

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013

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

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

Consolidated Income Statement

	Group		Increase/ (Decrease) %
	First quarter ended		
	30/09/2013	30/09/2012	
	S\$'000	S\$'000	
Revenue	17,607	16,768	5
Cost of sales	(14,112)	(13,412)	5
Gross profit	3,495	3,356	4
Other operating income	69	12	475
Distribution costs	(1,305)	(1,100)	19
Administrative expenses	(795)	(786)	1
Other operating expenses	-	(273)	(100)
Results from operating activities	1,464	1,209	21
Net finance income	77	46	67
Profit before tax	1,541	1,255	23
Tax expense	(340)	(267)	27
Net profit for the quarter	1,201	988	22

1(a)(ii) Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<u>Group</u>		Increase/ (Decrease) %
	First quarter ended		
	30/09/2013 S\$'000	30/09/2012 S\$'000	
Net profit for the quarter	1,201	988	22
Other comprehensive income:			
Foreign currency translation for foreign operations	11	(42)	NA
Total comprehensive income for the quarter	1,212	946	28
Attributable to:			
Equity holders of the Company	1,212	946	28
Total comprehensive income for the quarter	1,212	946	28

1(a)(ii) Net profit for the period has been arrived at after crediting/(charging) the following:

	<u>Group</u>	
	First quarter ended	
	30/09/2013 S\$'000	30/09/2012 S\$'000
Depreciation of property, plant and equipment	(227)	(221)
Foreign exchange gain/(loss), net	50	(270)
Net finance income	77	46
Reversal of allowance for doubtful debts – trade, net	6	-
Reversal of inventory allowance, net	4	60

b)(i) *A balance sheet (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	
	30/09/2013	30/06/2013	30/09/2013	30/06/2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	8,304	8,276	8,043	8,059
Investment in subsidiaries	-	-	4,607	4,607
Other financial assets	5,152	5,191	5,152	5,191
Deferred tax assets	-	5	-	23
	13,456	13,472	17,802	17,880
Current assets				
Inventories	40,562	36,415	36,494	32,700
Trade and other receivables	18,741	19,625	19,381	20,208
Cash and cash equivalents	21,352	23,048	20,463	21,686
	80,655	79,088	76,338	74,594
Total assets	94,111	92,560	94,140	92,474
Equity attributable to equity holders of the Company				
Share capital	45,750	45,750	45,750	45,750
Revaluation reserve	1,860	1,860	1,860	1,860
Currency translation reserve	71	60	-	-
Retained earnings	41,707	40,506	41,938	40,701
Total equity	89,388	88,176	89,548	88,311
Current liabilities				
Trade and other payables	3,527	3,518	3,470	3,326
Current tax liabilities	1,158	866	1,102	837
	4,685	4,384	4,572	4,163
Deferred tax liabilities	38	-	20	-
Total liabilities	4,723	4,384	4,592	4,163
Total equity and liabilities	94,111	92,560	94,140	92,474

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

The Group and the Company did not have any borrowings as at 30 September 2013 and 30 June 2013.

- 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 Statement of Cash Flows

	Group	
	First quarter ended	
	30/09/2013 S\$'000	30/09/2012 S\$'000
Cash flows from operating activities		
Profit after income tax	1,201	988
Adjustments for :		
Depreciation of property, plant and equipment	227	221
Net finance income	(77)	(46)
Income tax expense	340	267
Operating cash flows before working capital changes	1,691	1,430
Change in operating assets and liabilities:		
Trade and other receivables	884	1,325
Trade and other payables	9	(67)
Inventories	(4,147)	870
Cash (used in) / generated from operations	(1,563)	3,558
Interest received	116	46
Income tax paid	(5)	-
Net cash (used in) / generated from operating activities	(1,452)	3,604
Cash flows from investing activities		
Purchase of property, plant and equipment	(255)	(13)
Net cash used in investing activities	(255)	(13)
Net (decrease) / increase in cash and cash equivalents	(1,707)	3,591
Cash and cash equivalents at beginning of the period	23,048	32,569
Effect of exchange rate fluctuations	11	(42)
Cash and cash equivalents at end of financial period	21,352	36,118
Cash and cash equivalents comprise:		
Cash and bank balances	11,352	24,118
Short-term bank deposits	10,000	12,000
	21,352	36,118

