Reported On

*Any dividend recommended for the current financial period reported on?*

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

*Any dividend recommended for the current financial 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/recommended, 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) of the SGX Listing Manual. If no IPT has been obtained, statement to the effect.

The Group does not have a general mandate from shareholders for IPTs.

14 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 2012, to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**ANG YU SENG**

CEO/Executive Director  
14 February 2013