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**Half Year Results * Financial Statement And Related Announcement**

* Asterisks denote mandatory information

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|---|---|
| Name of Announcer * | HAFARY HOLDINGS LIMITED |
| Company Registration No. | 200918637C |
| Announcement submitted on behalf of | HAFARY HOLDINGS LIMITED |
| Announcement is submitted with respect to * | HAFARY HOLDINGS LIMITED |
| Announcement is submitted by * | Tay Eng Kiat Jackson |
| Designation * | Financial Controller |
| Date & Time of Broadcast | 05-Feb-2013 14:41:17 |
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**>> Announcement Details**

The details of the announcement start here ...

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|---|---|
| For the Financial Period Ended * | 31-12-2012 |

| | |
|---|---|
| Description | Please refer to the attachments. |

**Attachments**

HHL-HY2013_Results_Announcement.pdf

HHL-HY2013_Media_Release.pdf

Total size = **356K**
(2048K size limit recommended)

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合發利控股有限公司
HAFARY HOLDINGS LIMITED

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

MEDIA RELEASE

# HAFARY RECORDS BUMPER HALF YEAR NET PROFIT OF

# S$23.9 MILLION

- ***Includes a one-time gain on disposal of development property amounting to S$23.8 million***
- ***Profit before tax from recurring activities surged by S$2.9 million from S$3.4 million for HY2012 to S$6.3 million for HY2013***
- ***Proposed dividend of 2.5 cents surpasses past dividend payout record***
- ***Company is well-positioned to expand its business in Singapore and overseas, having invested in associates in China and Vietnam***

Singapore, 5 February 2013 – Catalist-listed **Hafary Holdings Limited** ("Hafary" or "the Group" or "合发利控股有限公司"), a leading supplier of premium tiles, wood flooring and sanitary ware in Singapore, is pleased to announce its unaudited financial results for the six months ended 31 December 2012 ("HY2013").

**Higher Revenue**

The Group's revenue increased by S$10.1 million or 31.3% to S$42.4 million for HY2013 from S$32.3 million for the six months ended 31 December 2011 ("HY2012"). The revenue growth was driven by an across-the-board increase in sales contributed by its two business segments– ***General*** (including home-owners, architecture, interior design and renovation firms) and ***Project*** (including architecture firms, property developers and construction companies).

**Segmental Performance**

Revenue from the ***General*** segment grew by S$3.4 million or 16.5% to reach S$24.3 million in HY2013. Despite the global economic uncertainty during HY2013, the Group achieved higher sales to ***General*** customers, as a result of its successful sales and marketing initiatives to widen its customer base and increase customer loyalty.

Revenue from the ***Project*** segment increased by S$6.7 million or 58.9% from S$11.4 million in HY2012 to S$18.1 million in HY2013. The Group supplied tiles and building materials for several notable development projects during HY2013, including NUH Medical Centre, Fullerton Hotel and IMM Building. The Group also commenced delivery of surfacing materials for use in a number of Housing Development Board ("HDB") residential estate developments under the Build-To-Order Scheme and Home Improvement Programme.

**One-off Gain and Strong Growth in Net Profit**

The Group's profit before tax surged by S$25.6 million from S$3.4 million during HY2012 to S$29.0 million during HY2013 and net profit attributable to owners of the parent increased by approximately eight folds from S$2.5 million during HY2012 to S$23.9 million during HY2013. The increase was due primarily to recognition of a one-time gain on disposal of development property at 79 Aljunied Road amounting to S$23.8 million.

**One-off Gain and Strong Growth in Net Profit (Continued)**

Hafary's Executive Chairman, Mr Low Kok Ann, commented, "We are extremely delighted to have delivered a sterling financial performance for the first half of FY2013. However, we recognise that the Group's bottom line was boosted by a one-time gain on disposal of development property. More importantly, Hafary has progressively strengthened its market position in Singapore, while building its base to leverage on demand in high-growth markets such as China and Vietnam. While our expansion strategies will generate business growth for the Group, we will continue to improve operational efficiency and exercise prudence in managing costs."

**Dividend**

In view of its strong financial performance and to reward its loyal shareholders, the Board of Directors has recommended ***a dividend of 2.5 cents per ordinary share*** to be paid to shareholders, a record amount compared to its dividends paid in previous years. For the first half and second half of FY2012, Hafary paid its shareholders a dividend of 1 cent and 1.5 cents respectively per ordinary share.

**Rolling Out Growth Strategies**

Singapore Business

Moving forward, the Group will continue to establish its reputation as a reliable supplier of building materials for its ***Project*** customers, thereby achieving a sizeable share of sales and becoming a market leader in the public project segment. Since early FY2011, the Group has been offering sanitary ware and fittings and is the authorised retailer for several premium brands. To grow this product segment, the Group intends to carry more popular brands of sanitary ware and fittings from Europe and Australia, while growing its own house brand, iLife. The Group also plans to further explore the new market segment of composite quartz which is enjoying growing demand as a kitchen counter top surfacing material.

Singapore Business (Continued)

Stone and marble - an increasingly popular flooring and home decoration solution for local customers - is another product segment with promising market potential. Hafary is well poised to tap this potential through its investment (50% equity interest) in a joint venture company, Melmer Stoneworks Pte. Ltd. ("MSPL"). Engaged principally in the fabrication, polishing and profiling of stone and marble slabs for household and commercial purposes, MSPL commenced operations in October 2012.

In the next 12 months, the Group will continue to enhance its operational efficiencies and focus on cost control. The Group's corporate headquarters (HQ) building, now being developed at 105 Eunos Avenue 3, is targeted for completion during the second half of FY2013. A portion of the Group's HQ would be leased to generate rental income and cash flow for the Group.

