



**UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2008**

**1 (a) STATEMENT OF PROFIT AND LOSS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2008**  
(In Singapore Dollars)

	Group					
	2nd Quarter			Year-to-date		
	3 months ended		Change	6 months ended		Change
31.12.2008	31.12.2007	31.12.2008		31.12.2007		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	55,111	56,118	-2%	117,720	114,707	3%
Cost of sales	(40,740)	(42,941)	-5%	(85,409)	(85,483)	0%
Gross profit	14,371	13,177	9%	32,311	29,224	11%
Other operating income	2,562	855	200%	4,207	2,688	57%
Distribution costs	(3,838)	(3,917)	-2%	(7,227)	(7,699)	-6%
Administrative expenses	(4,815)	(3,563)	35%	(9,002)	(6,574)	37%
Other operating expenses	(960)	(328)	193%	(2,549)	(568)	349%
Finance costs	(501)	(816)	-39%	(927)	(1,468)	-37%
Share of profit in joint venture	44	173	-75%	340	173	97%
Profit before income tax	6,863	5,581	23%	17,153	15,776	9%
Income tax expense	(1,342)	(1,224)	10%	(3,292)	(3,201)	3%
Profit for the period	5,521	4,357	27%	13,861	12,575	10%
Attributable to:						
Equity holders of the Company	5,267	4,313	22%	13,604	12,533	9%
Minority interests	254	44	477%	257	42	512%
	5,521	4,357	27%	13,861	12,575	10%

NM: Not meaningful

**1(a)(ii) The statement of profit and loss is arrived after crediting / (debiting) the following:-**

	Group			
	2nd Quarter		Year-to-date	
	3 months ended		6 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
Other income including: -				
(i) Interest, rental and other service income	2,556	385	4,196	967
(ii) Gain on foreign exchange	-	464	-	1,664
(iii) Gain on sale of property, plant and equipment	6	6	11	57
	2,562	855	4,207	2,688
Interest on borrowings	(501)	(816)	(927)	(1,468)
Depreciation	(568)	(341)	(1,076)	(577)
Provision for inventories write down	(3,082)	(810)	(3,382)	(1,620)
Gain/(loss) on foreign exchange	687	-	(325)	-
Impairment loss on leasehold property	(718)	-	(718)	-

**1(b)(i) BALANCE SHEETS**  
(In Singapore Dollars)

	Group			Company		
	As at	As at	Change	As at	As at	Change
	31.12.2008	30.06.2008		31.12.2008	30.06.2008	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Current assets</b>						
Cash and bank balances	5,561	3,448	61%	2,037	810	151%
Trade receivables	46,212	56,758	-19%	37,210	46,579	-20%
Other receivables, deposits and prepayments	2,873	2,141	34%	1,399	910	54%
Due from subsidiaries	-	-	-	13,970	13,217	6%
Financial derivative assets	485	694	-30%	485	694	-30%
Inventories	115,888	100,459	15%	96,297	84,909	13%
<b>Total current assets</b>	<b>171,019</b>	<b>163,500</b>	<b>5%</b>	<b>151,398</b>	<b>147,119</b>	<b>3%</b>
<b>Non-current assets</b>						
Investments in subsidiaries	-	-	-	5,178	5,178	0%
Investment in associate	221	221	0%	-	-	-
Investment in joint venture	1,083	743	46%	-	-	-
Property, plant and equipment	13,257	12,893	3%	12,703	12,320	3%
Development property	378	378	0%	-	-	-
Leasehold property	15,882	16,963	-6%	15,882	16,963	-6%
Available-for-sale investments	190	190	0%	190	190	0%
Deferred tax assets	141	53	166%	-	-	-
<b>Total non-current assets</b>	<b>31,152</b>	<b>31,441</b>	<b>-1%</b>	<b>33,953</b>	<b>34,651</b>	<b>-2%</b>
<b>Total assets</b>	<b>202,171</b>	<b>194,941</b>	<b>4%</b>	<b>185,351</b>	<b>181,770</b>	<b>2%</b>
<b>Current liabilities</b>						
Trade payables	14,589	16,916	-14%	11,575	14,372	-19%
Other payables & accruals	10,000	13,273	-25%	9,384	12,354	-24%
Due to subsidiaries	-	-	-	4,109	4,006	3%
Bank borrowings	23,362	39,008	-40%	23,362	39,008	-40%
Financial derivative liabilities	-	-	-	-	-	-
Income tax payable	6,073	6,121	-1%	5,053	5,013	1%
<b>Total current liabilities</b>	<b>54,024</b>	<b>75,318</b>	<b>-28%</b>	<b>53,483</b>	<b>74,753</b>	<b>-28%</b>
<b>Non-current liabilities</b>						
Bank borrowings	29,941	11,216	167%	29,941	11,216	167%
Other payable	1,832	1,885	-3%	1,832	1,885	-3%
Deferred tax liabilities	391	416	-6%	376	376	0%
<b>Total non-current liabilities</b>	<b>32,164</b>	<b>13,517</b>	<b>138%</b>	<b>32,149</b>	<b>13,477</b>	<b>139%</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	(828)	(1,709)	-52%	-	-	-
Accumulated profits	75,866	67,127	13%	60,286	54,107	11%
Equity attributable to equity holders of the Company	114,471	104,851	9%	99,719	93,540	7%
Minority interests	1,512	1,255	20%	-	-	-
<b>Total equity</b>	<b>115,983</b>	<b>106,106</b>	<b>9%</b>	<b>99,719</b>	<b>93,540</b>	<b>7%</b>
<b>Total liabilities and equity</b>	<b>202,171</b>	<b>194,941</b>	<b>4%</b>	<b>185,351</b>	<b>181,770</b>	<b>2%</b>

