



**HG METAL MANUFACTURING LIMITED**  
(Company Registration No. 198802660D)

**Financial Statements and Dividend Announcement for Financial Year Ended 30 September 2008**

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

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

	Group			Group		
	YTD FY08 S\$'000	YTD FY07 S\$'000	% (+/-)	4Q FY08 S\$'000	4Q FY07 S\$'000	% (+/-)
Revenue	732,944	438,142	67	199,377	100,697	98
Cost of sales	(615,789)	(388,219)	59	(171,689)	(89,900)	91
Gross profit	117,155	49,923	135	27,688	10,797	156
Other operating income	2,833	2,048	38	2,332	1,502	55
Distribution expenses	(8,590)	(5,425)	58	(1,875)	(1,205)	56
Administrative expenses	(12,384)	(12,711)	(3)	2,063	(2,393)	(186)
Other operating expenses	(60,701)	(2,250)	2598	(65,555)	(660)	9827
Finance expenses	(10,731)	(9,046)	19	(2,951)	(2,383)	24
Profit / (loss) before tax	27,582	22,539	22	(38,298)	5,658	(777)
Income tax expense	(4,844)	(4,226)	15	4,887	(856)	nm*
Net profit / (loss) for the period	22,738	18,313	24	(33,411)	4,802	(796)
Attributable to:						
Equity holders of the Company	22,562	18,109	25	(33,268)	4,808	nm*
Minority interest	176	204		(143)	(6)	
	22,738	18,313		(33,411)	4,802	
Earnings per share - Basic (cents)	5.31	7.58		(7.83)	2.01	
Earnings per share - Diluted (cents)	4.77	6.46		(7.03)	1.71	

\*nm denotes not meaningful

The Group had acquired 56.14% of the issued share capital of BRC Asia Limited ("BRC"), a company listed on Singapore Stock Exchange, on 18 September 2008 through HG Metal Pte Ltd, a 51% owned subsidiary of HG Metal Manufacturing Limited. The effective date of acquisition is deemed to be on 30 September 2008. Accordingly, the financial results of BRC up to 30 September 2008 are considered to be pre-acquisition in nature and has no impact on the Group's profit for the financial year ended 30 September 2008.

**1(a)(ii) Notes to the Consolidated Income Statement**

	Group		Group	
	YTD FY08 S\$'000	YTD FY07 S\$'000	4Q FY08 S\$'000	4Q FY07 S\$'000
Interest income	(271)	(262)	(60)	(95)
Interest on borrowings	10,731	9,046	2,951	2,383
Depreciation	2,111	1,528	534	419
Allowance for doubtful debts	4,323	1,002	1,825	502
Writeback of allowance for doubtful debts	(1,990)	(782)	(371)	(544)
Write down of inventories to net realisable value	47,006	-	47,006	-
Foreign exchange loss / (gain), net	2,730	(489)	12,612	(1,034)
(Profit) / loss on sales of property, plant and equipment	(62)	(74)	(1)	29
Amortisation of computer software	77	-	38	-
Fair value gain on derivatives	(67)	-	(67)	-
Fair value loss on investment held for trading	1,000	-	650	-

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year :**

	<b>Group</b>		<b>Company</b>	
	30.09.2008 S\$'000	30.09.2007 S\$'000	30.09.2008 S\$'000	30.09.2007 S\$'000
<b>Non current assets</b>				
Property, plant and equipment	50,629	13,276	13,527	4,657
Intangible assets	24,047	175	854	163
Investment in subsidiaries	-	-	9,168	6,601
Investment in JV	8,490	-	-	-
Available for sale financial assets	29	-	-	-
Deferred tax assets	19	480	-	480
	83,214	13,931	23,549	11,901
<b>Current assets</b>				
Derivative financial instruments	67	-	67	-
Investment held for trading	1,000	-	-	-
Inventories	355,715	182,410	260,666	167,561
Trade and other receivables	169,972	98,547	132,746	93,866
Cash and cash equivalents	49,983	31,121	29,315	26,164
	576,737	312,078	422,794	287,591
<b>Current liabilities</b>				
Trade and other payables	200,628	75,368	126,379	71,316
Finance lease payables	1,504	298	-	-
Bank borrowings	296,281	122,633	190,123	114,221
Provision for taxation	6,259	3,590	3,998	3,315
Derivative financial instruments	-	2,667	-	2,667
	504,672	204,556	320,500	191,519
<b>Net current assets</b>	72,065	107,522	102,294	96,072
<b>Non current liabilities</b>				
Finance lease payables	680	585	-	-
Bank borrowings	1,662	3,178	650	1,650
Provision for retirement benefits	451	-	-	-
Deferred taxation	1,455	379	172	56
	4,248	4,142	822	1,706
	151,031	117,311	125,021	106,267
<b>Capital and reserves</b>				
Share capital	78,203	78,197	78,203	78,197
Capital reserves	2,527	2,527	2,527	2,527
Hedging reserves	-	(2,187)	-	(2,187)
Foreign currency translation reserve	(120)	(88)	-	-
Retained earnings	55,938	37,358	44,291	27,730
Equity attributable to equity holders of the Company	136,548	115,807	125,021	106,267
Minority interests	14,483	1,504	-	-
Total equity	151,031	117,311	125,021	106,267

