

Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2007 (Revised)

Natural Cool Holdings Limited. (Registration Number: 200509967G)

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PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF FULL YEAR RESULT

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

CONSOLIDATED GROUP INCOME STATEMENTS

	GROUP		Increase/ (Decrease) %
	Full Year Ended 31 December 2007	2006 (Restated)*	
	S\$'000	S\$'000	
Revenue	114,204	73,193	56.03
Cost of sales	(92,531)	(57,990)	59.56
Gross profit	21,673	15,203	42.56
Other operating income	2,161	1,949	10.88
Distribution costs	(1,888)	(1,624)	16.26
Administrative expenses	(15,548)	(10,396)	49.56
Other operating expenses	(521)	(105)	396.19
Finance costs	(1,557)	(790)	97.09
Profit before income tax	4,320	4,237	1.96
Income tax	(500)	(832)	(39.90)
Profit after income tax	3,820	3,405	12.19
Shareholders' equity	3,822	3,358	13.82
Minority interest	(2)	47	(104.26)
Profit after income tax	3,820	3,405	12.19

* Refer to paragraph 4 below

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1 (a) (ii) Other notes:

Profit from operations is arrived at after charging/(crediting) the following items:

	GROUP	
	Full Year Ended 31 December	
	2007	2006
		(Restated)*
	S\$'000	S\$'000
Negative goodwill written off	-	(1,140)
Gain on disposal of property, plant and equipment	(1,562)	(505)
Interest income	(38)	(24)
Allowance for doubtful trade receivables	415	42
Allowance for foreseeable losses	275	-
Amortisation of intangible assets	86	55
Depreciation for property, plant and equipment	1,681	1,255
Depreciation for investment properties	24	20
Finance costs	1,557	790

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

BALANCE SHEETS

	Group		Company	
	2007	2006 (Restated)*	2007	2006
	SS'000	SS'000	SS'000	SS'000
Non-current assets				
Property, plant and equipment	21,653	13,158	-	-
Intangible assets	2,080	380	-	-
Investment properties	1,240	1,264	-	-
Subsidiaries	-	-	11,427	11,427
	<u>24,973</u>	<u>14,802</u>	<u>11,427</u>	<u>11,427</u>
Current assets				
Inventories	16,806	12,938	-	-
Trade and other receivables	29,406	25,304	8,119	2,783
Cash and cash equivalents	5,323	2,876	164	95
	<u>51,535</u>	<u>41,118</u>	<u>8,283</u>	<u>2,878</u>
Less:				
Current liabilities				
Trade and other payables	22,599	17,983	403	73
Provision	238	88	88	88
Finance lease payables	638	509	-	-
Current income tax payable	700	1,035	34	-
Bank borrowings	23,337	15,866	-	-
	<u>47,512</u>	<u>35,481</u>	<u>525</u>	<u>161</u>
Net current assets	4,023	5,637	7,758	2,717
Less:				
Non-current liabilities				
Finance lease payables	1,060	1,211	-	-
Deferred tax liabilities	396	429	-	-
Bank borrowings	3,118	3,486	-	-
	<u>4,574</u>	<u>5,126</u>	<u>-</u>	<u>-</u>
Net assets	<u>24,422</u>	<u>15,313</u>	<u>19,185</u>	<u>14,144</u>
Share capital	18,981	14,093	18,981	14,093
Reserves	<u>4,741</u>	<u>935</u>	<u>204</u>	<u>51</u>
Shareholders' equity	23,722	15,028	19,185	14,144
Minority interest	700	285	-	-
Total equity	<u>24,422</u>	<u>15,313</u>	<u>19,185</u>	<u>14,144</u>

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

	Group	
	2007	2006
	S\$'000	(Restated)*
	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		
Unsecured		
Bank overdrafts	1,997	1,443
Bills payable	13,734	5,505
Short-term loans	150	160
Term loan III	-	707
	15,881	7,815
Secured		
Bank overdrafts	1,629	842
Bills payable	5,323	4,718
Short term loan	-	687
Commercial property loan I	25	23
Commercial property loan II	17	18
Commercial property loan III	219	215
Term loan I	114	1,365
Term loan II	-	74
Term loan III	-	-
Term loan IV	129	91
Term loan V	-	18
Finance lease payables	638	509
	8,094	8,560
	23,975	16,375
Amount repayable after one year		
Secured		
Commercial property loan I	372	397
Commercial property loan II	297	314
Commercial property loan III	1,049	1,210
Term loan I	1,139	-
Term loan II	-	1,072
Term loan III	-	-
Term loan IV	261	431
Term loan V	-	62
Finance lease payables	1,060	1,211
	4,178	4,697
	28,153	21,072

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Details of any collateral

- (i) Certain bills payable and commercial property loans are secured by:
 - a. legal mortgage over the Group's leasehold properties with net book values of S\$2,744,048 as at 31 December 2007 (FY2006 : S\$2,898,395);
 - b. legal joint and several personal guarantees given by a Director of the Company and a shareholder of a subsidiary in the Group; and
 - c. corporate guarantee by Natural Cool Holdings Limited.

