



Unaudited Financial Statement and Dividend Announcement for the Period Ended 31 March 2013

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 nine months ended 31 March 2013

(In S\$'000) Description	Group 3 rd Quarter			Group 9 months ended		
	Actual 3Q2013	Actual 3Q2012	Increase/ (Decrease)	Actual 9M2013	Actual 9M2012	Increase/ (Decrease)
Revenue	23,708	26,323	(9.9)	65,141	60,600	7.5
Cost of sales	(20,649)	(24,300)	(15.0)	(55,934)	(54,801)	2.1
Gross profit	3,059	2,023	51.2	9,207	5,799	58.8
Other income	2,571	3,060	(16.0)	6,848	6,719	1.9
Distribution & marketing expenses	(250)	(11)	n.m	(821)	(410)	100.2
Administrative expenses	(1,935)	(1,621)	19.4	(5,817)	(4,906)	18.6
Other operating expenses	(1,508)	(1,353)	11.5	(4,565)	(3,787)	20.5
Profit from operations	1,937	2,098	(7.7)	4,852	3,415	42.1
Finance costs	(171)	(184)	(7.1)	(528)	(485)	8.9
Profit before income tax	1,766	1,914	(7.7)	4,324	2,930	47.6
Income tax	(296)	-	n.m	(818)	(69)	n.m
Profit after income tax	1,470	1,914	(23.2)	3,506	2,861	22.5
Attributable to:						
Equity holders of the Company	1,308	1,914	(31.7)	2,521	2,861	(11.9)
Non-controlling interest	162	-	n.m	985	-	n.m
Profit after income tax	1,470	1,914	(23.2)	3,506	2,861	22.5
Profit for the period	1,470	1,914	(23.2)	3,506	2,861	22.5
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	1,470	1,914	(23.2)	3,506	2,861	22.5
Total comprehensive income attributable to:						
Equity holders of the Company	1,308	1,914	(31.7)	2,521	2,861	(11.9)
Non-controlling interest	162	-	n.m	985	-	n.m
	1,470	1,914	(23.2)	3,506	2,861	22.5

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

(In S\$'000) Description	Group		%
	Actual 9M2013	Actual 9M2012	Increase/ (Decrease)
Interest income	23	41	(43.9)
Depreciation of property, plant and equipment	(3,483)	(2,544)	36.9
Allowance for doubtful debts	(118)	(5)	n.m
Finance expenses	(528)	(485)	8.9
Net foreign exchange (loss)/ gain	(176)	(35)	402.8
Gain on disposal of property, plant and equipment	191	221	(13.6)
Net income from investments	-	593	n.m
Amortisation of deferred gain on sale of properties	1,556	1,556	-
Amortisation of intangible assets	(265)	-	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 Mar 2013	30 Jun 2012	31 Mar 2013	30 Jun 2012
ASSETS				
<u>Current Assets</u>				
Cash and cash equivalents	25,640	23,277	6,591	5,293
Trade receivables and other receivables	11,491	15,220	465	395
Amount owing by subsidiaries	-	-	2,931	7,348
Inventories	40,009	38,372	-	-
Total current assets	77,140	76,869	9,987	13,036
<u>Non-current Assets</u>				
Investment in subsidiaries	-	-	32,655	32,655
Property, plant and equipment	37,078	39,882	139	76
Intangible assets – goodwill on acquisition	12,840	12,840	-	-
Intangible assets – customer relationship	2,592	2,857	-	-
Investment property	10,000	10,000	-	-
Golf club membership	159	159	159	159
Deferred income tax assets	50	50	-	-
Total non-current assets	62,719	65,788	32,953	32,890
Total assets	139,859	142,657	42,940	45,926
LIABILITIES AND EQUITY				
<u>Current Liabilities</u>				
Trade and other payables	4,948	6,023	404	625
Bank loans and bills payable	27,054	25,818	2,790	2,790
Finance lease liabilities	76	76	-	-
Deferred gain on sale of properties	1,382	2,074	-	-
Current tax liabilities	721	908	5	5
Total current liabilities	34,181	34,899	3,199	3,420
<u>Non-current Liabilities</u>				
Bank loans	14,462	18,313	9,065	11,158
Finance lease liabilities	148	35	-	-
Deferred gain on sale of properties	-	864	-	-
Deferred income tax liabilities	2,922	2,922	-	-
Total non-current liabilities	17,532	22,134	9,065	11,158
Total liabilities	51,713	57,033	12,264	14,578
NET ASSETS	88,146	85,624	30,676	31,348
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	36,603	36,603	36,603	36,603
Retained earnings / (accumulated losses)	40,938	39,401	(5,927)	(5,255)
Non-controlling interest	10,605	9,620	-	-
Total equity	88,146	85,624	30,676	31,348
TOTAL EQUITY	88,146	85,624	30,676	31,348