NM: not meaningful

**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 31.12.2008		As at 30.06.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	23,362	-	39,008

Amount repayable after one year

As at 31.12.2008		As at 30.06.2008	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
-	29,941	-	11,216

Details of any collateral

Not applicable.

## 1(c) CASH FLOW STATEMENT

	Group			
	<u>2nd Quarter</u>		<u>Year-to-date</u>	
	3 months ended		6 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Operating activities</b>				
Profit before income tax	6,863	5,581	17,153	15,776
Adjustments for:				
Share of profit of Joint Venture	(44)	(173)	(340)	(173)
Depreciation and amortisation expense	568	341	1,076	577
Gain on disposal of property, plant and equipment	(6)	(6)	(11)	(57)
Fair value (gain)/loss on derivative financial instrument	(818)	(353)	209	(1,790)
Allowances for doubtful trade receivables	37	-	203	-
Reversal of allowance for doubtful trade receivables	(55)	-	(55)	(20)
Impairment loss on leasehold property	718	-	718	-
Provision for inventories write down	3,082	810	3,382	1,620
Interest income	(14)	(44)	(20)	(59)
Interest expense	501	816	927	1,468
Operating cash flows before movements in working capital	10,832	6,972	23,242	17,342
Trade receivables	11,512	4,887	10,398	(9,103)
Other receivables and prepayments	(417)	237	(732)	(83)
Inventories	(13,784)	(7,882)	(18,811)	(13,220)
Trade payables	1,223	(4,555)	(2,327)	(1,712)
Other payables	285	3,047	(3,326)	3,197
Cash (used in) / generated from operations	9,651	2,706	8,444	(3,579)
Income tax paid	(3,137)	(2,727)	(3,453)	(2,962)
Net cash (used in) from operating activities	6,514	(21)	4,991	(6,541)
<b>Investing activities</b>				
Purchase of property, plant & equipment	(65)	(107)	(979)	(692)
Purchase, additional & alternation cost of leasehold property	(90)	(6,469)	(106)	(6,469)
Proceeds from disposal of property, plant & equipment	17	14	19	65
Interest received	14	44	20	59
Net cash (used in) from investing activities	(124)	(6,518)	(1,046)	(7,037)
<b>Financing activities</b>				
Proceeds from bank loans and bill payables	1,271	10,109	3,079	17,562
Proceeds from issues of ordinary shares	-	63	-	65
Interest paid	(501)	(816)	(927)	(1,468)
Dividend paid	(4,865)	(1,990)	(4,865)	(1,990)
Net cash (used in) from financing activities	(4,095)	7,366	(2,713)	14,169
Net effect of exchange rate changes in consolidating subsidiaries	390	(245)	807	(385)
Net increase (decrease) in cash and cash equivalents	2,685	582	2,039	206
Cash and cash equivalents at beginning of period	2,802	4,313	3,448	4,689
Effect of exchange rate changes on the balance of cash held in foreign currencies	74	(8)	74	(8)
<b>Cash and cash equivalents at end of period</b>	<b>5,561</b>	<b>4,887</b>	<b>5,561</b>	<b>4,887</b>
Cash and cash equivalents in the cash flow statement: -				
Cash and bank balances	5,561	5,164	5,561	5,164
Bank Overdraft	-	(277)	-	(277)
Cash and cash equivalents at end of period	5,561	4,887	5,561	4,887

