



**Unaudited First Quarter Financial Statement And Dividend Announcement For the Period Ended 30 SEPTEMBER 2011**

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

- 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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2011**

	<b>GROUP</b>		<b>Increase/ (Decrease)</b>
	<b>Q1 FY2012</b>	<b>Q1 FY2011</b>	<b>%</b>
	<b>S\$'000</b>	<b>S\$'000</b>	
<b>Revenue</b>	14,607	31,667	(53.9)
Cost of sales	(12,654)	(27,770)	(54.4)
<b>Gross profit</b>	<b>1,952</b>	<b>3,897</b>	<b>(49.9)</b>
Other income	2,004	2,461	(18.6)
Distribution and marketing expenses	(151)	(274)	(44.8)
Administrative expenses	(1,650)	(2,185)	(24.5)
Other operating expenses	(1,689)	(1,505)	12.2
<b>Profit from operations</b>	<b>467</b>	<b>2,394</b>	<b>(80.5)</b>
Finance costs	(145)	(323)	(55.1)
<b>Profit before income tax</b>	<b>322</b>	<b>2,071</b>	<b>(84.5)</b>
Income tax	(17)	(54)	(68.7)
<b>Net profit</b>	<b>305</b>	<b>2,017</b>	<b>(84.9)</b>
Net profit/(loss) attributable to:			
Equity holders of the Company	305	2,017	(84.9)
Minority Interests	-	-	
	<b>305</b>	<b>2,017</b>	<b>(84.9)</b>

**STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2011**

	GROUP		Increase/ (Decrease)
	Q1 FY2012 S\$'000	Q1 FY2011 S\$'000	%
Net profit	305	2,017	(84.9)
Other comprehensive income:	-	-	
<b>Total comprehensive income for the year</b>	<b>305</b>	<b>2,017</b>	(84.9)
Total comprehensive income attributable to:			
Equity holders of the Company	305	2,017	
Minority Interests	-	-	
	<b>305</b>	<b>2,017</b>	(84.9)

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

	GROUP		%
	Q1 FY2012 S\$'000	Q1 FY2011 S\$'000	Increase/ (Decrease)
Depreciation of property, plant and equipment	(831)	(917)	(9.4)
Gain on disposal of property, plant and equipment	658	667	(1.3)
Interest income	15	22	(34.0)
Bad debt recovered	-	14	(100.0)
Finance expenses	(145)	(323)	(55.1)
Net foreign exchange loss	(371)	(62)	498.4
Impairment loss in value of inventories	(15)	(47)	(67.8)
Reversal of allowance for impairment of inventories	-	96	(100.0)

- 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.

#### STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30.09.2011	30.06.11	30.09.2011	30.06.11
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	22,769	30,171	11,229	11,240
Trade and other receivables	12,228	9,468	30	25
Amount owing by subsidiaries	-	-	2,885	2,613
Inventories	41,582	40,047	-	-
	76,579	79,686	14,143	13,878
Assets classified as held-for-sale	-	188	-	-
<b>Total current assets</b>	<b>76,579</b>	<b>79,874</b>	<b>14,143</b>	<b>13,878</b>
<b>Non-current assets</b>				
Goodwill	1,237	1,237	-	-
Properties, plant and equipment	28,470	29,293	-	-
Investments in subsidiaries	-	-	18,708	18,708
Investment property	9,500	9,500	-	-
Golf club membership	159	159	159	159
Deferred income tax assets	50	50	-	-
<b>Total non-current assets</b>	<b>39,415</b>	<b>40,239</b>	<b>18,867</b>	<b>18,867</b>
<b>Total assets</b>	<b>115,995</b>	<b>120,113</b>	<b>33,010</b>	<b>32,745</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	6,986	10,380	690	1,645
Amount owing to subsidiary	-	-	381	-
Derivatives financial instruments	182	-	-	-
Bank loans and bills payable	19,608	20,645	-	-
Amount due to directors	764	-	764	-
Deferred gain on sale of properties	2,074	2,074	-	-
Current income tax liabilities	399	382	8	8
<b>Total current liabilities</b>	<b>30,013</b>	<b>33,481</b>	<b>1,843</b>	<b>1,653</b>
<b>Non-current liabilities</b>				
Bank loans	8,267	8,703	-	-
Deferred gain on sale of properties	2,420	2,938	-	-
Deferred income tax liabilities	1,541	1,541	-	-
<b>Total non-current liabilities</b>	<b>12,227</b>	<b>13,182</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>	<b>42,240</b>	<b>46,663</b>	<b>1,843</b>	<b>1,653</b>
<b>Net assets</b>	<b>73,755</b>	<b>73,450</b>	<b>31,167</b>	<b>31,092</b>
<b>EQUITY</b>				
<b>Capital and reserves attributable to equity holders of the Company</b>				
Share capital	36,603	36,603	36,603	36,603
Capital reserve	-	-	-	-
Retained earnings/ (Accumulated losses)	37,152	36,847	(5,436)	(5,511)
	73,755	73,450	31,167	31,092
Minority interests	-	-	-	-
<b>Total equity</b>	<b>73,755</b>	<b>73,450</b>	<b>31,167</b>	<b>31,092</b>