- (ii) The bank overdrafts, certain bills payable and term loans are secured by:
 - a. legal mortgage over the Group's freehold properties, leasehold properties and workshop machineries with net book values as at 31 December 2007 of S\$3,891,425 (FY2006 : S\$3,913,261), NIL (FY2006 : S\$1,356,328) and S\$501,128 (FY2006 : S\$495,465);
 - b. fixed deposit pledged amounted to S\$1,500,000 (FY2006: NIL);
 - c. fixed and floating charge on inventories and receivable amounted to S\$640,782 and S\$744,608 (FY2006 :NIL, NIL);
 - d. legal joint and several personal guarantees given by a Director of the Company and Directors of a subsidiary in the Group; and
 - e. corporate guarantee by Natural Cool Holdings Limited.

- (iii) The finance lease payable is secured by motor vehicles and machines under the lease.

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

CONSOLIDATED CASH FLOW STATEMENTS

	Group	
	2007	2006
	S\$'000	(Restated)*
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	4,320	4,237
<u>Adjustments for:</u>		
Amortisation of intangible assets	86	55
Depreciation expenses	1,705	1,275
Negative goodwill	-	(1,140)
(Gain) /loss on disposal of plant and equipment	(1,562)	(505)
Interest expenses	1,557	790
Interest income	(38)	(24)
Plant and equipment written off	21	7
Operating profit before working capital changes	6,089	4695
<u>Working capital changes:</u>		
Inventories	(3,407)	(6,522)
Trade and other receivables	(2,138)	(9,206)
Trade and other payables	(3,168)	5,380
Provision	-	88
Cash absorbed by operations	(2,624)	(5,565)
Interest paid	(1,557)	(790)
Income taxes paid	(868)	(598)
Net cash used in operating activities	(5,049)	(6,953)

* amount less than S\$1,000

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CONSOLIDATED CASH FLOW STATEMENT CONTINUED

	Group	
	2007	2006
		(Restated)*
	S\$'000	S\$'000
Cash flows from investing activities		
Interest received	38	24
Cost incurred for industrial operating right	(82)	-
Purchase of computer software	(143)	(91)
Purchase of property, plant and equipment	(8,877)	(3,627)
Net proceeds from disposal of property, plant and equipment	7,676	1,602
Net cash flow from acquisition of subsidiaries	(847)	1,096
Net cash used in investing activities	<u>(2,235)</u>	<u>(996)</u>
Cash flows from financing activities		
Proceeds from issue of shares of the Company	4,888	3,066
Proceeds from issue of shares to minority shareholders of subsidiary	432	130
Net proceeds from bank borrowings	3,953	5,907
Net payments of obligations under finance leases	(822)	(371)
Net cash from financing activities	<u>8,451</u>	<u>8,732</u>
Effect on changes in foreign exchange rate	(61)	3
Net increase in cash and cash equivalents	1,106	786
Cash and cash equivalents at beginning of financial year	<u>591</u>	<u>(195)</u>
Cash and cash equivalents at end of financial year	<u><u>1,697</u></u>	<u><u>591</u></u>
Cash and cash equivalents on balance sheet	5,323	2,876
Bank overdrafts	<u>(3,626)</u>	<u>(2,285)</u>
Cash and cash equivalents in the statement of cashflows	<u><u>1,697</u></u>	<u><u>591</u></u>

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1(d) (i) A statement (for 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

STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Capital Reserve	Currency Translation Reserves	Accumulated Profits	Minority Interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>						
<u>(Restated)*</u>						
At 1 January 2006	-	-	-	972	-	972
Net profit for the financial year	-	-	-	3,358	47	3,405
Net foreign exchange differences arising on consolidation of foreign companies	-	-	(17)	-	(4)	(21)
Increase in paid-up capital of the Company	15,427	-	-	-	-	15,427
Share issue expenses	(1,334)	-	-	-	-	(1,334)
Acquisition of subsidiaries under group restructuring (note 4)	-	(3,378)	-	-	112	(3,266)
Increase in paid-up capital of a subsidiary	-	-	-	-	130	130
At 31 December 2006	14,093	(3,378)	(17)	4,330	285	15,313

