



HG METAL MANUFACTURING LIMITED

(Company Registration No. 198802660D)

Financial Statements and Dividend Announcement for Financial Period Ended 30 June 2010 (“3Q FY2010”)

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

Consolidated Income Statement

	Group			Group		
	3Q FY2010 S\$'000	3Q FY2009 S\$'000	% (+/-)	YTD FY2010 S\$'000	YTD FY2009 S\$'000	% (+/-)
Revenue	34,358	132,253	(74)	165,576	456,614	(64)
Cost of sales	(30,131)	(135,309)	(78)	(144,865)	(460,995)	(69)
Gross profit (loss)	4,227	(3,056)	nm	20,711	(4,381)	(573)
Other operating income	501	2,573	(81)	8,028	3,390	137
Distribution expenses	(370)	(695)	(47)	(1,300)	(2,371)	(45)
Administrative expenses	(2,219)	(4,637)	(52)	(7,998)	(12,083)	(34)
Other operating expenses	(2,899)	(12,080)	(76)	(8,712)	(27,667)	(69)
Finance expenses	(951)	(1,137)	(16)	(3,243)	(10,138)	(68)
Share of joint venture profits	-	240	(100)	223	1,149	(81)
Share of associate profits	988	-	nm	3,502	-	nm
Profit / (Loss) before tax	(723)	(18,792)	(96)	11,211	(52,101)	(122)
Income tax (expense) credit	438	(790)	nm	(497)	(897)	(45)
Net profit / (loss) for the period	(285)	(19,582)	(99)	10,714	(52,998)	(120)
Other comprehensive income:						
Currency translation adjustments	24	(42)	nm	272	(30)	nm
Fair value loss on available for sale financial assets	-	6	nm	-	(1)	nm
Other comprehensive income for the period, net of tax	24	(36)	nm	272	(31)	nm
Total comprehensive income for the period	(261)	(19,618)		10,986	(53,029)	
Profit / (loss) attributable to:						
Equity holders of the Company	(365)	(21,633)	(98)	7,688	(56,034)	nm
Minority interest	80	2,051		3,026	3,036	
	(285)	(19,582)		10,714	(52,998)	
Total comprehensive income attributable to:						
Equity holders of the Company	(350)	(21,684)	(98)	7,908	(56,077)	nm
Minority interest	89	2,066		3,078	3,048	
	(261)	(19,618)		10,986	(53,029)	

*nm denotes not meaningful

Capital Reduction in a subsidiary, HG Metal Pte Ltd (“HGMP L”)

At an Extraordinary General Meeting held on 26 October 2009, the shareholders of HGMP L approved the following:

- (i) Capitalisation of advances from shareholders of \$17,056,000; and
- (ii) Capital reduction of paid-up capital of \$46,356,000 from the cancellation of 31,756,000 ordinary shares. The capital reduction was satisfied by the transfer of 281,927,000 ordinary shares in its subsidiary, BRC Asia Limited (“BRC”), to the shareholders.

The High Court of Republic of Singapore had granted approval to HGMP L on 30 October 2009. The transfer of BRC Asia’s shares to the shareholders in connection to the capital reduction was completed on 26 November 2009. Accordingly, HGMP L became a wholly-owned subsidiary of HG Group and BRC ceased to be a subsidiary of the Group.

The Group has accounted for the above transaction as a deemed disposal of a subsidiary in accordance with FRS 27, Consolidated and Separate Financial Statements, and accounted for its remaining interests in BRC as an investment in associate.

Disposal of shares in an associate, BRC

Subsequent to the Capital reduction, HGMP L disposed of 80,641,080 and 28,000,000 shares in BRC in January 2010 and March 2010 respectively. The Group recorded a loss totalling \$1.9 million in 2Q FY2010 as a result of the disposals. Following the disposals, the Group had a 27.50% interest in BRC as of 31 March 2010.

