

HUPSteel Limited
4Q08 & FULL YEAR FINANCIAL STATEMENTS (UNAUDITED)

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

**1(a) Group income statement and comparative statement for the corresponding period of
 the immediately preceding financial year**

The following figures have not been audited.

	GROUP (S\$'000)					
	3 months ended 30.6.08	3 months ended 30.6.07	% +/-	12 months ended 30.6.08	12 months ended 30.6.07	% +/-
Revenue	141,889	86,889	63%	433,689	284,172	53%
Changes in inventories	11,798	16,363	-28%	57,773	32,898	76%
Purchases of inventories	(119,854)	(85,848)	40%	(404,178)	(256,953)	57%
Gross profit	33,833	17,404	94%	87,284	60,117	45%
Other operating income	587	686	-14%	1,272	3,123	-59%
Staff cost	(4,758)	(3,497)	36%	(13,926)	(11,615)	20%
Depreciation of property, plant & equipment	(413)	(381)	8%	(1,574)	(1,379)	14%
Other operating expenses	(5,337)	(1,299)	311%	(18,155)	(10,807)	68%
Finance (cost)/gain - net	(747)	(627)	19%	173	(1,972)	-109%
Profit before tax	23,165	12,286	89%	55,074	37,467	47%
Income tax expense	(4,463)	(1,704)	162%	(9,968)	(6,292)	58%
Total profit	18,702	10,582	77%	45,106	31,175	45%
Attributable to:						
Equity holders of the Company	18,702	10,582	77%	45,106	31,175	45%
Earnings per share based on profit attributable to equity shareholders:						
- Basic (cent)	3.04	2.09		7.33	6.16	
- Diluted (cent)	3.04	2.09		7.33	6.16	

Note : NM : not meaningful

Net profit attributable to shareholders is arrived at after (charging) / crediting the following:

	GROUP (S\$'000)	
	12 months ended 30.6.08	12 months ended 30.6.07
Dividend income	346	1,355
Other income including interest income	208	972
Profit on sale of available-for-sale financial assets	32	796
Profit / (Loss) on sale of property, plant & equipment – net	164	(25)
Foreign exchange loss	(1,900)	(295)
Adjustments for (under)/over provision of tax in respect of prior years	(10)	57
(Provision) / write back for trade receivables – net	(189)	9
Allowance for obsolete & slow moving inventories	(392)	(83)
Finance cost-net is made up of :		
Interest expense – trust receipts	(2,597)	(1,652)
Foreign exchange gain / (loss) arising from borrowings - trust receipts	2,770	(320)
Bad debts written off	(129)	-
Inventories written back / (off)	1	(33)

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

	GROUP		COMPANY	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	\$'000	\$'000	\$'000	\$'000
Current Assets				
Cash and cash equivalents	27,442	18,217	5,347	4,968
Trade and other receivables	109,045	80,693	19,968	22,463
Inventories	137,722	79,944	61,770	43,405
Other current assets	267	250	65	73
Due from subsidiaries	-	-	24,393	3,671
	274,476	179,104	111,543	74,580
Non Current Assets				
Available-for-sale financial assets	7,375	7,930	7,375	7,930
Investment in club membership	58	60	-	-
Investment in subsidiaries	-	-	9,457	9,457
Loan to a subsidiary	-	-	32,964	35,230
Property, plant and equipment	24,220	19,643	876	1,093
Investment properties	14,622	14,751	6,925	6,959
Goodwill	4,630	4,630	-	-
Deferred income tax assets	80	76	-	25
	50,985	47,090	57,597	60,694
Total Assets	325,461	226,194	169,140	135,274
Current Liabilities				
Trade and other payables	42,731	30,595	13,534	12,322
Current income tax liabilities	9,501	6,269	3,504	3,139
Borrowings	64,669	43,164	3,674	3,964
Due to subsidiaries - trade	-	-	1,330	777
	116,901	80,028	22,042	20,202
Non Current Liabilities				
Borrowings	3,712	14	-	-
Provision for directors' retirement gratuity	940	879	940	879
Deferred income tax liabilities	862	145	699	-
	5,514	1,038	1,639	879
Total Liabilities	122,415	81,066	23,681	21,081
Net Assets	203,046	145,128	145,459	114,193
Equity				
Share capital	107,485	68,157	107,485	68,157
Capital reserves	(1,259)	(477)	665	1,430
Currency translation reserves	(728)	(506)	-	-
Fair value reserves	1,009	1,526	1,009	1,526
Retained earnings	96,539	76,428	36,300	43,080
	203,046	145,128	145,459	114,193

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

Amount repayable in one year or less, or on demand

As at 30.6.2008 ('000)		As at 30.6.2007 ('000)	
Secured	Unsecured	Secured	Unsecured
1,023	63,646	20	43,144

Amount repayable after one year

As at 30.6.2008 ('000)		As at 30.6.2007 ('000)	
Secured	Unsecured	Secured	Unsecured
3,712	-	14	-

Details of any collateral

The secured amount refers to equipment bought under hire purchase and included a legal mortgage secured on a subsidiary's leasehold property.

