



**Unaudited Financial Statement And Dividend Announcement for the Period Ended 31 March 2015
("9M 2015")**

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

1(a) 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.

Statement of Comprehensive Income for the nine months ended 31 March 2015

	GROUP			GROUP		
	Unaudited 3Q 2015 S\$'000	Unaudited 3Q 2014 S\$'000	Changes %	Unaudited 9M 2015 S\$'000	Unaudited 9M 2014 S\$'000	Changes %
Revenue	30,961	37,716	(17.9)	105,872	101,306	4.5
Cost of sales	(28,920)	(34,458)	(16.1)	(96,654)	(91,080)	6.1
Gross profit	2,041	3,258	(37.4)	9,218	10,226	(9.9)
Other income	1,475	1,810	(18.5)	4,464	6,261	(28.7)
Distribution and marketing expenses	(334)	(360)	(7.2)	(1,463)	(1,026)	42.6
Administrative expenses	(2,599)	(2,482)	4.7	(7,351)	(7,456)	(1.4)
Other operating expenses	(1,007)	(1,103)	(8.7)	(3,024)	(4,136)	(26.9)
(Loss)/Profit from operations	(424)	1,123	n.m	1,844	3,869	(52.3)
Finance expenses	(238)	(243)	(2.1)	(731)	(719)	1.7
(Loss)/Profit before income tax	(662)	880	n.m	1,113	3,150	(64.7)
Income tax expense	(8)	198	n.m	(265)	(312)	(15.1)
(Loss)/Profit for the period	(670)	1,078	n.m	848	2,838	(70.1)
Other comprehensive income						
Currency translation gains arising from consolidation	74	215	(65.6)	74	211	(64.9)
Total comprehensive income	(596)	1,293	n.m	922	3,049	(69.8)
Net profit attributable to:						
Equity holders of the Company	(670)	1,043	n.m	848	2,433	(65.1)
Non-controlling interest	-	35	n.m	-	405	n.m
	(670)	1,078	n.m	848	2,838	(70.1)
Total comprehensive income attributable to:						
Equity holders of the Company	(596)	1,258	n.m	922	2,644	(65.1)
Non-controlling interest	-	35	n.m	-	405	n.m
	(596)	1,293	n.m	922	3,049	(69.8)

*n.m denotes not meaningful

Profit for the period is derived after crediting/(charging) the following:-

Description	GROUP			GROUP		
	Unaudited 3Q 2015 S\$'000	Unaudited 3Q 2014 S\$'000	Changes %	Unaudited 9M 2015 S\$'000	Unaudited 9M 2014 S\$'000	Changes %
Allowance for doubtful debts	(317)	(32)	890.6	(402)	(175)	129.7
Amortisation of deferred gain on sale of properties	-	-	n.m	-	864	n.m
Amortisation of intangible assets	(147)	(147)	-	(442)	(442)	-
Depreciation of property, plant and equipment	(1,290)	(1,178)	9.5	(3,869)	(3,440)	12.5
Finance expenses	(238)	(243)	(2.1)	(731)	(719)	1.7
Gain/(Loss) on disposal of property, plant and equipment	31	-	n.m	13	102	(87.3)
Interest income	18	14	28.6	49	43	14.0
Net foreign exchange (loss)/Gain	10	(84)	n.m	4	(114)	n.m

*n.m denotes not meaningful

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.