Dilution of interest in an associate, BRC

On 6 April 2010, BRC allotted and issued 100,000,000 new ordinary shares to 3rd parties. As a result, the Group’s equity interests in BRC decreased from 27.50% to 23.94%

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

	Group		Group	
	3Q FY2010	3Q FY2009	YTD FY2010	YTD FY2009
	S\$'000	S\$'000	S\$'000	S\$'000
Writedown of inventories	(1,695)	(9,023)	(1,695)	(9,023)
Amortisation of computer software	(42)	(38)	(125)	(115)
Amortisation of customer relationship	-	-	(246)	-
Allowance for doubtful debts	(3)	(2,222)	(557)	(2,222)
Writeback of allowance for doubtful debts	257	1,568	311	1,759
Depreciation	(543)	(992)	(1,954)	(2,981)
Dividend income from quoted investment	-	-	-	2
Fair value gain (loss) on derivatives, net	7	(312)	230	(382)
Fair value gain (loss) on investment held for trading	(80)	579	130	589
Foreign exchange (loss) gain, net	(31)	1,415	(861)	(11,004)
Interest income	-	-	-	20
Interest on borrowings	(951)	(1,137)	(3,243)	(10,138)
Gain on deemed disposal of subsidiary	-	-	6,373	-
(Loss) Gain on sale of property, plant and equipment	13	(95)	(40)	(95)
Loss on disposal of investment held for trading	-	(356)	-	(366)
Loss on disposal of shares in an associate	-	-	(1,910)	-

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 :

	Group		Company	
	30.06.2010	30.09.2009	30.06.2010	30.09.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Non current assets				
Property, plant and equipment	46,892	60,569	23,006	18,389
Intangible assets	476	26,236	422	538
Investment in subsidiaries	-	-	12,520	12,520
Investment in associates	32,029	646	713	713
Investment in joint venture	-	9,467	-	-
Available for sale financial assets	-	28	-	-
	79,397	96,946	36,661	32,160
Current assets				
Derivative financial instruments	7	-	7	-
Investment held for trading	400	270	-	-
Inventories	84,801	140,511	70,044	78,407
Trade and other receivables	24,756	84,730	35,584	59,078
Prepaid expenses	71	307	-	80
Cash and cash equivalents	6,387	16,373	1,964	1,387
	116,422	242,191	107,599	138,952
Current liabilities				
Trade and other payables	41,477	99,123	34,178	42,887
Finance lease payables	164	769	39	-
Bank borrowings	36,235	71,778	22,587	38,179
Provision for taxation	611	3,878	23	267
Deferred revenue	-	1,541	-	-
Derivative financial instruments	-	723	-	-
	78,487	177,812	56,827	81,333
Net current assets	37,935	64,379	50,772	57,619
Non current liabilities				
Finance lease payables	407	1,265	138	-
Bank borrowings	5,141	19,568	2,413	3,339
Provision for retirement benefits	-	786	-	-
Deferred taxation	516	6,688	172	172
	6,064	28,307	2,723	3,511
	111,268	133,018	84,710	86,268
Capital and reserves				
Share capital	111,730	111,730	111,730	111,730
Other reserves	2,499	1,712	2,527	2,527
Accumulated losses	(5,241)	(12,929)	(29,547)	(27,989)
Equity attributable to equity holders of the Company	108,988	100,513	84,710	86,268
Minority interests	2,280	32,505	-	-
Total equity	111,268	133,018	84,710	86,268

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

	As at 30 June 2010			As at 30 September 2009		
	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	32,232	4,003	164	3,933	67,845	769
Repayable after one year	-	5,141	407	9,244	10,324	1,265
Total	32,232	9,144	571	13,177	78,169	2,034

Details of collaterals:

The Group's borrowings of approximately \$32.2 million is secured by way of fixed and floating charge over all assets of the Company, legal mortgage over properties of the Group and fixed deposits pledged to banks by Malaysian subsidiaries.

