

\* Asterisks denote mandatory information

<b>Name of Announcer *</b>	HAFARY HOLDINGS LIMITED
<b>Company Registration No.</b>	200918637C
<b>Announcement submitted on behalf of</b>	HAFARY HOLDINGS LIMITED
<b>Announcement is submitted with respect to *</b>	HAFARY HOLDINGS LIMITED
<b>Announcement is submitted by *</b>	Tay Eng Kiat Jackson
<b>Designation *</b>	Financial Controller
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	31-12-2010
<b>Description</b>	Please see attached.
<b>Attachments</b>	 Half_Year_Announcement_2011_final.pdf Total size = <b>191K</b> (2048K size limit recommended)



# 合發利控股有限公司

## HAFARY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200918637C)

### Half Year Financial Statements and Dividend Announcement For the Period Ended 31 December 2010

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Collins Stewart Pte. Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Collins Stewart Pte. Limited has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Alex Tan, Managing Director, Corporate Finance, Collins Stewart Pte. Limited at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

Half Year Financial Statement for the Period Ended 31 December 2010

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

	Group		% Change Increase/ (Decrease)
	Unaudited 31-Dec-10 ( 6 months) S\$'000	Unaudited 31-Dec-09 ( 6 months) S\$'000	
Revenue	30,987	18,890	64%
<u>Other Items of Income</u>			
Other Credits	470	287	64%
<u>Items of Expense</u>			
Changes in Inventories of Finished Goods	7,367	2,646	178%
Purchases and Related Expenses	(23,937)	(14,074)	70%
Employee Benefits Expenses	(3,041)	(1,988)	53%
Depreciation	(347)	(208)	67%
Impairment Losses	(544)	(75)	625%
Finance Costs	(402)	(220)	83%
Other Expenses	(2,574)	(1,619)	59%
Other Charges	(237)	(1,088)	-78%
<b>Profit Before Income Tax</b>	<b>7,742</b>	<b>2,551</b>	<b>203%</b>
Income Tax Expense	(1,317)	(652)	102%
<b>Profit Net of Tax and Total Comprehensive Income for the Period</b>	<b>6,425</b>	<b>1,899</b>	<b>238%</b>
Profit Net of Tax and Total Comprehensive Income Attributable to:			
- Owners of the Parent	6,139	1,800	241%
- Non-Controlling Interests	286	99	189%
	<b>6,425</b>	<b>1,899</b>	<b>238%</b>

**1(a)(i) Profit Before Income Tax is arrived after crediting / (charging) the following :**

	Group		% Change Increase/ (Decrease)
	Unaudited 31-Dec-10 ( 6 months) S\$'000	Unaudited 31-Dec-09 ( 6 months) S\$'000	
Initial Public Offer Expenses	-	(998)	-100%
Depreciation Expense	(347)	(208)	67%
Gain on Disposal of Property, Plant and Equipment	-	33	-100%
Allowance for Impairment on Inventories	(213)	-	N.M.
Allowance for Impairment on Trade Receivables	(331)	(99)	234%
Bad Debts Recovered - net	-	24	-100%
Foreign Exchange Gains /(Losses)	68	(119)	-157%
Fair Value Loss on Derivative Financial Instruments	(189)	-	N.M.
Interest Expense on Borrowings	(402)	(220)	83%

Note:

(1) N.M. = Not Meaningful

1(b)(i) Statement of Financial Positions (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited 31-Dec-10 S\$'000	Audited 30-Jun-10 S\$'000	Unaudited 31-Dec-10 S\$'000	Audited 30-Jun-10 S\$'000
<b>ASSETS</b>				
<b>Non Current Assets:</b>				
Investment in Subsidiaries	-	-	9,239	9,239
Property, Plant and Equipment	26,640	4,193	1	1
<b>Total Non-Current Assets</b>	<b>26,640</b>	<b>4,193</b>	<b>9,240</b>	<b>9,240</b>
<b>Current Assets:</b>				
Inventories	24,056	16,902	-	-
Trade and Other Receivables	14,794	10,347	6,606	6,067
Other Assets	2,582	1,159	115	38
Cash and Cash Equivalents	1,970	5,473	580	1,263
<b>Total Current Assets</b>	<b>43,402</b>	<b>33,881</b>	<b>7,301</b>	<b>7,368</b>
<b>Total Assets</b>	<b>70,042</b>	<b>38,074</b>	<b>16,541</b>	<b>16,608</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity Attributable to Owners of the Parent</b>				
Share Capital	14,508	14,508	14,508	14,508
Capital Reserve	-	-	1,009	1,009
Retained Earnings	8,930	3,061	685	876
<b>Equity, Attributable to Owners of the Parent</b>	<b>23,438</b>	<b>17,569</b>	<b>16,202</b>	<b>16,393</b>
Non-Controlling Interests	1,422	866	-	-
<b>Total Equity</b>	<b>24,860</b>	<b>18,435</b>	<b>16,202</b>	<b>16,393</b>
<b>Non-Current Liabilities:</b>				
Deferred Tax Liabilities	96	96	-	-
Other Financial Liabilities	19,012	2,244	-	-
<b>Total Non-Current Liabilities</b>	<b>19,108</b>	<b>2,340</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities:</b>				
Provision	318	255	-	-
Income Tax Payable	1,719	957	-	-
Trade and Other Payables	7,338	4,938	339	215
Derivative Financial Instruments	189	460	-	-
Other Financial Liabilities	16,510	10,689	-	-
<b>Total Current Liabilities</b>	<b>26,074</b>	<b>17,299</b>	<b>339</b>	<b>215</b>
<b>Total Equity and Liabilities</b>	<b>70,042</b>	<b>38,074</b>	<b>16,541</b>	<b>16,608</b>

**HAFARY HOLDINGS LIMITED**

Company Registration No. 200918637C

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand:**

	As at 31 December 2010		As at 30 June 2010	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bank Overdraft	109	-	-	-
Bank Loans	493	1,008	489	1,903
Bills Payables and Trust Receipts	-	14,754	1,175	6,956
Finance Leases	146	-	166	-
	748	15,762	1,830	8,859

**Amount repayable after one year:**

	As at 31 December 2010		As at 30 June 2010	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bank Loans	18,228	632	1,276	781
Finance Leases	152	-	187	-
	18,380	632	1,463	781

**Details of collateral referring to the above borrowings****Bank Overdraft**

These are covered by a corporate guarantee given by Hafary Holdings Limited and secured by legal charges over fixed deposits held by a financial institution.

**Bank Loans**

These are covered by a corporate guarantee given by Hafary Holdings Limited and secured by legal charges over a property and freehold land of a subsidiary.

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

	<b>Group</b>	
	<b>6 months ended</b>	
	31-Dec-10 S\$'000	31-Dec-09 S\$'000
<b>Cash Flows From Operating Activities:</b>		
Profit Before Income Tax	7,742	2,551
Adjustments for:		
Depreciation Expense	347	208
Interest Expense	402	220
Fair Value Loss on Derivative Financial Instruments	189	-
Gain on Disposal of Property, Plant and Equipment	-	(33)
Operating Cash Flows Before Working Capital Changes	8,680	2,946
Cash Restricted in Use Over 3 months	32	-
Increase in Other Assets	(1,423)	(553)
Increase in Trade and Other Receivables	(4,448)	(2,257)
Increase in Inventories	(7,154)	(2,646)
Increase in Trade and Other Payables	2,400	1,610
Decrease in Derivative Financial Instrument	(460)	-
Increase in Provision	64	-
Net Cash Flows Used in Operations Before Interest and Tax	(2,309)	(900)
Income Taxes Paid	(555)	(491)
<b>Net Cash Flows Used in Operating Activities</b>	<b>(2,864)</b>	<b>(1,391)</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from Disposal of Property, Plant and Equipment	-	75
Purchase of Property, Plant and Equipment	(22,796)	(2,783)
<b>Net Cash Flows Used in Investing Activities</b>	<b>(22,796)</b>	<b>(2,708)</b>
<b>Cash Flows From Financing Activities:</b>		
Increase / (Decrease) in Bills payables and Trust Receipts	6,623	(195)
Interest Paid	(402)	(220)
Issue of Shares	-	6,279
Dividends Paid to Non-Controlling Interests	-	(150)
Decrease in Other Financial Liabilities	(1,341)	(151)
Increase in New Bank Loans	17,200	2,272
<b>Net Cash Flows From Financing Activities</b>	<b>22,080</b>	<b>7,835</b>
Net (Decrease)/Increase in Cash and Cash Equivalents	(3,580)	3,736
Cash and Cash Equivalents at Beginning of Year <sup>(1)</sup>	5,229	1,806
<b>Cash and Cash Equivalents at End of Year<sup>(1)</sup></b>	<b>1,649</b>	<b>5,542</b>

**Note:**

(1) Cash and cash equivalents excludes the restricted cash of S\$212,000 (2009: S\$244,000) and bank overdraft of S\$109,000 (2009: Nil).