**1(b)(ii) Aggregate amount of group's borrowings and debt securities :**

	As at 30 September 2008			As at 30 September 2007		
	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000	Secured S\$'000	Unsecured S\$'000	Finance lease S\$'000
Repayable in one year or less	3,728	292,554	1,504	1,711	120,922	298
Repayable after one year	1,662	-	680	3,178	-	585
Total	5,390	292,554	2,184	4,889	120,922	883

Details of collaterals:

Term loan facility outstanding of S\$5.4million is secured by way of legal mortgage over leasehold buildings of the Group.

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group		Group	
	YTD FY08 S\$'000	YTD FY07 S\$'000	4Q FY08 S\$'000	4Q FY07 S\$'000
<b>Cash flows from operating activities</b>				
Profit / (Loss) before tax	27,582	22,539	(38,298)	5,658
Adjustments for non cash items:				
Amortised discount	-	60	-	60
Adjustment to minority interest	-	(70)	-	-
Depreciation of property, plant and equipment	2,111	1,528	534	419
Amortisation of computer software	77	-	38	-
(Gain) / Loss on disposal of property, plant and equipment	(62)	(74)	(1)	29
Intangible assets written off	-	61	-	-
Write down of inventories to net realisable value	47,006	-	47,006	-
Allowance for doubtful debts, net	2,333	220	1,454	(42)
Fair value gain on derivatives	(67)	-	(67)	-
Fair value loss on investment held for trading	1,000	-	650	-
Interest expense	10,731	9,046	2,951	2,383
Interest income	(271)	(262)	(60)	(95)
Foreign currency realignment	347	20	430	(46)
Operating profit before working capital changes	90,787	33,068	14,637	8,366
Working capital changes:				
Fixed deposits pledged	(21)	(385)	2	(27)
Inventories	(147,171)	(80,796)	(108,699)	(39,314)
Trade and other receivables	(28,450)	(6,635)	31,145	8,946
Trade and other payables	78,181	31,929	46,094	18,394
Cash used in operations	(6,674)	(22,819)	(16,821)	(3,635)
Interest expense paid	(10,731)	(9,046)	(2,951)	(2,383)
Interest income received	271	262	60	95
Income tax paid	(3,556)	(2,423)	(517)	(103)
Net cash used in operating activities	(20,690)	(34,026)	(20,229)	(6,026)
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	315	84	68	135
Purchase of property, plant and equipment	(11,421)	(2,070)	(6,548)	(1,511)
Purchase of intangible assets	(768)	(11)	-	(11)
Purchase of quoted equity shares	(2,000)	-	-	-
Net cash outflow from acquisition of subsidiary (Note 1)	(29,558)	-	(29,558)	-
Net cash used in investing activities	(43,432)	(1,997)	(36,038)	(1,387)
<b>Cash flows from financing activities</b>				
Net proceeds from bank borrowings	87,460	19,620	64,487	1,132
Dividend paid to equity shareholders	(3,982)	(7,414)	-	-
Dividend paid to minority shareholders	(9)	(10)	-	-
Proceeds from share placement	-	19,240	-	19,240
Proceeds from share of profits from share conversion	-	2,426	-	509
Proceeds from warrant conversion and rights issue	6	14,855	-	4
Payment of issuance costs	-	(1,172)	-	(1,172)
Repayment of finance lease payables	(513)	(387)	(135)	(86)
Net cash generated from financing activities	82,962	47,158	64,352	19,627
Net change in cash and cash equivalents	18,840	11,135	8,085	12,214
Cash and cash equivalents at beginning of financial year	30,642	19,507	41,397	18,428
Cash and cash equivalents at end of financial year	49,482	30,642	49,482	30,642