With the completion and operation of a new warehouse facility at 3 Changi North Street 1, the Group looks forward to streamlining its logistical functions. Certain categories of inventories will be consolidated in the new warehouse while rental of the other support warehouses is intended to cease by the last quarter of FY2013. The operational streamlining is expected to result in lower manpower and transport costs, thereby increasing the Group's cost efficiency and productivity.

Singapore Business (Continued)

In December 2012, Hafary Pte Ltd, together with two controlling shareholders of the Company, and Sitra Holdings (International) Limited ("Sitra"), signed a memorandum of understanding to incorporate a special purpose vehicle ("SPV") to acquire an industrial plot of land located at Sungei Kadut Street 2 from Sitra ("Proposed Acquisition"). The Proposed acquisition is subject to, *inter alia*, approval by the Company's shareholders at a general meeting to be convened. The SPV aims to develop the property in accordance with the objectives, concept and development strategy envisioned for the International Furniture Park by Jurong Town Corporation, International Enterprise Singapore and SPRING Singapore. The SPV is a synergistic partnership as the parties may leverage on each other's strengths to respectively expand and/or strengthen their local and overseas markets and presence in the furnishing industry and to provide added value to each other. A portion of the property is expected to be used as warehousing facility for the Group's surfacing and furnishing products to support its showroom to be located in the property.

Overseas Investments

The Group has implemented its geographical expansion plan through its investment in an associate, Hunan Cappuccino Construction Materials Co. Limited ("HCCM"), a tile manufacturing facility in the People's Republic of China ("PRC"). HCCM has commenced production of materials in October 2012.

To enhance its regional presence, the Group has also acquired a 49% stake in Viet Ceramics International Joint Stock Company ("VCI"), a reputable tiling company in Vietnam. Given that businesses are increasingly expanding into the Indochina markets, VCI is well positioned to support building materials needs of property developers with projects in the region.

The Group will continue to implement various sales and marketing initiatives and increase its product and service range to enhance its branding and widen its customer base. The Group will also intensify its efforts to leverage on its expertise in the tile industry and work with the local management of its overseas associates to grow its tile manufacturing and retailing business in the PRC and Vietnam respectively.

The Group remains cautiously optimistic of continual demand for its surfacing and building materials in the next one year.

~ *End* ~

For enquiries, please contact:

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. 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 Ms Soo Hsin Yu, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*

合發利控股有限公司

# HAFARY HOLDINGS LIMITED

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

# Unaudited Half Year Financial Statements and Dividend Announcement For the Financial Period Ended 31 December 2012

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Canaccord Genuity Singapore Pte. Ltd. for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). Canaccord Genuity Singapore Pte. Ltd. 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 Ms Soo Hsin Yu, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*

**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 | | |
|---|---|---|---|
| | Unaudited 31 December 2012 ( 6 months) S$'000 | Unaudited 31 December 2011 ( 6 months) S$'000 | % Change Increase/ (Decrease) |
| Revenue | 42,452 | 32,335 | 31% |
| Other Items of Income | | | |
| Other Credits | 24,053 | 184 | N.M. |
| Items of Expense | | | |
| Changes in Inventories of Finished Goods | 209 | 3,116 | (93%) |
| Purchases and Related Costs | (25,001) | (22,203) | 13% |
| Employee Benefits Expenses | (6,965) | (4,921) | 42% |
| Depreciation Expense | (609) | (450) | 35% |
| Impairment Losses | (513) | (160) | 221% |
| Other Charges | - | (259) | N.M. |
| Finance Costs | (559) | (549) | 2% |
| Other Expenses | (3,524) | (3,662) | (4%) |
| Share of Net Loss From Equity-Accounted Associates and Joint Venture | (548) | - | N.M. |
| **Profit Before Income Tax** | **28,995** | **3,431** | **745%** |
| Income Tax Expense | (4,691) | (588) | 698% |
| **Profit, Net of Tax and Total Comprehensive Income for the Period** | **24,304** | **2,843** | **755%** |
| Profit, Net of Tax and Total Comprehensive Income Attributable to: | | | |
| - Owners of the Parent | 23,910 | 2,519 | 849% |
| - Non-Controlling Interests | 394 | 324 | 22% |
| | **24,304** | **2,843** | **755%** |

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

| | Group | | |
|---|---|---|---|
| | Unaudited 31 December 2012 ( 6 months) S$'000 | Unaudited 31 December 2011 ( 6 months) S$'000 | % Change Increase/ (Decrease) |
| Depreciation Expense | (609) | (450) | 35% |
| Gain on Disposal of Development Property | 23,762 | - | N.M. |
| Gain/ (Loss) on Disposal of Property, Plant and Equipment | 56 | (1) | N.M. |
| Allowance for Impairment of Inventories | (264) | (176) | N.M. |
| Allowance for Impairment of Inventories (reversal) | - | 27 | N.M. |
| Allowance for Impairment of Trade Receivables | (300) | (13) | N.M. |
| Doubtful Debts Recovered - net | 83 | - | N.M. |
| (Bad Debts)/ Recovered - net | (32) | 2 | N.M. |
| Foreign Exchange Adjustment Gains/ (Losses) | 98 | (259) | (138%) |
| Fair Value Gains on Derivative Financial Instruments | 38 | 171 | (78%) |
| Interest Expense on Borrowings | (559) | (549) | 2% |
| Adjustment for Over Provision of Tax in respect of Prior Year | 307 | - | N.M. |

Note:
(1) N.M. = Not meaningful
(2) HY2012 = Financial period of 6 months ended 31 December 2011.
(3) HY2013 = Financial period of 6 months ended 31 December 2012.