- 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 March 2013		As at 30 June 2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,051	26,003	1,021	24,797

Amount repayable after one year

As at 31 March 2013		As at 30 June 2012	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4,199	10,263	5,758	12,555

Details of any collateral: -

Property loans of approximately \$5.3 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 9 months ended 31 March 2013

(In S\$'000) Description	Group 9 months ended	
	31 Mar 2013 9M2013	31 Mar 2012 9M2012
Cash flows from operating activities		
Profit before income tax	4,324	2,930
Adjustments for:		
Depreciation of property, plant and equipment	3,483	2,544
Gain on disposal of property, plant and equipment	(191)	(221)
Net income from investments	-	(593)
Amortisation of deferred gain on sale of properties	(1,556)	(1,556)
Amortisation of intangible assets	265	-
Allowance for doubtful debts	8	5
Finance expenses	528	485
Interest income	(23)	(41)
Operating profit before working capital changes	6,838	3,553
Changes in working capital:		
Decrease / (increase) in trade and other receivables	3,721	(7,800)
Decrease / (increase) in inventories	(1,637)	(2,405)
Increase / (decrease) in trade and other payables	(1,075)	(4,402)
Financial assets at fair value through profit and loss	-	(8)
Cash generated from / (used in) operations	7,847	(11,602)
Interest paid	(528)	(485)
Interest received	23	41
Income tax paid	(1,006)	(398)
Net cash inflow from / (used in) operating activities	6,336	(11,904)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,759)	(8,677)
Proceeds from disposal of investments	-	593
Proceeds from disposal of property, plant and equipment	2,272	598
Net cash generated / (used in) investing activities	(487)	(7,486)
Cash flows from financing activities		
Net addition / (repayment) of bank loans	(2,838)	1,027
Increase in bills payable	223	11,431
Dividends paid	(984)	(1,181)
Increase in finance lease liabilities	113	-
Net cash generated from / (used in) financing activities	(3,486)	11,277
Net increase / (decrease) in cash and cash equivalents	2,363	(8,113)
Cash and cash equivalents at beginning of the financial year	23,277	30,171
Cash and cash equivalents at end of financial period	25,640	22,058

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

(In S\$'000) Description	Group 9 months ended	
	31 Mar 2013 9M2013	31 Mar 2012 9M2012
Cash and bank balances	24,622	21,042
Fixed deposits	1,018	1,016
	25,640	22,058

- 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	39,401	76,004	9,620	85,624
Dividend paid	-	(984)	(984)	-	(984)
Total comprehensive income	-	2,521	2,521	985	3,506
Balance as at 31 Mar 2013	36,603	40,938	77,541	10,605	88,146
Balance as at 1 Jul 2011	36,603	36,847	73,450	-	73,450
Dividend paid	-	(1,181)	(1,181)	-	(1,181)
Total comprehensive income	-	2,861	2,861	-	2,861
Balance as at 31 Mar 2012	36,603	38,527	75,130	-	75,130

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	-	312	312
Balance as at 31 Mar 2013	36,603	(5,927)	30,676
Balance as at 1 Jul 2011	36,603	(5,511)	31,092
Dividend paid	-	(1,181)	(1,181)
Total comprehensive income	-	221	221
Balance as at 31 Mar 2012	36,603	(6,471)	30,132

- 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.