Note 1:

The summary of effects of acquisition of subsidiary on Group's cash flows is as follows:

	S\$'000
Consideration paid for 56.14% equity interest acquired	39,495
Less:	
Cash and cash equivalents of subsidiary acquired	(9,937)

Group cash and cash equivalents comprise of the following:

	<b>Group</b>	
	As at 30 Sept 2008 S\$'000	As at 30 Sept 2007 S\$'000
Cash and bank balances	37,283	20,298
Fixed deposits	12,700	10,823
	49,983	31,121
Fixed deposits pledged with banks <sup>(1)</sup>	(501)	(479)
Cash and cash equivalents per consolidated cash flow statement	49,482	30,642

<sup>(1)</sup> Fixed deposits are pledged with bank to secure credit facilities granted to a Malaysian subsidiary.

**1(d)(i) A statement (for the issuer and group) showing all changes in equity, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	Attributable to equity shareholders of the Company						Minority Interest	Total Equity
	Share Capital	Capital Reserves	Hedging Reserves	Foreign Currency Translation Account	Accumulated Profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
Balance as at 1 October 2007	78,197	2,527	(2,187)	(88)	37,358	115,807	1,504	117,311
Cash flow hedges - fair value gains	-	-	2,187	-	-	2,187	-	2,187
Currency translation adjustments	-	-	-	(32)	-	(32)	(39)	(71)
Net income directly recognised in equity	-	-	2,187	(32)	-	2,155	(39)	2,116
Profit for the year	-	-	-	-	22,562	22,562	176	22,738
Total recognised net income for the financial year	-	-	2,187	(32)	22,562	24,717	137	24,854
Issue of shares	6	-	-	-	-	6	-	6
Incorporation and acquisition of subsidiaries	-	-	-	-	-	-	12,747	12,747
Issuance of new ordinary shares by a subsidiary to minority interest	-	-	-	-	-	-	104	104
Dividends	-	-	-	-	(3,982)	(3,982)	(9)	(3,991)
Balance as at 30 September 2008	78,203	2,527	-	(120)	55,938	136,548	14,483	151,031
Balance as at 1 October 2006	35,274	101	(3,896)	(96)	26,663	58,046	1,366	59,412
Cash flow hedges - fair value gains	-	-	2,203	-	-	2,203	-	2,203
Currency translation adjustments	-	-	-	8	-	8	(56)	(48)
Deferred tax asset on hedging reserve	-	-	(494)	-	-	(494)	-	(494)
Net income directly recognised in equity	-	-	1,709	8	-	1,717	(56)	1,661
Profit for the year	-	-	-	-	18,109	18,109	204	18,313
Total recognised net income for the financial year	-	-	1,709	8	18,109	19,826	148	19,974
Issue of shares	42,923	-	-	-	-	42,923	-	42,923
Gain from share conversion	-	2,426	-	-	-	2,426	-	2,426
Dividends	-	-	-	-	(7,414)	(7,414)	(10)	(7,424)
Balance as at 30 September 2007	78,197	2,527	(2,187)	(88)	37,358	115,807	1,504	117,311

<b>Company</b>	Share Capital	Capital Reserves	Hedging Reserves	Accumulated Profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2007	78,197	2,527	(2,187)	27,730	106,267
Cash flow hedges - fair value gains	-	-	2,187	-	2,187
Profit for the year	-	-	-	20,543	20,543
Net income for the financial year	-	-	2,187	20,543	22,730
Issue of shares	6	-	-	-	6
Dividends	-	-	-	(3,982)	(3,982)
Balance as at 30 September 2008	78,203	2,527	-	44,291	125,021
Balance as at 1 October 2006	35,274	101	(3,896)	18,851	50,330
Cash flow hedges - fair value gains	-	-	2,203	-	2,203
Deferred tax asset on hedging reserves	-	-	(494)	-	(494)
Net income directly recognised in equity	-	-	1,709	-	1,709
Profit for the year	-	-	-	16,293	16,293
Issue of shares	42,923	-	-	-	42,923
Gain from share conversion	-	2,426	-	-	2,426
Dividends	-	-	-	(7,414)	(7,414)
Balance as at 30 September 2007	78,197	2,527	(2,187)	27,730	106,267

**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, issue 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**

Warrants conversion and bonus issue

During the financial year ended 30 September 2008, 13,500 ordinary shares were issued upon the exercise of warrants at the exercise price of \$0.4215.

