

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 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					
	Third quarter ended		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
	31/03/2013	31/03/2012		31/03/2013	31/03/2012	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	13,530	16,339	(17)	43,736	44,573	(2)
Cost of sales	(10,478)	(12,545)	(16)	(34,286)	(33,951)	1
<b>Gross profit</b>	<b>3,052</b>	<b>3,794</b>	(20)	<b>9,450</b>	<b>10,622</b>	(11)
Other operating income	238	55	333	293	167	75
Distribution costs	(1,173)	(1,195)	(2)	(3,367)	(3,454)	(3)
Administrative expenses	(694)	(651)	7	(2,199)	(2,111)	4
Other operating expenses	-	(201)	NM	(177)	(159)	11
<b>Profit before income tax</b>	<b>1,423</b>	<b>1,802</b>	(21)	<b>4,000</b>	<b>5,065</b>	(21)
Income tax expense	(229)	(229)	-	(760)	(894)	(15)
<b>Net profit for the period</b>	<b>1,194</b>	<b>1,573</b>	(24)	<b>3,240</b>	<b>4,171</b>	(22)
<b>Earnings per share</b>						
Basic (cents)	0.54	0.71		1.46	1.88	
Diluted (cents)	0.54	0.71		1.46	1.88	

**1(a)(ii) Consolidated Statement of Comprehensive Income**

	<b>Group</b>					
	<b>Third quarter ended</b>		<b>Increase/ (Decrease)</b>	<b>Nine months ended</b>		<b>Increase/ (Decrease)</b>
	<b>31/03/2013</b>	<b>31/03/2012</b>		<b>31/03/2013</b>	<b>31/03/2012</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Net profit for the period</b>	<b>1,194</b>	<b>1,573</b>	(24)	<b>3,240</b>	<b>4,171</b>	(22)
<b>Other comprehensive income:</b>						
Foreign currency translation differences for foreign operations	45	(9)	NM	15	106	(86)
<b>Total comprehensive income for the period</b>	<b>1,239</b>	<b>1,564</b>	(21)	<b>3,255</b>	<b>4,277</b>	(24)
<b>Attributable to:</b>						
Equity holders of the Company	1,239	1,564		3,255	4,277	
<b>Total comprehensive income for the period</b>	<b>1,239</b>	<b>1,564</b>	(21)	<b>3,255</b>	<b>4,277</b>	(24)

NM: Not meaningful

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

	<b>Group</b>			
	<b>Third quarter ended</b>		<b>Nine months ended</b>	
	<b>31/03/2013</b>	<b>31/03/2012</b>	<b>31/03/2013</b>	<b>31/03/2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Depreciation of property, plant and equipment	(234)	(211)	(680)	(619)
Gain on disposal of property, plant and equipment	53	2	83	2
Foreign exchange gain/(loss), net	109	(114)	(163)	(69)
Interest income on bank and short-term bank deposits	71	32	173	106
Reversal of allowance for doubtful debts - trade	6	15	11	48
Reversal of allowance for inventories, net	39	123	236	193
Inventories written off	(5)	(4)	(156)	(15)

**(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	
	31/03/2013	30/06/2012	31/03/2013	30/06/2012
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	8,350	8,742	8,114	8,424
Investment in subsidiaries	-	-	4,607	4,607
Investment in securities	3,052	-	3,052	-
Deferred tax asset	28	145	28	145
	<u>11,430</u>	<u>8,887</u>	<u>15,801</u>	<u>13,176</u>
<b>Current assets</b>				
Inventories	33,566	31,666	29,593	28,191
Trade and other receivables	17,222	20,082	18,647	20,941
Cash and cash equivalents	29,355	32,569	27,583	31,018
	<u>80,143</u>	<u>84,317</u>	<u>75,823</u>	<u>80,150</u>
<b>Total assets</b>	<b><u>91,573</u></b>	<b><u>93,204</u></b>	<b><u>91,624</u></b>	<b><u>93,326</u></b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	45,750	45,750	45,750	45,750
Revaluation reserve	1,860	1,860	1,860	1,860
Currency translation reserve	44	29	-	-
Retained earnings	39,454	40,654	39,639	40,882
Total equity	<u>87,108</u>	<u>88,293</u>	<u>87,249</u>	<u>88,492</u>
<b>Current liabilities</b>				
Trade and other payables	3,817	3,816	3,756	3,739
Current income tax liability	648	1,095	619	1,095
<b>Total liabilities</b>	<u>4,465</u>	<u>4,911</u>	<u>4,375</u>	<u>4,834</u>
<b>Total equity and liabilities</b>	<b><u>91,573</u></b>	<b><u>93,204</u></b>	<b><u>91,624</u></b>	<b><u>93,326</u></b>

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

The Group and the Company did not have any borrowings as at 31 March 2013 and 30 June 2012.

