

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

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

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED INCOME STATEMENT

	Group			Group		
	2nd Qtr Ended 30/9/2012	30/9/2011	Incr/ (decr) %	6 months ended 30/9/2012	30/9/2011	Incr/ (decr) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	20,864	19,249	8.4	39,311	36,663	7.2
Cost of sales	(14,321)	(14,948)	(4.2)	(26,317)	(26,260)	0.2
Gross profit	6,543	4,301	52.1	12,994	10,403	24.9
Other income	141	166	(15.1)	98	293	(66.6)
Distribution costs	(793)	(520)	52.5	(1,362)	(943)	44.4
Administrative expenses	(1,631)	(1,249)	30.6	(2,914)	(2,449)	19.0
Other operating expenses	(48)	(214)	(77.6)	(48)	(119)	(59.7)
Interest expenses	(503)	(315)	59.7	(971)	(584)	66.3
Profit before income tax	3,709	2,169	71.0	7,797	6,601	18.1
Income tax expense	(513)	(398)	28.9	(1,317)	(1,111)	18.5
Profit for the period	3,196	1,771	80.5	6,480	5,490	18.0
Attributable to:						
Shareholders of the Company	3,196	1,771	80.5	6,480	5,490	18.0
Non-controlling interests	-	-	NM	-	-	NM
	3,196	1,771	80.5	6,480	5,490	18.0
Gross profit margin	31.4%	22.3%		33.1%	28.4%	
Net profit margin	15.3%	9.2%		16.5%	15.0%	
EBITDA ⁽¹⁾ (S\$'000)	4,665	2,933	59.1	9,664	8,052	20.0
EBITDA margin	22.4%	15.2%		24.6%	22.0%	
EPS ⁽²⁾	1.07	0.59	81.4	2.16	1.83	18.0

⁽¹⁾ : Denotes earnings before interest, taxes, depreciation and amortization

⁽²⁾ : Earnings per share

NM: Not meaningful

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	2nd Qtr Ended		Incr/	6 months ended		Incr/
	30/9/2012	30/9/2011	(decr)	30/9/2012	30/9/2011	(decr)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	3,196	1,771	80.5	6,480	5,490	18.0
Other comprehensive income/(loss)						
Exchange differences on translation of foreign operations	53	10	430.0	30	(28)	NM
Other comprehensive income/(loss) for the period	53	10	430.0	30	(28)	NM
Total comprehensive income for the period	3,249	1,781	82.4	6,510	5,462	19.2
Total comprehensive income attributable to:						
Shareholders of the Company	3,249	1,781	82.4	6,510	5,462	19.2
Non-controlling interests	-	-	NM	-	-	NM
	3,249	1,781	82.4	6,510	5,462	19.2

1(a)(i) Profit before income tax is arrived at after charging(crediting) the following:

	Group			Group		
	2nd Qtr Ended		Incr/ (decr) %	6 months Ended		Incr/ (decr) %
	30/9/2012	30/9/2011		30/9/2012	30/9/2011	
	S\$'000	S\$'000		S\$'000	S\$'000	
Allowance for doubtful trade receivables	32	-	NM	32	-	NM
Receivables written off	16	-	NM	16	1	1,500
Receivables recovered	-	-	NM	(28)	-	NM
Depreciation of property, plant and equipment	453	449	1	896	867	3
Foreign exchange loss (gain)	(116)	214	NM	(44)	117	NM
Gain on disposal of property, plant and equipment	(10)	(157)	(94)	(10)	(281)	(96)
Interest income	-	-	NM	(1)	(1)	-
Interest expenses	503	315	60	971	584	66
Inventory (written back) written down	(64)	1,633	NM	(64)	1,633	NM