In February 2008, the Company issued bonus shares of 106,177,458 in the capital of the Company. 14,647,411 additional warrants were issued and the exercise price was adjusted to \$0.3200 as a result of the bonus issue.

Outstanding warrants as at 30 September 2008 is 58,591,452 (2007: 43,957,541).

**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 our 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 financial statements have been applied**

During the financial year, the Company had adopted the same accounting policies and methods of computation as in the most recently audited financial statements for the financial year ended 30 September 2007 except for the change in its inventory costing from FIFO basis to weighted average basis.

**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**

The Company had changed its inventory costing from FIFO basis to weighted average basis to be consistent with the inventory costing of its subsidiaries. There is no effect on the financials of the Company as the Company did not make any adjustment to current and prior year's balances due to impracticability.

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

	Group		Group	
	12 mths ended 30.09.2008	12 mths ended 30.09.2007	3 mths ended 30.09.2008	3 mths ended 30.09.2007
Earnings per ordinary shares:				
(a) Basic (cents)	5.31	7.58	(7.83)	2.01
(b) Diluted (cents)	4.77	6.46	(7.03)	1.71

Earnings per share is calculated based on weighted average number of shares during the period. Weighted average number of shares as of 30.09.2008 is 424,711,061 shares, which included the bonus shares of 106,177,458. The weighted average number of shares as of 30.09.2007 is 239,050,834.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	Group		Company	
	30.09.2008	30.09.2007	30.09.2008	30.09.2007
Net asset value per ordinary share (cents)	32.15	36.36	29.44	33.36

Net asset value per ordinary share as of 30.09.2008 is calculated based on 424,714,561 shares, which included the bonus shares of 106,177,458. The net asset value as of 30.09.2007 is calculated based on 318,523,603 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 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. Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

### **Turnover**

Sales turnover for the Group for FY 2008 grew 67% to \$732 million compared to \$438 million on the back of strong demand for steel and increase in steel prices during the financial year. For the Q4 FY08, sales almost doubled to \$199 million compared to the same period last financial quarter. The strong increase in sales in the 4<sup>th</sup> quarter comes from continued increase in steel prices and the strong demand for steel products from all sectors, including construction and shipbuilding and ship repair.

### **Gross Profit**

The Group's gross profit margin improved significantly from 11.4% in FY07 to 16.0% for FY08 as a result of higher steel prices and strong demand. With the increase in gross margin, gross profit for FY 08 increased by 134.6% to \$117 million from \$50 million in FY07. For Q4 FY08, gross profit increased 156.4% to \$ 27.7 million compared to the same period in FY07.

### **Distribution, Finance and Administrative Expenses**

In line with the increase in sales turnover, distribution expense for FY08 increased by 58% to \$9 million.

However, administrative expense for FY 08 had remained relatively unchanged as compared to FY 07. The write back of provision for directors' remuneration in Q4 FY08 had resulted in an administrative gain in the last quarter of FY08.

The significant increase in other operating expenses is mainly due to a \$47 million write down of inventory to net realisable value as a result of the sharp correction in global steel prices from Sep 08 to the present. Other factors contributing to the increase include increase in operating expenses which is consistent with the increase in demand during the year and higher provision for doubtful debts.

### **Profit Before Tax (PBT) / Profit After Tax (PAT)**

The Group managed to achieve a record of \$28 million PBT during FY08, an increase of 22.4% compared to the \$23 million in FY07. This was due mainly to the improvement in gross profit margin and higher sales during current financial year.

The Group made a loss of \$38 million in Q4 FY08 compared to PBT of \$6 million for the same period last year. The net loss reported was a result of the write down of inventory to net realisable value and loss in foreign exchange arising from the sharp appreciation of the US dollar against the Singapore dollar during the last quarter.

The Group's PAT for FY08 increased by 24.2% to \$23 million compared to \$18 million for FY07.