- 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

	<b>Group</b>			
	<b>Third quarter ended</b>		<b>Nine months ended</b>	
	<b>31/03/2013</b>	<b>31/03/2012</b>	<b>31/03/2013</b>	<b>31/03/2012</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>				
Profit for the period	1,194	1,573	3,240	4,171
<b>Adjustments for :</b>				
Depreciation of property, plant and equipment	234	211	680	619
Gain on disposal of property, plant and equipment	(53)	(2)	(83)	(2)
Interest income	(71)	(32)	(173)	(106)
Income tax expenses	229	229	760	894
Operating cash flows before working capital changes	1,533	1,979	4,424	5,576
Trade and other receivables	(643)	(1,238)	2,860	(1,201)
Trade and other payables	(414)	117	1	(447)
Inventories	(614)	3,452	(1,900)	(2,313)
<b>Cash (used in) / generated from operations</b>	<b>(138)</b>	<b>4,310</b>	<b>5,385</b>	<b>1,615</b>
Interest received	71	32	173	106
Income tax paid	(542)	(354)	(1,090)	(781)
<b>Net cash (used in) / generated from operating activities</b>	<b>(609)</b>	<b>3,988</b>	<b>4,468</b>	<b>940</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	63	8	93	9
Purchase of property, plant and equipment	(157)	(200)	(298)	(653)
Investment in securities	(1,019)	-	(3,052)	-
<b>Net cash used in investing activities</b>	<b>(1,113)</b>	<b>(192)</b>	<b>(3,257)</b>	<b>(644)</b>
<b>Cash flows from financing activities</b>				
Dividend paid	-	-	(4,440)	(4,440)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>(4,440)</b>	<b>(4,440)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,722)</b>	<b>3,796</b>	<b>(3,229)</b>	<b>(4,144)</b>
Cash and cash equivalents at beginning of the period	31,032	28,531	32,569	36,356
Effect of exchange rate fluctuations	45	(9)	15	106
<b>Cash and cash equivalents at end of period</b>	<b>29,355</b>	<b>32,318</b>	<b>29,355</b>	<b>32,318</b>
<b>Cash and cash equivalents comprise:</b>				
Cash and bank balances	17,355	22,318	17,355	22,318
Short-term bank deposits	12,000	10,000	12,000	10,000
	<b>29,355</b>	<b>32,318</b>	<b>29,355</b>	<b>32,318</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 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
<b>Balance as at 1 July 2012</b>	<b>45,750</b>	<b>1,860</b>	<b>29</b>	<b>40,654</b>	<b>88,293</b>
Total comprehensive income for the half year ended 31 December 2012	-	-	(30)	2,046	2,016
Dividend paid	-	-	-	(4,440)	(4,440)
<b>Balance as at 31 December 2012</b>	<b>45,750</b>	<b>1,860</b>	<b>(1)</b>	<b>38,260</b>	<b>85,869</b>
Total comprehensive income for the quarter ended 31 March 2013	-	-	45	1,194	1,239
<b>Balance as at 31 March 2013</b>	<b>45,750</b>	<b>1,860</b>	<b>44</b>	<b>39,454</b>	<b>87,108</b>
<b>Balance as at 1 July 2011</b>	<b>45,750</b>	<b>1,860</b>	<b>(50)</b>	<b>39,541</b>	<b>87,101</b>
Total comprehensive income for the half year ended 31 December 2011	-	-	115	2,598	2,713
Dividend paid	-	-	-	(4,440)	(4,440)
<b>Balance as at 31 December 2011</b>	<b>45,750</b>	<b>1,860</b>	<b>65</b>	<b>37,699</b>	<b>85,374</b>
Total comprehensive income for the quarter ended 31 March 2012	-	-	(9)	1,573	1,564
<b>Balance as at 31 March 2012</b>	<b>45,750</b>	<b>1,860</b>	<b>56</b>	<b>39,272</b>	<b>86,938</b>

**Statement of Changes in Equity for the Company**

	Share capital S\$'000	Revaluation reserve S\$'000	Retained earnings S\$'000	Total S\$'000
<b>Balance as at 1 July 2012</b>	<b>45,750</b>	<b>1,860</b>	<b>40,882</b>	<b>88,492</b>
Total comprehensive income for the half year ended 31 December 2012	-	-	1,979	1,979
Dividend paid	-	-	(4,440)	(4,440)
<b>Balance as at 31 December 2012</b>	<b>45,750</b>	<b>1,860</b>	<b>38,421</b>	<b>86,031</b>
Total comprehensive income for the quarter ended 31 March 2013	-	-	1,218	1,218
<b>Balance as at 31 March 2013</b>	<b>45,750</b>	<b>1,860</b>	<b>39,639</b>	<b>87,249</b>
<b>Balance as at 1 July 2011</b>	<b>45,750</b>	<b>1,860</b>	<b>39,788</b>	<b>87,398</b>
Total comprehensive income for the half year ended 31 December 2011	-	-	2,843	2,843
Dividend paid	-	-	(4,440)	(4,440)
<b>Balance as at 31 December 2011</b>	<b>45,750</b>	<b>1,860</b>	<b>38,191</b>	<b>85,801</b>
Total comprehensive income for the quarter ended 31 March 2012	-	-	1,644	1,644
<b>Balance as at 31 March 2012</b>	<b>45,750</b>	<b>1,860</b>	<b>39,835</b>	<b>87,445</b>