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STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Share Capital	Capital Reserve	Currency Translation Reserves	Accumulated Profits	Minority Interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>The Group</u>						
At 1 January 2007	14,093	(3,378)	(17)	4,330	285	15,313
Net profit for the financial year	-	-	-	3,822	(2)	3,820
Net foreign exchange differences arising on consolidation of foreign companies	-	-	(16)	-	(15)	(31)
Increase in paid-up capital of the Company	5,280	-	-	-	-	5,280
Share issue expenses	(392)	-	-	-	-	(392)
Increase in paid-up capital of a subsidiary	-	-	-	-	432	432
At 31 December 2007	18,981	(3,378)	(33)	8,152	700	24,422

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 at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year.**

During the full year ended 31 December 2007, the Company had allotted and issued 17,600,000 new ordinary shares in the capital of the Company for subscription by way of private placement at S\$0.30 per share. Following the placement exercise, the share capital of the Company had been increased to S\$20,706,680 comprising 105,760,080 ordinary shares.

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(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at end of immediately preceding year.

	Group and Company	
	2007	2006
Fully paid ordinary shares, with no par value	No. of shares	No. of shares
At 1 January	88,160,080	2
Bonus issue	-	11,026,678
		11,026,680
New additional share as a result of sub-division of share	-	55,133,400
Issue of new shares	17,600,000	22,000,000
At 31 December	<u>105,760,080</u>	<u>88,160,080</u>

(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 or practice.

The figures have neither been audited nor reviewed by the auditors.

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

Not applicable.

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

Natural Cool Holdings Limited (“NCH”) was incorporated in July 2005. In February 2006, NCH acquired the equity interest of Natural Cool Airconditioning & Engineering Pte Ltd (“NCAE”) and S-Team Switchgear Private Limited (“S-Team”) (“the restructuring”). The acquisitions were by way of NCH issuing shares to the shareholders of NCAE and S-Team. After the restructuring, NCAE shareholders became the majority shareholder of NCH and controlled the board of NCH.

Notwithstanding the above, in 2006, the restructuring was accounted for using the purchase method with NCH identified as the acquirer. This resulted in fair value being assigned to the net identifiable assets of NCAE and a goodwill of \$4.3 million was recognised.

In accordance with FRS 103 – *Business Combinations*, as NCAE was in substance the acquirer, the net assets of NCAE should continue to be stated at their historical costs and no goodwill should be recognised. The change in acquirer has been applied retrospectively and resulted in the following restatement of FY2006 comparatives of the Group’s financial statements:-

	As previously reported	As restated
	S\$’000	S\$’000
Property, plant and equipment	12,831	13,158
Investment property	-	1,264
Deferred tax assets	213	-
Goodwill on consolidation	4,326	7
Interest-bearing borrowings	20,959	21,072
Capital reserves	-	3,378
Profit for the year	4,066	3,405

In addition, during the financial year, the Group and the Company adopted FRS 40 *Investment Property* which took effect in the financial year beginning on 1 January 2007. These changes in accounting policies have been assessed to have no material impact on the results and opening balances of accumulated profits of the Group and the Company for the full year ended 31 December 2007.

Other than mentioned above, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in those of the audited financial statements ended 31 December 2006.

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.

Please refer to paragraph 4 above

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6. **Earning 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.**

	Group 2007	2006 (Restated)*
Net Profit attributable to shareholders (S\$'000)	<u>3,822</u>	<u>3,358</u>
Weighted average number of ordinary share in issue (No. of shares)	99,160,080	69,800,069
Earnings per share (S\$ cents) - basic and diluted	3.85	4.81

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.**

	Group		Company	
	2007	2006 (Restated)*	2007	2006
Net assets attributable to shareholders (S\$'000)	<u>23,722</u>	<u>15,028</u>	<u>19,185</u>	<u>14,144</u>
Net asset value per share as at respective period (S\$ cents)	23.92	21.53	19.35	20.26

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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, cost, and earnings of the group for the current financial period reported on including (where applicable) seasonal or cyclical factors.**

REVIEW OF RESULT OF OPERATIONS

Our Group's revenue rose by approximately 56.03% from S\$73.19 million in FY2006 to S\$114.20 million in FY2007. All business segments experienced double-digit growth in FY2007.