**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 December 2012 S$'000 | Audited 30 June 2012 S$'000 | Unaudited 31 December 2012 S$'000 | Audited 30 June 2012 S$'000 |
| **ASSETS** | | | | |
| **Non-Current Assets:** | | | | |
| Property, Plant and Equipment | 49,295 | 31,570 | 225 | 263 |
| Investments in Subsidiaries | - | - | 9,239 | 9,239 |
| Investments in Associates | 8,220 | 5,895 | - | - |
| Investment in Joint Venture | 12 | - | - | - |
| **Total Non-Current Assets** | **57,527** | **37,465** | **9,464** | **9,502** |
| **Current Assets:** | | | | |
| Development Property | - | 32,265 | - | - |
| Inventories | 30,186 | 30,241 | - | - |
| Trade and Other Receivables | 49,670 | 17,164 | 18,719 | 15,133 |
| Other Assets | 3,749 | 1,713 | 80 | 41 |
| Cash and Cash Equivalents | 7,690 | 4,984 | 52 | 121 |
| **Total Current Assets** | **91,295** | **86,367** | **18,851** | **15,295** |
| **Total Assets** | **148,822** | **123,832** | **28,315** | **24,797** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity:** | | | | |
| Share Capital | 20,875 | 20,875 | 20,875 | 20,875 |
| Retained Earnings | 31,421 | 10,429 | 5,701 | 3,144 |
| **Equity, Attributable to Owners of the Parent** | 52,296 | 31,304 | 26,576 | 24,019 |
| Non-Controlling Interests | 1,915 | 1,701 | - | - |
| **Total Equity** | **54,211** | **33,005** | **26,576** | **24,019** |
| **Non-Current Liabilities:** | | | | |
| Deferred Tax Liabilities | 224 | 224 | - | - |
| Other Financial Liabilities | 13,255 | 19,091 | 132 | 162 |
| **Total Non-Current Liabilities** | **13,479** | **19,315** | **132** | **162** |
| **Current Liabilities:** | | | | |
| Provision | 389 | 276 | - | - |
| Income Tax Payable | 4,675 | 572 | 10 | 4 |
| Trade and Other Payables | 23,338 | 8,929 | 1,538 | 553 |
| Derivative Financial Instruments | 5 | 43 | - | - |
| Other Financial Liabilities | 52,364 | 37,441 | 59 | 59 |
| Other Liabitilies | 361 | 24,251 | - | - |
| **Total Current Liabilities** | **81,132** | **71,512** | **1,607** | **616** |
| **Total Liabilities** | **94,611** | **90,827** | **1,739** | **778** |
| **Total Equity and Liabilities** | **148,822** | **123,832** | **28,315** | **24,797** |

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

**Amount repayable in one year or less, or on demand**

| | Group | | | |
|---|---|---|---|---|
| | Unaudited As at 31 December 2012 | | Audited As at 30 June 2012 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Bank Loans | 30,981 | - | 19,307 | - |
| Trust Receipts and Bills Payable to Banks | 21,243 | - | 17,963 | - |
| Finance Leases | 140 | - | 171 | - |
| | 52,364 | - | 37,441 | - |

**Amount repayable after one year**

| | Group | | | |
|---|---|---|---|---|
| | Unaudited As at 31 December 2012 | | Audited As at 30 June 2012 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| Bank Loans | 12,969 | - | 18,694 | - |
| Finance Leases | 286 | - | 397 | - |
| | 13,255 | - | 19,091 | - |

**Details of collateral referring to the above borrowings:**

**<u>Bank Loans</u>**
These are covered by corporate guarantees given by Hafary Holdings Limited and secured by legal charges over leasehold properties of certain subsidiaries.

**<u>Trust Receipts and Bills Payable to Banks</u>**
These are covered by corporate guarantees given by Hafary Holdings Limited.

**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.**

| | Group | |
|---|---|---|
| | Unaudited - 6 months ended | |
| | 31 December 2012 S$'000 | 31 December 2011 S$'000 |
| **Cash Flows From Operating Activities** | | |
| Profit Before Income Tax | 28,995 | 3,431 |
| Interest Expense | 559 | 549 |
| Depreciation Expense | 609 | 450 |
| Share of Net Loss from Equity-Accounted Associates | 560 | - |
| Share of Profit from Equity-Accounted Joint Venture | (12) | - |
| Fair Value Gain on Derivative Financial Instruments | (38) | (171) |
| Gain on Disposal of Development Property | (23,762) | - |
| (Gain)/ Loss on Disposal of Property, Plant and Equipment | (56) | 1 |
| Operating Cash Flows Before Changes in Working Capital | 6,855 | 4,260 |
| Inventories | 55 | (2,965) |
| Trade and Other Receivables | (5,024) | (3,171) |
| Other Assets | (2,036) | (1,189) |
| Provision | 113 | (31) |
| Trade and Other Payables | 13,203 | 2,213 |
| Other Liabilities | (304) | 561 |
| Net Cash Flows From/ (Used in) Operations | 12,862 | (322) |
| Income Taxes Paid | (588) | (1,098) |
| **Net Cash Flows From/ (Used in) Operating Activities** | **12,274** | **(1,420)** |
| **Cash Flows From Investing Activities** | | |
| Purchase of Property, Plant and Equipment | (18,209) | (20,596) |
| Proceeds From Disposal of Property, Plant and Equipment | 168 | 3 |
| Payments for Development Property Costs | (8,044) | (6,202) |
| Progress Payments Received for Disposal of Development Property | 14,209 | 19,583 |
| Investment in an Associate | (2,885) | - |
| Investment in a Joint Venture | - * | - |
| **Net Cash Flows Used in Investing Activities** | **(14,761)** | **(7,212)** |
| **Cash Flows From Financing Activities** | | |
| Dividends paid to Equity Owners | (2,918) | (1,463) |
| Dividends Paid to Non-Controlling Interests | (180) | (210) |
| Increase in Cash Restricted in Use Over 3 Months | - | (6,697) |
| Increase in Trust Receipts and Bills Payable | 3,280 | 1,578 |
| Repayment of Finance Lease Liabilities | (168) | (64) |
| Proceeds From New Bank Loans | 13,339 | 27,194 |
| Repayment of Bank Loans | (7,391) | (11,665) |
| Issue of Shares | - | 6,367 |
| Interest Expense Paid | (769) | (549) |
| **Net Cash Flows From Financing Activities** | **5,193** | **14,491** |
| Net Increase in Cash and Cash Equivalents | 2,706 | 5,859 |
| Cash and Cash Equivalents, Beginning Balance | 4,984 | 3,273 |
| **Cash and Cash Equivalents, Ending Balance[(1)]** | **7,690** | **9,132** |

* Amount less than S$1,000.

