



**UNAUDITED FINANCIAL STATEMENT FOR THE 6 MONTHS ENDED 31 DECEMBER 2009**

**Part 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

	Group					
	2nd Quarter 3 months ended			Year-to-date 6 months ended		
	31.12.2009	31.12.2008	Change	31.12.2009	31.12.2008	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	30,050	55,111	-45%	59,423	117,720	-50%
Cost of sales	(21,584)	(40,740)	-47%	(43,276)	(85,409)	-49%
<b>Gross profit</b>	8,466	14,371	-41%	16,147	32,311	-50%
Other operating income	862	2,562	-66%	1,840	4,207	-56%
Distribution costs	(2,784)	(3,838)	-27%	(4,815)	(7,227)	-33%
Administrative expenses	(4,068)	(4,815)	-16%	(7,307)	(9,002)	-19%
Other operating expenses	(627)	(960)	-35%	(1,548)	(2,549)	-39%
Finance costs	(244)	(501)	-51%	(425)	(927)	-54%
Share of profit of joint venture	16	44	-64%	16	340	-95%
<b>Profit before income tax</b>	1,621	6,863	-76%	3,908	17,153	-77%
Income tax expense	(340)	(1,342)	-75%	(744)	(3,292)	-77%
<b>Profit for the period</b>	1,281	5,521	-77%	3,164	13,861	-77%
Other comprehensive income:						
Exchange differences on translating foreign operations	(77)	464	NM	(382)	881	NM
Other Comprehensive income for the period, net of tax *	(77)	464	NM	(382)	881	NM
<b>Total comprehensive income for the period</b>	1,204	5,985	-80%	2,782	14,742	-81%
Profit attributable to:						
Owners of the Company	1,214	5,267	-77%	2,983	13,604	-78%
Minority interests	67	254	-74%	181	257	-30%
	1,281	5,521	-77%	3,164	13,861	-77%
Total comprehensive income attributable to:						
Owners of the Company	1,149	5,731	-80%	2,759	14,485	-81%
Minority interests	55	254	-78%	23	257	-91%
	1,204	5,985	-80%	2,782	14,742	-81%

\* Note There is no tax effect on the component included in other comprehensive income.

NM: Not meaningful

**1(a)(ii) The net profit attributable to shareholders include the following (charges)/credits: -**

	Group			
	2nd Quarter 3 months ended		Year-to-date 6 months ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
Other income including: -				
(i) Interest, rental and other income	862	2,556	1,840	4,196
(ii) Gain on disposal of property, plant and equipment	-	6	-	11
	862	2,562	1,840	4,207
Interest on borrowings	(244)	(501)	(425)	(927)
Depreciation and amortisation expense	(562)	(568)	(1,106)	(1,076)
(Loss) / gain on foreign exchange	(82)	687	(751)	(325)
Allowances for doubtful trade receivables	(337)	(37)	(337)	(203)
Reversal of allowance for inventories write down	1,327	-	1,327	-
Allowance for inventories write down	-	(3,082)	-	(3,382)
Impairment loss on leasehold property	-	(718)	-	(718)

1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009

(In Singapore Dollars)