Business segment	2007	2006	Increase	
	S\$'000	(Restated)* S\$'000	S\$'000	%
Aircon	67,148	48,063	19,085	39.71
Switchgear	36,864	23,826	13,038	54.72
Building Materials	9,984	1,304	8,680	665.64
Corporate	208	-	208	100.00
	<u>114,204</u>	<u>73,193</u>		

Revenue from our Aircon business segment increased by S\$19.09 million, or 39.71% in FY2007. One of our newly incorporated subsidiaries, NC (Singapore) Pte Ltd as well as the newly set up Mechanical Ventilation fabrication department in Naco Environmental and Engineering Pte Ltd have enlarged the scope of our services that Natural Cool offered to our customers during FY2007, which in turn translated into an increase in revenue. The conventional services such as retail installation as well as servicing as well as trading had all experienced healthy growth during FY2007. Revenue from our Commercial Projects department grew as more projects with higher values, such as Nanyang Polytechnic, Whitley Complex and 62 Sungei Kadut commenced work during the year.

Revenue from our Switchgear business segment increased by approximately S\$13.04 million, or 54.72% in FY2007 due to more Housing & Development Board ("HDB") Upgrading Projects during the current year as compared to FY2006. The exclusive distributionship awarded by Larsen & Toubro Limited to our subsidiary, VNS Manufacturing (S) Pte Ltd in October 2006, also contributed to the increase in revenue in trading of electrical standard products for the Group.

Our Building Materials business revenue also increased by approximately S\$8.68 million, or 665.64%, from S\$1.30 million in FY2006 to S\$9.98 million in FY2007. This increase was attributable to the commencement of trading activities from our Joint-Venture company, NC Steel Pte Ltd, as well as the revenue contribution from our newly acquired subsidiary, J2 Pte Ltd.

Revenue from Corporate business segment comprises rental income generated from our property located at Kranji.

Geographically, Singapore remained as our Group's major revenue contributor, which accounted for 93.95% (FY2006: 90.53 %) of the total Group's revenue in FY2007. Revenue from our PRC's operations decreased to S\$4.05 million as compared to S\$5.87 million in FY2006. PRC's revenue amounted to 3.55% of total Group's revenue. Revenue generated from Cambodia increased to S\$1.41 million as compared to S\$427,000 in FY2006.

In line with the increase in revenue, our gross profit increased by S\$6.47 million, or 42.56%, from S\$15.20 million in FY2006 to S\$21.67 million in FY2007. The higher gross profit was mainly

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attributable to the improvement in revenue generated from all business segments. Notwithstanding the above, our gross profit margin weakened slightly by approximately 1.79 percentage point, from 20.77% in FY2006 to 18.98% in FY2007. This was partly due to the newly formed Building Materials business segment which has lower gross profit margin as compared to our Aircon and Switchgear business segments. During FY2007, we also saw a sharp increase in prices of our raw materials, such as copper, steel as well as electrical components, which translated into lower margin for the Group.

Other operating income has increased marginally by approximately S\$212,000, or 10.88% in FY2007, from S\$1.95 million in FY2006 to S\$2.16 million in FY2007. The increase was mainly attributed to rental income earned by one of our subsidiary as well as a one-time gain on disposal of property, plant and equipment of approximately S\$1.56 million recorded by another subsidiary in FY2007.

Our distribution costs, administrative expenses and other operating expenses collectively increased from S\$12.13 million in FY2006 to S\$17.96 million in FY2007 due to the following factors:

- 1) Increase in transportation charges as a results of increase in sales;
- 2) The expansion of our Group's business as well as the new subsidiaries has brought about an increase in headcount for our Group from 474 in FY2006 to 666 in FY2007. This has resulted in an increase in our salaries and payroll related expenses for the Group;
- 3) Increase in depreciation which is in line with increase in capital expenditure;
- 4) Increase in professional fees due to compliance cost after listing as well as the potential merger and acquisition exercise; and
- 5) Increase in rental of warehouse due to the expansion of business.

Finance costs increased by S\$767,000 from S\$790,000 in FY2006 to S\$1.56 million in FY2007. This was due to an increase in interest expenses on bills payable as a result of an increase in trade facilities utilised to finance our purchases. Interest costs incurred on property loan granted to one of our local subsidiaries during the last quarter of FY2006 also contributed to the increase in finance cost.