Note:
(1) Cash and cash equivalents less the restricted cash of S$6,697,000 as at 31 December 2011.

**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 | Total Equity S$'000 | Attributable to Parent Subtotal S$'000 | Share Capital S$'000 | Retained Earnings S$'000 | Non-Controlling Interests S$'000 |
|---|---|---|---|---|---|
| **Current Year (Unaudited):** | | | | | |
| Opening Balance at 1 July 2012 | 33,005 | 31,304 | 20,875 | 10,429 | 1,701 |
| Total Comprehensive Income for the Period | 24,304 | 23,910 | - | 23,910 | 394 |
| Dividends Paid [1] | (2,918) | (2,918) | - | (2,918) | - |
| Dividends Paid to Non-Controlling Interests | (180) | - | - | - | (180) |
| Closing Balance at 31 December 2012 | **54,211** | **52,296** | **20,875** | **31,421** | **1,915** |
| **Previous Year (Unaudited):** | | | | | |
| Opening Balance at 1 July 2011 | 25,186 | 23,798 | 14,508 | 9,290 | 1,388 |
| Issue of Shares | 6,400 | 6,400 | 6,400 | - | - |
| Share Issue Expenses | (33) | (33) | (33) | - | - |
| Total Comprehensive Income for the Period | 2,843 | 2,519 | - | 2,519 | 324 |
| Dividends Paid [1] | (1,463) | (1,463) | - | (1,463) | - |
| Dividends Paid to Non-Controlling Interests | (210) | - | - | - | (210) |
| Closing Balance at 31 December 2011 | **32,723** | **31,221** | **20,875** | **10,346** | **1,502** |

| COMPANY | Total Equity S$'000 | Share Capital S$'000 | Retained Earnings S$'000 |
|---|---|---|---|
| **Current Year (Unaudited):** | | | |
| Opening Balance at 1 July 2012 | 24,019 | 20,875 | 3,144 |
| Total Comprehensive Income for the Period | 5,475 | - | 5,475 |
| Dividends Paid [1] | (2,918) | - | (2,918) |
| Closing Balance at 31 December 2012 | **26,576** | **20,875** | **5,701** |
| **Previous Year (Unaudited):** | | | |
| Opening Balance at 1 July 2011 | 17,296 | 14,508 | 2,788 |
| Issue of Shares | 6,400 | 6,400 | - |
| Share Issue Expenses | (33) | (33) | - |
| Total Comprehensive Income for the Period | 832 | - | 832 |
| Dividends Paid [1] | (1,463) | - | (1,463) |
| Closing Balance at 31 December 2011 | **23,032** | **20,875** | **2,157** |

Note:

| (1) | HY2013 S$'000 | HY2012 S$'000 |
|---|---|---|
| Final tax exempt (1-tier) dividend paid of 1.5 cent (2011: 0.9 cent) per ordinary share | 2,918 | 1,463 |

**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 | | | |
|---|---|---|---|---|
| | HY2013 | | HY2012 | |
| | Shares | S$'000 | Shares | S$'000 |
| | | | | |
| Total number of shares at the beginning of the period | 194,500,000 | 20,875 | 162,500,000 | 14,508 |
| Issue of new shares pursuant to a private placement exercise | - | - | 32,000,000 | 6,367 |
| Total number of shares at the end of the period | 194,500,000 | 20,875 | 194,500,000 | 20,875 |

On 24 November 2011, the Company issued 32,000,000 new ordinary shares of no par value at an issue price of S$0.20 for each ordinary share in a private placement exercise. Net proceeds (Gross proceeds of S$6,400,000 less costs directly attributable to the share issue of S$33,000) amounting to S$6,367,000 was raised in this private placement exercise.

The Company has no outstanding convertibles or treasury shares as at 31 December 2012 and 31 December 2011.

**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 | |
|---|---|
| 31 December 2012 | 30 June 2012 |
| 194,500,000 | 194,500,000 |

**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 2012 and there were no sales transfers, disposal, cancellation and/or use of treasury shares during HY2013.

**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 the Company's 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 2012. 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 2012.

**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 ("EPS") for the period based on profit, net of tax and total comprehensive income attributable to owners of the parent:

| | Group | |
|---|---|---|
| | Unaudited<br>31 December 2012<br>( 6 months) | Unaudited<br>31 December 2011<br>( 6 months) |
| Earnings per ordinary share | | |
| (a) Basic | 12.29 cents | 1.49 cents |
| Weighted average number of ordinary shares | 194,500,000 | 168,934,783 |
| (b) On a fully diluted basis | 12.29 cents | 1.49 cents |
| Weighted average number of ordinary shares | 194,500,000 | 168,934,783 |

Note:

EPS for 31 December 2011 have been computed based on weighted average number of pre-private placement share capital of 162,500,000 ordinary shares and 32,000,000 new ordinary shares arising from the private placement 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.**

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | 31 December 2012 | 30 June 2012 | 31 December 2012 | 30 June 2012 |
| Net asset value per ordinary share based on the total number of shares in issue | 26.89 cents | 16.09 cents | 13.66 cents | 12.35 cents |

Note:

Net asset value per ordinary share is calculated based on 194,500,000 ordinary shares as at 31 December 2012 and 30 June 2012.

