

Unaudited Third Quarter Financial Statements Announcement
For The Period From 1 January 2011 To 31 March 2011

1(a)(i) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	3Q FY2011	3Q FY2010	Increase/ (Decrease)	9 months ended 31/03/2011	9 months ended 31/03/2010	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	27,078	30,382	(10.9%)	72,924	101,599	(28.2%)
Cost of sales	(23,308)	(25,991)	(10.3%)	(61,315)	(82,973)	(26.1%)
Gross profit	3,770	4,391	(14.1%)	11,609	18,626	(37.7%)
Other operating income	837	586	42.8%	2,561	1,320	94.0%
Selling expenses	(247)	(262)	(5.7%)	(656)	(911)	(28.0%)
Administrative expenses	(1,741)	(1,781)	(2.2%)	(5,597)	(5,166)	8.3%
Other operating expenses	(670)	(197)	240.1%	(832)	(236)	252.5%
Finance costs	(271)	(214)	26.6%	(845)	(579)	45.9%
Share of results of associate	61	65	(6.2%)	178	959	(81.4%)
Profit before income tax	1,739	2,588	(32.8%)	6,418	14,013	(54.2%)
Income tax expense	(473)	(416)	13.7%	(1,213)	(1,905)	(36.3%)
Profit for the period attributable to the owners of the Company	1,266	2,172	(41.7%)	5,205	12,108	(57.0%)
Other comprehensive income:						
Fair value (loss)/gain on available-for-sale investment	(58)	(125)	(53.6%)	111	259	(57.1%)
Transfer to profit and loss on disposal of available-for-sales investments	-	-	NM	(58)	65	NM
Exchange difference on translation of foreign operations	(52)	-	NM	(91)	-	NM
Total other comprehensive income, net of tax	(110)	(125)		(38)	324	
Total comprehensive income for the period attributable to the owners of the Company	1,156	2,047	(43.5%)	5,167	12,432	(58.4%)

1(a)(ii) Notes to consolidated statement of comprehensive income

Profit after tax was stated after
(charging)/ crediting :-

	Group			Group		
	3Q FY2011	3Q FY2010	Increase/ (Decrease)	9 months ended 31/03/2011	9 months ended 31/03/2010	Increase/ (Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	(1,794)	(2,472)	(27.4%)	(5,146)	(7,241)	(28.9%)
Currency exchange gain/(losses)- net	61	(38)	(260.5%)	29	80	(63.8%)
Net gain on disposal of plant and equipment	1	6	(83.3%)	141	31	354.8%
Gain/(loss) on disposal of available-for-sale investment (Quoted shares)	-	-	NM	266	(37)	NM
Interest income	8	-	NM	16	-	NM
Interest expense	(271)	(214)	26.6%	(845)	(579)	45.9%
Fair value (loss) on derivative financial instruments	(324)	(172)	88.4%	(293)	(630)	(53.5%)