Statement of Financial Position

	Group		Company	
	Unaudited 31 Mar 2015 S\$'000	Audited 30 Jun 14 S\$'000	Unaudited 31 Mar 2015 S\$'000	Audited 30 Jun 14 S\$'000
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	33,290	33,697	1,752	2,751
Trade and other receivables	19,378	23,818	11,111	11,001
Inventories	35,109	43,063	-	-
Total current assets	87,777	100,578	12,863	13,752
<u>Non-current assets</u>				
Intangible assets	12,840	13,282	-	-
Property, plant and equipment	39,920	39,686	219	162
Investments in subsidiaries	-	-	38,801	38,801
Investment property	14,500	14,500	-	-
Golf club membership	159	159	159	159
Financial assets, available-for-sale	-	-	-	-
Deferred income tax assets	138	50	-	-
Total non-current assets	67,557	67,677	39,179	39,122
Total assets	155,334	168,255	52,042	52,874
LIABILITIES				
<u>Current liabilities</u>				
Trade and other payables	10,102	9,342	9,476	4,828
Bank loans and bills payable	38,754	47,059	4,945	5,689
Finance lease liabilities	70	70	-	-
Current income tax liabilities	831	1,043	5	5
Total current liabilities	49,757	57,514	14,426	10,522
<u>Non-current liabilities</u>				
Bank loans	10,858	15,694	5,656	9,549
Finance lease liabilities	155	207	-	-
Deferred income tax liabilities	4,768	4,785	27	27
Total non-current liabilities	15,781	20,686	5,683	9,576
Total liabilities	65,538	78,200	20,109	20,098
NET ASSETS	89,796	90,055	31,933	32,776
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	36,603	36,603	36,603	36,603
Retained earnings/ (Accumulated losses)	53,132	53,465	(4,670)	(3,827)
Translation reserve	61	(13)	-	-
	89,796	90,055	31,933	32,776
TOTAL EQUITY	89,796	90,055	31,933	32,776

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debts 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

As at 31 March 2015		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,413	37,411	1,706	45,423

Amount repayable after one year

As at 31 March 2015		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
5,357	5,656	6,374	9,527

Details of any collateral:-

Property loans of S\$6.5 million are secured by mortgages over the properties and investment property of the Group. Finance lease liabilities of S\$0.2 million are secured by charges over the motor vehicles of the Group.

The unsecured amount consists of trust receipts and term loans arising from the ordinary course of business and bank borrowings, which includes an acquisition loan granted to the Company. Certain Group borrowings are secured by corporate guarantees from the Company.

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 for the nine months ended 31 March 2015

	Group	
	9 Months Ended	
	31 Mar 2015	31 Mar 2014
	S\$'000	S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	1,113	3,150
Adjustments for:		
Depreciation of property, plant and equipment	3,869	3,440
Gain on disposal of property, plant and equipment	(13)	(102)
Amortisation of deferred gain on sale of properties	-	(864)
Amortisation of intangible assets	442	442
Allowance for doubtful debts	402	175
Interest expense	731	719
Interest income	(49)	(43)
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES	6,495	6,917
Trade and other receivables	4,038	(2,956)
Inventories	7,954	4,322
Trade and other payables	760	(1,744)
CASH GENERATED FROM OPERATIONS	19,247	6,539
Income tax paid	(582)	(634)
Interest paid	(731)	(719)
Interest received	49	43
NET CASH GENERATED FROM OPERATING ACTIVITIES	17,983	5,229
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,461)	(5,206)
Proceeds from disposal of property, plant and equipment	371	1,144
NET CASH USED IN INVESTING ACTIVITIES	(4,090)	(4,062)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank loans	-	12,389
Repayment of bank loans	(6,987)	(3,644)
Decrease in bills payable	(6,154)	(5,593)
Dividends paid	(1,181)	(984)
(Repayment) / Increase of finance lease liabilities	(52)	50
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(14,374)	2,218
Net (decrease) / increase in cash and cash equivalents	(481)	3,385
Cash and cash equivalents at beginning of the financial year	33,697	28,244
Effect of exchange rate changes on cash & cash equivalent	74	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	33,290	31,629

Cash and cash equivalents at the end of the period includes the following:-

	Group 9 Months ended	
	31 Mar 2015 S\$'000	31 Mar 2014 S\$'000
Cash and bank balances	29,126	27,088
Fixed deposit	4,164	4,541
	33,290	31,629

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 capitalization 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

Group	Share capital S\$' 000	Retained earnings S\$' 000	Translation reserve S\$' 000	Attributable to equity holders of the Company S\$' 000	Non-controlling interest S\$' 000	Total equity S\$' 000
Balance as at 1 July 2014	36,603	53,465	(13)	90,055	-	90,055
Total comprehensive income						
Profit for the period	-	848	-	848	-	848
Other comprehensive income	-	-	74	74	-	74
Dividend paid	-	848	74	922	-	922
	-	(1,181)	-	(1,181)	-	(1,181)
Balance as at 31 March 2015	36,603	53,132	61	89,796	-	89,796
Balance as at 1 July 2013	36,603	47,149	-	83,752	5,703	89,455
Total comprehensive income						
Profit for the period	-	2,433	-	2,433	405	2,838
Other comprehensive income	-	-	211	211	-	211
Dividend paid	-	2,433	211	2,644	405	3,049
	-	(984)	-	(984)	-	(984)
Balance as at 31 March 2014	36,603	48,598	211	85,412	6,108	91,520