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP			Non-Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Retained Earnings/ (Accumulated Losses) S\$'000	Total S\$'000		
<b>Current Year (Unaudited):</b>					
Opening Balance at 1 July 2010	14,508	3,061	17,569	866	18,435
Issuance of Bonus Shares to Non-Controlling Interests of a Subsidiary	-	(270)	(270)	270	-
Total Comprehensive Income for the Period	-	6,139	6,139	286	6,425
<b>Balance at 31 December 2010</b>	<b>14,508</b>	<b>8,930</b>	<b>23,438</b>	<b>1,422</b>	<b>24,860</b>
<b>Previous Year (Unaudited):</b>					
Balance at 1 July 2009	500	7,729	8,229	799	9,028
Effect from Restructuring Exercise	(500)	(7,729)	(8,229)	-	(8,229)
Issue of Share on Incorporation Date	* -	-	* -	-	* -
Issue of Shares for Acquisition of Subsidiaries	8,230	-	8,230	-	8,230
<b>Initial Public Offering</b>					
Issue of Shares	6,500	-	6,500	-	6,500
Share Issue Expenses	(222)	-	(222)	-	(222)
	6,278	-	6,278	-	6,278
Total Comprehensive Income for the Period	-	1,800	1,800	99	1,899
Dividends Paid to Non-Controlling Interests	-	-	-	(150)	(150)
<b>Balance at 31 December 2009</b>	<b>14,508</b>	<b>1,800</b>	<b>16,308</b>	<b>748</b>	<b>17,056</b>

COMPANY	Share Capital S\$'000	Retained Earnings/ (Accumulated Losses) S\$'000	Capital reserve S\$'000	Total Equity S\$'000
<b>Current Year (Unaudited):</b>				
Opening Balance at 1 July 2010	14,508	876	1,009	16,393
Total Comprehensive Loss for the Period	-	(191)	-	(191)
<b>Balance at 31 December 2010</b>	<b>14,508</b>	<b>685</b>	<b>1,009</b>	<b>16,202</b>
<b>Previous Year (Unaudited):</b>				
Opening Balance at 1 July 2009	-	-	-	-
Issue of Share on Incorporation Date	* -	-	-	* -
Issue of Shares for Acquisition of Subsidiaries	8,230	-	1,009	9,239
<b>Initial Public Offering</b>				
Issue of Shares	6,500	-	-	6,500
Share Issue Expenses	(222)	-	-	(222)
	6,278	-	-	6,278
Total Comprehensive Loss for the Period	-	(1,356)	-	(1,356)
<b>Balance at 31 December 2009</b>	<b>14,508</b>	<b>(1,356)</b>	<b>1,009</b>	<b>14,161</b>

\* Amount less than \$1,000.

**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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.**

	Company <sup>(1)</sup>			
	31 December 2010		30 June 2010	
	Shares	S\$'000	Shares	S\$'000
Total number of shares at the beginning of the year	162,500,000	14,508	1	*
Issue of shares pursuant to the restructuring exercise	-	-	129,999,999	8,229
Issue of shares pursuant to the placement	-	-	32,500,000	6,279
Total number of shares at the end of the year	162,500,000	14,508	162,500,000	14,508

\* Amount less than \$1,000.

**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 the immediately preceding year**

Company <sup>(1)</sup>	
31 December 2010	30 June 2010
162,500,000	162,500,000

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

The company has no treasury shares as at 31 December 2010 and 30 June 2010.

**Notes:**

(1) The company was incorporated on 6 October 2009 in Singapore in accordance with The Companies Act (Chapter 50) of Singapore as a private limited company with an issued and paid-up capital of S\$1.00 comprising one share. Pursuant to the restructuring exercise dated 23 November 2009, the company acquired the entire share capital of Hafary Pte Ltd from its shareholders. The consideration was based on the audited Net Tangible Assets (excluding non-controlling interests) of Hafary group as at 30 June 2009 of approximately S\$8,228,989. The acquisition of Hafary Pte Ltd was completed on 23 November 2009. The consideration was satisfied by the issue of 129,999,999 shares of our company, credited as fully paid to the shareholders.

(2) On 7 December 2009, the company issued 32,500,000 new ordinary shares arising from its Initial Public Offering exercise.