Denotes: NM - not meaningful

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

STATEMENT OF FINANCIAL POSITION

	The Group		The Company	
	As at 31/3/2011 S\$ '000	As at 30/6/2010 S\$ '000	As at 31/3/2011 S\$ '000	As at 30/6/2010 S\$ '000
ASSETS				
Current assets				
Cash and bank balances	19,241	23,009	12,919	21,326
Trade receivables	23,594	15,895	30,365	16,372
Other receivables	1,700	1,905	2,627	2,624
Derivative financial instruments	-	54	-	54
Inventories	14,718	8,715	14,447	7,780
Total current assets	<u>59,253</u>	<u>49,578</u>	<u>60,358</u>	<u>48,156</u>
Non-current assets				
Trade receivables	-	870	-	870
Other receivables	111	247	111	247
Property, plant and equipment	92,944	77,414	78,878	66,839
Investment in subsidiaries	-	-	335	335
Investment in associates	4,603	2,307	2,618	500
Available-for-sale investments (Quoted shares)	690	855	690	850
Other assets	10	10	10	10
Total non-current assets	<u>98,358</u>	<u>81,703</u>	<u>82,642</u>	<u>69,651</u>
Total assets	<u>157,611</u>	<u>131,281</u>	<u>143,000</u>	<u>117,807</u>
LIABILITIES AND EQUITY				
Current liabilities				
Bills payable	32,439	14,371	32,439	14,371
Current portion of bank loan	-	304	-	304
Trade payables	2,115	1,972	1,897	1,859
Other payables	2,131	4,903	1,883	4,732
Current portion of finance leases	12,895	9,611	12,889	9,605
Derivative financial instruments	239	-	239	-
Income tax payable	941	596	906	401
Total current liabilities	<u>50,760</u>	<u>31,757</u>	<u>50,253</u>	<u>31,272</u>
Non-current liabilities				
Bank loan	-	379	-	379
Finance leases	15,092	10,374	15,067	10,345
Deferred tax liabilities	5,606	5,256	4,497	4,497
Total non-current liabilities	<u>20,698</u>	<u>16,009</u>	<u>19,564</u>	<u>15,221</u>
Total liabilities	<u>71,458</u>	<u>47,766</u>	<u>69,817</u>	<u>46,493</u>
NET ASSETS	<u>86,153</u>	<u>83,515</u>	<u>73,183</u>	<u>71,314</u>
Capital and reserves				
Share capital	23,969	23,969	23,969	23,969
Retained earnings	62,305	59,629	49,244	47,410
Translation reserve	(91)	-	-	-
Fair value reserve	(30)	(83)	(30)	(65)
Total equity	<u>86,153</u>	<u>83,515</u>	<u>73,183</u>	<u>71,314</u>
Total liabilities and equity	<u>157,611</u>	<u>131,281</u>	<u>143,000</u>	<u>117,807</u>

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

	As at 31/03/2011 S\$'000		As at 30/06/2010 S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	12,895	-	9,915	-

	As at 31/03/2011 S\$'000		As at 30/06/2010 S\$'000	
	Secured	Unsecured	Secured	Unsecured
Amount repayable after one year	15,092	-	10,753	-

Details of any collateral

- (i) S\$ 28.0 million secured borrowings relate to finance leases which are secured by one or more of the followings:
- (a) Property, plant and equipment of the Group with carrying value of S\$53.6 million;
 - (b) Personal guarantees from certain directors;
 - (c) Legal mortgage over a property belonging to certain directors.

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

	Group		Group	
	3Q FY2011	3Q FY2010	9 months ended 31/03/2011	9 months ended 31/03/2010
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Operating activities</u>				
Profit before income tax	1,739	2,588	6,418	14,014
Adjustments for:				
Unrealised exchange loss/(gain) from derivative financial instruments	324	38	293	(80)
Share of associate's results	(61)	(65)	(178)	(959)
Depreciation of property, plant & equipment	1,794	2,472	5,146	7,241
Interest expense	271	214	845	579
Interest income	(8)	-	(16)	-
Net foreign exchange adjustment	(43)	-	(61)	-
(Gain)/Loss on disposal of available-for-sale investment	-	-	(266)	37
(Gain)/Loss on disposal of property, plant and equipment	(1)	6	(141)	(31)
Operating cash flows before movements in working capital	4,015	5,253	12,040	20,801
Trade receivables	(4,419)	1,391	(6,837)	(2,720)
Other receivables	1,421	(21)	316	(2,399)
Inventories	(15,913)	(8,376)	(16,684)	(8,130)
Trade payables	679	(603)	499	565
Other payables	(202)	(1,591)	(2,765)	(7,163)
Cash (used in)/generated from operations	(14,419)	(3,947)	(13,431)	954
Income tax paid	(172)	(386)	(518)	(1,414)
Net cash used in operating activities	(14,591)	(4,333)	(13,949)	(460)
<u>Investing activities</u>				
Proceeds from available-for-sales investments	-	-	484	263
Interest received	8	-	16	-
Purchase of property, plant and equipment	(454)	(2,004)	(7,623)	(7,872)
Fixed deposit pledged to bank	-	-	-	91
Proceeds from disposal of property, plant and equipment	1	9	312	205
Investment in associated company	-	-	(2,118)	-
Net cash used in investing activities	(445)	(1,995)	(8,929)	(7,313)
<u>Financing activities</u>				
Bill payables	21,540	(2,793)	18,068	1,607
Dividend paid	-	(12,000)	(2,528)	(15,000)
Interest paid	(271)	(216)	(845)	(579)
Repayment of obligations under finance leases	(3,251)	(2,715)	(10,573)	(6,376)
Proceeds from finance leases	1,681	5,192	15,671	18,289
Repayment of bank loans	(2,579)	(76)	(2,731)	(228)
Proceeds from bank loan	-	-	2,048	-
Proceeds from issue of new shares, net of direct expenses	-	22,126	-	22,126
Net cash from financing activities	17,120	9,518	19,110	19,839
Net increase/(decrease) in cash and cash equivalents	2,084	3,190	(3,768)	12,066
Cash and cash equivalents at beginning of the period	17,157	17,215	23,009	8,339
Cash and cash equivalents at end of the period	19,241	20,405	19,241	20,405