The unsecured amount consists of trust receipts of the Company arising from the ordinary course of business and bank borrowings. Certain Group borrowings are covered by corporate guarantee.

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

	Group (S\$'000)	
	12 months ended 30.06.08	12 months ended 30.06.07
Cash flow from operating activities		
Net profit	45,106	31,175
Adjustments for:		
Tax	9,968	6,292
Property, plant & equipment		
- depreciation	1,574	1,379
- (profit)/loss on disposal	(164)	25
- written off	3	-
Profit on disposal of available-for-sale financial assets	(32)	(797)
Interest income	(208)	(210)
Interest expense	2,597	1,653
Dividend income	(346)	(1,288)
Foreign currency translation	(106)	40
Operating cash flow before working capital changes	58,392	38,269
Change in operating assets and liabilities		
Inventories	(57,778)	(35,519)
Trade and other receivables	(28,504)	(27,143)
Trade and other payables	12,041	20,756
Other current assets	(17)	(39)
Cash used in operations	(15,866)	(3,676)
Income taxes paid	(6,644)	(3,778)
Interest received	208	217
Net cash used in operating activities	(22,302)	(7,237)
Cash flows from investing activities		
Property, plant & equipment :		
- purchases	(6,139)	(3,534)
- proceeds from disposal	164	738
Investments		
- purchases	(1)	-
- proceeds from disposal	71	3,839
Dividend received		
- other quoted investments	346	1,288
Net cash (used in)/from investing activities	(5,559)	2,331
Cash flow from financing activities		
Proceeds from issue of shares	26,993	-
Proceeds from right issue	12,547	9,048
Share issue expense	(212)	(208)
Proceeds from trust receipts	286,014	154,132
Payment under trust receipts	(265,512)	(127,304)
Dividend paid to shareholders	(24,995)	(20,403)
Proceeds from term loan	4,950	-
Payment under term loan	(248)	(1,333)
Payment under finance lease obligations	(19)	(18)
Interest paid	(2,432)	(1,991)
Net cash from financing activities	37,086	11,923
Net increase in cash and cash equivalents	9,225	7,017
Cash and cash equivalents at beginning of period	18,217	11,200
Cash and cash equivalents at end of period	27,442	18,217

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

	Share Capital	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Earnings	Total
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2007	68,157	(477)	(506)	1,526	76,428	145,128
Currency translation differences	-	-	(222)	-	-	(222)
Fair value gains on available-for-sale financial assets	-	-	-	(517)	-	(517)
Net deferred tax impact on previously revalued properties	-	(782)	-	-	-	(782)
Net losses recognised directly in equity	-	(782)	(222)	(517)	-	(1,521)
Net profit for the financial year	-	-	-	-	45,106	45,106
Total recognised (losses)/gains	-	(782)	(222)	(517)	45,106	43,585
Proceeds from shares placement	26,993	-	-	-	-	26,993
Rights issue	12,547	-	-	-	-	12,547
Share issue expenses	(212)	-	-	-	-	(212)
Dividend paid	-	-	-	-	(24,995)	(24,995)
At 30 June 2008	107,485	(1,259)	(728)	1,009	96,539	203,046
Group						
At 1 July 2006	59,317	(477)	(598)	1,917	65,656	125,815
Currency translation differences	-	-	92	-	-	92
Fair value gains on available-for-sale financial assets	-	-	-	740	-	740
Transfer on disposal of available-for-sale financial assets	-	-	-	(1,131)	-	(1,131)
Net gains/(losses) recognised directly in equity	-	-	92	(391)	-	(299)
Net profit for the financial year	-	-	-	-	31,175	31,175
Total recognised gains/(losses)	-	-	92	(391)	31,175	30,876
Employee share option scheme	5	-	-	-	-	5
Rights issue	9,048	-	-	-	-	9,048
Share issue expenses	(213)	-	-	-	-	(213)
Dividend paid	-	-	-	-	(18,548)	(18,548)
Dividend declared payable in FY 2008	-	-	-	-	(1,855)	(1,855)
At 30 June 2007	68,157	(477)	(506)	1,526	76,428	145,128