No 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 March 2013, 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 Mar 2013	31 Mar 2012
(a) Based on weighted average number of ordinary shares in issue	0.64 cents	0.73 cents
(b) On a fully diluted basis	0.64 cents	0.73 cents

The earnings per share for the period ended 31 March 2013 is calculated by dividing the profit attributable to shareholders of \$2,521,000 (31 March 2012: \$2,861,000) by the weighted average number of ordinary shares of 393,781,089 (31 March 2012: 393,781,089) in issue during the financial period.

The diluted earnings per share for the period ended 31 March 2013 is calculated by dividing the profit attributable to shareholders of \$2,521,000 (31 March 2012: \$2,861,000) by the weighted average number of ordinary shares of 393,781,089 (31 March 2012: 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 Mar 2013	30 Jun 2012	31 Mar 2013	30 Jun 2012
Based on issued share capital as at the end of the period reported on	19.69 cents	19.30 cents	7.79 cents	7.96 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of \$77,541,000 (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 \$30,676,000 (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: 3rd quarter ended 31 March 2013 ("3Q2013") vs 3rd quarter ended 31 March 2012 ("3Q2012")

Revenue decreased by approximately \$2.6 million or 9.9% to \$23.7 million in 3Q2013 from \$26.3 million in 3Q2012. This was mainly due to lower revenues from our trading and materials rental business segments as selling prices were reduced in spite of the addition of our scaffolding services business segment of \$2.2 million.

In line with the lesser business activities, cost of sales decreased by approximately \$3.7 million or 15.0% to \$20.6 million in 3Q2013.

Gross profit margin improved from 7.7% in 3Q2012 to 12.9% in 3Q2013 by approximately \$1 million. This was due mainly to contribution from our scaffolding services business segment, better gross profit margin contributed from the recycling business segment which was offset by lower trading business's gross profit as selling prices were lowered.

The decrease in other income by approximately \$489,000 or 16.0% was due mainly to a 'one-off' gain from sale of investments and gain from disposal of fixed assets in 3Q2012 which was, offset by higher rental income in 3Q2013.

Distribution and marketing expenses increased to \$250,000 in 3Q2013 as compared to \$11,000 in 3Q2012. This was due mainly to our scaffolding services business segment and higher freight and handling charges to support our increase in export sales.

Administrative expenses increased by approximately \$314,000 or 19.4% to \$1.9 million in 3Q2013 from \$1.6 million in 3Q2012 due mainly to our scaffolding services segment.

Other operating expenses increased by \$155,000 or approximately 11.5% were due mainly to the provision of bad debts and increased land rent costs.

Finance cost of \$172,000 in 3Q2013 was a slight decrease as compared to \$184,000 in 3Q2012. This was because lesser trust receipts were incurred as overseas steel materials imports were reduced. This was offset by higher term loan interests undertaken to fund an acquisition in April 2012.

In view of the lower other income for the period, our net profit decreased from \$1.9 million in 3Q2012 to \$1.5 million in 3Q2013.

Review for 9 months results: 9 months ended 31 March 2013 ("9M2013") vs 9 months ended 31 March 2012 ("9M2012")

The increase in revenue of approximately \$4.5 million or 7.5% to \$65.1 million in 9M2013 was due mainly to the contribution from our scaffolding services business segment and the net increase in our recycling business segment which was offset by lower trading activities. Our local and export sales represented 71.5% and 28.5% respectively in 9M2013 while the composition in 9M2012 was at 89.8% and 10.2% in 9M2012.