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$10.1 million or 31.3% from S$32.3 million during HY2012 to S$42.4 million during HY2013.

Revenue from the general segment (whose customers include home-owners, architecture, interior design and renovation firms) increased by S$3.4 million or 16.5% from S$20.9 million during HY2012 to S$24.3 million during HY2013. Amid the uncertainty in the global financial markets and economic outlook during HY2013, the Group geared up its sales and marketing initiatives to widen its customer base and increase customers' loyalty resulting in more sales to general customers.

Revenue from the project segment (whose customers include architecture firms, property developers and construction companies) increased by S$6.7 million or 58.9% from S$11.4 million during HY2012 to S$18.1 million during HY2013. The Group supplied tiles and building materials for several notable development projects during HY2013, for example NUH Medical Centre, Fullerton Hotel and IMM Building. During HY2013, the Group also commenced deliveries of surfacing materials for use in a number of Housing Development Board ("HDB") residential estate development under the Build-To-Order Scheme and Home Improvement Programme.

Other Credits

Other credits increased by S$23.9 million from S$0.2 million during HY2012 to S$24.1 million during HY2013.

The increase was mainly due to:

a) Recognition of a one-time gain on disposal of development property at 79 Aljunied Road Singapore 389822, after the temporary occupancy permit was issued in December 2012, amounting to S$23.8 million;
b) Gain on disposal of motor vehicle amounting to S$0.1 million; and
c) Foreign exchange adjustment gains amounting to S$0.1 million (31 December 2011: NIL).

The above increase was marginally offset by a decrease in reversal of fair value loss on foreign currency forward contracts by S$0.1 million. The reversal of fair value loss on foreign currency forward contracts was lower for HY2013 as the difference between foreign currency forward contract rates as at contract date and forward rates as at 31 December 2012 was smaller vis-a-vis the relevant rates as at 31 December 2011.

Cost of Sales

Cost of sales is computed based on purchases and related expenses net of changes in inventories of finished goods for the respective financial periods.

Cost of sales increased by S$5.7 million or 29.9% from S$19.1 million during HY2012 to S$24.8 million during HY2013.

The increase in cost of sales was in tandem with the increase in revenue. The gross profit margin (based on cost of materials only, without taking into account labour costs and overheads) of 41.6% for HY2013 was comparable to 41.0% for HY2012.

Employee Benefits Expenses

Employee benefits expenses increased by S$2.0 million or 41.5% from S$4.9 million during HY2012 to S$6.9 million during HY2013.

The increase was due to the annual salary increment with effect from July 2012, increase in directors' performance bonus, increase in headcount and higher overtime expenses incurred to cope with the increased business of the Group. As at 31 December 2012, the Group had 216 employees (including directors) (31 December 2011: 195).

Depreciation Expense

Depreciation expense increased by S$0.2 million or 35.3% from S$0.4 million during HY2012 to S$0.6 million during HY2013.

The increase was mainly attributable to:

a) Revision of useful life of renovation of premises (including corporate headquarters, showroom and warehouse) at 15 Defu Avenue 1 Singapore 539538. The Group expects to shift its corporate headquarters, showroom and warehouse at 15 Defu Avenue 1 to 105 Eunos Avenue 3 Singapore 409836 during the second half of FY2013. Renovation of these premises at 15 Defu Avenue 1 is expected to be fully depreciated on 30 June 2013; and
b) Major additions during HY2013 such as refurbishment of warehouse at 18C Sungei Kadut Street 4 Singapore 729066 and acquisition of motor vehicles, furniture and fittings and machinery to cope with the increased business of the Group.

Impairment Losses

Impairment losses increased by S$0.4 million or 220.6% from S$0.1 million during HY2012 to S$0.5 million during HY2013.

The increase was mainly due to higher allowance for impairment made for:

a) Inventories by S$0.1 million; and
b) Trade receivables by S$0.3 million.

Finance Costs

Finance costs increased by S$10,000 or 1.8% from S$549,000 during HY2012 to S$559,000 during HY2013.

The increase was mainly attributable to an increase in interest expense on short-term loans, trust receipts and bills payable to banks.

Other Expenses

Other expenses decreased by S$0.1 million or 3.8% from S$3.6 million during HY2012 to S$3.5 million during HY2013.

The decrease was mainly attributable to:

a) Decrease in legal and professional fees by S$0.3 million;
b) Reclassification of employees' transport and handphone allowance amounting to S$0.3 million to employee benefits expenses; partly offset by
c) Increase in rental expenses of premises by S$0.3 million; and
d) Increase in upkeep and hire of motor vehicles and other repairs and maintenance by S$0.2 million due to higher utilisation of plant and equipment to cope with the increased business of the Group and relocation of inventories to a new warehouse at 3 Changi North Street 1 Singapore 498824.

Other Charges

Other charges incurred during HY2012 was in relation to net foreign exchange adjustment losses.

Share of Net Loss From Equity-Accounted Associates and Joint Venture

Share of net loss from equity-accounted associates and joint venture amounted to S$0.5 million for HY2013. There was none during HY2012.

Share of net loss from equity-accounted associates and joint venture is made up of:

a) Share of loss of associate, Hunan Cappuccino Construction Materials Co., Limited, from July 2012 to December 2012, amounting to S$0.7 million; partially offset by
b) Share of profit of associate, Viet Ceramics International Joint Stock Company, from October 2012 to December 2012, amounting to S$0.1 million; and
c) Share of profit of joint venture company, Melmer Stoneworks Pte. Ltd., from July 2012 to December 2012, amounting to S$12,000.

