



Unaudited First Quarter Financial Statement And Dividend Announcement For the Period Ended 30 September 2009

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

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

INCOME STATEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2009

	GROUP		%
	Q1 FY2010 S\$'000	Q1 FY2009 S\$'000	Increase/ (Decrease)
Revenue	38,417	101,191	(62.0)
Cost of sales	(35,110)	(90,771)	(61.3)
Gross profit	3,307	10,420	(68.3)
Other operating income	3,594	2,545	41.2
Distribution expenses	(282)	(1,465)	(80.8)
Administrative expenses	(1,975)	(2,692)	(26.6)
Other operating expenses	(2,208)	(3,912)	(43.6)
Profit from operations	2,436	4,896	(50.2)
Finance expenses	(275)	(654)	(58.0)
Profit before income tax	2,161	4,242	(49.1)
Income tax expense	(14)	(509)	(97.2)
Profit for the period	2,147	3,733	(42.5)
Profit attributable to:			
Equity holders of the Company	2,147	3,733	(42.5)
Minority Interests	-	-	
	2,147	3,733	

STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2009

	GROUP		%
	Q1 FY2010	Q1 FY2009	Increase/ (Decrease)
	S\$'000	S\$'000	
Profit for the period	2,147	3,733	(42.5)
Other comprehensive income:			
Fair value loss in financial assets, available for sale	(373)	-	n.m.
Other comprehensive expense, net of tax	(373)	-	
Total comprehensive income for the period	1,774	3,733	(52.5)
Total comprehensive income attributable to:			
Equity holders of the Company	1,774	3,733	

Profit for the period is arrived at after crediting/ (charging):-

	GROUP		%
	Q1 FY2010	Q1 FY2009	Increase/ (Decrease)
	S\$'000	S\$'000	
Interest Income	42	76	(44.7)
Depreciation of property, plant and equipment	(1,062)	(1,183)	(10.2)
Allowance for doubtful debts	-	(1)	(100.0)
Interest expense	(275)	(654)	(58.0)
Net foreign exchange loss	(811)	(1,945)	(58.3)
Inventories written off	-	(341)	(100.0)
Allowance for impairment loss in value of inventories	(226)	(814)	(72.2)
Plant and equipment written off	-	(4)	(100.0)
Gain on disposal of property, plant and equipment	2,118	519	308.1

Note:

- n.m.: not meaningful

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

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	30.09.2009	30.06.2009	30.09.2009	30.06.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Current assets				
Cash and cash equivalents	24,956	32,032	4,460	6,194
Trade receivables	9,666	15,224	1,052	898
Other receivables and prepayments	1,023	1,216	1,882	165
Inventories	43,156	49,297	-	-
	78,801	97,769	7,394	7,257
Non-current assets classified as held-for-sale	-	750	-	-
	78,801	98,519	7,394	7,257
Non-current assets				
Goodwill	2,237	2,237	-	-
Properties, plant and equipment	23,450	19,327	148	164
Investments in subsidiaries	-	-	17,961	17,961
Golf club membership	159	159	159	159
Financial assets, available for sale	1,958	2,331	1,958	2,331
	27,804	24,054	20,226	20,615
Total assets	106,605	122,573	27,620	27,872
Current liabilities				
Trade payables	3,723	10,395	-	-
Other payables	2,968	2,278	560	491
Bank borrowings and bills payable	30,297	41,060	-	-
Obligations under hire purchase contracts	493	751	16	39
Deferred gain on sale of properties	2,074	2,074	-	-
Current income tax liabilities	206	192	6	-
	39,761	56,750	582	530
Non-current liabilities				
Bank borrowings	2,553	2,756	-	-
Obligations under hire purchase contracts	-	34	-	-
Deferred gain on sale of properties	6,568	7,086	-	-
Deferred income tax liabilities	895	895	-	-
	10,016	10,771	-	-
Total liabilities	49,777	67,521	582	530
Net assets	56,828	55,052	27,038	27,342
Equity attributable to equity holders of the parent				
Share capital	30,258	30,256	30,258	30,256
Capital reserves	1,914	1,914	1,914	1,914
Retained earnings	24,656	22,882	(5,134)	(4,828)
	56,828	55,052	27,038	27,342
Minority interests	-	-	-	-
Total equity	56,828	55,052	27,038	27,342

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 30 September 2009		As at 30 June 2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,186	24,604	2,606	39,205

Amount repayable after one year

As at 30 September 2009		As at 30 June 2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
2,553	-	2,790	-

Details of any collaterals:

Borrowings of S\$8.246 million is secured by mortgages over the properties of the Company's subsidiaries and the balance of S\$0.493 million relates to hire purchase financing of plant and machinery.