**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited nor reviewed by auditors.

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

Not Applicable.

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

The Group had adopted the applicable new and/or revised Financial Reporting Standards (the "FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2010. Changes to the Group's accounting policies have been made in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of the new and/or revised FRS and INT FRS did not result in any substantial changes to or significant impact on the Group's financial statements.

Except for the above, the Group has adopted the same accounting policies and methods of computation as presented in the audited financial statements of the Group for the financial year ended 30 June 2010.

**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**

Same as above.

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

Earnings per ordinary share for the period based on total comprehensive income attributable to owners of the parent :-

	<b>Group</b>	
	Unaudited 31-Dec-10 ( 6 months)	Unaudited 31-Dec-09 ( 6 months)
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue; and		
Weighted average number of ordinary shares	3.78 cents	1.33 cents
	162,500,000	135,417,000 *
(b) On a fully diluted basis		
Weighted average number of ordinary shares	3.78 cents	1.33 cents
	162,500,000	135,417,000 *

\* For comparative purposes, EPS for 31 December 2009 have been computed based on weighted average number of pre-placement share capital of 130,000,000 shares and 32,500,000 new ordinary shares arising from its Initial Public Offering exercise.

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-10</b>	<b>30-Jun-10</b>	<b>31-Dec-10</b>	<b>30-Jun-10</b>
Net asset value per ordinary share based on the total number of share in issue	14.42 cents	10.81 cents	9.97 cents	10.09 cents

Net asset value per ordinary share is calculated based on 162,500,000 shares in issue as at 31 December 2010 and 30 June 2010.

- 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.

**Material factors that affected turnover, costs and earnings**

**Revenue**

Revenue increased by S\$12.1m from S\$18.9m in HY2010 ("HY10") to S\$31.0m in HY2011 ("HY11"). This was due to an increase in revenue contribution generated from renovation firms and homeowners for commercial and residential properties in Singapore. Revenue from the project segment increased by S\$5.3m or 115.8% over the corresponding period under review were mainly due to supply of tiles and stones to our project customers due to our increased marketing efforts. For the general segment, revenue increased by S\$6.8m or 47.4% were due to our ability to supply the type of products that met our customers' requirements and our wide variety of products. In September 2010, our third showroom at 18 Boon Lay Way, TradeHub 21, began operations, contributed to our increased market exposure.

**Other Credits**

Other credits was higher in HY11 mainly due to the unrealised exchange gains arising from the translation of the foreign currencies balances that are outstanding as at 31 December 2010.

**Changes in Inventories of Finished Goods**

Inventories of finished goods were S\$24.1m in HY11 compared to S\$16.9m in HY10 due mainly to purchase of products to support higher demand from projects. Furthermore, the inventories is also comparatively higher as the group is seeking to increase the range of stone tiles, wood-flooring products and sanitary wares.

**Purchases and Related Expenses**

Purchases and related expenses increased by S\$9.8m from S\$14.1m in HY10 to S\$23.9m in HY11, largely in line with the increase in our revenue and our expansion of product range, especially in our stone tiles.

**Employee Benefits Expenses**

Employee benefits expenses have increased by S\$1m from S\$2m in HY10 to S\$3m in HY11 mainly due to the increase in remuneration paid to our staff as a result of salary increments and a headcount increase to support our increased business activities.

**Depreciation**

Depreciation expense increased from S\$208,000 to S\$347,000 mainly due to depreciation on Sungei Kadut Loop warehouse which was acquired in December 2009.

**Impairment Losses**

Impairment losses were S\$75,000 in HY10 compared to S\$544,000 in HY11. This is mainly attributable to allowance for impairment of S\$213,000 for inventories that are slow-moving and obsolete and allowance for doubtful debts of S\$331,000.

**Finance Costs**

Finance costs have increased by S\$182,000 in HY11 from S\$220,000 in HY10 to S\$402,000 in HY11. This is attributable to the utilisation of working capital financing to support the increase in our business activities which includes the increases in purchases and financing obtained for the purchase of a freehold land located at Lot 3106K of Mukim 24 Aljunied Road.

**Other expenses**

Other expenses is S\$2.6m in HY11 compared to S\$1.6m in HY10. This is mainly attributable to i) rental of S\$0.7m which has increased due to higher rental charged and additional showroom, ii) transportation expense of S\$0.2m and iii) upkeep of vehicle expense of S\$0.2m.

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.