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 2011		As at 30 June 2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,182	18,426	1,472	19,173

Amount repayable after one year

As at 30 September 2011		As at 30 June 2011	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
4,176	4,091	4,290	4,413

Details of any collateral:

Property loans of S\$5.36 million is secured by mortgages over the properties and investment property of the Company's subsidiaries.

The unsecured amount consists of trust receipts and term loans 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 statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

**STATEMENT OF CASH FLOWS FOR THE TWELVE MONTHS ENDED 30 SEPTEMBER 2011**

	<b>Group GROUP</b>	
	<b>Q1 FY2012 S\$'000</b>	<b>Q1 FY2011 S\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before income tax	322	2,071
Adjustments for:		
Depreciation of property, plant and equipment	831	917
Gain on disposal of property, plant and equipment	(139)	(148)
Amortisation of deferred gain on sale of properties	(519)	(519)
Allowance for doubtful debts	-	(1)
Finance expenses	145	323
Interest income	(15)	(22)
Net allowance for impairment loss in value of inventories	15	47
<b>OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGES</b>	<b>640</b>	<b>2,668</b>
Changes in working capital:		
Trade and other receivables	(2,759)	(2,536)
Inventories	(1,551)	2,562
Assets classified as held-for-sale	-	712
Amount due to directors	764	-
Trade and other payables	(3,394)	1,542
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(6,300)</b>	<b>4,948</b>
Interest paid	(145)	(323)
Interest received	15	22
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(6,430)</b>	<b>4,647</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(44)	(84)
Investment in subsidiary	-	(747)
Derivative financial instruments	182	2,796
Proceeds from disposal of property, plant and equipment	363	148
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>501</b>	<b>2,113</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	-	3
Funds from bank loans	-	8,500
Increase/(Decrease) in bills payable	1,311	(9,994)
Repayment of bank loans	(2,784)	(5,487)
Repayment of finance lease liabilities	-	(17)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(1,473)</b>	<b>(6,995)</b>
Net (decrease) in cash and cash equivalents	(7,402)	(235)
Cash and cash equivalents at beginning of the financial year	30,171	18,202
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>22,769</b>	<b>17,967</b>
<b>Cash and cash equivalents at end of the period includes the following:</b>		
Cash and bank balances	20,731	14,939
Fixed deposits	2,039	3,028
	<b>22,769</b>	<b>17,967</b>

- 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 state for the corresponding period of the immediately preceding financial year.

#### **STATEMENT OF CHANGES IN EQUITY - GROUP**

	Share capital S\$' 000	Capital reserve S\$' 000	Retained earnings S\$' 000	Attributable to equity holders of the Company S\$' 000	Total equity S\$' 000
<b>Balance as at 1 July 2011</b>	36,603	-	36,847	73,450	73,450
Total comprehensive income	-	-	305	305	305
Issue of new shares on conversion of warrants	-	-	-	-	-
Minority interest share of losses	-	-	-	-	-
<b>Balance as at 30 September 2011</b>	<b>36,603</b>	<b>-</b>	<b>37,152</b>	<b>73,755</b>	<b>73,755</b>
<b>Balance as at 1 July 2010</b>	30,258	1,914	26,925	59,097	59,097
Total comprehensive income	-	-	2,017	2,017	2,017
Issue of new shares on conversion of warrants	3	-	-	3	3
Minority interest share of losses	-	-	(245)	(245)	(245)
<b>Balance as at 30 September 2010</b>	<b>30,261</b>	<b>1,914</b>	<b>28,697</b>	<b>60,872</b>	<b>60,872</b>

#### **STATEMENT OF CHANGES IN EQUITY - COMPANY**

	Share capital S\$' 000	Capital reserve S\$' 000	Accumulated losses S\$' 000	Total S\$' 000
<b>Balance as at 1 July 2011</b>	36,603	-	(5,511)	31,092
Total comprehensive income	-	-	76	76
Issue of new shares on conversion of warrants	-	-	-	-
<b>Balance as at 30 September 2011</b>	<b>36,603</b>	<b>-</b>	<b>(5,436)</b>	<b>31,167</b>
<b>Balance as at 1 July 2010</b>	30,258	1,914	(3,911)	28,261
Total comprehensive (loss)	-	-	(14)	(14)
Issue of new shares on conversion of warrants	3	-	-	3
<b>Balance as at 30 September 2010</b>	<b>30,261</b>	<b>1,914</b>	<b>(3,925)</b>	<b>28,250</b>

- 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 30 September 2011, the share capital of the Company was 393,781,089 ordinary shares (30 September 2010: 351,504,250 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.**

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 2011.