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

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

STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2009

	Group	
	Q1 FY2010 S\$'000	Q1 FY2009 S\$'000
Cash flows from operating activities:		
Profit before income tax	2,161	4,242
Adjustments for:		
Depreciation of property, plant and equipment	1,062	1,183
Gain on disposal of property, plant and equipment	(1,599)	(519)
Amortisation of deferred gain on sale of properties	(519)	-
Property, plant and equipment written off	-	4
Inventories written off	-	341
Interest expense	275	654
Interest income	(42)	(76)
Allowance for doubtful trade receivables	-	1
Allowance for impairment loss in value of inventories	226	814
Operating profit before working capital changes	1,564	6,644
Changes in working capital:		
Inventories	5,916	(13,281)
Trade receivables	5,557	66
Other receivables and prepayments	192	579
Trade and other payables	(5,982)	(1,836)
Cash generated/(used in) from operations	7,247	(7,828)
Income tax paid	-	(78)
Interest paid	(275)	(654)
Interest income received	42	76
Net cash generated/ (used in) operating activities	7,014	(8,484)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(1,121)	(351)
Proceeds from disposal of property, plant and equipment	2,350	-
Net cash used in investing activities	1,229	(351)
Cash flows from financing activities:		
Proceeds from issuance of ordinary shares	2	145
Proceeds from issue of warrants	-	(38)
Proceeds from bank loans	2,000	2,698
Repayment of bank loans	(4,138)	(3,510)
Proceeds from / (Repayment) of hire purchase liabilities	(481)	(572)
Net proceeds from bills payable to banks	(12,702)	21,696
Net cash (used in)/provided from financing activities	(15,319)	20,419
Net (decrease)/increase in cash and cash equivalents	(7,076)	11,584
Cash and cash equivalents at beginning of year	32,032	28,775
Cash and cash equivalents at end of the year	24,956	40,359
Cash and cash equivalents at end of the year includes the following:		
Cash and bank balances	16,698	19,632
Fixed deposits	8,258	20,727
Cash and cash equivalents at end of the year	24,956	40,359

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY - GROUP

	Share capital S\$' 000	Capital reserve S\$' 000	Fair Value reserve S\$' 000	Retained earnings S\$' 000	Total S\$' 000	Minority Interests S\$' 000	Total equity S\$' 000
Balance as at 1 July 2009	30,256	1,914	-	22,882	55,052	-	55,052
Profit for the period				1,774	1,774	-	1,774
Total recognised income and expense for the period	-	-	-	1,774	1,774	-	1,774
Issue of new shares on conversion of warrants	2	-	-	-	2		2
Balance at 30 September 2009	30,258	1,914	-	24,656	56,828	-	56,828
Balance as at 1 July 2008	29,612	2,080	(2,589)	39,210	68,313	-	68,313
Fair value adjustment of financial assets, available-for-sale	-		(2,014)	-	(2,014)	-	(2,014)
Profit for the period				3,733	3,733	-	3,733
Total recognised income and expense for the period	-	-	(2,014)	3,733	1,719	-	1,719
Issue of new shares on conversion of warrants	145	(38)	-	-	107	-	107
Balance at 30 September 2008	29,757	2,042	(4,603)	42,943	70,139	-	70,139

STATEMENT OF CHANGES IN EQUITY - COMPANY

	Share capital S\$' 000	Capital reserve S\$' 000	Fair Value reserve S\$' 000	Retained earnings S\$' 000	Total S\$' 000
Balance as at 1 July 2009	30,256	1,914	-	(4,828)	27,342
Profit for the period	-	-	-	(306)	(306)
Issue of new shares on conversion of warrants	2	-	-	-	2
Balance at 30 September 2009	30,258	1,914	-	(5,134)	27,038
Balance as at 1 July 2008	29,612	2,080	(2,589)	12,303	41,406
Profit for the period	-	-	-	127	127
Fair value adjustment of financial assets, available-for-sale	-	-	(2,014)	-	(2,014)
Issue of new shares on conversion of warrants	145	(38)	-	-	107
Balance at 30 September 2008	29,757	2,042	(4,603)	12,430	39,626

- 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.**

Warrants

In April 2008, the Company issued and allotted 69,421,050 warrants on the basis of one warrant for every five existing ordinary shares which carry the right to subscribe for one ordinary share of the Company with the exercise price of \$0.12 per ordinary share and with exercise dates up to 14 April 2011.

As at 30 September 2009, the total number of shares issued upon the exercise of warrants is 4,375,000 ordinary shares (30 September 2008: 1,041,000).

There were 65,046,050 and 68,380,050 outstanding warrants as at 30 September 2009 and 30 September 2008 respectively.

- 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 30 September 2009, the share capital of the Company was 351,480,250 ordinary shares (30 June 2009: 351,468,250 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.**

Except as disclosed under item 5 below, 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 2009.

The Group adopted FRS1 (revised 2008) which was effective for the financial period beginning 1st January 2009.