Company	Share capital S\$' 000	Accumulated losses S\$' 000	Total equity S\$' 000
Balance as at 1 July 2014	36,603	(3,827)	32,776
Total comprehensive income	-	338	338
Dividend paid	-	(1,181)	(1,181)
Balance as at 31 March 2015	36,603	(4,670)	31,933
Balance as at 1 July 2013	36,603	(6,096)	30,507
Total comprehensive income	-	390	390
Dividend paid	-	(984)	(984)
Balance as at 31 March 2014	36,603	(6,690)	29,913

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, 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 previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Not applicable.

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

As at 31 March 2015, the share capital of the Company was 393,781,089 ordinary shares (30 June 2014: 393,781,089 ordinary shares).

- 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 or practice.**

The figures have not been audited nor 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 Group has applied the same accounting policies and methods of computation in the financial year as those applied for the audited financial statements for the year ended 30 June 2014.

- 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.**

Not applicable.

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

Earnings per ordinary share		Group	
		31 Mar 2015	31 Mar 2014
(a)	Based on weighted average number of ordinary shares in issue	0.22 cents	0.62 cents
(b)	On a fully diluted basis	0.22 cents	0.62 cents

(a) The earnings per share for the period ended 31 March 2015 is calculated by dividing the profit attributable to shareholders of \$848,000 (31 March 2014: \$2,433,000) by the weighted average number of ordinary shares of 393,781,089 (31 March 2014: 393,781,089) in issue during the financial period.

(b) The diluted earnings per share for the period ended 31 March 2015 is calculated by dividing the profit attributable to shareholders of \$848,000 (31 March 2014: \$2,433,000) by the adjusted weighted average number of ordinary shares of 393,781,089 (31 March 2014: 393,781,089) in issue during the financial period.

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

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

Net asset value per ordinary share	Group		Company	
	31 Mar 2015	30 Jun 2014	31 Mar 2015	30 Jun 2014
Based on issued shares capital as at the end of the period reported on	22.80 cents	22.87 cents	8.11 cents	8.32 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of \$89,796,000 (30 June 2014: \$90,055,000) and 393,781,089 (30 June 2014: 393,781,089) ordinary shares.

The net asset value per share of the Company has been calculated based on equity attributable to shareholders of \$31,933,000 (30 June 2014: \$32,776,000) and 393,781,089 (30 June 2014: 393,781,089) ordinary 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.**

STATEMENT OF COMPREHENSIVE INCOME REVIEW

Review for the three months results: 3rd quarter ended 31 March 2015 ("3Q2015") vs 3rd quarter ended 31 March 2014 ("3Q2014")

Revenue decreased by approximately \$6.8 million or 17.9% to \$31.0 million in 3Q2015, and this was mainly due to decreased revenues from our recycling and trading business segments (\$5.0 million), plus decreased revenues from our Malaysia entity (\$1.8 million).

Consequently, cost of sales decreased by approximately \$5.5 million or 16.1% to \$28.9 million in 3Q2015, which is in tandem with the decrease in revenue.

Gross profit reduced by \$1.2 million to \$2.0 million in 3Q2015, mainly attributed to lower revenue and margin. Gross profit margin reduced from 8.6% in 3Q2014 to 6.6% in 3Q2015.

Other income reduced by approximately \$0.3 million or 18.5% mainly due to loss of rental income for properties sold in the past financial year.

Distribution expenses decreased by approximately \$0.1 million or 7.2% to \$0.3 million in 3Q2015, mainly due to the decrease in import and export activities.

Administrative expenses increased by approximately \$0.1 million or 4.7% to \$2.6 million in 3Q2015, mainly due to an increase in allowance of doubtful debts. The increase is partially offset by a reduction in expenses in the Malaysia entity.

Other operating expenses decreased by \$0.1 million or 8.7% to \$1.0 million in 3Q2015, mainly due to the reduction in rental expenses for properties which the leases have expired during the period.