	Share Capital	Capital Reserves	Currency Translation Reserves	Fair Value Reserves	Retained Earnings	Total
Company	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2007	68,157	1,430	-	1,526	43,080	114,193
Fair value gains on available-for-sale financial assets	-	-	-	(517)	-	(517)
Net deferred tax impact on previously revalued properties	-	(765)	-	-	-	(765)
Net losses recognised directly in equity	-	(765)	-	(517)	-	(1,282)
Net profit for the financial year	-	-	-	-	18,215	18,215
Total recognised (losses)/gains	-	(765)	-	(517)	18,215	16,933
Proceeds from shares placement	26,993	-	-	-	-	26,993
Rights issue	12,547	-	-	-	-	12,547
Share issue expenses	(212)	-	-	-	-	(212)
Dividend paid	-	-	-	-	(24,995)	(24,995)
At 30 June 2008	107,485	665	-	1,009	36,300	145,459
Company						
At 1 July 2006	59,317	1,430	-	1,526	47,260	109,533
Net profit for the financial year	-	-	-	-	16,223	16,223
Total recognised gains	-	-	-	-	16,223	16,223
Employee share option scheme	5	-	-	-	-	5
Rights issue	9,048	-	-	-	-	9,048
Share issue expenses	(213)	-	-	-	-	(213)
Dividend paid	-	-	-	-	(18,548)	(18,548)
Dividend declared payable in FY 2008	-	-	-	-	(1,855)	(1,855)
At 30 June 2007	68,157	1,430	-	1,526	43,080	114,193

Note (a):

Under the Companies (Amendment) Act 2005 that came into effect on 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 is required to become part of the Company's share capital.

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

On 11 Jul 07, the Company placed a total of 49.5 million shares to private investors at \$0.555 per share for cash. These shares were issued and quoted on the Singapore Exchange Securities - ST on the 24 Aug 2007. The number of issued shares increased from 452,396,488 to 501,896,488.

On 10 Sept 07, the Company announced a rights issue of 1 share for every 4 existing shares. A total of 125,474,122 right shares at a subscription price of \$0.10 per share were allotted, issued and quoted on the Singapore Exchange Securities - ST on the 6 Dec 2007. Hence the number of issued shares was increased to 627,370,610.

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

The figures have not been audited or reviewed.

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 same accounting policies and methods of computation as in the most recently audited financial statements have been applied except as disclosed in Note 5, which relates to adoption of new and amended Financial Reporting Standards applicable to the financial year beginning 1 July 2007.

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

In 2008, the Group and the Company adopted the amendments to the Financial Reporting Standards (FRS) below.

FRS 1	Presentation of Financial statements (Amendments relative to Capital Disclosure)
FRS 34	Interim Financial Reporting
FRS 40	Investment Properties
FRS 107	Financial Instruments : Disclosures

The effect of adopting FRS 40 is the reclassification of properties that are held for long term rental yields and/or for capital appreciation as investment properties. These properties are transferred at cost less accumulated depreciation and accumulated impairment loss amounting to \$14.6M (FY07: \$14.8M) and \$6.9M (FY07: \$7.0M) from fixed assets to investment properties for the Group and the Company respectively.

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			
	3 months ended 30.06.08 (note 2)	3 months ended 30.06.07 (note 1)	12 months ended 30.06.08 (note 2)	12 months ended 30.06.07 (note 1)
Earnings per share based on profit attributable to equity shareholders:				
(a) Basic (cent)	3.04	2.09	7.33	6.16
(b) Diluted (cent)	3.04	2.09	7.33	6.16

Note 1 : On 29 August 2006, the Company announced a rights issue of 1 share for every 4 existing shares. The basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares during the period of 506,026,397, which includes the notional bonus element from this rights issue.

Note 2 : On 11 July 2007 and 10 Sept 2007, the Company announced a private placement of 49.5 million shares and a rights issue of 1 share for every 4 existing shares respectively. The basic and diluted earnings per share is calculated based on the weighted average number of ordinary shares during the period of 615,679,316 which includes the notional bonus element from the rights issue.

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

	GROUP		COMPANY	
	30.06.08	30.06.07	30.06.08	30.06.07
Net Asset Value per ordinary share (cents)	32.98	28.68	23.72	22.57

The NAV for 30.06.08 is calculated based on 615,679,316 shares where as NAV for 30.06.07 is calculated based on 506,026,397 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**

REVIEW OF OPERATING PERFORMANCE

Turnover

Turnover for the fourth quarter ended 30 June 2008 (4QFY08) rose 63% to \$141.8M from \$86.9M reported in the corresponding quarter (4QFY07). Strong demand for structural products continued to contribute substantially to the increase in the 4QFY08 turnover. Majority of the demand for structural products was derived from marine customers and also increasingly from customers in the construction sector as selected government related large scale infrastructure and civil construction projects are progressing on schedule.

