

\* 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>	Company Secretary
<b>Date &amp; Time of Broadcast</b>	23-Aug-2010 20:30:35
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>> ANNOUNCEMENT DETAILS

The details of the announcement start here ...

<b>For the Financial Period Ended *</b>	30-06-2010
<b>Description</b>	Please see attached.
<b>Attachments</b>	 Hafary_Holdings_Full_Year_Announcement_2010.pdf Total size = <b>542K</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)

**Full Year Financial Statements and Dividend  
Announcement For the Year Ended 30 June 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 ("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.

**HAFARY HOLDINGS LIMITED**

Company Registration No. 200918637C

Full Year Financial Statement for the Year Ended 30 June 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 30-Jun-10 S\$'000	Audited 30-Jun-09 S\$'000	
Revenue	38,354	30,794	25%
<u>Other Items of Income</u>			
Other Credits	260	248	5%
Interest Income	1	-	N.M.
<u>Other Items of Expense</u>			
Changes in Inventories of Finished Goods	7,048	1,791	294%
Purchases and Related Expenses	(30,192)	(20,709)	46%
Employee Benefits Expenses	(4,759)	(3,836)	24%
Depreciation	(537)	(370)	45%
Impairment Losses	(316)	(187)	69%
Finance Costs	(445)	(403)	10%
Other Expenses	(3,747)	(2,692)	39%
Other Charges	(1,419)	(420)	238%
<b>Profit Before Income Tax</b>	<b>4,248</b>	<b>4,216</b>	<b>1%</b>
Income Tax Expense	(990)	(777)	27%
<b>Profit Net of Tax and Total Comprehensive Income for the Year</b>	<b>3,258</b>	<b>3,439</b>	<b>-5%</b>
Profit Net of Tax and Total Comprehensive Income Attributable to Owners of the Parent	3,061	3,039	1%
Profit Net of Tax and Total Comprehensive Income Attributable to Non-Controlling Interests	197	400	-51%
<b>Total Comprehensive Income</b>	<b>3,258</b>	<b>3,439</b>	<b>-5%</b>

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

	Group		% Change Increase/ (Decrease)
	Unaudited 30-Jun-10 S\$'000	Audited 30-Jun-09 S\$'000	
Initial Public Offer Expenses	(934)	(420)	122%
Depreciation Expense	(537)	(370)	45%
Gain on disposal of Property, Plant and Equipment	33	-	N.M.
Allowance for Impairment on Inventories	(176)	(157)	12%
Allowance for Impairment on Trade Receivables	(167)	-	N.M.
Bad Debts Recovered - net	1	5	-80%
Foreign Exchange Losses / Gains	(31)	103	-130%
Fair Value Loss on Derivatives Instruments	(460)	-	N.M.
Interest Expense on Borrowings	(445)	(403)	10%

**Notes:**

(1) The consolidated financial statement of comprehensive income of the Group for the financial year ended 30 June 2009 have been prepared in accordance with the principles of "pooling of interests" accounting.