Hence, 3Q2015 turned in a net loss of \$0.7 million, compared to a net profit of \$1.0 million in 3Q2014.

Review for the nine months results: 9 months ended 31 March 2015 ("9M2015") vs 9 months ended 31 March 2014 ("9M2014")

Revenue increased by approximately \$4.6 million or 4.5% to \$105.9 million in 9M2015, and this was mainly due to the revenue contribution from our Malaysia entity in 9M2015 (\$6.7 million) despite a decrease in recycling and trading business segments (\$2.1 million).

Consequently, cost of sales increased by approximately \$5.6 million or 6.1% to \$96.7 million in 9M2015.

Gross profit reduced by \$1.0 million to \$9.2 million in 9M2015, while gross profit margin reduced from 10.1% in 9M2014 to 8.7% in 9M2015.

Other income reduced by approximately \$1.8 million or 28.7% mainly due to loss of rental income for properties sold in the past financial year.

Distribution expenses increased by approximately \$0.4 million or 42.6% to \$1.5 million in 9M2015, in line with the increased business activities in general.

Administrative expenses decreased by approximately \$0.1 million or 1.4% to \$7.4 million in 9M2015, mainly due to reduced expenses of our Malaysia entity. The increase is partially offset by an increase in allowance in doubtful debts.

Other operating expenses decreased by \$1.1 million or 26.9% to \$3.0 million in 9M2015, mainly due to the reduction in rental expenses for properties which the leases have expired during the period.

Hence, our net profit attributable to shareholders decreased from \$2.4 million in 9M2014 to \$0.8 million in 9M2015.

STATEMENT OF FINANCIAL POSITION REVIEW

Group shareholders' equity as at 31 March 2015 and 30 June 2014 stood at \$89.8 million and \$90.1 million respectively.

For the period under review, trade and other receivables position has decreased from \$23.8 million as at 30 June 2014 to \$19.4 million as at 31 March 2015. This is mainly due to the improved collections from our trading and recycling activities and additional allowance for doubtful debts.

Inventories decreased by \$8.0 million to \$35.1 million as at 31 March 2015 partially due to the support of sales orders for the period under review.

Property, plant and equipment increased by \$0.2 million to \$39.9 million as at 31 March 2015 due to purchases of operating assets amounting to \$4.4 million and offset by depreciation of \$3.9 million.

As such, our total assets decreased from \$168.3 million as at 30 June 2014 to \$155.3 million as at 31 March 2015.

Total liabilities stood at \$65.5 million as at 31 March 2015 from the reported \$78.2 million as at 30 June 2014. The decrease was mainly due to repayment of bills payable and bank borrowings.

Trade and other payables increased by \$0.8 million to \$10.1 million as at 31 March 2015 due to increased activities.

STATEMENT OF CASH FLOWS REVIEW

Net cash generated from operating activities was \$18.0 million for 9M2015 and this was mainly due to operations from the metal recycling & scaffolding segments.

Net cash used in investing activities was \$4.1 million, mainly due to purchases of equipment, steel and scaffolding rental materials.

Net cash used in financing activities was \$14.4 million due mainly to repayment of our bills payable and bank borrowings.

In view of the above, cash and cash equivalents decreased by \$0.5 million for 9M2015.

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

The Group's actual 9M2015 results are in line with the profit guidance announcement dated 23 April 2015.

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 overall steel industry outlook is expected to remain challenging on the back of weak demand for steel related products. In addition, the high volatility of the US Dollar has increased uncertainty in this region and the recent increase in SIBOR has added on to financing cost.

Under these circumstances, the Group will remain vigilant in managing the stock level and stay prudent in its capital management and expenditure, while looking out for potential acquisition target.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the immediately Preceding Financial Year

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the quarter ended 31 March 2015.

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, statement to that effect.

The Group does not have a general mandate from shareholders for IPTs.

14 Confirmation by Directors pursuant to Rule 705(5) of the SGX Listing Manual

The Directors of the Company confirm that to the best of their knowledge, nothing has come to their attention which may render these unaudited interim financial statements for the nine months ended 31 March 2015, to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

ANG YU SENG

Executive Chairman and Chief Executive Officer

29 April 2015