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	
	3Q FY2010	3Q FY2009	YTD FY2010	YTD FY2009
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit / (Loss) before tax	(723)	(18,792)	11,211	(52,101)
Adjustments for non cash items:				
Depreciation of property, plant and equipment	543	992	1,954	2,981
Loss (Gain) on disposal of property, plant and equipment	(13)	95	40	95
Amortisation of computer software	42	38	125	115
Loss on disposal of investment held for trading	-	356	-	366
Allowance / (Writeback) for doubtful debts, net	(254)	654	246	463
Bad debts recovered	-	-	(5)	-
Fair value (gain) loss on derivatives, net	(7)	312	(230)	382
Fair value (gain) loss on investment held for trading	80	(579)	(130)	(589)
Interest expense	951	1,137	3,243	10,138
Interest income	-	-	-	(20)
Dividend income from quoted investment	-	-	(10)	-
Share of joint venture results	-	(240)	(223)	(1,149)
Share of associate results	(988)	-	(3,502)	-
Share option expense	-	-	-	45
Amortisation of customer relationship	-	-	246	-
Deemed gain from disposal of subsidiary	-	-	(6,373)	-
Write down of inventories	1,695	9,023	1,695	9,023
Foreign currency realignment	(34)	325	(644)	140
Operating profit (loss) before working capital changes	1,292	(6,679)	7,643	(30,111)
Working capital changes:				
Fixed deposits pledged	(9)	(2)	(26)	(27)
Inventories	(7,457)	75,614	17,353	200,156
Trade and other receivables	6,282	16,940	1,517	71,837
Trade and other payables	5,812	(41,755)	(15,183)	(75,996)
Cash generated from operations	5,920	44,118	11,304	165,859
Interest expense paid	(951)	(1,137)	(3,243)	(10,138)
Interest income received	-	-	-	20
Income tax paid	520	(2,324)	459	(4,387)
Net cash generated from (used in) operating activities	5,489	40,657	8,520	151,354
Cash flows from investing activities				
Net cash outflow from deemed disposal of a subsidiary	-	-	(9,527)	-
Dividend income received from an associate	-	-	1,702	-
Dividend income received from quoted investment	-	-	10	-
Downpayment from sale of properties	916	-	916	-
Investment in associate	-	(713)	-	(713)
Proceeds from disposal of property, plant and equipment	45	109	277	288
Purchase of property, plant and equipment	(473)	(2,228)	(6,346)	(9,724)
Proceeds from sale of shares in an associate	-	-	17,383	-
Proceeds from disposal of investment held for trading	-	449	-	459
Purchase of intangible assets	-	(10)	-	(54)
Acquisition of minority interests	-	-	-	(15,206)
Net cash generated from (used in) investing activities	488	(2,393)	4,415	(24,950)
Cash flows from financing activities				
Net repayment of bank borrowings	(9,158)	(34,504)	(23,362)	(178,498)
Proceeds from issuance of shares	-	-	-	11,336
Proceeds from issuance of shares in a subsidiary	550	-	550	3,311
Proceeds from (Repayment of) finance lease payables	(75)	(216)	(165)	(650)
Net cash used in financing activities	(8,683)	(34,720)	(22,977)	(164,501)
Net change in cash and cash equivalents	(2,706)	3,544	(10,043)	(38,097)
Cash and cash equivalents at beginning of the period	8,507	7,841	15,843	49,482
Cash and cash equivalents at end of period	5,801	11,385	5,800	11,385

Note to the Consolidated Cash Flow Statement:

With the capital reduction and transfer of BRC's shares, HGMPL's interest in BRC reduced from 85.62% to 43.67% and BRC ceased to be a subsidiary of HG Group. With the cessation of BRC as a subsidiary, the Group will account for its investment in BRC using the equity method in accordance with FRS 28 Investments in Associates.

The net identifiable assets and liabilities of BRC as at date of deemed disposal were as follows:

	30-Nov-09 S \$'000
Property, plant and equipment	18,900
Intangible assets	25,389
Investment in joint venture	9,691
Available for sale financial assets	28
Trade and other receivables	58,452
Inventories	36,645
Cash and cash equivalents	9,527
	<u>158,632</u>
Bank borrowings	(28,167)
Trade and other payables	(28,653)
Derivative financial instruments	(500)
Provision for taxation	(4,281)
Deferred tax liability	(6,115)
	<u>(67,716)</u>
Net identifiable assets	<u>90,916</u>
Net cash outflow arising on deemed disposal: Cash and cash equivalents of subsidiary	<u>9,527</u>

Group cash and cash equivalents comprise the following:

	Group	
	As at 30 Jun 2010 S\$'000	As at 30 Jun 2009 S\$'000
Cash and bank balances	5,801	15,843
Fixed deposits	586	530
	6,387	16,373
Fixed deposits pledged with banks ⁽¹⁾	(586)	(530)
Cash and cash equivalents per consolidated cash flow statement	5,801	15,843

⁽¹⁾ The Group's Malaysian subsidiaries have fixed deposits pledged with banks to secure credit facilities granted to them.