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	
<b>As at 01.07.2008</b>	39,230	203	(1,709)	67,127	104,851	1,255	106,106
Foreign currency translation differences			417		417	-	417
Profit for the period 1st quarter				8,337	8,337	3	8,340
Total recognised income and expenses for the period	-	-	417	8,337	8,754	3	8,757
Issue of ordinary shares upon the exercise of: Warrants	-	-	-	-	-	-	-
<b>As at 30.09.2008</b>	39,230	203	(1,292)	75,464	113,605	1,258	114,863
Foreign currency translation differences			464		464		464
Profit for the period 2nd quarter				5,267	5,267	254	5,521
Total recognised income and expenses for the period	-	-	464	5,267	5,731	254	5,985
Issue of ordinary shares upon the exercise of: Warrants	-	-	-	-	-	-	-
Dividend paid				(4,865)	(4,865)	-	(4,865)
<b>As 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>As at 01.07.2007</b>	39,145	203	144	45,353	84,845	1,108	85,953
Foreign currency translation differences			(138)		(138)		(138)
Profit for the period 1st quarter				8,220	8,220	(2)	8,218
Total recognised income and expenses for the period	-	-	(138)	8,220	8,082	(2)	8,080
Issue of ordinary shares upon the exercise of: Warrants	2	-	-	-	2	-	2
<b>As at 30.09.2007</b>	39,147	203	6	53,573	92,929	1,106	94,035
Foreign currency translation differences			(253)		(253)		(253)
Profit for the period 2nd quarter				4,313	4,313	44	4,357
Total recognised income and expenses for the period	-	-	(253)	4,313	4,060	44	4,104
Issue of ordinary shares upon the exercise of: Share options Warrants	52 11				52 11	- -	52 11
Dividend paid				(1,990)	(1,990)	-	(1,990)
<b>As at 31.12.2007</b>	<b>39,210</b>	<b>203</b>	<b>(247)</b>	<b>55,896</b>	<b>95,062</b>	<b>1,150</b>	<b>96,212</b>

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

<u>Company</u>	<b>Share capital S\$'000</b>	<b>Share option reserve S\$'000</b>	<b>Accumulated profits S\$'000</b>	<b>Total S\$'000</b>
<b>As at 01.07.2008</b>	39,230	203	54,107	93,540
Issue of ordinary shares upon the exercise of: Warrants	-	-	-	-
Profit for the period 1st quarter	-	-	7,240	7,240
As at 30.09.2008	39,230	203	61,347	100,780
Issue of ordinary shares upon the exercise of: Warrants				-
Profit for the period 2nd quarter			3,804	3,804
Dividend paid			(4,865)	(4,865)
<b>As at 31.12.2008</b>	<b>39,230</b>	<b>203</b>	<b>60,286</b>	<b>99,719</b>
<b>As at 01.07.2007</b>	39,145	203	38,080	77,428
Issue of ordinary shares upon the exercise of: Warrants	2	-	-	2
Profit for the period 1st quarter	-	-	6,710	6,710
As at 30.09.2007	39,147	203	44,790	84,140
Issue of ordinary shares upon the exercise of: Share options	52			52
Warrants	11			11
Profit for the period 2nd quarter			3,254	3,254
Dividend paid			(1,990)	(1,990)
<b>As at 31.12.2007</b>	<b>39,210</b>	<b>203</b>	<b>46,054</b>	<b>85,467</b>

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

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

As at 31 December 2008, the Company has unexercised options of 179,451(30 June 2008 - 179,451).

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

As at 31 December 2008 and 30 June 2008, 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**

There were no changes to the accounting policies and methods of computation adopted in the preparation of the financial statements for the 6 months ended 31 December 2008.

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

Not applicable.

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

Earnings per share based on profit attributable to shareholders:	Group			
	3 months ended		6 months ended	
	31.12.2008	31.12.2007	31.12.2008	31.12.2007
(a) Based on weighted average number of ordinary shares in issue	0.97 cent	0.80 cent	2.52 cents	2.33 cents
Weighted average number of shares	540,567,507	538,746,016	540,567,507	538,746,016
(b) On a fully diluted basis	0.97 cent	0.80 cent	2.52 cents	2.33 cents
Adjusted weighted average number of shares	540,602,285	538,888,329	540,602,285	538,888,329

**7 NET ASSET VALUE**

	Group		Company	
	As at 31.12.2008	As at 30.06.2008	As at 31.12.2008	As at 30.06.2008
Net asset value per share	21.18 cents	19.40 cents	18.45 cents	17.30 cents

Net asset value per share is calculated based on the 540,567,507(30 June 2008 - 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 FY08 AND Q2 FY09.**

The Group's revenue for second quarter FY2009 (Q2 FY09) decreased by 2% from S\$56.1 million in second quarter FY2008 (Q2 FY08) to S\$55.1 million.

The Group's gross profit increased by 9%, from S\$13.2 million to S\$14.4 million, due mainly to an improvement of gross profit margin from 23% to 26% for Q2 FY09. This was due to the improvement in gross profit margin for certain products. This is despite a provision of S\$3.1 million for write down of certain products, arising mainly from the drop in steel prices for the quarter, as compared to S\$0.8 million in Q2 FY08.