1(d)(i) A statement for (the issuer and the 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.

<u>The Group</u>	<u>Attributable to owners of the Company</u>				Total equity S\$'000
	Share capital S\$'000	Fair value reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	
Balance at 1 July 2010	23,969	(83)	-	59,629	83,515
Dividend	-	-	-	(2,528)	(2,528)
Total comprehensive income for the period	-	111	(39)	3,938	4,010
Balance at 31 December 2010	23,969	28	(39)	61,039	84,997
Balance at 1 January 2011	23,969	28	(39)	61,039	84,997
Dividend	-	-	-	-	-
Total comprehensive income for the period	-	(58)	(52)	1,266	1,156
Balance at 31 March 2011	23,969	(30)	(91)	62,305	86,153
Balance at 1 July 2009	1,858	(332)	-	64,423	65,949
Dividend	-	-	-	(15,000)	(15,000)
Total comprehensive income for the period	-	449	-	9,935	10,384
Balance at 31 December 2009	1,858	117	-	59,358	61,333
Balance at 1 January 2010	1,858	117	-	59,358	61,333
Issue of new shares pursuant to initial public offering ("IPO")	22,880	-	-	-	22,880
Capitalised of direct expenses relating to issue of new shares pursuant to IPO	(754)	-	-	-	(754)
Dividend	-	-	-	-	-
Total comprehensive income for the period	-	(125)	-	2,172	2,047
Balance at 31 December 2009	23,984	(8)	-	61,530	85,506
<u>The Company</u>					
	Share capital S\$'000	Fair value reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 July 2010	23,969	(65)	-	47,410	71,314
Dividend	-	-	-	(2,528)	(2,528)
Total comprehensive income for the period	-	93	-	3,031	3,124
Balance at 31 December 2010	23,969	28	-	47,913	71,910
Balance at 1 January 2011	23,969	28	-	47,913	71,910
Dividend	-	-	-	-	-
Total comprehensive income for the period	-	(58)	-	1,331	1,273
Balance at 31 March 2011	23,969	(30)	-	49,244	73,183
Balance at 1 July 2009	1,858	(314)	-	55,318	56,862
Dividend	-	-	-	(15,000)	(15,000)
Total comprehensive income for the period	-	449	-	7,236	7,685
Balance at 31 December 2009	1,858	135	-	47,554	49,547
Balance at 1 January 2010	1,858	135	-	47,554	49,547
Issue of new shares pursuant to initial public offering ("IPO")	22,880	-	-	-	22,880
Capitalised of direct expenses relating to issue of new shares pursuant to IPO	(754)	-	-	-	(754)
Dividend	-	-	-	-	-
Total comprehensive income for the period	-	(107)	-	1,667	1,560
Balance at 31 March 2010	23,984	28	-	49,221	73,233

- 1(d)(ii) Details of any changes in the company's share capital arising from right 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 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.

For the period ended 31 March 2011, there were no changes in the Company's share capital.

- 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.

	<u>31/03/2011</u>	<u>30/06/2010</u>
Total number of issued ordinary shares	459,640,000	459,640,000

- 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.

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

The figures presented are not audited or reviewed by the Company's Auditor.

3. Whether the figures have been audited or reviewed, the auditors' 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 accounting policies and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements except for change in group depreciation estimates.