Associates and joint venture company are accounted for in the group accounts using the equity method with effect from the date when the Group exerts significant influence over the associates and joint venture company (i.e. equity interests is transferred to the Group). As at 31 December 2011, the Group had not commenced investments in the above associates and joint venture company.

Profit Before Income Tax

Profit before income tax increased by S$25.6 million or 745.1% from S$3.4 million during HY2012 to S$29.0 million during HY2013.

The increase in profit before income tax was contributed largely by recognition of a one-time gain on disposal of development property (net of impact on directors' performance bonus) amounting to S$22.7 million. Profit before income tax generated from recurring activities increased by S$2.9 million from S$3.4 million during HY2012 to S$6.3 million during HY2013.

Income Tax Expenses

The effective tax rate for HY2013 was 16.2% (HY2012: 17.1%) and comparable to the Singapore corporate tax rate of 17.0%. Tax exemptions did not result in a much lower effective tax rate due to non-deductible items.

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

Non-Current Assets

Non-current assets increased by S$20.0 million or 53.5% from S$37.5 million as at 30 June 2012 to S$57.5 million as at 31 December 2012.

Property, plant and equipment increased by S$17.7 million or 56.1% from S$31.6 million as at 30 June 2012 to S$49.3 million as at 31 December 2012. The increase was mainly due to additions of the following assets:

a) Construction in progress at 105 Eunos Avenue 3 and construction of warehouse at 3 Changi North Street 1 amounting to S$7.1 million and S$10.8 million respectively;
b) Refurbishment of warehouse at 18C Sungei Kadut Street 4 amounting to S$0.2 million;
c) Motor vehicles and forklift amounting to S$0.1 million; and
d) Machinery amounting to S$0.1 million.

The above increase in property, plant and equipment was partially offset by depreciation expense amounting to S$0.6 million.

In September 2012, the Group acquired a 49% shareholding in an associate, Viet Ceramics International Joint Stock Company, at a consideration of S$2.9 million. The investment is part of the Group's growth strategy to enhance its regional presence. Investments in associates include share of associates' profit (Viet Ceramics International Joint Stock Company) amounting to S$0.1 million and loss (Hunan Cappuccino Construction Materials Co., Limited) amounting to S$0.7 million.

In July 2012, the Group incorporated and took a 50% equity interest in a joint venture company, Melmer Stoneworks Pte. Ltd. Share of the joint venture company's profit amounting to S$12,000 was recognised during HY2013.

Current Assets

Current assets increased by S$4.9 million or 5.7% from S$86.4 million as at 30 June 2012 to S$91.3 million as at 31 December 2012.

The increase was mainly attributable to increase in trade and other receivables by S$32.5 million, other assets by S$2.0 million and cash and cash equivalents by S$2.7 million. The above increase was partially offset by the derecognition of development property at 79 Aljunied Road (30 June 2012: S$32.3 million).

As at 30 June 2012, development property classified under current assets amounted to S$32.3 million. As at 31 December 2012, total cost of the development property amounting to S$41.5 million was derecognised as the risks and rewards of ownership of the development property was transfered to the purchasers following the issuance of temporary occupancy permit in December 2012.

Inventories remained largely unchanged as at 30 June 2012, in spite of increased business. As a result, inventory turnover decreased to 225 days as at 31 December 2012 from 273 days as at 30 June 2012.

The increase in trade and other receivables was due to S$27.2 million increase in receivables from purchasers of development property (30 June 2012: NIL) and S$5.3 million increase in trade and other receivables (excluding receivables from purchasers of the development property). The increase in trade receivables was in line with the revenue growth in HY2013. Trade receivables turnover of 85 days as at 31 December 2012 was comparable to 92 days as at 30 June 2012.

Other assets increased by S$2.0 million from S$1.7 million as at 30 June 2012 to S$3.7 million as at 31 December 2012. This was mainly due to increase in advance payment to suppliers by S$1.7 million as a wider range of products were sourced to cope with the market demand, increase in deposit by S$0.2 million (S$0.1 million relates to earnest money for proposed acquisition of leasehold land at 18 Sungei Kadut Street 2 and S$0.1 million relates to increase in non-refundable utility deposits) and increase in prepayments by S$0.1 million.

Non-Current Liabilities

Non-current liabilities decreased by S$5.8 million or 30.2% from S$19.3 million as at 30 June 2012 to S$13.5 million as at 31 December 2012.

Other financial liabilities (non-current) decreased by S$5.8 million due to repayments and drawdowns of bank loans during HY2013. Major movements in other financial liabilities (non-current) included the following:

a) Reclassification of bank loans relating to acquisition and development of leasehold property at 105 Eunos Avenue 3 amounting to S$8.8 million to current portion as the loans are to be repaid within the next financial year;
b) Repayments of bank loan relating to acquisition of 54/ 56 Sungei Kadut Loop and 18C Sungei Kadut Street 4 amounting to S$0.8 million;
c) Repayments of bank loan relating to acquisition of 3 Changi North Street 1 amounting to S$0.2 million;
d) Repayments of finance lease liabilities amounting to S$0.1 million; and partly offset by
e) Drawdown of construction loan for development of 3 Changi North Street 1 amounting to S$4.1 million.

Current Liabilities

Current liabilities increased by S$9.6 million or 13.5% from S$71.5 million as at 30 June 2012 to S$81.1 million as at 31 December 2012.

The increase was mainly attributable to an increase in provision by S$0.1 million, income tax payable by S$4.1 million, trade and other payables by S$14.4 million, other financial liablities by S$14.9 million. The above increase was partially offset by a decrease in other liabilities by S$23.9 million.

Income tax payable increased by S$4.1 million or 717.3% from S$0.6 million as at 30 June 2012 to S$4.7 million as at 31 December 2012. This was mainly due to income tax effect of the one-time gain on disposal of development property during HY2013.