	Group			Company		
	As at	As at	Change	As at	As at	Change
	31.12.2009	30.06.2009		31.12.2009	30.06.2009	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Current assets</b>						
Cash and bank balances	12,891	8,777	47%	8,499	4,490	89%
Trade receivables	29,103	35,834	-19%	27,815	36,245	-23%
Other receivables, deposits and prepayments	1,819	2,041	-11%	1,153	2,565	-55%
Inventories	95,369	95,435	0%	83,259	80,848	3%
<b>Total current assets</b>	<b>139,182</b>	<b>142,087</b>	<b>-2%</b>	<b>120,726</b>	<b>124,148</b>	<b>-3%</b>
<b>Non-current assets</b>						
Investments in subsidiaries	-	-	-	5,178	5,178	0%
Investment in associate	301	301	0%	-	-	-
Investment in joint venture	1,070	1,054	2%	-	-	-
Property, plant and equipment	13,433	13,307	1%	13,009	12,766	2%
Leasehold property	14,787	15,224	-3%	14,787	15,224	-3%
Deferred tax assets	112	135	-17%	-	-	-
<b>Total non-current assets</b>	<b>29,703</b>	<b>30,021</b>	<b>-1%</b>	<b>32,974</b>	<b>33,168</b>	<b>-1%</b>
<b>Total assets</b>	<b>168,885</b>	<b>172,108</b>	<b>-2%</b>	<b>153,700</b>	<b>157,316</b>	<b>-2%</b>
<b>Current liabilities</b>						
Trade payables	8,728	6,265	39%	7,654	5,156	48%
Other payables & accruals	3,348	8,503	-61%	3,039	7,859	-61%
Bank borrowings	10,835	5,346	103%	9,991	4,579	118%
Financial derivative liabilities	278	263	6%	278	263	6%
Income tax payable	2,271	3,487	-35%	1,855	2,833	-35%
<b>Total current liabilities</b>	<b>25,460</b>	<b>23,864</b>	<b>7%</b>	<b>22,817</b>	<b>20,690</b>	<b>10%</b>
<b>Non-current liabilities</b>						
Bank borrowings	25,632	28,412	-10%	25,632	28,412	-10%
Other payable	1,727	1,780	-3%	1,727	1,780	-3%
Deferred tax liabilities	380	391	-3%	376	376	0%
<b>Total non-current liabilities</b>	<b>27,739</b>	<b>30,583</b>	<b>-9%</b>	<b>27,735</b>	<b>30,568</b>	<b>-9%</b>
<b>Capital and reserves</b>						
Share capital	39,230	39,230	0%	39,230	39,230	0%
Share option reserve	203	203	0%	203	203	0%
Foreign currency translation reserve	(1,000)	(776)	29%	-	-	-
Accumulated profits	75,777	77,551	-2%	63,715	66,625	-4%
Equity attributable to equity holders of the Company	114,210	116,208	-2%	103,148	106,058	-3%
Minority interests	1,476	1,453	2%	-	-	-
<b>Total equity</b>	<b>115,686</b>	<b>117,661</b>	<b>-2%</b>	<b>103,148</b>	<b>106,058</b>	<b>-3%</b>
<b>Total liabilities and equity</b>	<b>168,885</b>	<b>172,108</b>	<b>-2%</b>	<b>153,700</b>	<b>157,316</b>	<b>-2%</b>

**1(b)(ii) AGGREGATE AMOUNT OF GROUP'S BORROWINGS AND DEBT SECURITIES**  
(In Singapore Dollars)

Amount repayable in one year or less, or on demand

As at 31.12.2009		As at 30.06.2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	10,835	-	5,346

Amount repayable after one year

As at 31.12.2009		As at 30.06.2009	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	25,632	-	28,412

Details of any collateral

Not applicable.