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

STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30/9/2012 S\$'000	31/3/2012 S\$'000	30/9/2012 S\$'000	31/3/2012 S\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	2,009	4,200	2	31
Trade receivables	23,551	18,773	-	-
Other receivables	802	494	518	54
Inventories	96,674	86,973	-	-
Total current assets	123,036	110,440	520	85
Non-current assets				
Property, plant and equipment	8,867	8,876	-	-
Long term assets	76	-	-	-
Subsidiaries	-	-	5,491	5,491
Total non-current assets	8,943	8,876	5,491	5,491
Total assets	131,979	119,316	6,011	5,576
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	10,363	9,896	-	-
Other payables	1,097	503	1,607	412
Current portion of bank borrowings	53,471	47,163	-	-
Current portion of finance leases	943	937	-	-
Income tax payable	3,084	3,405	-	-
Total current liabilities	68,958	61,904	1,607	412
Non-current liabilities				
Bank borrowings	20,257	20,693	-	-
Finance leases	1,163	1,628	-	-
Deferred tax liability	129	129	-	-
Total non-current liabilities	21,549	22,450	-	-
Capital and reserves				
Share capital	3,000	3,000	3,000	3,000
Retained earnings	38,531	32,051	1,404	2,164
Translation reserve	(59)	(89)	-	-
Total equity	41,472	34,962	4,404	5,164
Total liabilities and equity	131,979	119,316	6,011	5,576

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

Amount repayable in one year or less, or on demand

	30/9/2012		31/3/2012	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	10,957	-	10,938	239
Money market loan	3,000	-	3,000	-
Bank bills payables	10,719	23,795	10,552	18,434
Finance leases	943	-	937	-
Time loans	-	5,000	-	4,000
	<u>25,619</u>	<u>28,795</u>	<u>25,427</u>	<u>22,673</u>

The amount repayable after one year

	30/9/2012		31/3/2012	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Term loans	20,257	-	20,693	-
Finance leases	1,163	-	1,628	-
	<u>21,420</u>	<u>-</u>	<u>22,321</u>	<u>-</u>

Details of any collaterals

Certain bank borrowings are secured by a legal mortgage over the Group's leasehold land and buildings, joint and several personal guarantees of the executive directors and Chief Administrative Officer, a floating charge over certain inventories of the Group and a corporate guarantee of a certain subsidiary.

Finance leases are secured by charges over the leased assets.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Group	
	2nd Qtr Ended		6 months ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before tax	3,709	2,169	7,797	6,601
Adjustment for :				
Interest expenses	503	315	971	584
Interest income	-	-	(1)	(1)
Depreciation	453	449	896	867
Allowance for doubtful trade receivables	32	-	32	-
Doubtful trade receivables recovered	-	-	(28)	-
Trade receivables written off	16	-	16	-
Other receivables written off (non-trade)	-	-	-	1
Gain on disposal of property, plant and equipment	(10)	(157)	(10)	(281)
Net foreign exchange gain (loss) - unrealised	55	(1)	42	(37)
Inventory (written back) written down	(64)	1,633	(64)	1,633
Operating cash flows before movements in working capital	4,694	4,408	9,651	9,367
Trade receivables	(3,894)	832	(4,798)	1,448
Other receivables and prepayments	(186)	140	(308)	(81)
Inventories	(3,323)	(4,113)	(9,637)	(5,992)
Trade payables	533	181	467	(3,180)
Other payables	446	282	594	364
Cash (used in) from operations	(1,730)	1,730	(4,031)	1,926
Interest received	-	-	1	1
Income tax paid	(957)	(1,358)	(1,638)	(1,337)
Net cash (used in) from operating activities	(2,687)	372	(5,668)	590
Investing activities				
Proceeds from disposal of property, plant and equipment	19	157	19	291
Purchases of property, plant and equipment	(499)	(732)	(908)	(1,073)
Purchase of long term assets	(76)	-	(76)	-
Purchase of a subsidiary from directors	-	(75)	-	(75)
Net cash used in investing activities	(556)	(650)	(965)	(857)