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								
	Share Capital	Capital Reserves	Share Option Reserves	Premium Paid On Acquisition	Foreign Currency Translation Reserves	Accumulated Profits / (Losses)	Total	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2009	111,730	2,527	17	(539)	(293)	(12,929)	100,513	32,505	133,018
Other comprehensive income for the financial period	-	-	-	-	221	-	221	51	272
Profit for the financial period	-	-	-	-	-	7,688	7,688	3,026	10,714
Issue of shares in a subsidiary	-	-	-	-	-	-	-	550	550
Deemed disposal of a subsidiary	-	-	(17)	539	44	-	566	(33,852)	(33,286)
Balance as at 30 June 2010	111,730	2,527	-	-	(28)	(5,241)	108,988	2,280	111,268

Group	Attributable to equity shareholders of the Company								
	Share Capital	Capital Reserves	Share Option Reserves	Premium Paid On Acquisition	Foreign Currency Translation Account	Accumulated Profits / (Losses)	Total	Minority Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2008	78,203	2,527	-	-	(120)	55,938	136,548	14,483	151,031
Other comprehensive income for the financial period	-	-	-	-	(43)	-	(43)	13	(30)
(Loss) Profit for the financial period	-	-	-	-	-	(56,034)	(56,034)	3,036	(52,999)
Employee share option scheme:									
- value of employee services	-	-	17	-	-	-	17	28	45
Issue of shares	11,336	-	-	-	-	-	11,336	3,311	14,647
Acquisition of minority interests	-	-	-	-	-	-	-	(7,143)	(7,143)
Premium paid on acquisition of minority interests	-	-	-	(4,112)	-	-	(4,112)	(3,951)	(8,063)
Capitalisation of advances from shareholders in a subsidiary	-	-	-	-	-	-	-	14,698	14,698
Balance as at 30 June 2009	89,539	2,527	17	(4,112)	(163)	(96)	87,712	24,474	112,186

Company	Share Capital	Capital Reserves	Accumulated Profits / (Losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2009	111,730	2,527	(27,989)	86,268
Loss for the period	-	-	(1,558)	(1,558)
Balance as at 30 June 2010	111,730	2,527	(29,547)	84,710
Balance as at 1 October 2008	78,203	2,527	44,291	125,021
Loss for the period	-	-	(59,296)	(59,296)
Issue of shares	11,336	-	-	11,336
Balance as at 30 June 2009	89,539	2,527	(15,006)	77,060

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

There was no change in the Company's share capital during the 3rd quarter financial period ended 30 June 2010.

As at 30 June 2010 and 30 June 2009, there were 122,049,369 and 62,049,369 outstanding warrants respectively.

62,049,369 of outstanding warrants will expire on 20 August 2010.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	As at 30 June 2010	As at 30 September 2009
Total number of issued shares	<u>775,671,962</u>	<u>775,671,962</u>

The Company does not have any treasury shares.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

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

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied

Except as disclosed in Note 5 below, 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 2009.

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

On 1 October 2009, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) that are effective in this financial year.

FRS 1: Presentation of Financial Statements – Revised presentation

The revised FRS 1 requires owner and non-owner changes in equity to be presented separately. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line item. In addition, the revised standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all non-owner changes in equity, either in one single statement, or in two statements.

The Group has elected to present items of income and expenses and components of other comprehensive income in one statement.

FRS 27: Consolidated and Separate Financial Statements – Revised

The revised FRS 27 introduces the following changes:

- A change in the ownership interest of a subsidiary that does not result in a loss of control to be accounted for as an equity transaction;
- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and
- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in the profit or loss.

The Group has complied with the revised FRS 27 in accounting for the loss of control in BRC Asia as a result of capital reduction.

FRS 103: Business Combinations – Revised

The revised FRS 103 introduces the following changes:

- transaction costs will be expensed immediately;
- consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will be recognised in profit or loss;
- the Group to elect for each acquisition of business, whether to measure non-controlling interest at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets; and
- the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss when a business is acquired in stages.

The adoption of the revised standard does not have significant impact on the Group's financial results.

FRS 108: Operating Segments

FRS 108 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker.

The required disclosures will be made accordingly in the full year financial statements of the Group.