## 1(c) STATEMENT OF CASH FLOWS

	Group			
	2nd Quarter 3 months ended		Year-to-date 6 months ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before income tax	1,621	6,863	3,908	17,153
Adjustments for:				
Share of profit of Joint Venture	(16)	(44)	(16)	(340)
Depreciation and amortisation expense	562	568	1,106	1,076
Loss (Gain) on disposal of property, plant and equipment	1	(6)	13	(11)
Fair value loss on derivative financial instruments	12	(818)	15	209
Exchange difference unrealised	35	228	115	51
Allowance for doubtful trade receivables	337	37	337	203
Reversal of allowance for doubtful trade receivables	(96)	(55)	(96)	(55)
Reversal of allowance for inventories	(1,327)		(1,327)	
Provision for Impairment loss on leasehold property		718		718
Allowance for inventories write down	-	3,082	-	3,382
Interest income	(7)	(14)	(13)	(20)
Interest expense	244	501	425	927
Operating cash flows before movements in working capital	1,366	11,060	4,467	23,293
Trade receivables	572	11,558	6,373	10,631
Other receivables and prepayments	340	(399)	(177)	(682)
Inventories	(1,650)	(13,599)	1,034	(18,267)
Trade payables	866	1,195	2,526	(2,365)
Other payables	(4,099)	264	(5,195)	(3,357)
Cash generated from (used in) operations	(2,605)	10,079	9,028	9,253
Income tax paid	(1,894)	(3,142)	(1,932)	(3,488)
Net cash from (used in) operating activities	(4,499)	6,937	7,096	5,765
<b>Investing activities</b>				
Purchase of property, plant & equipment	(809)	(76)	(837)	(967)
Additional & alternation cost of leasehold property	(15)	(90)	(14)	(106)
Proceeds from disposal of property, plant & equipment	-	17	36	19
Proceeds from disposal of development property	378	-	378	-
Interest received	7	14	13	20
Net cash used in investing activities	(439)	(135)	(424)	(1,034)
<b>Financing activities</b>				
Repayment of bank loans and bills payable	(765)	(7,814)	(2,647)	(36,541)
Proceeds from bank loans and bills payable	3,011	9,085	5,356	39,620
Interest paid	(244)	(501)	(425)	(927)
Dividend paid	(4,757)	(4,865)	(4,757)	(4,865)
Net cash used in financing activities	(2,755)	(4,095)	(2,473)	(2,713)
Net increase (decrease) in cash and cash equivalents	(7,693)	2,707	4,199	2,018
Cash and cash equivalents at beginning of period	20,592	2,802	8,777	3,448
Effect of exchange rate changes on the balance of cash held in foreign currencies	(8)	52	(85)	95
<b>Cash and cash equivalents at end of the period</b>	<b>12,891</b>	<b>5,561</b>	<b>12,891</b>	<b>5,561</b>

1(d)(i) STATEMENT OF CHANGES IN EQUITY  
(In Singapore Dollars)

Group	← Attributable to Equity Holders of the Company →						Total S\$'000
	Share capital S\$'000	Share option reserve S\$'000	Foreign currency translation reserve S\$'000	Accumulated profits S\$'000	Sub-total S\$'000	Minority interests S\$'000	
Balance at 01.07.2009	39,230	203	(776)	77,551	116,208	1,453	117,661
Total comprehensive income for the period	-	-	(159)	1,769	1,610	(32)	1,578
Balance at 30.09.2009	39,230	203	(935)	79,320	117,818	1,421	119,239
Total comprehensive income for the period	-	-	(65)	1,214	1,149	55	1,204
Dividend paid	-	-	-	(4,757)	(4,757)	-	(4,757)
<b>Balance at 31.12.2009</b>	<b>39,230</b>	<b>203</b>	<b>(1,000)</b>	<b>75,777</b>	<b>114,210</b>	<b>1,476</b>	<b>115,686</b>
Balance at 01.07.2008	39,230	203	(1,709)	67,127	104,851	1,255	106,106
Total comprehensive income for the period	-	-	417	8,337	8,754	3	8,757
Balance at 30.09.2008	39,230	203	(1,292)	75,464	113,605	1,258	114,863
Total comprehensive income for the period	-	-	464	5,267	5,731	254	5,985
Dividend paid	-	-	-	(4,865)	(4,865)	-	(4,865)
<b>Balance at 31.12.2008</b>	<b>39,230</b>	<b>203</b>	<b>(828)</b>	<b>75,866</b>	<b>114,471</b>	<b>1,512</b>	<b>115,983</b>
<b>Company</b>							
Balance at 01.07.2009	39,230	203	-	66,625	106,058	-	106,058
Total comprehensive income for the period	-	-	-	1,139	1,139	-	1,139
Balance at 30.09.2009	39,230	203	-	67,764	107,197	-	107,197
Total comprehensive income for the period	-	-	-	708	708	-	708
Dividend paid	-	-	-	(4,757)	(4,757)	-	(4,757)
<b>Balance at 31.12.2009</b>	<b>39,230</b>	<b>203</b>	<b>-</b>	<b>63,715</b>	<b>103,148</b>	<b>-</b>	<b>103,148</b>
Balance at 01.07.2008	39,230	203	-	54,107	93,540	-	93,540
Total comprehensive income for the period	-	-	-	7,240	7,240	-	7,240
Balance at 30.09.2008	39,230	203	-	61,347	100,780	-	100,780
Total comprehensive income for the period	-	-	-	3,804	3,804	-	3,804
Dividend paid	-	-	-	(4,865)	(4,865)	-	(4,865)
<b>Balance at 31.12.2008</b>	<b>39,230</b>	<b>203</b>	<b>-</b>	<b>60,286</b>	<b>99,719</b>	<b>-</b>	<b>99,719</b>