- 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.**

The Group

Earnings/(loss) per ordinary share (cents)	30-Sep-11	30-Sep-10
(i) Based on number of ordinary shares in issue	0.08	0.57
(ii) On a fully diluted basis	0.08	0.57

The earnings per share for the period ended 30 September 2011 is calculated by dividing the profit attributable to shareholders of \$305,000 (30 September 2010: \$2,017,000) by the number of ordinary shares of 393,781,089 (30 September 2010: 351,499,582) in issue during the financial period.

The diluted earnings per share for the period ended 30 September 2011 is calculated by dividing the profit attributable to shareholders of \$305,000 (30 September 2010: \$2,017,000) by the number of ordinary shares of 393,781,089 (30 September 2010: 351,499,582) 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-11	30-Jun-11	30-Sep-11	30-Jun-11
Net asset value per ordinary share based on issued shares capital as at the end of the period reported on	18.73 cents	18.65 cents	7.91 cents	7.90 cents

The net asset value per share of the Group has been calculated based on equity attributable to shareholders of \$73,755,000 (30 June 2011: S\$73,450,000) and 393,781,089 (30 June 2011: 393,781,089) ordinary shares.

The net asset value per share of the Company has been calculated based on equity attributable to shareholders of \$31,167,000 (30 June 2011: S\$31,092,000) and 393,781,089 (30 June 2011: 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 ended 30 September 2011**

Revenue fell by 53.9% to \$14.6 million due to a significant drop in export sales.

Gross profit margin rose to 13.4% from 12.3% due to better inventory cost control, higher margin product mix and better product pricing.

Other income reduced by 18.6% to \$2.0 million due mainly to the decrease in rental income as the property generating the rental income was disposed in 2QFY11 and no reversal of impairment in inventories was made compared to \$96,000 in 1QFY11.

Distribution and marketing expenses were down 44.8% to \$0.15 million as a result of the reduction in carriage and freight expenses arising from lower export sales and more exports on ex-works freight terms.

Administrative expenses decreased by 24.5% to \$1.65 million due mainly to lower manpower costs and depreciation expenses.

Other operating expenses increased by 12.2% to \$1.7 million due mainly to foreign exchange losses.

Finance cost decreased 55.1% to \$0.1 million due to reduction in bank borrowings.

Hence, Group net profit after tax reduced 84.9% to \$0.3 million from \$2.0 million.



## STATEMENT OF FINANCIAL POSITION REVIEW

Shareholders' equity was steady at \$73.8 million compared to \$73.5 million in the previous quarter.

Trade and other receivables increased 29.2% to \$12.2 million due to longer accounts receivable cycles. Cash and cash equivalents decreased 24.5% to \$22.8 million as more cash was used in operating activities and for repayment of bank borrowings. Total assets was at \$116.0 million compared to \$120.1 million in the previous quarter.

Total liabilities decreased 9.5% to \$42.2 million due mainly to reduction in trade and other payables and bank borrowings.

## STATEMENT OF CASH FLOW REVIEW

Net cash used in operating activities was \$6.4 million due mainly to lower profits, higher inventories and reduction in trade and other payables.

Net cash generated from investing activities declined 76.3% \$0.5 million due mainly to foreign exchange losses.

Net cash used in financing activities was \$1.5 million due mainly to repayment of 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 global economy is facing strong headwinds in the form of slower growth, fiscal uncertainties and volatile financial and foreign exchange markets. Admst the deteriorating environment, metal prices have continued to be volatile.

The Group will continue to face pricing and margin pressures given the keener competition in the global recycling market and steel products trading business. It will continue to diversify business risks through acquisitions of new and strategic businesses that can provide the Group with a more stable income stream and access to new markets.

Barring unforeseen circumstances, the Group expects its profitability for this financial year to be significantly lower than that of the previous financial year.

**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**

Not applicable

**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 an interested person transaction ("IPT") mandate.

**14 Use of warrants proceeds**

The warrants proceeds have not been utilised and are placed as deposits with financial institutions, pending deployment for repayment of the Group's borrowings, to fund working capital and/or such other purposes as the Directors may deem fit.

**15 Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the SGX-ST**

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 quarter ended 30 September 2011, to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

ANG YU SENG  
CEO/ EXECUTIVE DIRECTOR  
10 November 2011