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	
	3 mths ended 30.06.2010	3 mths ended 30.06.2009	9 mths ended 30.06.2010	9 mths ended 30.06.2009
Earnings per ordinary share (cents):				
(a) Basic	(0.05)	(4.44)	0.99	(11.49)
(b) Diluted	(0.04)	(3.27)	0.76	(8.46)

Earnings per share was calculated based on 775,671,962 as of 30.06.2010 and weighted average number of shares of 487,693,262 during the period ended 30.6.2009.

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	
	30.06.2010	30.09.2009	30.06.2010	30.09.2009
Net asset value per ordinary share (cents)	14.05	12.96	10.92	11.12

Net asset value per ordinary share was calculated based on 775,671,962 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

Results for 3 months ended 30 June 2010

Revenue

Group's revenue in 3Q FY2010 decreased by 74% from \$132.3 million in 3Q FY2009 to \$34.4 million. This was due mainly to non consolidation of BRC in 3Q FY2010 as a result of capital reduction in HGMPL (see Note 1(a)(i)) and lower sales in 3Q FY2010. Lower sales was due to a drop in volume and softening of steel prices.

Gross Profit

Despite lower sales volume, the Group recorded gross profit of \$4.2 million in 3Q FY2010 as compared to gross loss of \$3.1 million in 3Q FY2009. The profit turnaround was due to the improvement in margin, as compared to the same period last year.

Other Operating Income

Other operating income recorded in 3Q FY2010 was \$0.5 million as compared to \$2.6 million in 3Q FY2009. This was due mainly to a \$1.6 million write back of doubtful debts provision in 3Q FY2009.

Distribution, Administrative, Other Operating and Finance Expenses

Besides non consolidation of BRC, the Group's operating expenses in 3Q FY2010 decreased significantly in line with slower business activities, cost-cutting measures and a lower write down of inventories value.

Finance expenses fell significantly consistent with lower purchasing activities and borrowings.

Loss For 3Q FY2010

As a result of the \$1.7 million write down of inventories value, the Group reported a loss before tax of \$0.7 million for 3Q FY2010, which is a significant improvement from the loss of \$18.8 million reported in 3Q FY2009.

Results For 9 Months Ended 30 June 2010

The Group made a profit before tax of \$11.2 million for 9 months in FY2010, due mainly to contribution from the Group's manufacturing arm and the gain of \$6.4 million recognised as a result of the deemed disposal of BRC as announced in Q1 FY2010.

Balance Sheet

The net assets of BRC was not consolidated in the Group's balance sheet as at 30 June 2010 on a line by line basis. Nevertheless, the Group had a healthy balance sheet and the shareholders fund stood at \$109.0 million.

As at 30 June 2010, the Group's inventory was \$84.8 million, consistent with the Group's decision to adopt a conservative approach to inventory management amidst volatile market conditions. Trade and other receivables were \$24.7 million as at 30 June 2010, consistent with lower sales revenue for the period under review.

With the significant decline in bank borrowings and trade and other payables, current liabilities reduced from \$177.8 million as at 30 September 2009 to \$78.5 million as at 30 June 2010. The Group's gearing ratio stood at 0.38 times as at 30 June 2010.

Cash Flow Statement

As at 30 June 2010, the Group had lower cash and cash equivalents of S\$5.8 million as compared to S\$11.4 million as at 30 June 2009.

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

NA

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

The Group continues to adopt a prudent and conservative approach on inventory control and purchases.

Steel prices which had trended upwards to the 2nd quarter of FY2010 declined in the last quarter. The direction of the steel prices is uncertain. Also, the demand from the construction industry and shipyards continue to remain sluggish.

On 19 July 2010, the Company announced that it had entered into a subscription agreement with Oriental Castle Sdn Bhd (“OCS”) to allot and issue an aggregate of 163,850,000 new ordinary shares in the capital of the Company at the price of \$0.095 per share to OCS and the grant of call option to subscribe for 153,000,000 new ordinary shares in the capital of the Company. Details of the transaction can be found in the announcement available on SGX website. This transaction is subject to the shareholders approval at an Extraordinary General Meeting (“EGM”) to be announced at a later date.

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 corresponding 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. Interested parties transactions

Name of interested persons	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Sales	S\$'000	S\$'000
Chye Hin Hardware Pte Ltd	429	NA

14. Confirmation by the Board

The directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render the financial results for the quarter ended 30 June 2010 to be false or misleading in any material respect.

By Order of the Board

Chng Hee Kok
Chief Executive Officer
11 August 2010