Gross profit margin for 4QFY08 improved to 23.8% and compared to the 20.0% achieved in the corresponding quarter of 4QFY07 as a result of the Group's strategic management of its inventories.

For the financial year ended 30 June 2008 (FY08), revenue jumped 53% to \$433.6M from \$284.2M when compared to the last financial year ended 30 June 2007 (FY07). Gross profit for FY08 also rose 45% to \$87.2M from \$60.1M when compared to FY07. Gross profit margin for FY08 was 20.1%, which is comparable to the 21.2% achieved for FY07.

Other operating income

On a full year basis, the Group's other operating income of \$1.3M was lower than the \$3.1M reported for FY07 due mainly to lower interest income earned during FY08 and a one time special dividend of \$0.9M received in FY07.

Expenses

Staff cost, Depreciation, Other operating expenses & Finance cost

Staff cost in 4QFY08 rose 36% to \$4.8M from \$3.5M in 4QFY07 due mainly to higher provision for staff incentives in line with higher revenue. The increase in annual staff cost to \$13.9M in FY08 from \$11.6M in FY07 was also caused by higher headcount to support the Group's buoyant business performance in addition to the provision for staff incentives.

During this period, depreciation rose slightly to \$413k from \$381k mainly due to depreciation on the new warehouse purchased in February 2008.

Other operating expenses rose to \$5.3M in 4QFY08 from \$1.3M in 4QFY07 due to larger foreign exchange losses, higher expenses relating to shipping costs, commissions paid to agents and general increase in costs in line with global inflationary pressures.

Net finance cost for 4QFY08 reached \$747k which was 19% higher than \$627k (4QFY07) due to higher borrowings utilized for the purchase of inventories. For the full year, there was a net finance gain of \$173k because of the weakening of the US dollar (FY07: net finance cost of \$1.9M).

Tax expense for 4QFY08 was \$4.4M (4QFY07 : \$1.7M). The tax expense for 4QFY07 included an adjustment to accrued tax expenses made in the earlier quarters to reflect the reduction in tax rates by 2 percentage points for FY07.

Profitability review

As a result of the higher revenue recorded for 4QFY08, net profit after tax jumped 77% to \$18.8M compared to \$10.6M reported for 4QFY07. Similarly, the net profit after tax for FY08 rose 45% to \$45.2M from \$31.2M reported for FY07.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2008

Non current assets & non current liabilities

Available for sale financial assets had been revalued lower due to the weaker market sentiment prevailing in the quarter. This was also reflected in a smaller balance in the Fair Value Reserve account.

The increase in property, plant and equipment was mainly due to the purchase of a new warehouse during the year which was financed by a bank loan and also resulted in an increase in the balance of non current borrowings.

Current assets and current liabilities

Trade and other receivables rose to \$109.0M from \$80.7M mainly due to higher turnover during the year.

During the year, the Group decided to hold higher balance of inventories due to the tight supply conditions for steel products and rising prices. The higher balance of inventories allowed the Group to meet the strong demand from its customers on a timely basis. Hence the balance of inventories increased to \$137.7M from \$79.9M.

Higher inventories were reflected in the increases in both trade and other payables and borrowings. Trade and other payables increased to \$42.7M from \$30.6M while borrowings rose to \$64.7M from \$43.2M.

Share capital and reserves

The Group's share base increased following a placement of 49.5M shares to 3 institutional funds and a rights issue of 125.5M shares, thereby increasing the number of issued shares from 452.4M to 627.4M. The share placement at \$0.555 per share and the rights issue of \$0.10 per share, which were fully subscribed for, strengthened the share capital of the Group from \$68.2M to \$107.5M.

Cash flow

Net cash used in operating activities rose to \$22.3M compared to \$7.2M utilised in the previous year mainly due to the increases in inventories. The higher cash requirement was mainly met by fund generated from the share placement exercise undertaken in the year. The purchase of an additional

warehouse was largely financed by bank borrowings. The higher balance in cash & cash equivalent of \$27.4M as at 30 June 2008 continues to reflect the strong financial position of the Group.

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

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

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group believes that local demand for steel products will remain robust in the near term as customers in the marine, oil & gas and construction sectors continued to show strong order books.

Specifically, the Group's core offshore and marine customers have full orderbooks stretching through 2011, riding on Singapore as a leading Asian hub for ships, offshore support vessels, oil rigs and platforms. The Group also benefits from the robust organic growth of demand from its oil and gas sector customers to support new-build and expansion requirements.