(2) 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 <sup>(2)</sup>	
	Unaudited 30-Jun-10 S\$'000	Audited 30-Jun-09 S\$'000	Unaudited 30-Jun-10 S\$'000	Audited 30-Jun-09 S\$'000
<b>ASSETS</b>				
<b>Non Current Assets:</b>				
Investment in Subsidiaries	-	-	9,239	-
Property, Plant and Equipment	4,193	1,218	1	-
<b>Total Non-Current Assets</b>	<b>4,193</b>	<b>1,218</b>	<b>9,240</b>	<b>-</b>
<b>Current Assets:</b>				
Inventories	16,902	10,039	-	-
Trade and Other Receivables	10,347	6,673	6,067	-
Other Assets	1,159	240	38	-
Cash and Cash Equivalents	5,473	1,837	1,263	-
<b>Total Current Assets</b>	<b>33,881</b>	<b>18,789</b>	<b>7,368</b>	<b>-</b>
<b>Total Assets</b>	<b>38,074</b>	<b>20,007</b>	<b>16,608</b>	<b>-</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity Attributable to Owners of the Parent</b>				
Share Capital	14,508	500	14,508	-
Capital Reserve	-	-	1,009	-
Retained Earnings	3,061	7,729	876	-
<b>Equity, Attributable to Owners of the Parent</b>	<b>17,569</b>	<b>8,229</b>	<b>16,393</b>	<b>-</b>
Non-Controlling Interests	866	799	-	-
<b>Total Equity</b>	<b>18,435</b>	<b>9,028</b>	<b>16,393</b>	<b>-</b>
<b>Non-Current Liabilities:</b>				
Deferred Tax Liabilities	96	31	-	-
Other Financial Liabilities	2,244	1,853	-	-
<b>Total Non-Current Liabilities</b>	<b>2,340</b>	<b>1,884</b>	<b>-</b>	<b>-</b>
<b>Current Liabilities:</b>				
Provision	255	256	-	-
Income Tax Payable	957	807	-	-
Trade and Other Payables	4,938	1,973	215	-
Derivative Financial Instruments	460	-	-	-
Other Financial Liabilities	10,689	6,059	-	-
<b>Total Current Liabilities</b>	<b>17,299</b>	<b>9,095</b>	<b>215</b>	<b>-</b>
<b>Total Equity and Liabilities</b>	<b>38,074</b>	<b>20,007</b>	<b>16,608</b>	<b>-</b>

**Notes:**

(1) The consolidated financial statement of financial position of the Group as at 30 June 2009 have been prepared in accordance with the principles of "pooling of interests" accounting.

(2) The company was incorporated on 6 October 2009.

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 30-Jun-10 S\$000	Audited 30-Jun-09 S\$000
<b>Cash Flows From Operating Activities:</b>		
Profit Before Income Tax	4,248	4,216
Adjustments for:		
Depreciation Expense	537	370
Share Issue Expenses	(221)	-
Interest Income	(1)	-
Interest Expense	445	403
Fair Value Loss on Derivatives Instruments	460	-
Gain on Disposal of Property, Plant and Equipment	(33)	-
Operating Cash Flows Before Working Capital Changes	5,435	4,989
Cash Restricted in Use Over 3 months	(213)	-
(Increase) / Decrease in Other Assets	(919)	57
(Increase) / Decrease in Trade and Other Receivables	(3,674)	1,179
Increase in Inventories	(6,863)	(1,634)
Increase / (Decrease) in Trade and Other Payables	2,965	(860)
Decrease in Provision	(1)	(37)
Net Cash Flows (Used in) / From Operations Before Interest and Tax	(3,270)	3,694
Income Taxes Paid	(775)	(1,091)
<b>Net Cash Flows (Used in) / From Operating Activities</b>	<b>(4,045)</b>	<b>2,603</b>
<b>Cash Flows From Investing Activities:</b>		
Proceeds from Disposal of Property, Plant and Equipment	75	-
Purchase of Property, Plant and Equipment	(3,354)	(250)
Interest Received	1	-
<b>Net Cash Flows Used in Investing Activities</b>	<b>(3,278)</b>	<b>(250)</b>
<b>Cash Flows From Financing Activities:</b>		
Capital Contribution by Non-Controlling Interests	20	20
Increase / (Decrease) in Bills payables and Trust Receipts	4,056	(1,033)
Interest Paid	(445)	(403)
Issue of Shares	6,500	-
Dividends Paid to Equity Shareholders	-	(3,000)
Dividends Paid to Non-Controlling Interests	(150)	(90)
Decrease in Other Financial Liabilities	(2,435)	(159)
Increase in new Bank Loans	3,200	3,243
<b>Net Cash Flows From / (Used in) Financing Activities</b>	<b>10,746</b>	<b>(1,422)</b>
Net Increase in Cash and Cash Equivalents	3,423	931
Cash and Cash Equivalents at Beginning of Year <sup>(2)</sup>	1,806	875
<b>Cash and Cash Equivalents at End of Year<sup>(2)</sup></b>	<b>5,229</b>	<b>1,806</b>

**Notes:**

(1) The combined financial statement of cash flow of the Group for the financial year ended 30 June 2009 have been prepared in accordance with the principles of "pooling of interests" accounting.