Other income increased by 200%, from S\$0.9 million to S\$2.6 million. The increase was due mainly to an increase in rental income (including the leasehold property) of S\$0.9 million and service income from a project of another S\$0.9 million.

Distribution costs declined by 2%, from S\$3.9 million to S\$3.8 million, due mainly to lower selling expenses and shipping costs.

Administrative expenses increased by 35%, from S\$3.6 million to S\$4.8 million. This was due mainly to an increase in depreciation charge for the leasehold property, warehousing costs and utilities expenses.

Other operating expenses increased by 193%, from S\$0.3 million to S\$1.0 million due mainly to impairment loss on leasehold property of S\$0.7 million in Q2 FY09.

Finance cost declined by 39%, from S\$0.8 million to S\$0.5 million, due to lower interest rates, despite higher bank borrowings.

The Group's share of jointly controlled entity results decreased from S\$0.2 million to S\$0.04 million due to lower profit.

Profit after tax attributable to shareholders increased by 22% from S\$4.3 million to S\$5.3 million.

## **REVIEW OF FINANCIAL POSITION AS AT 31 DECEMBER 2008, WITH THAT AS AT 30 JUNE 2008**

Trade receivables declined by 19% from S\$56.8 million (30 Jun 2008) to S\$46.2 million (31 Dec 2008) due mainly to the timing of payment received from customers. The trade receivables turn day increased from 70 days to 79 days.

The Group's inventory increased by 15% from S\$100.5 million to S\$115.9 million. The increase was due to the purchase of goods ordered for specific projects. Inventory turn for Q2 FY09 was 7.9 months.

Leasehold property decreased by 6% due mainly to impairment loss of S\$0.7 million recognized in Q2 FY09.

Current liabilities declined by 28% from S\$75.3 million to S\$54.0 million due mainly to decrease in short-term bank borrowings, trade and other payables.

Non-current liabilities increased by 138% from S\$13.5 million to S\$32.2 million due mainly to the increase in long term bank borrowings from S\$11.2 million to S\$29.9 million.

The Group was able to obtain unsecured long term loans of S\$33.0 million, payable within period of 3 to 5 years from January 2009 to March 2013. The gearing for the Group as at 31 Dec 2008 is 0.47 times, slightly lower as compare to 30 Jun 2008 of 0.48 times.

Shareholders' fund increased by 9% from S\$104.9 million to S\$114.5 million.

## **REVIEW OF CASHFLOW STATEMENT FOR Q2 FY08 AND Q2 FY09.**

The cash generated from operations was S\$9.7 million in Q2 FY09 as compared to S\$2.7 million in Q2 FY08.

Cash outflow from financing activities of S\$4.1 million in Q2 FY09 due mainly to the payment of dividend of S\$4.9 million. In Q2 FY08, there was cash inflow of S\$7.4 million due mainly to additional bank loans.

Cash and Bank balances increased by S\$2.2 million, from S\$3.4 million (30 Jun 2008) to S\$5.6 million (31 Dec 2008).

The Group has adequate credit facilities for the ongoing business.

### **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.**

The financial crisis is expected to continue for some time and may be extended if the global economies show no sign of recovery. Steel prices have softened and this may affect the gross profit margin for our products. This is a very challenging environment as the extent and duration of the impact of the global financial crisis is still unclear.

The directors will continue to monitor the situation closely and take all possible actions to counteract or minimize any negative impact.

The Group will also continue to work with KS Energy Services Ltd and Aqua Terra Supply Co Ltd in maximizing our competitive advantage.

Barring any unforeseen circumstances, the directors expect the Group to remain profitable for the full year.

**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 ? Yes

<b>Name of Dividend</b>	Interim
<b>Dividend Type</b>	Cash
<b>Gross Dividend Amount Per Ordinary Share</b>	0.70 cent
<b>Tax Rate</b>	Tax exempt one-tier

**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 2008.

**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 interested persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$ 100,000 and transactions conducted under the IPT Mandate)	Aggregate value of all interested person transactions, conducted under the IPT Mandate (excluding transactions less than S\$ 100,000)
	<b>S\$'000</b>	<b>S\$'000</b>
PT Dwi Sumber Arca Waja - Trade sales - Trade purchases	Nil Nil	19,907 Nil
The KSES Group - Trade sales - Trade purchases	Nil Nil	261 Nil
PT Citra Tubindo Engineering - Trade sales - Trade purchases	261 Nil	Nil Nil
PT. Sarana Citranusa Kabil - Trade sales - Trade purchases	Nil 144	Nil 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 second quarter and six months ended 31 December 2008 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Yvonne Choo  
 Shirley Lim  
 Company Secretaries  
 February 11, 2009