Management reviews the estimated useful lives of property, plant and equipment on a regular basis. The Group exercises judgement in estimating the useful lives and residual value of depreciable assets, after considering the actual condition of its property, plant and equipment, industry standards and the depreciation estimates used by comparable companies. As of July 1, 2010, the management revised the useful lives of its cranes from its present useful life from 8 years to 15 years in order to align to industry practice. As a result of this change, the Group depreciation expense was reduced by S\$1.3m for this reporting period.

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.

Other than the above change in group depreciation estimates, there are no other changes in the existing accounting policies and methods of computation.

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	
	3Q FY2011	3Q FY2010	9 months ended 31/03/2011	9 months ended 31/03/2010
EPS based on weighted average number of ordinary shares in issue (cents)	0.28	0.56	1.13	3.11
On a fully diluted basis (cents)	0.28	0.56	1.13	3.11
Weighted average number of ordinary shares in issue	459,640,000	389,691,282	459,640,000	389,691,282

There were no potential dilutive ordinary shares in existence for 3Q FY 2011 & 3Q FY 2010.

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

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

	The Group		The Company	
	31/3/2011	30/06/2010	31/3/2011	30/06/2010
Net asset value per ordinary share (cents)	18.74	18.17	15.92	15.52
Ordinary shares at the end of the current financial period and immediately preceding financial year	459,640,000	459,640,000	459,640,000	459,640,000

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 revenue, 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.

INCOME STATEMENT

Revenue

Group			Group			
3Q FY2011	3Q FY 2010	% Change	9 months ended 31/03/2011	9 months ended 31/03/2010	% Change	
S\$'000	S\$'000		S\$'000	S\$'000		
Equipment rental business	8,407	7,819	7.5%	24,009	24,470	(1.9%)
Trading business	18,671	22,563	(17.2%)	48,915	77,129	(36.6%)
Total	27,078	30,382	(10.9%)	72,924	101,599	(28.2%)

The Group registered total revenue of about \$27.1m for 3Q FY2011 (and about \$72.9m for 9 months FY2011), which was 10.9% lower than the corresponding period of the prior 3Q FY2010 (and 28.2% lower than 9 months FY2010). The decrease in total revenue was mainly due to lower Trading revenue.

Revenue from Equipment Rental business in 3Q FY2011 increased about 7.5% to approximately \$8.4m as compared to 3Q FY2010, mainly due to improved contributions from overseas subsidiaries in the current period 3Q FY2011. For the 9 months FY2011, Equipment Rental revenue was about 1.9% lower at approximately S\$24.0m as compared to the prior 9 months FY2010. The overall lower Equipment rental revenue for the 9 month FY2011 was generally due to lower rental rates as a result of competitive environment with the recent scaling down and completion of some major local projects, though partially offset by the increase in revenue from overseas subsidiaries.

Revenue from Trading business decreased by about 17.2% to approximately \$18.7m for 3Q FY2011 and decreased by about 36.6% to approximately S\$48.9m for the 9 months FY2011, compared to the respective prior periods, as smaller tonnage and fewer number of cranes were traded due to lower overall demand.

Gross Profit

Group			Group			
3Q FY2011	3Q FY 2010	% Change	9 months ended 31/03/2011	9 months ended 31/03/2010	% Change	
S\$'000	S\$'000		S\$'000	S\$'000		
Equipment rental business	2,577	1,978	30.3%	7,746	7,865	(1.5%)
Trading business	1,193	2,413	(50.6%)	3,863	10,761	(64.1%)
	3,770	4,391	(14.1%)	11,609	18,626	(37.7%)

The Group registered total gross profit of about \$3.8m for 3Q FY2011 (and about \$11.6m for 9 months FY2011), which was 14.1% lower than the corresponding period of the prior 3Q FY2010 (and 37.7% lower than 9 months FY2010). The decrease in overall gross profit was mainly due to lower gross profit from Trading business.

Gross profit for Equipment Rental business in 3Q FY2011 increased by 30.3% to approximately \$2.6m as compared to 3Q FY2010, mainly due to improved contributions from overseas subsidiaries and a mix of higher tonnage rental utilisation which fetched relatively higher margins vis-a-vis the prior 3Q FY2010. Nevertheless for the period 9 months FY2011, gross profit from Equipment Rental was about 1.5% lower at approximately \$7.7m as compared to 9 months FY2010. This was mainly due to the lower contributions for the first six months.