(2) Cash and cash equivalents excludes the restricted cash of S\$244,000 (2009: S\$31,000).

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

Amount repayable in one year or less, or on demand

	As at 30 June 2010		As at 30 June 2009	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bank Loans	489	1,903	1,802 <sup>(1)</sup>	-
Bills Payables and Trust Receipts	1,175	6,956	4,075 <sup>(2)</sup>	-
Finance Leases	166	-	182	-
	1,830	8,859	6,059	-

Amount repayable after one year

	As at 30 June 2010		As at 30 June 2009	
	Secured	Unsecured	Secured	Unsecured
	S\$000	S\$000	S\$000	S\$000
Bank Loans	1,276	781	1,630 <sup>(1)</sup>	-
Finance Leases	187	-	223	-
	1,463	781	1,853	-

Details of collateral referring to the above borrowings

**Bank Loans**

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

**Bills Payables and Trust Receipts**

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.

**Notes:**

(1) These are secured by legal charges over a property of a director of the company. These loans are also guaranteed and indemnified by certain directors of the company.

(2) These are secured by legal charges over a property of a director of the company.

**HAFARY HOLDINGS LIMITED**

Company Registration No. 200918637C

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 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	8,229	-	8,229	-	8,229
<b>Initial Public Offering</b>					
Issue of Shares	6,500	-	6,500	-	6,500
Share Issue Expenses	(221)	-	(221)	-	(221)
	6,279	-	6,279	-	6,279
Total Comprehensive Income for the Year	-	3,061	3,061	197	3,258
Capital Contribution by Non-Controlling Interests	-	-	-	20	20
Dividends Paid to Non-Controlling Interests	-	-	-	(150)	(150)
<b>Balance at 30 June 2010</b>	<b>14,508</b>	<b>3,061</b>	<b>17,569</b>	<b>866</b>	<b>18,435</b>
<b>Previous Year (Audited):</b>					
Balance at 1 July 2008	500	7,690	8,190	469	8,659
Total Comprehensive Income for the Year	-	3,039	3,039	400	3,439
Capital Contribution by Non-Controlling Interests	-	-	-	20	20
Dividends Paid to Non-Controlling Interests	-	-	-	(90)	(90)
Dividends Paid	-	(3,000)	(3,000)	-	(3,000)
<b>Balance at 30 June 2009</b>	<b>500</b>	<b>7,729</b>	<b>8,229</b>	<b>799</b>	<b>9,028</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 2009	-	-	-	-
Issue of Share on Incorporation Date	* -	-	-	* -
Issue of Shares for Acquisition of Subsidiaries	8,229	-	1,009	9,238
<b>Initial Public Offering</b>				
Issue of Shares	6,500	-	-	6,500
Share Issue Expenses	(221)	-	-	(221)
	6,279	-	-	6,279
Total Comprehensive Income for the Year	-	876	-	876
<b>Balance at 30 June 2010</b>	<b>14,508</b>	<b>876</b>	<b>1,009</b>	<b>16,393</b>
<b>Previous Year (Audited):</b>				
Balance at 1 July 2008	-	-	-	-
Total Comprehensive Income for the Year	-	-	-	-
Balance at 30 June 2009	-	-	-	-

\* 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 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>		30 June 2009
	30 June 2010		
	Shares	S\$'000	
Total number of shares at the beginning of the year	1	*	-
Issue of shares pursuant to the restructuring exercise <sup>(1)</sup>	129,999,999	8,229	-
Issue of shares pursuant to the placement <sup>(2)</sup>	32,500,000	6,279	-
Total number of shares at the end of the year	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>	
30 June 2010	30 June 2009
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 30 June 2009 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 \$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 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 2009. 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 or results respectively, except the additional disclosure of a statement of comprehensive income in accordance with FRS 1 (Revised) Presentation of 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 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**