- 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.*

Consolidated Statement of Changes in Equity for the Group

	Share capital S\$'000	Revaluation reserve S\$'000	Translation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 July 2013	45,750	1,860	60	40,506	88,176
Total comprehensive income for the quarter ended 30 September 2013	-	-	11	1,201	1,212
Balance as at 30 September 2013	45,750	1,860	71	41,707	89,388
Balance as at 1 July 2012	45,750	1,860	29	40,654	88,293
Total comprehensive income for the quarter ended 30 September 2012	-	-	(42)	988	946
Balance as at 30 September 2012	45,750	1,860	(13)	41,642	89,239

Statement of Changes in Equity for the Company

	Share capital S\$'000	Revaluation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
Balance as at 1 July 2013	45,750	1,860	40,701	88,311
Total comprehensive income for the quarter ended 30 September 2013	-	-	1,237	1,237
Balance as at 30 September 2013	45,750	1,860	41,938	89,548
Balance as at 1 July 2012	45,750	1,860	40,882	88,492
Total comprehensive income for the quarter ended 30 September 2012	-	-	945	945
Balance as at 30 September 2012	45,750	1,860	41,827	89,437

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

There was no change in the share capital of the Company during the period reported on. There were no outstanding convertibles as at 30 September 2013 and 30 September 2012.

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:*

	As at 30/09/2013	As at 30/06/2013
Number of shares in issue	222,000,000	222,000,000

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 report 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 or 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.

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 preparation of the financial statements for the current financial period as those of the audited financial statements for the financial year ended 30 June 2013.

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 Share

	<u>Group</u>	
	First quarter ended	
	30/09/2013	30/09/2012
Earnings per share (cents)		
(a) based on weighted average number of shares in issue	0.54	0.45
(b) on a fully diluted basis	0.54	0.45
Weighted average number of shares in issue	222,000,000	222,000,000

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 financial period reported on; and*
 (b) *immediately preceding financial year.*

Net Asset Value per Share

	<u>Group</u>		<u>Company</u>	
	30/09/2013	30/06/2013	30/09/2013	30/06/2013
Net asset value per share based on issued share capital (cents)	40.3	39.7	40.3	39.8
Number of shares in issue	222,000,000	222,000,000	222,000,000	222,000,000

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 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 and liabilities of the group during the current financial period reported on.*

Consolidated Income Statement for the first quarter ended 30 September 2013

Revenue for the first quarter ended 30 September 2013 ("1Q2014") increased by 5% to \$17.61 million compared with \$16.77 million posted in the corresponding quarter of the preceding year ("1Q2013"). The increase was mainly attributed to marginal increase in sales volume and changes in product mix.

Other operating income was higher largely due to foreign currency exchange gain recorded in 1Q2014. Other operating expense for 1Q2014 was nil whereas there was a foreign currency exchange loss of \$270,000 in 1Q2013. Net financial income was higher mainly due to interest income derived from the bond investments in 1Q2014 (1Q2013: nil).

Distribution costs were higher mainly due to increase in manpower costs and marketing activities.

The above contributed to a higher net profit for the quarter.

Statements of Financial Position and Cash Flows

The Group continued to replenish its inventories during the quarter, thereby raising the inventory level to \$40.56 million from \$36.42 million a quarter ago.

Cash and cash equivalents decreased to \$21.35 million (30 June 2013: \$23.05 million) largely due to increase in inventory purchases, which also resulted in net cash used in operating activities of \$1.45 million for 1Q2014 versus net cash generated from operating activities of \$3.60 million for 1Q2013.

Purchase of property, plant and equipment was higher at \$255,000 in 1Q2014 compared with \$13,000 in 1Q2013 mainly due to installation of storage facilities at the warehouse.

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.*

Price of stainless steel continues to be low. Customer demand is stable but keen price competition remains. Market condition is expected to remain challenging.

11. *Dividend*

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

(e) The date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined:

Not applicable

12. *If no dividend has been declared (recommended), a statement to that effect.*

No dividend has been declared or recommended for the quarter ended 30 September 2013.

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, a statement to that effect.*

The Company does not have any general mandate from shareholders pursuant to Rule 920.

Confirmation by Directors

Pursuant to Rule 705(5) of the Listing Manual, we, the undersigned, on behalf of the Board of Directors of the Company, confirm that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the first quarter ended 30 September 2013 to be false or misleading in any material aspect.

Kua Ghim Siong
Director / Chief Executive Officer

Kua Chee Seng
Director

BY ORDER OF THE BOARD

Kua Ghim Siong
Director / Chief Executive Officer

4 November 2013