At the same time, the Group's civil engineering and construction customers have committed to meet deadlines for existing projects. These activities will continue to be buoyed by government led projects aiming to expand and enhance Singapore's infrastructure and facilities, e.g., Upgrading of Changi Airport Terminal 1, new Downtown MRT line, Marina coastal highway, Khoo Teck Puat Hospital, Sports Hub, etc.

Recent announcements on deferment of certain public infrastructure projects will help to moderate demand and will also serve to spread the demand for steel products over a longer period of time.

Record inflation in Singapore and signs of slowdown in the US economy may curtail local economic growth in the near term. However many of the projects elaborated above are expected to complete on schedule and hence their demand for steel would likely remain steady over the next 12 months. Therefore the Group expects local demand for its structural products, pipes and fittings to remain healthy.

Supply situation has improved and is expected to meet current global demand particularly from the Middle East, South America and other developing countries. Steel prices have moderated slightly and it is believed that prices have reached a sustainable level for the mid term and major downward adjustments are unlikely as the costs of raw materials eg. iron ore and coking coal prices had already been fixed over an agreed contractual period.

The Group is always on the lookout for suitable expansion and investment opportunities.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of Dividend	Bonus (note 1)	Interim (note 1)	Final (note 2)	Special (note 2)
Dividend Type	Cash	Cash	Cash	Cash
Dividend Amount per share	3.049 cent	1.0 cent	1.0 cent	1.5 cent
Tax Rate	18%	Tax exempt (one-tier)	Tax exempt (one-tier)	Tax exempt (one-tier)

Note 1: Declared and paid during the financial year ended 30 June 2008.

Note 2: Declared, subject to shareholders' approval and to be paid at a later date.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Name of Dividend	Bonus (note 1)	Interim (note 1)	2 nd Interim (note 1)	Final (note 2)	Special (note 2)
Dividend Type	Cash	Cash	Cash	Cash	Cash
Dividend Amount per share	3.125 cent	1.0 cent	0.5 cent	0.5 cent	1.0 cent
Tax Rate	20%	18%	18%	18%	18%

Note 1: Declared and paid during the financial year ended 30 June 2007.

Note 2: Declared and paid during the financial year ended 30 June 2008.

(c) Date payable

To be advised.

(d) Books closure date

To be advised.

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

Not applicable.

13. Interested Person Transactions

Not applicable.

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

Primary reporting – Geographical Segment

2008	Singapore	Malaysia	Total
Revenue			
Segment revenue	431,997	3,722	435,719
Inter-Segment Elimination	(2,029)	(1)	(2,030)
External Sales	<u>429,968</u>	<u>3,721</u>	<u>433,689</u>
Segment Results	56,951	135	57,086
Interest Expenses			(2,598)
Interest Income			208
Dividend Income			346
Gain on Disposal of Available-For-Sale Financial Assets			32
Income tax expense			<u>(9,968)</u>
Total profit			<u><u>45,106</u></u>

2007**Revenue**

Segment revenue	282,665	3,152	285,817
Inter-Segment Elimination	(1,645)	-	(1,645)
External Sales	<u>281,020</u>	<u>3,152</u>	<u>284,172</u>
Segment Results	36,693	460	37,153
Interest Expenses			(1,972)
Interest Income			210
Dividend Income			1,288
Gain on Disposal of Available-For-Sale Financial Assets			788
Income tax expense			<u>(6,292)</u>
Total profit			<u><u>31,175</u></u>

Secondary reporting – Business Segment

2008 Revenue	Hardware	Property investment	Total
External Sales	432,837	852	433,689
Total assets	290,960	34,501	325,461
Capital expenditure	379	5,760	6,139

**2007
Revenue**

External Sales	283,452	720	284,172
Total assets	193,676	32,518	226,194
Capital expenditure	2,069	1,465	3,534

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

Not applicable.

16. A breakdown of sales

	Current financial year Group \$'000	Previous financial year Group \$'000	% increase Group
Sales reported in first half year	171,742	120,396	43%
Total profit	15,619	14,743	6%
Sales reported in second half year	261,947	163,776	60%
Total profit	29,487	16,432	79%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	Latest Full Year (\$'000) (note 1)	Previous Full Year (\$'000) (note 1)
Ordinary	24,995	20,403
Preference	0	0
Total:	24,995	20,403

Note 1: Included in the total annual dividend is bonus dividend of \$12.5M (2007: \$9.0M).

BY ORDER OF THE BOARD

Tan Cher Liang
Company Secretary
28 August 2008