- 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.**

The Group adopted all the applicable new and revised Singapore Financial Reporting Standards ("FRS") including related Interpretations ("INT FRS") promulgated by the Accounting Standards Council, which became effective for the financial statements of the Group and of the Company for the financial year ended 31 December 2009. The adoption of FRS1 (revised 2008) does not have any impact on the Group's financial position or results.

- 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.**

The Group

Earnings per ordinary share (cents)	30-Sep-09	30-Sep-08
(i) Based on weighted average number of ordinary shares in issue	0.61	1.07
(ii) On a fully diluted basis	0.61	1.04

The earnings per share for the period ended 30 September 2009 is calculated by dividing the profit attributable to shareholders of \$2,147,000 (30 September 2008: \$3,733,000) by the weighted average number of ordinary shares of 351,478,000 (30 September 2008: 347,976,000) in issue during the financial period.

The diluted earnings per share for the period ended 30 September 2009 is calculated by dividing the profit attributable to shareholders of \$2,147,000 (30 September 2008: \$3,733,000) by the adjusted weighted average number of ordinary shares of 353,423,000 (30 September 2008: 357,911,000) 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

	Group		Company	
	30-Sep-09	30-Jun-09	30-Sep-09	30-Jun-09
Net asset value per ordinary share based on issued shares capital as at the end of the period reported on	16.17 cents	15.66 cents	7.69 cents	7.78 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of \$56,828,000 (30 June 2009: \$55,052,000) and share capital of 351,480,250 (30 June 2009: 351,468,250) ordinary shares.

The net asset value per share of the Company has been calculated based on equity attributable to shareholders of \$27,038,000 (30 June 2009: \$27,342,000) and share capital of 351,480,250 (30 June 2009: 351,468,250) 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.

INCOME STATEMENT REVIEW

Revenue

The Group's revenue declined 62% or \$62.8 million to \$38.4 million in Q1 FY2010 from \$101.1 million for the corresponding period in the preceding financial year. The decline in revenue was caused by the lower demand and significantly lower selling prices for both ferrous and non-ferrous metals.

Profitability

Gross profit margin fell to 8.6% at \$3.3 million in Q1 FY2010 compared to 10.3% at \$10.4 million in Q1 FY2009. Lower gross profit was mainly due to lower revenue with lower selling price.

Other operating income rose 41.2% from \$2.5 million in Q1 FY2009 to \$3.6 million in Q1 FY2010, boosted by the sale of industrial property (No. 4 Pioneer Sector 1) and recognition of deferred gain from sale and lease back of properties. This is partially offset by decrease in rental income as a result of the completion in sale of industrial properties.

Distribution expenses of the Group decreased by 80.8% from \$1.5 million in Q1 FY2009 to \$0.3 million in Q1 FY2010, which was in line with lower shipments.

Administrative expenses declined 26.6% to S\$2.0 million due to lower staff cost and lower sales related expenses in Q1 FY2010.

Other operating expenses decreased 43.6% from \$3.9 million in Q1 FY2009 to \$2.2 million in Q1 FY2010. This decrease was due mainly to a reduction in net foreign exchange loss and impairment loss in inventories.

Finance costs in Q1 FY2010 also decreased by 58% or \$0.4 million to \$0.3 million (Q1 FY2009: \$0.7 million). This was due to a reduction in bank borrowings and trust receipts.

The Group has provided impairment loss of \$0.4 million for its Indonesia quoted warrants investment to reflect the prevailing uncertain economic conditions as well as the remaining short period to expiry of the warrants.

STATEMENT OF FINANCIAL POSITION REVIEW

The net assets and shareholders' fund of the Group was \$56.8 million as at 30 September 2009. The Group had reduced its inventory levels from \$49.3 million as at 30 June 2009 to \$43.2 million as at 30 September 2009. Trade receivables, trade payables and bank borrowings had also decreased.

The Group's gearing ratio further improved from 0.81 as at 30 June 2009 to 0.59 as at 30 September 2009.

STATEMENT OF CASH FLOW REVIEW

The Group's cash and cash equivalents was \$25.0 million as at 30 September 2009. Net cash from operating activities had improved significantly from a negative cash outflow of \$8.5 million in Q1 FY2009 to a positive cash inflow of \$7.0 million as a result of lower inventory levels and outstanding receivables.

The cash generated from operating activities were mainly used to reduce the Group's bank borrowings.

- 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.**

The business and trading environment remain difficult due to price volatility and weak demand for metal products. The low demand visibility in the metals market and competitive conditions in the local recycling market and steel market are likely to persist, going forward.

We will maintain our prudent measures in place to ensure good financial health to ride out this difficult period and to capitalize on any metal-related business expansion opportunities when it arises.

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/recommendeded, a statement to that effect

Not applicable

BY ORDER OF THE BOARD

ANG YU SENG
CEO/ EXECUTIVE DIRECTOR
13 November 2009