	Group		Group	
	2nd Qtr Ended		6 months ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
	S\$'000	S\$'000	S\$'000	S\$'000
Financing activities				
Repayment of loan to immediate holding company	-	(9,450)	-	(10,250)
Interest paid	(503)	(315)	(971)	(584)
Dividend paid	-	(3,300)	-	(3,300)
Repayment of obligations under finance leases	(228)	(351)	(459)	(610)
New loans obtained	-	10,000	1,000	13,000
Increase in bank bills	5,777	4,761	5,528	4,494
Repayment of bank loans	(234)	(430)	(656)	(858)
Proceeds from issue of shares of the Company	-	3,000	-	3,000
Net cash from financing activities	<u>4,812</u>	<u>3,915</u>	<u>4,442</u>	<u>4,892</u>
Net increase (decrease) in cash and cash equivalents	1,569	3,637	(2,191)	4,625
Cash and cash equivalents (overdrawn) at beginning of period	440	(2,509)	4,200	(3,497)
Cash and cash equivalents at end of period	<u>2,009</u>	<u>1,128</u>	<u>2,009</u>	<u>1,128</u>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

Cash & bank balances	2,009	2,533	2,009	2,533
Bank overdrafts	-	(1,405)	-	(1,405)
	<u>2,009</u>	<u>1,128</u>	<u>2,009</u>	<u>1,128</u>

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

STATEMENT OF CHANGES IN EQUITY

	Share capital S\$'000	Translation reserves S\$'000	Retained earnings S\$'000	Total equity S\$'000
<u>Group</u>				
Balance at 1 April 2012	3,000	(89)	32,051	34,962
Total comprehensive income for the period	-	30	6,480	6,510
Balance at 30 September 2012	<u>3,000</u>	<u>(59)</u>	<u>38,531</u>	<u>41,472</u>
Balance at 1 April 2011	-	(53)	44,380	44,327
Issuance of shares	3,000	-	-	3,000
Dividends paid	-	-	(3,300)	(3,300)
Total comprehensive income (loss) for the period	-	(28)	5,490	5,462
Balance at 30 September 2011	<u>3,000</u>	<u>(81)</u>	<u>46,570</u>	<u>49,489</u>
<u>Company</u>				
Balance at 1 April 2012	3,000	-	2,164	5,164
Total comprehensive loss for the period	-	-	(760)	(760)
Balance at 30 September 2012	<u>3,000</u>	<u>-</u>	<u>1,404</u>	<u>4,404</u>
Balance at 1 April 2011	-	-	(12)	(12)
Issuance of shares	3,000	-	-	3,000
Dividends paid	-	-	(3,300)	(3,300)
Total comprehensive income for the period	-	-	5,497	5,497
Balance at 30 September 2011	<u>3,000</u>	<u>-</u>	<u>2,185</u>	<u>5,185</u>

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 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

The Company was incorporated on 25 February 2010 with a share capital of S\$1. The Company issued 2,999,999 ordinary shares at S\$1 each to the immediate holding company for cash on 14 September 2011.

On 24 September 2012, our shareholders approved, *inter alia*, the sub-division of each share in the existing issued share capital of our Company into 100 shares.

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 end of the immediately preceding year.

The total number of issued shares excluding treasury shares

30/09/2012	31/03/2012
300,000,000	3,000,000

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

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

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

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

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

Not applicable.

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

The Company has adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the Group's most recently audited financial statements for the year ended 31 March 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 effect, of the change

Not applicable.

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

	Group		Group	
	2nd Qtr Ended		6 months Ended	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
Net profit after tax attributable to shareholders of the Company (S\$'000)	3,196	1,771	6,480	5,490
Weighted average ordinary shares for calculation of ('000):				
- Basic earnings per share	300,000	300,000	300,000	300,000
- Diluted earnings per share	300,000	300,000	300,000	300,000
Earnings per share ("EPS") (cents/share)				
(a) Based on the weighted average number of ordinary shares on issue	1.07	0.59	2.16	1.83
(b) On a fully diluted basis	1.07	0.59	2.16	1.83

For comparative purpose, EPS for the periods reported on have been computed based on net profit after tax attributable to shareholders for such periods divided by the number of shares (adjusted for the sub-division of each share in the existing issued share capital of our Company into 100 shares as described in part 1(d)(ii) above).