Included in trade and other payables are trade payables and accrued liabilities amounting to S$12.2 million (30 June 2012: S$7.7 million) and payables (including retentions) to vendors relating to construction of premises at 105 Eunos Avenue 3 and 3 Changi North Street 1 amounting to S$11.1 million (30 June 2012: S$1.2 million). As at the date of this announcement, S$7.4 million has been paid by drawdown from construction loan facilities, S$2.5 million has been paid using internal resources and the balance S$1.2 million (including retentions of S$1.0 millon) will be repaid using internal resources.

Total amount of trade payables and trust receipts and bills payable to banks is S$33.4 million (FY2012: S$25.6 million). The turnover of the aforesaid items (based on cost of sales) of 218 days as at 31 December 2012 decreased from 241 days as at 30 June 2012.

The increase in other financial liabilities (current) was due to repayments and drawdowns of bank loans during HY2013. Major movements of other financial liabilities (current) included the following:

a) Reclassification of bank loans relating to leasehold property at 105 Eunos Avenue 3 amounting to S$8.8 from non-current portion as the loans are to be repaid within the next financial year. Drawdown of these bank loans during HY2013 amounting to S$2.4 million;
b) Increase in trust receipts and bills payable to banks by S$3.3 million; and
c) Drawdown of short-term bank loans amounting to S$6.9 million; partly offset by
d) Repayments of short-term bank loans amounting to S$1.5 million; and
e) Repayment of loan for development property at 79 Aljunied Road amounting to S$5.0 million.

Current Liabilities (Continued)

The Group contracted to sell all the units in the development property in December 2011. As at 30 June 2012, progress payments (including booking fee) received for the sale of all units at 79 Aljunied Road and classified under other liabilities amounted to S$23.6 million. As at 31 December 2012, progress payments under other liabilities were derecognised as the sale was completed following the issuance of temporary occupancy permit in December 2012. The decrease in other liabilities was also due to a decrease in advance payments from customers by S$0.3 million.

Cash Flows Review

Net cash flows from operating activities was S$12.3 million due to operating cash flows before changes in working capital of S$6.9 million, net cash flows from working capital of S$6.0 million and income taxes paid of S$0.6 million. The net cash generated from working capital of S$6.0 million was due to increase in trade and other payables of S$13.2 million and accumulative increase in other items of working capital of S$0.1 million. These were partially offset by an increase in trade and other receivables of S$5.0 million and other assets of S$2.0 million and a decrease in other liabilities of S$0.3 million.

Net cash flows used in investing activities amounted to S$14.8 million during HY2013 was mainly attributable to:

a) Cash outflows of S$18.2 million for development of 105 Eunos Avenue 3, 3 Changi North Street 1, refurbishment of warehouse at 18C Sungei Kadut Street 4 and purchase of plant and equipment to cope with the increased operations of the Group;
b) Payment of construction cost of development property at 79 Aljunied Road amounting to S$8.0 million; and
c) Acquisition of 49% shareholding in an associate, Viet Ceramic International Joint Stock Company, at a consideration of S$2.9 million, in November 2012.

The above cash outflows were partially offset by receipt of progress payments relating to disposal of the development property amounting to S$14.2 million and proceeds from disposal of plant and equipment amounting to S$0.1 million.

Net cash flows generated from financing activities amounted to S$5.2 million during HY2013 was mainly attributable to:

a) Net increase in bank loans amounting to S$5.9 million in relation to development property at 79 Aljunied Road, leasehold properties at 18C Sungei Kadut Street 4, 105 Eunos Avenue 3, 3 Changi North Street 1 and working capital purpose; and
b) Increase in trust receipts and bills payable to banks amounting to S$3.3 million.

The above cash inflows were partially offset by:

a) Dividends paid of S$3.1 million;
b) Interest expenses paid of S$0.7 million; and
c) Repayment of finance lease liabilities of S$0.2 million.

As a result of the above, there was a net increase of S$2.7 million in cash and cash equivalents. Cash and cash equivalents as at 31 December 2012 was S$7.7 million (30 June 2012: S$5.0 million).

**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.**

Business in Singapore

The Group set up the Public Project Department to cater to demand for surfacing materials by construction companies for use in development of HDB residential estates during FY2010. Since then, several floor and wall tiles supplied by the Group have been approved for use in HDB residential estate development. During HY2013, the Group commenced deliveries of surfacing materials for use in a number of HDB residential estate development under the Build-To-Order Scheme and Home Improvement Programme. Based on information from Ministry of National Development in January 2013, Singapore has a pipeline supply of about 200,000 residential units (more than half of them being HDB flats). The Group will continue to build up its reputation as a reliable supplier of building materials for its project customers, thereby achieving a sizeable share of sales and becoming a market leader in the public project segment.

The Group has been exploring opportunities to offer products which are complementary to its core products (i.e. tiles and other building materials). Since the beginning of FY2011, the Group offers sanitary ware and fittings and is the authorised retailer for several premium brands, such as Bravat, Fima, Hansgrohe, Pablo and OXO. The Group also retails sanitary fittings under its house brand, iLife. The Group intends to carry more popular brands of sanitary ware and fittings from Europe and Australia and continue to grow this segment. During HY2012, the Group began to import composite quartz materials for home and private residential purposes. Reputable brands carried by the Group include Caesarstone and Kalingastone. Composite quartz is increasingly being used to produce kitchen counter tops due to its non-porous nature and scratch and stain resistance. The Group will further explore this new and other potential business avenues which have market potentials.