### **Cash Flow / Shareholders' Funds**

For FY08, net cash from operating activities, while still negative, had improved significantly from the same period last year due to increase in net profits and trade payables. A net cash outflow of \$43 million on investing activities arose mainly from the acquisition of BRC. As at 30 Sept 2008, cash and cash equivalents was higher at \$49 million compared to \$31 million as at 30 Sept 2007. As at 30 Sept 2008, total Group's shareholders' funds (excluding minority interests) had increased to \$137 million.

## **Balance Sheet**

The Group's fixed assets increased by \$37 million due mainly to purchase of freehold land in Nusajaya and acquisition of BRC's assets. Trade and other receivables, trade and other payables and bank borrowings were significantly higher compared to FY 2007 as a result of the acquisition of BRC.

The Group's acquisition of BRC has to be accounted for in accordance with FRS 103, Business Combination. The Group had performed a preliminary purchase price allocation exercise to derive the fair value of the leasehold buildings and inventories acquired. A detailed purchase price allocation will be performed in FY2009 to determine the fair value of BRC's assets, liabilities and contingent liabilities acquired.

### **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 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**

In the last few months, the global economic conditions had deteriorated sharply with the failure of major banks and many countries going into recession. Almost all commodities have seen a sharp correction in prices and steel is no exception. With the decline in global demand for steel, many steel mills like the Mittal Group and Chinese mills have shut down or cut their production capacities.

In Singapore, some buyers are holding back purchases until there is more stability in the market. On the other hand, there are still many ongoing construction and infrastructural projects in Singapore. There is also the possibility that the government may bring forward public and infrastructural projects which it had deferred earlier this year.

In view of the current climate, the Group is adopting a cautious approach towards its inventory management and will be working towards a lower inventory level until market conditions have turned for the better.

The Group has successfully completed the takeover offer for BRC in October. In the coming years, the Group will be working closely with BRC to derive synergies in sourcing and selling. The Group believes that BRC Asia will benefit from the lower steel price environment and the increase in the building of HDB flats.

After discussions with its joint venture partner AISB, the Group has decided to defer the construction of the steel pipe project in Nusajaya until the market conditions are more stable.

On the whole, the directors expect FY 2009 to be a challenging year.

## **11. Dividend**

### **(a) Current financial period reported on**

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

Name of dividend	:	Final
Dividend type	:	Cash
Dividend rate	:	0.25 cent per ordinary share
Tax rate	:	Tax-exempted one tier

### **(b) Corresponding period of the immediately preceding financial year**

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

Name of dividend	:	Final
Dividend type	:	Cash
Dividend rate	:	1 cent per ordinary share
Tax rate	:	Tax-exempted one tier

Name of dividend	:	Special
Dividend type	:	Cash
Dividend rate	:	0.25 cent per ordinary share
Tax rate	:	Tax-exempted one tier

**(c) Date payable**

To be announced on a later date

**(d) Books closure date**

To be announced on a later date

**12. If no dividend has been declared/recommended, a statement to that effect.**

Not applicable

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.**

<b>Primary business segment</b>	<b>Trading</b>	<b>Manufacturing</b>	<b>Eliminations</b>	<b>Group</b>
<b>Financial year ended 30 Sept 2008</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Revenue</b>				
Sales to external parties	677,334	55,610	-	732,944
Inter-segment sales	4,144	2,410	(6,554)	-
Total	<u>681,478</u>	<u>58,020</u>	<u>(6,554)</u>	<u>732,944</u>
<b>Results</b>				
Segment results	33,704	3,599	739	38,042
Interest expense	(9,788)	(943)	-	(10,731)
Interest income	262	9	-	271
Profit (Loss) before income tax	<u>24,178</u>	<u>2,665</u>	<u>739</u>	<u>27,582</u>
Income tax expense				<u>(4,844)</u>
Profit (Loss) after income tax				<u>22,738</u>
Minority Interests				<u>(176)</u>
Net profit for the year				<u>22,562</u>
<b>Other information</b>				
Capital expenditure				
- Tangible assets	21,883	1,823	-	23,706
- Intangible assets	768	-	-	768
- Acquisition of subsidiary	-	23,181	-	23,181
Depreciation	958	1,170	(17)	2,111
Amortisation	77	-	-	77
Write down of inventories to net realisable value	44,413	2,593	-	47,006
<b>Assets &amp; liabilities</b>				
Segment assets	510,948	226,837	(77,853)	659,932
Unallocated assets				<u>19</u>
Total assets				<u>659,951</u>
Segment liabilities	378,330	164,230	(41,354)	501,206
Unallocated liabilities				<u>7,714</u>
Total liabilities				<u>508,920</u>