The Company has no dilutive equity instruments as at 30 September 2012.

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

	Group		Company	
	30/9/2012	31/3/2012	30/9/2012	31/3/2012
Net asset value as at the end of period (S\$'000)	41,472	34,962	4,404	5,164
Number of ordinary shares issued at the end of the period ('000)	300,000	300,000	300,000	300,000
Net asset value per ordinary share (cents)	13.82	11.65	1.47	1.72

For comparative purpose, net asset value for the periods reported on have been computed based on net asset value divided by the number of shares issued at the end of period (adjusted for the sub-division of each share in the existing issued share capital of our Company into 100 shares as described in part 1(d)(ii) above).

8. Review of the Group's performance

Revenue

The Group's revenue for the six months ended 30 September 2012 ("HY FY2013") was S\$39.3 million with an increase of S\$2.6 million or 7.2% compared to S\$36.7 million for the corresponding period ended 30 September 2011 ("HY FY2012"). For the second quarter ended 30 September 2012 ("2Q FY2013"), the Group's revenue was S\$20.9 million, 8.4% higher than the S\$19.2 million in the second quarter ended 30 September 2011 ("2Q FY2012"). The increase was mainly due to a project for a customer based in Europe in 2Q FY2013.

Gross profit

Gross profit increased by S\$2.6 million or 24.9% from S\$10.4 million in HY FY2012 to S\$13.0 million in HY FY2013. The corresponding gross profit margin increased from 28.4% to 33.1%. For 2Q FY2013, the gross profit was S\$6.5 million, 52.1% higher than the S\$4.3 million achieved in the 2Q FY2012. The corresponding gross profit margin increased from 22.3% to 31.4%. The increase was mainly due to higher revenue in 2Q FY2013, which was partially offset by a write down of the carrying value of inventories of approximately S\$1.6 million in 2Q FY2012 as a result of lower net realisable value of the inventories assessed by an independent valuer.

Other income

Other income decreased by S\$0.2 million in HY FY2013 as compared to HY FY2012 mainly due to a decline in gain on disposal of motor vehicles of S\$0.3 million which was partially offset by net foreign exchange gain of S\$0.04 million and doubtful debts recovered of S\$0.03 million.

Distribution costs

Distribution costs increased by S\$0.4 million or 44.4% in HY FY2013 as compared to HY FY2012 mainly due to the increase in advertising and marketing expenses of S\$0.3 million and increase in staff cost of S\$0.1 million as we increase our headcount to support business expansion.

Administrative expenses

Administrative expenses increased by S\$0.5 million or 19.0% in HY FY2013 as compared to HY FY2012 mainly due to: (i) an increase in IPO expenses of S\$0.3 million; (ii) an increase in donation of S\$0.2 million; and (iii) an increase in staff cost of S\$0.2 million as we increase headcount to support business expansion, which was partially offset by a decline in repair and maintenance expenses of S\$0.2 million.

Other operating expenses

Other operating expenses decreased by S\$0.1 million in HY FY2013 as compared to HY FY2012 mainly due to net foreign exchange loss incurred in HY FY2012.

Interest expenses

Interest expenses increased by S\$0.4 million or 66.3% from S\$0.6 million in HY FY2012 to S\$1.0 million in HY FY2013 mainly due to higher bank borrowings.

Profit for the period

As a result of the above reasons, profit for HY FY2013 increased by S\$1.0 million or 18.0% from S\$5.5 million in HY FY2012 to S\$6.5 million in HY FY2013.

Review of statement of financial position and cash flows

Current Assets

The current assets increased by S\$12.6 million from S\$110.4 million as at 31 March 2012 to S\$123.0 million as at 30 September 2012. The increase was mainly due to (i) increase in inventories of S\$9.7 million in line with our strategy to be an inventory specialist and due to anticipated market demand; and (ii) higher trade receivables of S\$4.8 million mainly due to higher sales in 2Q FY2013, which was partially offset by lower cash and bank balances of S\$2.2 million.