**1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL**

During the quarter, the Company did not issue any shares.

As at 31 December 2009, the Company has unexercised options of 124,352 (30 June 2009 - 124,352).

**1(d)(iii) TO SHOW THE TOTAL NUMBER ISSUED SHARES EXCLUDING TREASURY SHARE**

As at 31 December 2009 and 30 June 2009, the total number of ordinary shares of the Company was 540,567,507.

**1(d)(iv) A STATEMENT SHOWING ALL SALES, TRANSFERS, DISPOSAL, CANCELLATION AND/ OR USE OF TREASURY SHARES**

Not applicable.

**2 AUDIT REVIEW**

The figures have not been audited or reviewed by the auditors.

**3 AUDITORS' REPORT**

Not applicable as figures have not been audited or reviewed.

**4 ACCOUNTING POLICIES**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared to the audited annual financial statements as at 30 June 2009.

**5 CHANGES IN ACCOUNTING POLICIES AND THE EFFECT OF THE CHANGES**

The Group has adopted all new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 July 2009. The FRS that are relevant to the Group include FRS 1 - Presentaion of Financial Statements (Revised), FRS 23 - Borrowing Costs (Revised) and FRS 108 - Operating Segments. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior period.

**6 EARNINGS PER ORDINARY SHARE (EPS)**

	Group		Group	
	3 months ended		6 months ended	
Earnings per share based on profit attributable to shareholders:	31.12.2009	31.12.2008	31.12.2009	31.12.2008
(a) Based on weighted average number of ordinary shares in issue	0.22 cent	0.97 cent	0.55 cent	2.52 cents
Weighted average number of shares	540,567,507	540,567,507	540,567,507	540,567,507
(b) On a fully diluted basis	0.22 cent	0.97 cent	0.55 cent	2.52 cents
Adjusted weighted average number of shares	540,626,715	540,602,285	540,626,715	540,602,285

**7 NET ASSET VALUE**

	Group		Company	
	As at 31.12.2009	As at 30.06.2009	As at 31.12.2009	As at 30.06.2009
Net asset value per share	21.13 cents	21.50 cents	19.08 cents	19.62 cents

Net asset value per share is calculated based on the 540,567,507(30 June 2009 - 540,567,507) ordinary shares in issue as at the end of the financial period.

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.**

#### **REVIEW OF FINANCIAL PERFORMANCE FOR Q2 FY09 AND Q2 FY10**

The Group's revenue for second quarter ended 31 December 2009 (Q2 FY10) declined by 45%, from S\$55.1 million to S\$30.1 million, as demand for our products and services continued to weaken due to the softer demand from the industry and seasonal factors.

The Group's gross profit declined by 41%, from S\$14.4 million to S\$8.5 million, due mainly to the reduced revenue. The Group's gross profit margin was 28% as compared to 26% in Q2 FY09.

Other income declined by 66%, from S\$2.6 million to S\$0.9 million, due to absence of service income from a project which was recorded in Q2 FY09.

Distribution costs declined by 27%, from S\$3.8 million to S\$2.8 million, due mainly to lower selling and shipping expenses and related staff costs.

Administrative expenses declined by 16%, from S\$4.8 million to S\$4.1 million, due mainly to lower warehousing and related staff costs.

Other operating expenses declined by 35%, from S\$1.0 million to S\$0.6 million, as there was an impairment charge on leasehold property of S\$0.7 million in the Q2 FY09.