<b>Financial year ended 30 Sept 2007</b>	<b>Trading</b>	<b>Manufacturing</b>	<b>Eliminations</b>	<b>Group</b>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue</b>				
Sales to external parties	395,965	42,177	-	438,142
Inter-segment sales	9,051	4,614	(13,665)	-
Total	<u>405,016</u>	<u>46,791</u>	<u>(13,665)</u>	<u>438,142</u>
<b>Results</b>				
Segment results	28,421	3,201	(299)	31,323
Interest expense	(8,157)	(888)	-	(9,045)
Interest income	242	19	-	261
Profit (Loss) before income tax	<u>20,506</u>	<u>2,332</u>	<u>(299)</u>	<u>22,539</u>
Income tax expense				<u>(4,226)</u>
Profit (Loss) after income tax				18,313
Minority Interests				<u>(204)</u>
Net profit for the year				<u>18,109</u>
<b>Other information</b>				
Capital expenditure				
- Tangible assets	1,306	1,048	(91)	2,263
- Intangible assets	-	-	-	-
- Acquisition of subsidiary	-	-	-	-
Depreciation	716	816	(4)	1,528
Amortisation	-	-	-	-
Write down of inventories to net realisable value	-	-	-	-
<b>Assets &amp; liabilities</b>				
Segment assets	311,675	35,945	(22,091)	325,529
Unallocated assets				480
Total assets				<u>326,009</u>
Segment liabilities	198,564	20,059	(13,894)	204,729
Unallocated liabilities				3,969
Total liabilities				<u>208,698</u>

<b>Secondary geographical segment</b>	<b>Singapore</b>	<b>Malaysia</b>	<b>Indonesia</b>	<b>Others</b>	<b>Elimination</b>	<b>Group</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Financial year ended 30 Sept 2008</u></b>						
Sales to external parties	381,772	205,925	122,816	22,431	-	732,944
Inter-segment sales	6,554	-	-	-	(6,554)	-
<b>Total</b>	<b>388,326</b>	<b>205,925</b>	<b>122,816</b>	<b>22,431</b>	<b>(6,554)</b>	<b>732,944</b>
Segment assets	721,055	16,730	-	-	(77,853)	659,932
Unallocated assets						19
<b>Total assets</b>						<b>659,951</b>
Capital expenditure	11,705	12,001	-	-	-	23,706
<b><u>Financial year ended 30 Sept 2007</u></b>						
Sales to external parties	198,460	159,727	65,231	14,724	-	438,142
Inter-segment sales	13,665	-	-	-	(13,665)	-
<b>Total</b>	<b>212,125</b>	<b>159,727</b>	<b>65,231</b>	<b>14,724</b>	<b>(13,665)</b>	<b>438,142</b>
Segment assets	336,423	10,312	-	885	(22,091)	325,529
Unallocated assets						480
<b>Total assets</b>						<b>326,009</b>
Capital expenditure	2,042	194	-	118	(91)	2,263

**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.**

Please refer to item no. 8.

**15. A breakdown of sales**

	<b>Group</b>		
	<b>FY 2008</b>	<b>FY 2007</b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>(+/-)</b>
<b><u>First Half</u></b>			
Sales reported for first half year	299,599	214,041	40
Operating profit after tax before deducting minority interest reported for first half year	27,422	7,790	252
<b><u>Second Half</u></b>			
Sales reported for second half year	433,345	224,101	93
Operating profit after tax before deducting minority interest reported for second half year	(4,684)	10,523	(145)

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<b>Group</b>	
	<b>FY 2008</b>	<b>FY 2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Ordinary	-	3,982
Preference	-	-
<b>Total</b>	<b>-</b>	<b>3,982</b>

**17. Interested persons transactions**

**The aggregate value of transactions conducted pursuant to the IPT Mandate obtained during the Annual General Meeting held on 29 January 2008 are as follows:**

<b>Name of interested persons</b>	<b>FY2008</b>	<b>FY2007</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Super Marine Supplies Pte Ltd	639	2,513
Lingco Shipbuilding Pte Ltd	70	1,665

**By Order of the Board**

**Wee Piew**  
**Chief Executive Officer**  
**25 November 2008**