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 shares for the year based on total comprehensive income attributable to owners of the parent :-

	<b>Group</b>	
	30-Jun-10	30-Jun-09
Earnings per ordinary share		
(a) Based on the weighted average number of ordinary shares in issue; and	2.05 cents	2.34 cents
Weighted average number of ordinary shares	148,958,000	130,000,000 *
(b) On a fully diluted basis	2.05 cents	2.34 cents
Weighted average number of ordinary shares	148,958,000	130,000,000 *

\* For comparative purposes, EPS for 30 June 2009 have been computed based on pre-placement share capital of 130,000,000 shares.

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

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-10</b>	<b>30-Jun-09</b>	<b>30-Jun-10</b>	<b>30-Jun-09</b>
Net asset value per ordinary share based on the total number of share in issue	10.81 cents	5.06 cents *	10.09 cents	-

Net asset value per ordinary share is calculated based on 162,500,000 shares in issue as at 30 June 2010. (Nil as at 30 June 2009. The company was incorporated on 6 October 2009.)

\* For comparative purposes, net asset value for the period have been computed based on share capital of 162,500,000 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 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

#### Profit and Loss Review

##### Revenue

Revenue increased by S\$7.6m or 24.7%, from S\$30.8m in FY2009 ("FY09") to S\$38.4m in FY2010 ("FY10"). This was due to an increase in revenue contribution from the increase in demand for renovation and fitting out, which translated into higher demand for our products. Revenue from the general segment increased by S\$7.2m or 35.9% over the period under review were mainly a result of a greater market recognition of our products through our marketing efforts and the ability to meet our customers' requirements. For project segment, revenue increased by S\$0.4m or 3% in FY10 due to increase in sales to both our new and existing project customers.

##### Changes in inventories of finished goods

Inventories of finished goods were S\$7.0m in FY10 compared to S\$1.8m FY09 due mainly to purchase of products to support higher demand for tiles.

##### Purchases and related expenses

Purchases and related expenses increased by S\$9.5m from S\$20.7m in FY09 to S\$30.2m in FY10, 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\$0.9m from S\$3.8m in FY09 to S\$4.8m in FY10 mainly due to the increase in remuneration paid to our staff as a result of salary increments and a headcount increase of 41 staff to support the increase in our business activities.

##### Depreciation expense

Depreciation expense increased from S\$370,000 to S\$537,000 mainly due to depreciation on major additions of property, plant and equipment during the year (mainly Sungei Kadut Loop warehouse which was acquired in December 2009).

##### Impairment losses

Impairment losses have increased by S\$129,000 in FY10 from S\$187,000 in FY09 to S\$316,000 in FY10. This is mainly attributable to an impairment allowance for trade receivables of \$167,000, partially offset by bad debts recovered in FY10 of S\$26,000 and an increase in impairment for inventories of S\$19,000.

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

#### Profit and Loss Review

##### Finance Costs

Finance costs have increased by S\$42,000 in FY10 from S\$403,000 in FY09 to S\$445,000 in FY10. This is attributable to the utilisation of working capital financing to support the increase in our business activities which includes the increases in purchases.

##### Other expenses

Other expenses increased by S\$1.0m from S\$2.7m in FY09 to S\$3.7m in FY10 due mainly to increase in (i) water & electricity by S\$0.1m due to increased in office and warehouse space usage, increased in utilities tariffs and back billing of utilities for FY2008 and FY2009, (ii) overseas travelling expenses by S\$56,000 for trade fairs, (iii) hire of vehicle of S\$82,000 to accommodate the increase in demand for our products, (iv) legal and professional fees by S\$0.1m (vi) rental expenses by S\$0.1m due to land rental for our new Sungei Kadut Loop warehouse and new showroom in Trade Hub, (vii) property tax of S\$80,000 and stamp duties of S\$36,000 in relation to the purchase of the Sungei Kadut Loop warehouse and (viii) staff welfare by S\$58,000 which is line with the number of staff.