Arising from the above, profit before income tax increased by approximately S\$83,000, or 1.96%, from S\$4.24 million in FY2006 to S\$4.32 million in FY2007.

Income tax expenses for FY2006 and FY2007 were approximately S\$832,000 and S\$500,000 respectively, representing effective tax rates of 19.64% and 11.57% respectively. The effective tax rate for FY2006 is approximately equal to the statutory tax rate of 20.00%. The effective tax rate for FY2007 is lower than the statutory tax rate of 18.00% due to certain income not taxable for income tax purposes.

- (b) any material factors that affected the cash flow, working capital , assets or liabilities of the group during the current financial reported on.**

REVIEW OF BALANCE SHEET

Property, Plant and Equipment increased by approximately S\$8.50 million, from S\$13.16 million as at 31 December 2006 to S\$21.65 million as at 31 December 2007. This was mainly due to the construction cost of our new building at Tai Seng Avenue / Drive which amounted to approximately S\$9.30 million in FY2007. The plant and equipment from the newly acquired subsidiary also contributed to approximately S\$685,000 of the increase. The increase in Property, Plant and Equipment was partly offset by the depreciation charges of S\$1.68 million and disposal of plant and equipment of S\$2.76 million during the year by our subsidiaries. Intangible assets increased by S\$1.70 million as at 31 December 2007 mainly due to goodwill arising from the acquisition of J2 Pte Ltd in July 2007.

Current assets increased by approximately S\$10.42 million, or 25.33% as at 31 December 2007 as compared to 31 December 2006. This was due to the increase in inventories, trade and other receivables, and contract work-in-progress as a result of an increase in sales volume.

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Trade and other payables increased by approximately S\$4.62 million, or 25.67% as at 31 December 2007 as compared to 31 December 2006. The increase in trade and other payables was primarily caused by the increase in purchases as a result of an increase in sales volume during FY2007. As at 31 December 2007, the Group's total borrowings amounted to S\$28.15 million (31 December 2006: S\$21.07 million) with S\$23.98 million repayable within one year and S\$4.18 million repayable beyond one year. The increase in borrowings was mainly due to new facilities granted by banks to cater to the increase in purchases as a result of an increase in sales.

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

Not applicable.

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.

For the current financial year (FY2008), the Group expects to continue to experience growth in sales volume, and as a result, its revenue. However, if the prices of our raw materials such as copper, steel and aluminium were to increase substantially in FY2008, our Group's profitability may be adversely affected if we are unable to pass on the price impact caused by an increase in raw material prices to our customers.

Overall, barring any unforeseen circumstances, the Directors of the Company expect the Group to be profitable for FY2008.

At the date of this announcement, the Directors of the Company are not aware of any item or event of a material or unusual nature that has occurred between the date to which the report refers and the date of this announcement, which would affect materially the results of the operations of the Group and Company.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Not applicable.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Not applicable.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

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

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

(a) Business segment

2007	Aircon	Switchgear	Building materials	Corporate & other	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue and expenses						
External revenue	67,148	36,864	9,984	208	-	114,204
Inter-segment revenue	1,093	6,844	23	498	(8,458)	-
Total Revenue	<u>68,241</u>	<u>43,708</u>	<u>10,007</u>	<u>706</u>	<u>(8,458)</u>	<u>114,204</u>
Segment results from operations	<u>2,876</u>	<u>2,859</u>	<u>480</u>	<u>361</u>	<u>(699)</u>	5,877
Finance costs						<u>(1,557)</u>
Profit before income tax						4,320
Income tax						<u>(500)</u>
Profit after income tax						<u>3,820</u>
Other information						
Capital expenditure						
- allocated	<u>2,428</u>	<u>647</u>	<u>139</u>	<u>9,927</u>	-	<u>13,141</u>
Depreciation expenses						
- allocated	<u>1,069</u>	<u>334</u>	<u>95</u>	<u>207</u>	-	<u>1,705</u>
Amortisation of intangible asset-allocated	<u>47</u>	<u>37</u>	<u>2</u>	<u>-*</u>	-	<u>86</u>
Assets						
Segmental assets	<u>36,707</u>	<u>26,892</u>	<u>5,944</u>	<u>23,036</u>	<u>(16,071)</u>	<u>76,508</u>
Liabilities						
Segmental liabilities	28,977	17,160	6,030	14,884	(16,061)	50,990
Tax liabilities	<u>625</u>	<u>400</u>	-	<u>71</u>	-	<u>1,096</u>
Total liabilities	<u>29,602</u>	<u>17,560</u>	<u>6,030</u>	<u>14,955</u>	<u>(16,061)</u>	<u>52,086</u>