Gross profit from Trading business decreased by about 50.6% to approximately \$1.2m for 3Q FY2011 and decreased by about 64.1% to approximately \$3.9m for 9 months FY2011, as compared to the respective prior periods. This was mainly attributed to lower sales volume and smaller tonnage capacity cranes being traded which fetched lower gross profits.

Profit before tax

The Group's profit before tax decreased by 32.8% to approximately \$1.7m in 3Q FY2011 (and decreased by 54.2% to approximately \$6.4m for 9 months FY2011). The lower profit before tax for 3Q FY2011 was mainly due to :

- lower gross profit,
- higher other operating expenses comprising mostly of unrealised foreign exchange differences and fair value losses on derivative financial instruments from hedging activities,
- partially offset by higher other operating income from repair services, sales of spare parts and some realised exchange gains.

STATEMENT OF FINANCIAL POSITION

Current assets

As at 31 March 2011, total current assets amounted to approximately \$59.3m or 37.6% of our total assets. Current assets comprises mostly of cash and bank balances, trade receivables and inventories. Total current assets increased about \$9.7m as compared to 30 Jun 2010, mostly from higher inventories and trade receivables. The increase in inventories and trade receivables were mainly due to the purchase and sales of inventory cranes towards the end of this reporting period.

The Group's liquidity remains relatively healthy with cash and bank balances of about \$19.2m.

Non-current assets

As at 31 March 2011, non-current assets amounted to approximately \$98.4m or 62.4% of our total assets. Non-current assets comprises mostly of fixed assets and investments. Total non-current assets increased about \$16.7m compared to 30 Jun 2010 mostly from higher fixed assets and investment in associates.

Fixed assets or property, plant and equipment increased about \$15.5m in line with the equipment rental fleet expansion and renewal during the period.

Investment in associates increased about \$2.3m mainly due to the acquisition of 30% equity stake in Sinolin Group Holdings Pte Ltd for a cash consideration of \$2.1 million on 29 September 2010 and share of result from an associate company SongCheong Engineering Pte Ltd.

Current liabilities

As at 31 March 2011, current liabilities amounted to about \$50.8m or 71.0% of our total liabilities. Current liabilities comprises mostly of bills payables and current portion of finance leases. Total current liabilities increased about \$19.0m as compared to 30 Jun 2010. Bills payable increased about S\$18.1m in line with the increase of inventory and higher trading sales towards the end of this reporting period. Current portion of finance leases increased about \$3.3m in line with the increase in fixed assets from expansion and renewal of our equipment rental fleet.

Non-current liabilities

As at 31 March 2011, non-current liabilities amounted to approximately \$20.7m or 29.0% of our total liabilities. Non-current liabilities comprises mostly of non-current portion of finance leases and deferred tax. Total non-current liabilities increased about \$4.7m as compared to 30 Jun 2010, mainly from the higher non current portion of finance lease, in line with the increase in current portion of finance leases as mentioned above to fund the expansion and renewal of our equipment rental fleet.

The bank loan was repaid and the corresponding collateral property at 26 Gul Road Singapore 629346 was redeemed during the period.

Equity

The Group's equity increased from \$83.5 million as at 30 June 2010 to \$86.2m as at 31 March 2011 mainly due to the comprehensive income generated for 9 months FY2011, after netting off against a dividend payment of about S\$2.5m in November 2010.

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

There was no forecast, or any prospect statement previously disclosed to shareholders.

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

The local equipment rental industry remains competitive and market demand is less buoyant with the recent scaling down and completion of some major local projects. The recent earthquake in Japan has also caused some slight delay in the delivery of certain cranes from Japan to a few customers. Based on recent government forecast and barring any unforeseen circumstances, the group remains cautiously optimistic on its outlook for the year 2011 and expects to remain profitable for this financial year ending 30 June 2011.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

Nil.

(b) Corresponding Period of the immediately preceding financial year

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

Nil.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

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

Not applicable.

13. Interested person transactions

Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)

Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)

Name of Interested Person

Nil

Nil

CONFIRMATION BY THE BOARD

The Board of Directors of the Company hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results for the three month period ended 31 March 2011 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Cheng Soon Don
Managing Director
06 May 2011