##### Other charges

Other charges increased by S\$1.0m, from S\$0.04m in FY09 to S\$1.4m in FY10 due to the increase of expenses of \$0.5m relating to the initial public offering ("IPO") of the company in December 2009 and losses of S\$0.5m arising from fair value of the foreign currencies forward contracts that are outstanding as at 30 June 2010.

##### Profit before income tax

Profit before tax increased by S\$32,000 or 0.8%, from S\$4,216,000 in FY09 to S\$4,248,000 in FY10 due mainly to higher revenue, lower cost of inventory, partially offset by other charges and expenses. Had the expense of S\$934,000 (2009: S\$420,000) relating to the IPO of the company been excluded, our pretax profit for FY10 would have been S\$5,182,000 (2009: S\$4,636,000), 11.8% higher than FY09. The effective tax rate of 21.7% is higher than the Singapore corporate tax rate of 17% due mainly to non-deductible expenses, such as IPO expenses.

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

**8 Balance Sheet Review**

Non-current assets

Property, plant and equipment increased by S\$3.0m as a result of purchase of a warehouse at 54/56 Sungei Kadut Loop and motor vehicles.

Current assets

Current assets increased by S\$15.1m due mainly to increase in inventories by S\$6.9m, trade and other receivables by S\$3.7m, other assets by S\$0.9m and cash and cash equivalent by S\$3.6m.

Higher inventories was due mainly to purchase of products to support higher demand for tiles. The increase in trade and other receivables is in line with the increased revenue in FY10. Other assets increased from S\$0.2m in FY2009 to S\$1.2m 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 FY10 were higher as a result of net proceeds relating to the IPO of the company in December 2009.

Non-current liabilities

Non-current liabilities increased by S\$0.5m due mainly to the property financing for our new warehouse at 54/56 Sungei Kadut Loop Singapore 729477.

Current liabilities

Current liabilities increased by S\$8.2m due mainly to an increase in trade and other payables by S\$3.0m, in other financial liabilities by S\$4.6m, income tax payables of S\$0.2m and provision for the mark-to-market effect of the derivative financial instruments by S\$0.5m.

The increase in trade and other payables by S\$3.0m is in line with increased purchases. The other financial liabilities increased by S\$4.6m being current portion of the loan for the newly purchased warehouse at 54/56 Sungei Kadut Loop Singapore 729477 and increased usage of financing trade bills for our purchases.

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

**8 Cash Flow Review**

The net cash used in operating activities of S\$3.6m 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\$3.7m, largely in line with our increase in revenue for FY10, increase in trade and other payables of S\$3.0m and increase in inventories of S\$6.9m, consistent with our expansion plan to cater for variety of tiles and stones for customers.

Cashflow used in investing activities was S\$3.3m due mainly to the purchase of the warehouse at 54/56 Sungei Kadut Loop Singapore 729477.

Net cash from financing activities was S\$10.3m due mainly to net proceeds from the IPO of the company in December 2009 and loan from financial institutions in relation to the purchase of the warehouse at Sungei Kadut Loop.

As a result of the above, there was a net increase of S\$3.4m in our cash and cash equivalents, from S\$1.8m as at 1 July 2009 to S\$5.2m as at 30 June 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.**

Moving forward, the group will focus to explore opportunities to offer complementary products, for example, sanitary wares and fittings, to our customers. This will serve to increase our product offerings to complement the existing product range, which will enable us to acquire more business from existing customers, as well as new customers.

**11 Dividend**

**(a) Current Financial Reported On**

Any dividend declared for the current financial period reported on?