* amount less than \$1,000

Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2007 (Revised)

2006 (Restated)	Aircon	Switchgear	Building materials	Corporate & other	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue and expenses						
External revenue	48,062	23,827	1,304	-	-	73,193
Inter-segment revenue	2,041	2,930	-	48	(5,019)	-
Total revenue	<u>50,103</u>	<u>26,757</u>	<u>1,304</u>	<u>48</u>	<u>(5,019)</u>	<u>73,193</u>
Segment results from operations	<u>1,814</u>	<u>2,202</u>	<u>(52)</u>	<u>17</u>	<u>1,046</u>	5,027
Finance costs						(790)
Profit before income tax						4,237
Income tax						(832)
Profit after income tax						<u>3,405</u>
Other information						
Capital expenditure						
- allocated	<u>3,685</u>	<u>919</u>	<u>14</u>	<u>2,136</u>	<u>-</u>	<u>6,754</u>
Depreciation expenses						
- allocated	<u>1,064</u>	<u>181</u>	<u>1</u>	<u>29</u>	<u>-</u>	<u>1,275</u>
Amortisation of intangible asset-allocated	<u>30</u>	<u>25</u>	<u>-*</u>	<u>-</u>	<u>-</u>	<u>55</u>
Assets						
Segmental assets	<u>32,899</u>	<u>21,166</u>	<u>1,312</u>	<u>5,694</u>	<u>(5,151)</u>	<u>55,920</u>
Liabilities						
Segmental liabilities	26,626	13,466	1,365	2,837	(5,151)	39,143
Tax liabilities	926	529	-	9	-	1,464
Total liabilities	<u>27,552</u>	<u>13,995</u>	<u>1,365</u>	<u>2,846</u>	<u>(5,151)</u>	<u>40,607</u>

* amount less than \$1,000

Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2007 (Revised)

(b) Geographical segment

Revenue	2007		2006 (Restated)	
	SS'000	%	SS'000	%
Singapore	107,296	93.95	66,259	90.53
China	4,048	3.55	5,869	8.02
Cambodia	1,406	1.23	427	0.58
Hong Kong	17	0.02	175	0.24
United Arab Emirates	122	0.11	148	0.20
Sri Lanka	393	0.34	128	0.17
Malaysia	485	0.42	1	0
Others*	437	0.38	186	0.26
Total	114,204	100.00	73,193	100.00
Segmental assets				
Singapore	74,088	96.84	51,832	92.69
India	1,574	2.06	1,318	2.36
China	199	0.26	2,121	3.79
Cambodia	647	0.84	649	1.16
Total	76,508	100.00	55,920	100.00
Capital expenditure				
Singapore	13,054	99.34	6,241	92.40
India	87	0.66	215	3.18
Cambodia	-	-	211	3.13
China	-	-	87	1.29
Total	13,141	100.00	6,754	100.00

* Others include India, Indonesia, Thailand, Vietnam and etc.

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

Please refer to the section on “Review of results of Operations” in paragraph 8 of this announcement for details.

15. A breakdown of sales.

	Group		% increase/ (decrease)
	2007 SS'000	2006 (Restated)* SS'000	
(a) Sales reported for first half year	55,042	25,430	116.45
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	2,047	2,850	(28.18)
(c) Sales reported for second half year	59,162	47,763	23.87
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	1,773	555	219.46

Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2007 (Revised)

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

Not applicable.

- 17. Interested person transaction**

During the year, there were following significant related party transactions carried out in the normal course of business (excluding transaction less than S\$100,000) on term agreed between the parties.

	Group	
	2007	2006
	S\$'000	S\$'000
Sale of goods		
- A's M&E Pte Ltd	118	-
Purchase of goods #		
- Eco-Air Engineering (S) Pte Ltd	-	113

The Company had also entered into transactions with Nylex Traders during the year and PCL International in FY2005. Similar transactions between the Company and these parties were disclosed in the section on "Interest of Management and Others in Certain Transactions" in the Company's prospectus dated 27 April 2006, in accordance with the requirements of the Fifth Schedule of the Securities and Futures Regulations 2005. For the purposes of the Listing Manual however, these transactions do not fall within the definition of an interested person transaction and thus are not disclosed as such here.

BY ORDER OF THE BOARD

Chen Choon Khee Steven
Chief Executive Officer

Revised on 27 February 2008