8a Material factors that affected turnover, costs and earnings

**Other charges**

Other charges decreased from S\$1,088,000 in HY10 to S\$237,000 in HY11. IPO expenses of S\$998,000 was incurred for the 6 months period ended 31 December 2009, which is non-recurring.

8b Material factors that affected cash flow, working capital, assets or liabilities

**Balance Sheet Review**

**Non-current assets**

Property, plant and equipment increased by S\$22.4m as a result of purchase of a freehold land located at Lot 3106K of Mukim 24 at Aljunied Road. We intend to build our Corporate Office building on this freehold land, subject to approval from relevant authorities.

**Current assets**

Current assets increased by S\$9.5m due mainly to increase in inventories by S\$7.2m, trade and other receivables by S\$4.4m and other assets by S\$1.4m, while cash and cash equivalents decreased by S\$3.5m.

Higher inventories was due mainly to purchase of products to support higher demand from projects. Furthermore, the group is also seeking to increase our product range for stone tiles. The increase in trade and other receivables is in tandem with the increased revenue in HY11. Other assets increased from S\$1.2m in HY10 to S\$2.6m in HY11 due mainly to advance payments to overseas suppliers as a deposit to start production for the range of products we have ordered.

Cash and cash equivalents in HY11 were lower mainly due to the purchase of a freehold land in October 2010.

**8b Material factors that affected cash flow, working capital, assets or liabilities**

**Non-current liabilities**

Non-current liabilities increased by S\$16.8m due mainly to the financing for the purchase of a freehold land located at Lot 3106K of Mukim 24 at Aljunied Road.

**Current liabilities**

Current liabilities increased by S\$8.7m due mainly to an increase in trade and other payables by S\$2.4m, in other financial liabilities by S\$5.8m, income tax payables of S\$0.8m and offset by the decrease in the fair value of derivative financial instruments by S\$0.3m.

The increase in trade and other payables by S\$2.4m is in tandem with increased purchases, attributable to the increase in revenue. The other financial liabilities increased by S\$5.8m mainly due to increased usage of financing trade bills for the increase in our purchases.

**Cash Flow Review**

The net cash used in operating activities of S\$2.9m is due mainly to increase in other assets, trade receivables and inventories. This is due mainly to an increase in trade and other receivables of S\$4.4m, largely in line with our increase in revenue for HY11, increase in trade and other payables of S\$2.4m and increase in inventories of S\$7.2m, consistent with our expansion plan to cater for variety of tiles and stones for customers.

Cashflow used in investing activities was S\$22.7m due mainly to the purchase of a freehold land.

Net cash from financing activities was S\$22.1m due mainly to increase in the bills payables and trust receipts for the purchase of inventories to cater for higher demand for our products and loan for the purchase of freehold land.

As a result of the above, there was a net decrease of S\$3.6m in our cash and cash equivalents, from S\$5.2m as at 1 July 2010 to S\$1.6m as at 31 December 2010.

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

No forecast or prospect statement has been previously disclosed to shareholders.

**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 business prospects for the 2nd half of the financial year is expected to remain healthy barring unforeseen circumstances and we will embark to re-develop our freehold land at Lot 3106K of Mukim 24 at Aljunied Road to build a building which will house our Corporate Office building. We will make further necessary announcements on the redevelopment at a later stage.

The group continues to remain prudent in managing costs and improving operational efficiency while seeking growth opportunities.

**11 Dividend**

**(a) Current Financial Reported On**

Any dividend declared for the current financial period reported on?  
 Nil.

**(b) Corresponding Period of the immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?  
 Nil.

**(c) Date Payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

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

No interim dividend has been declared nor recommended for the first half of financial year 2011.

**13 Interested Person Transactions**

	31-Dec-10	31-Dec-09
	( 6 months)	( 6 months)
	S\$'000	S\$'000
Rental paid to Ascender Investment <sup>(1)</sup>	117	59
Sales to Oxley Construction Pte Ltd <sup>(2)</sup>	96	-

**Notes:**

(1) The rental rate was agreed between our Group and Ascender Investment having regard to prevailing market rental rate for similar premises, based on commercial terms and on an arm's length basis.

(2) The transactions were entered into based on commercial terms and on an arm's length basis.

**14 CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, Low Kok Ann and Low See Ching, being Directors of the Company, do thereby confirm, on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the financial period ended 31 December 2010 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Low Kok Ann  
Chairman

Low See Ching  
CEO, Executive Director

Date : 14 February 2011