	30-Jun-10
Name of Dividend	Final (Exempt 1-tier)
Type of Dividend	Cash
Dividend per share	0.4 cents
Total annual dividend (S\$'000)	652

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

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

None.

**(c) Date Payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

Not Applicable.

**13 Interested Person Transactions**

	30-Jun-10	30-Jun-09
	S\$'000	S\$'000
Rental paid to Ascender Investment <sup>(1)</sup>	116	112 <sup>(2)</sup>

**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) This is in accordance with the disclosure contained in the "Interested Person Transactions" section of the Company's Offer Document dated 26 November 2009.



**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
 (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

(a) **By Business Segments**

For year ended 30 June 2010 (Unaudited)

	General	Project	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue by segment</b>				
Total Revenue by segment:	27,219	11,078	57	38,354
<b>Recurring EBITD*</b>				
Recurring EBITD*	4,447	1,672	57	6,176
Corporate expenses	-	-	(946)	(946)
Finance costs	(445)	-	-	(445)
Depreciation	(500)	(37)	-	(537)
ORBT**				4,248
Income tax expense				(990)
<b>Profit from continuing operations</b>				<b>3,258</b>
<b>Assets and Reconciliations</b>				
Total group assets	26,759	10,012	1,303	38,074
<b>Liabilities and Reconciliations</b>				
Total group liabilities	12,382	7,042	215	19,639
<b>Other Material Items and Reconciliations</b>				
Impairment of assets (reversal)	323	(5)	(2)	316
Non-current expenditure	3,163	189	2	3,354

\* Earnings Before Interest, Tax & Depreciation

\*\* Operating Results Before Tax

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

(a) By Business Segments

For year ended 30 June 2009 (Audited)

	General	Project	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue by segment</b>				
Total Revenue by segment:	20,031	10,763	-	30,794
<b>Recurring EBITD*</b>				
Recurring EBITD*	3,873	1,571	-	5,444
Corporate expenses	-	-	(455)	(455)
Finance costs	(403)	-	-	(403)
Depreciation	(356)	(14)	-	(370)
ORBT**				4,216
Income tax expense				(777)
<b>Profit from continuing operations</b>				<b>3,439</b>
<b>Assets and Reconciliations</b>				
Total group assets	16,234	3,773	-	20,007
<b>Liabilities and Reconciliations</b>				
Total group liabilities	10,573	406	-	10,979
<b>Other Material Items and Reconciliations</b>				
Impairment of assets (reversal)	152	-	35	187
Non-current expenditure	218	72	-	290

\* Earnings Before Interest, Tax & Depreciation

\*\* Operating Results Before Tax

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

(b) **By Geographical Segments**

Revenue		Non-current assets	
Unaudited 30-Jun-10 S\$'000	Audited 30-Jun-09 S\$'000	Unaudited 30-Jun-10 S\$'000	Audited 30-Jun-09 S\$'000

**Group**

Singapore	38,354	30,741	4,193	1,218
Indonesia	-	53	-	-
Total continuing operations	38,354	30,794	4,193	1,218

Revenues are attributed to countries on the basis of the customer's location. The non-current assets are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts.

- 14 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to Section 8 for details.

- 15 **Breakdown of revenue and profit after tax as follows:**

	Group		% Change Increase/ (Decrease)
	30-Jun-10 S\$'000	30-Jun-09 S\$'000	
(a) Sales reported for first half year	18,890	16,810	12%
(b) Operating profit after tax before deducting minority interests reported for first half year	1,800	488	269%
(c) Sales reported for second half year	19,464	13,984	39%
(d) Operating profit after tax before deducting minority interests reported for second half year	1,261	2,551	-51%

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	30-Jun-10	30-Jun-10
Name of Dividend	Final (Exempt 1-tier)	NIL
Type of Dividend	Cash	NIL
Dividend per share	0.4 cent	NIL
Total annual dividend (S\$'000)	652	NIL

17 **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 year ended 30 June 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 : 23 August 2010