Finance cost declined by 51%, from S\$0.5 million to S\$0.2 million, due to lower interest rates.

Profit after tax attributable to shareholders decreased by 77% from S\$5.3 million to S\$1.2 million.

**REVIEW OF FINANCIAL POSITION AS AT 31 DECEMBER 2009, WITH THAT AS AT 30 JUNE 2009**

Trade receivables declined by 19% from S\$35.8 million (30 Jun 2009) to S\$29.1 million (31 Dec 2009), due mainly to reduced revenue in the current quarter. The trade receivables turn increased from 77 to 98 days.

Trade payables increased by 39% from S\$6.3 million to S\$8.7 million, and trade payables turn increased from 25 to 30 days.

Current other payables and accruals declined by 61% from S\$8.5 million to S\$3.3 million, due mainly to lower accrual of operating expenses.

Total bank borrowings (both current and non current) increased by 8% from S\$33.8 million to S\$36.5 million.

Shareholders' fund declined by 2% from S\$116.2 million to S\$114.2 million.

**REVIEW OF CASHFLOW STATEMENT FOR Q2 FY09 AND Q2 FY10.**

For the Q2 FY10, the net cash used in operating activities and financing activities was S\$4.5 million and S\$2.8 million respectively. Overall there was a net decrease of S\$7.7 million in cash and cash equivalents.

As at 31 December 2009, the Group had cash and bank balances of S\$12.9 million, compared to S\$8.8 million as at 30 June 2009.

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

Not applicable.

**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 general demand for products and services of the Group is expected to increase following the general economic recovery in the region, as reported in the media. Demand is expected to pick up from these mega projects in Singapore and the region, although they will take time to materialize. However, the Group envisages the business environment to continue to be challenging.

**11 DIVIDEND**

**11(a) CURRENT FINANCIAL PERIOD REPORTED ON**

Any dividend recommended for the current financial period reported on? No

**11(b) CORRESPONDING PERIOD OF THE IMMEDIATELY PRECEDING FINANCIAL YEAR**

Any dividend declared for the corresponding period of the immediately preceding financial year ? No

**11(c) DATE PAYABLE**

Not applicable.

**11(d) BOOKS CLOSURE DATE**

Not applicable.

**12 IF NO DIVIDEND HAS BEEN DECLARED/RECOMMENDED, A STATEMENT TO THAT EFFECT**

No dividend has been declared or recommended for the second quarter ended 31 December 2009.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

**13 BUSINESS SEGMENTAL INFORMATION**

Not applicable.

**14 IN THE REVIEW OF PERFORMANCE, THE FACTORS LEADING TO ANY MATERIAL CHANGES IN CONTRIBUTIONS TO TURNOVER AND EARNINGS BY THE BUSINESS OR GEOGRAPHICAL SEGMENTS**

Not applicable.

**15 BREAKDOWN OF SALES**

Not applicable.

**16 A BREAKDOWN OF THE TOTAL ANNUAL DIVIDEND (IN DOLLAR VALUE) FOR THE ISSUER'S LATEST FULL YEAR AND ITS PREVIOUS FULL YEAR**

Not applicable.

**17 INTERESTED PARTY TRANSACTIONS**

Name of Interest Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions pursuant to the IPT Mandate)	Aggregate value of all interested person transactions under the IPT Mandate during the financial year under review (excluding transactions less than S\$100,000)
PT Dwi Sumber Arca Waja - Trade sales - Trade purchases	<b>S\$'000</b> Nil Nil	<b>S\$'000</b> 1,198 Nil
The KSES Group - Trade sales - Trade purchases	Nil Nil	565 Nil
PT Citra Tubindo Engineering - Trade sales - Trade purchases	Nil Nil	265 Nil

**CONFIRMATION BY THE BOARD OF DIRECTORS**

The Directors confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six months ended 31 December 2009 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Yvonne Choo  
 Shirley Lim  
 Company Secretaries  
 February 11, 2010