Non-Current Assets

The non-current assets remained stable at S\$8.9 million as at 30 September 2012 and 31 March 2012.

Current liabilities

The current liabilities increased by S\$7.1 million from S\$61.9 million as at 31 March 2012 to S\$69.0 million as at 30 September 2012. The increase was mainly due to (i) increase in bank borrowings of S\$6.3 million from bank bill payables of S\$5.0 million and short term loans of S\$1.0 million; (ii) increase in trade payables of S\$0.5 million from higher purchases; (iii) increase in other payables of S\$0.6 million mainly from accruals of staff bonus and IPO expenses which was partially offset by a decline in income tax payable by S\$0.3 million.

Non-current liabilities

Non-current liabilities decreased from S\$22.4 million as at 31 March 2012 to S\$21.5 million as at 30 September 2012 mainly due to repayment of bank borrowings and finance leases.

Capital and reserves

The increase in capital and reserves of S\$6.5 million was mainly attributable to profit earned during the period.

Cash Flows

HY FY2013 ended 30 September 2012

Net cash used in operating activities

In HY FY2013, we generated net cash of S\$9.7 million from operating activities before changes in working capital.

Our net working capital outflow amounted to S\$15.3 million. This was mainly due to: (i) an increase in trade receivables and other receivables of S\$5.1 million mainly attributable to higher sales in 2Q FY2013; and (ii) an increase in inventories of S\$9.6 million in line with our strategy to be an inventory specialist and due to anticipated market demand.

The above increase was partially offset by an increase in trade payables and other payables of S\$1.0 million mainly due to higher purchases. We paid income tax of S\$1.6 million.

Overall our net cash used in operating activities amounted to S\$5.7 million.

Net cash used in investing activities

Net cash used in investing activities amounted to S\$1.0 million in HY FY2013. This was mainly due to the purchase of plant and equipment of S\$0.9 million.

Net cash from financing activities

Net cash from financing activities amounted to S\$4.4 million in HY FY2013. This was mainly due to the increase in net utilisation of bank borrowings and bank bills payables by S\$5.9 million mainly to fund the purchase of inventories which was partially offset by (i) the payment of interest on bank borrowings of S\$1.0 million; and (ii) the repayment of obligations under finance leases of S\$0.5 million.

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

In our IPO prospectus dated 17 October 2012, it was disclosed that the full operations for the Malaysian facilities were expected to commence in December 2012. Due to technical compliance requirements mainly relating to the installation of the test bed, full operations are expected to commence within the first half of year 2013.

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

Notwithstanding that the world economy remains uncertain, the Group is cautiously optimistic that the outlook on the oil and gas industries will be positive in the next 12 months. The demand for our products and services is generally driven by the level of activities in the exploration, development and production of oil and gas in the global offshore O&G industry.

With a comprehensive and well-stocked inventory of products and an experienced and committed management team, the Group continues to strengthen its position as an experienced and reputable rigging and lifting solution provider within existing markets and will continue to penetrate into new markets.

11. Dividend

11(a) Any dividend declared for the current financial period reported on?

No

11(b) Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

11(c) Date payable

Not Applicable

11(d) Books closure date

Not Applicable

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

No dividend for the six months ended 30 September 2012 is declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Not applicable as no IPT mandate has been obtained.

14. Negative confirmation pursuant to Rule 705(5).

The Board of Directors of the Company hereby confirm, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the 6 months ended 30 September 2012 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD OF DIRECTORS

DESMOND TEO BEE CHIONG
Executive Director and Chief Executive Officer

TEO BEE KHENG
Executive Director

BY ORDER OF THE BOARD

DESMOND TEO BEE CHIONG
Executive Director and Chief Executive Officer
10 December 2012

The initial public offering and the listing of the Company's shares on the Main Board of the SGX-ST was sponsored by CIMB Bank Berhad, Singapore Branch (the "**Issue Manager**"). The Issue Manager assumes no responsibility for the contents of this announcement.