Cost of sales increased by approximately \$1.1 million or 2.1% from \$54.8 million in 9M2012 to \$55.9 million in 9M2013, and this was in line with the increase in the Group's revenue and business activities.

Gross profit improved from 9.6% in 9M2012 to 14.1% in 9M2013 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 \$129,000 or 1.9%. This was due mainly to higher rental income, which was offset by a 'one-time' gain from sale of investments and lower gain on disposal of fixed assets.

The increase in distribution and marketing expenses by approximately \$411,000 to \$821,000 was in line with the addition of our scaffolding services business segment and higher export sales.

Accordingly, our administrative expenses also increased by 18.6% or approximately \$911,000 to \$5.8 million in 9M2013, which were due mainly to our scaffolding services business segment.

Other operating expenses increased by approximately \$778,000 or 20.5% to \$4.6 million. This was due to the amortization of intangible assets pertaining to an acquisition, bad debt provision and increased land rent costs.

The increase in finance costs to approximately \$528,000 in 9M2013 from \$485,000 a year ago was mainly due to the additional loan undertaken to finance an acquisition which had concluded in April 2012.

Income tax increased to \$818,000 in 9M2013 due mainly to the provision of income taxes to account for the possible tax payable for the period under review.

With better gross profit performance, our net after profit improved to \$3.5 million in 9M2013 from \$2.9 million in 9M2012. Net profit margins improved from 4.7% to 5.4% for 9M2012 and 9M2013 respectively.

STATEMENT OF FINANCIAL POSITION REVIEW

Group's shareholders equity as at 31 March 2013 stood at \$88.1 million as compared to \$85.6 million at the end of the immediately preceding financial year, 30 June 2012. The stronger balance sheet position was due mainly to the increased financial performance for the nine month period, higher inventories and cash reserves, net of lower liabilities.

For the period under review, trade and other receivables position has reduced from \$15.2 million as at 30 June 2012 to \$11.4 million as at 31 March 2013 despite increased revenue. This showed improved results from our credit control efforts put in place.

Inventories increased by \$1.6 million to reach a level of \$40.0 million as we continue to sell down our trading business segment's stocks and replenish our scaffolding services business segment's inventory.

Properties, plant and equipment reduced to \$37.1 million as at 31 March 2013 as we disposed some of our fixed assets and the usual depreciation charge for the period.

As such, our total assets stood at \$139.9 million and \$142.6 million as at 31 March 2013 and 30 June 2012 respectively.

Total liabilities stood at \$51.7 million as at 31 March 2013 from the reported \$57.0 million as at 30 June 2012 as we lowered our trade and other payables, repaid our term loans and recognized the deferred gain on sale of properties, which was offset by a slight increased in bills payables.

STATEMENT OF CASH FLOW STATEMENT REVIEW

Net cash generated from operating activities was approximately \$6.3 million for 9M2013 and this was due to improved financial performance, better working capital management with improved collections from credit customers.

Net cash used in investing activities amounted to \$487,000 was due to increased proceeds from our disposal of fixed assets which was offset by the purchase of steel and scaffolding rental materials.

Net cash used in financing activities was \$3.5 million due mainly to principal repayment of bank loans and an increased in bills payables and finance leases for stocks and fixed assets purchases respectively.

- 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 3Q 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 global economic growth is expected to stay subdued. Growth in Asia will be moderate as supported by resilient domestic demand driven by infrastructure and construction industries. Outlook for the Singapore economy remains lukewarm as the tightening of foreign labour with higher cost weigh down the environment we operate.

Global steel prices continue to face downward pressure as supply outpaces demand. Accordingly, this has led to heightened competition, thus putting pressures on gross profit margins.

Moving forward, we maintain our stance to stay cautious on the business outlook and continue to explore growth plans within and beyond to strengthen our businesses amid these challenging times.

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/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) 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 IPT.

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 9 months ended 31 March 2013, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

ANG YU SENG

Chairman / CEO

13 May 2013