**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 and treasury shares as at 31 March 2013 and 31 March 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:*

	<b>As at 31/03/2013</b>	<b>As at 30/06/2012</b>
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 in respect of the period ended 31 March 2013 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 2012.

**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

	Group		Group	
	Third quarter ended		Nine months ended	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Earnings per share (cents)				
(a) based on weighted average number of shares in issue	0.54	0.71	1.46	1.88
(b) on a fully diluted basis	0.54	0.71	1.46	1.88
Weighted average number of shares in issue	222,000,000	222,000,000	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

	Group		Company	
	31/03/2013	30/06/2012	31/03/2013	30/06/2012
Net asset value per share based on issued share capital (cents)	39.2	39.8	39.3	39.9
Number of shares on 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.*

## REVIEW OF PERFORMANCE

### Statement of Comprehensive Income - For the third quarter ended 31 March 2013 ("3Q2013")

Revenue for 3Q2013 decreased 17% to \$13.53 million from \$16.34 million posted in the corresponding quarter of the preceding year (3Q2012). The decrease was mainly due to lower selling prices, following a decline in the price of nickel over the period. Gross profit amount for the quarter was 20% lower compared with 3Q2012 mainly due to lower revenue, and, to a lesser extent, due to lower reversal of inventory allowances. Gross profit margin remained relatively unchanged for the quarter.

Other operating revenue was higher at \$238,000 (3Q2012: \$55,000) mainly due to foreign exchange gain of \$109,000 (3Q2012: nil), higher gain on disposal of property, plant and equipment of \$53,000 (3Q2012: \$2,000), and higher interest income of \$71,000 (3Q2012: \$32,000).

Other operating expense for 3Q2013 was nil. Other operating expense for 3Q2012 of \$201,000 comprised mainly foreign exchange loss of \$114,000 and a provision for value added taxes amounting to \$82,000 in respect of inventories purchased for our Suzhou subsidiary.

Net profit for the quarter was lower mainly due to lower revenue.

**Statement of Comprehensive Income**  
**- For the nine months ended 31 March 2013**

Revenue for the nine months ended 31 March 2013 ("YTD2013") was marginally lower compared with the corresponding nine months ended 31 March 2012 ("YTD2012"). The gross profit amount and margin for YTD2013 were lower mainly due to certain "project orders" in the first quarter. The gross profit for YTD2013 was adversely affected by the "project orders" because such a type of orders would usually have a gross profit margin significantly lower than normal, resulting in a proportionately higher cost of sales relative to the revenue for YTD2013.

Other operating income was higher at \$293,000 (YTD2012: \$167,000) mainly due to higher gain on disposal of property, plant and equipment and higher interest income.

Other operating expenses was higher at \$177,000 (YTD2012: \$159,000) mainly due to higher foreign exchange loss, which largely arose in the first quarter.

These factors resulted in a lower profit for the nine months ended 31 March 2013 compared with the corresponding period in the previous year.

**Statements of Financial Position and Cash Flows**

Trade and other receivables at of 31 March 2013 were lower at \$17.22 million – down from \$20.08 million outstanding as of 30 June 2012 mainly due to lower sales during the two quarters preceding 31 March 2013 and 30 June 2012 respectively, and lower prepayments to suppliers.

A further investment in bonds amounting to \$1.02 million was made during the quarter in a reputable corporation to provide an improved rate of return for the Group's excess cash.

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

The third quarter ended 31 March 2013 was profitable in line with expectation.

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.*

Business conditions continue to be challenging despite some marginal improvement compared with the preceding quarter this year. Nickel price has been on the downward trend so far this financial year relative to the corresponding period in the previous year. This has led to lower revenue but will enable us to replenish inventories at lower cost going forward.

Market demand remains relatively stable.

The Board expects the Company to remain profitable in the fourth quarter and full year ending 30 June 2013.



**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 31 March 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 third quarter and nine months ended 31 March 2013 to be false or misleading in any material aspect.

Kua Ghim Siong  
Director / Interim Chief Executive Officer

Kua Chee Seng  
Director

BY ORDER OF THE BOARD

Kua Ghim Siong  
Director / Interim Chief Executive Officer

9 May 2013