In July 2012, the Group incorporated and took a 50% equity interest in a joint venture company, Melmer Stoneworks Pte. Ltd. ('MSPL'). MSPL commenced operations in October 2012 and is principally engaged in the fabrication, polishing and profiling of stone and marble slabs for household and commercial purpose. The Group sees potentials in the stone fabrication business as more home-owners prefer to use stone and marble for their flooring and home decoration solutions and incorporate stone elements in their furniture, such as coffee table. There are also demand for granite and marble slabs, which need to be processed before being installed at premises, for use in development of private residential and commercial buildings in Singapore.

In December 2012, a wholly-owned subsidiary of the Company, Hafary Pte Ltd, together with Mr. Low See Ching (Executive Director and controlling shareholder) and Mr. Ching Chiat Kwong (Controlling shareholder) (collectively, the "Promoters") entered into a legally binding memorandum of understanding with Sitra Holdings (International) Limited ("Sitra") on the incorporation of a special purpose vehicle (the "SPV") by the Promoters and Sitra to acquire a leasehold land at 18 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729236 from Sitra subject to certain conditions ("Proposed Acquisition"). Jurong Town Corporation ("JTC") intends to redevelop part of the Sungei Kadut Industrial Estate to cater for the development of an International Furniture Park ("IFP"), to be positioned as Southeast Asia's international furniture hub, a global marketplace for furniture and furniture-related industries. The leasehold property is along the designated primary pedestrian network of the business epicentre of the IFP. Subject to, inter alia, approval by the Company's shareholders for the Proposed Acquisition at a general meeting to be convened, upon the successful consummation of the Proposed Acquisition, the SPV shall develop the leasehold property in accordance with the objectives, concept and development strategy envisioned for the IFP by JTC, International Enterprise Singapore and SPRING Singapore. The Group intends to set up a showroom at the leasehold property. A portion of the leasehold property is expected to be used as warehousing facility for the Group's surfacing and furnishing products. As the IFP is targeting international buyers and sellers, a prominent presence in the IFP is expected to open doors to overseas customers and overseas expansion. Also, the cooperation between the Group and Sitra via the SPV is a synergistic partnership. The Group's offerings of stone and marble slabs and engineered wood materials is expected to complement Sitra's offerings of outdoor furniture and decking. The Group's customer base is predominantly in Singapore, while Sitra's customers are mainly from overseas (Europe, Middle East and Australia). Both parties may leverage on each other's strengths to respectively expand and/or strengthen their local and overseas markets and presence in the furnishing industry and to add value to each other's business operations.

Business in Singapore (Continued)

In the next 12 months, the Group will continue to focus on costs control and enhancement of operational efficiency to improve financial performance. The development of 105 Eunos Avenue 3 into the Group's corporate headquarters is targeted for completion during the second half of FY2013. A portion of the new corporate headquarters would be leased to generate rental income and cash flows for the Group. With the completion and operation of new warehouse facility at 3 Changi North Street 1, the Group can look forward to streamline its logistical functions. The Group is in the process of consolidating certain categories of inventories in the new warehouse and intends to cease rental of other support warehouses by the last quarter of FY2013, thereby saving rental costs. The streamling of operations is also expected to result in lower manpower and transport costs, thereby increasing the cost efficiency of the Group.

Overseas Investments

Since the initial public offering of the Company's shares in 2009, the Group envisaged business expansion through strategic alliances with parties who create synergy with the existing business. The Group, which predominantly trades in the Singapore market, is also looking to expand its geographical coverage.

The Group's investment in an associate, Hunan Cappuccino Construction Materials Co., Limited ('HCCM'), a tile manufacturing facility in the People's Republic of China (PRC), is the Group's first step of its geographical expansion plan which also complements the Group's existing business. It is focused on the PRC and the overseas markets where there are opportunities for the production and sale of construction and surfacing materials. Production of materials by HCCM has commenced in October 2012.

In September 2012, the Group acquired a 49% shareholding in an associate, Viet Ceramics International Joint Stock Company ('VCI'), a reputable tile retailing company in Vietnam. The investment is part of the Group's growth strategy to enhance its regional presence. As more and more businesses look to expand into the Indochina markets, VCI is in good stead to support building materials needs of property developers with projects in this region.

Economic and Market Trends

In January 2013, the Singapore Government announced its seventh package of property cooling measures in over three years. During the same month, the Minister of National Development highlighted that 200,000 new residential units (private and public) will be constucted by year 2016. The Building and Construction Authority also projected a construction demand of between S$26 billion and S$32 billion for year 2013.

The Group remains cautiously optimistic of continual demand for its surfacing and building materials in the next one year. The Group will continue to implement various sales and marketing initiatives and increase its product and service range to enhance its branding and widen its customer base. The Group would also intensify its efforts to leverage on its expertise and knowledge in the tile industry and work with the local management to grow its tile manufacturing and retailing business in the PRC and Vietnam respectively.

## 11 Dividend

### (a) Current Financial Reported On

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

| | 31 December 2012 |
|---|---|
| Name of Dividend | Interim Exempt (1-tier) |
| Type of Dividend | Cash |
| Dividend per share | 2.5 cents |

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

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

| | 31 December 2011 |
|---|---|
| Name of Dividend | Interim Exempt (1-tier) |
| Type of Dividend | Cash |
| Dividend per share | 1.0 cent |

### (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 Interested Person Transactions

| Name of Interested Person | Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000) | |
|---|---|---|
| | Not conducted under shareholders' mandate pursuant to Rule 920 | Conducted under shareholders' mandate pursuant to Rule 920 |
| | S$'000 | S$'000 |
| Sales to Galaxy Builders Pte. Ltd. | - | 27 |
| Sales to Hume Construction Pte. Ltd. | - | 7 |
| Sales to Oxley Construction Pte. Ltd. | - | 392 |

Note:

The transactions were entered into based on normal 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 half year financial period ended 31 December 2012 to be false or misleading in any material aspect.

By Order of the Board

Low See Ching
Chief Executive Officer and Executive Director
5 February 2013