

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 31 MARCH 2011
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 Statement of Comprehensive Income

	Group					
	FY2011	FY2010	Increase/ (Decrease)	FY2011	FY2010	Increase/ (Decrease)
	Third quarter ended 31/03/2011	31/03/2010*		Nine months ended 31/03/2011	31/03/2010*	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	13,504	11,627	16	37,726	34,798	8
Cost of sales	(10,184)	(9,259)	10	(29,121)	(28,421)	2
Gross profit	3,320	2,368	40	8,605	6,377	35
Other operating income	495	603	(18)	1,288	1,552	(17)
Distribution costs	(1,124)	(905)	24	(3,075)	(2,394)	28
Administrative expenses	(735)	(795)	(8)	(2,298)	(2,272)	1
Other operating expenses	(69)	(41)	68	(838)	(369)	127
Finance costs	-	-	-	-	(4)	N/M
Profit before income tax	1,887	1,230	53	3,682	2,890	27
Income tax expense	(169)	(235)	(28)	(622)	(452)	38
Net Profit for the period	1,718	995	73	3,060	2,438	26
Other comprehensive income:						
Foreign currency translation differences for foreign operations	(21)	-	N/M	(33)	-	N/M
Total comprehensive income for the period	1,697	995	71	3,027	2,438	24
Net Profit attributable to:						
Equity holders of the Company	1,718	995	73	3,060	2,438	26
Total comprehensive income attributable to:						
Equity holders of the Company	1,697	995	71	3,027	2,438	24

* Certain reclassifications have been made to the comparative figures to enhance comparability with the presentation for the current year (see note 13).

N/M: Not meaningful

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

	Group			
	FY2011	FY2010	FY2011	FY2010
	Third quarter ended		Nine months ended	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	S\$'000	S\$'000	S\$'000	S\$'000
Depreciation of property, plant and equipment	(220)	(139)	(518)	(409)
Gain on disposal of property, plant and equipment	-	49	42	49
Foreign exchange (loss)/gain, net	(67)	8	(131)	1
Interest income on bank and short-term bank deposits	36	26	102	55
Interest expense on borrowings	-	- [#]	-	(4)
Allowance for doubtful debts - trade	-	-	(223)	(59)
Reversal of allowance for doubtful debts - trade	10	7	32	111
Bad debts written off - trade	(1)	- [#]	(1)	- [#]
Allowance for damaged/obsolete inventories	-	(42)	(52)	(103)
Reversal of allowance for damaged/obsolete inventories	79	55	263	166
Allowance for inventory write-down	-	-	(421)	(200)
Reversal of allowance for inventory write-down	364	415	842	984
Inventories written off	(2)	(7)	(19)	(7)
Inventories written back	-	25	-	55

[#] denotes amount less than \$1,000

- (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	
	31/03/2011 S\$'000	30/06/2010 S\$'000	31/03/2011 S\$'000	30/06/2010 S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	37,796	39,805	33,665	38,786
Trade receivables	12,909	13,074	12,980	13,074
Other receivables, deposits and prepayments	363	172	241	195
Inventories	29,285	28,322	28,904	28,322
	80,353	81,373	75,790	80,377
Non-current assets				
Property, plant and equipment	8,852	8,168	8,635	8,168
Deferred income tax asset	79	275	79	275
Investment in a subsidiary	-	-	5,000	1,000
	8,931	8,443	13,714	9,443
Total assets	89,284	89,816	89,504	89,820
LIABILITIES				
Current liabilities				
Trade payables	2,542	1,878	2,542	1,878
Other payables	1,392	1,010	1,384	1,010
Current income tax liability	498	663	498	663
	4,432	3,551	4,424	3,551
Total liabilities	4,432	3,551	4,424	3,551
NET ASSETS	84,852	86,265	85,080	86,269
EQUITY				
Capital and reserves 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	(33)	-	-	-
Retained earnings	37,275	38,655	37,470	38,659
TOTAL EQUITY	84,852	86,265	85,080	86,269

- 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 2011 and 30 June 2010.

- 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			
	FY2011 Third quarter ended 31/03/2011 S\$'000	FY2010 31/03/2010 S\$'000	FY2011 Nine months ended 31/03/2011 S\$'000	FY2010 31/03/2010 S\$'000
Cash flows from operating activities				
Profit before income tax	1,887	1,230	3,682	2,890
Adjustments for :				
Depreciation of property, plant and equipment	220	139	518	409
Gain on disposal of property, plant and equipment	-	(49)	(42)	(49)
Interest expense	-	- [#]	-	4
Interest income	(36)	(26)	(102)	(55)
Operating cash flows before working capital changes	2,071	1,294	4,056	3,199
Change in operating assets and liabilities				
Trade receivables	(1,050)	(754)	165	(1,281)
Other receivables, deposits and prepayments	(129)	(282)	(191)	(278)
Trade payables	1,105	(1,285)	664	(714)
Other payables	784	196	382	(33)
Inventories	(485)	1,711	(963)	4,084
Cash generated from operations	2,296	880	4,113	4,977
Interest received	36	26	102	58
Interest paid	-	- [#]	-	(4)
Income tax paid	(291)	(659)	(591)	(742)
Net cash generated from operating activities	2,041	247	3,624	4,289
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	49	91	49
Purchase of property, plant and equipment	(84)	(131)	(1,251)	(195)
Net cash used in investing activities	(84)	(82)	(1,160)	(146)
Cash flows from financing activities				
Dividend paid	-	-	(4,440)	(2,220)
Net cash used in financing activities	-	-	(4,440)	(2,220)
Net increase in cash and cash equivalents	1,957	165	(1,976)	1,923
Cash and cash equivalents at beginning of the period	35,860	35,430	39,805	33,672
Effect of exchange rate fluctuations	(21)	-	(33)	-
Cash and cash equivalents at end of financial period	37,796	35,595	37,796	35,595
Cash and cash equivalents comprise:				
Cash and bank balances	27,796	15,595	27,796	15,595
Short-term bank deposits	10,000	20,000	10,000	20,000
	37,796	35,595	37,796	35,595

[#] Denotes amount less than \$1,000

- 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 2010	45,750	1,860	-	38,655	86,265
Total comprehensive income for the period ended 31 December 2010	-	-	(12)	1,342	1,330
Dividend paid	-	-	-	(4,440)	(4,440)
Balance as at 31 December 2010	45,750	1,860	(12)	35,557	83,155
Total comprehensive income for the quarter ended 31 March 2011	-	-	(21)	1,718	1,697
Balance as at 31 March 2011	45,750	1,860	(33)	37,275	84,852

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 2010	45,750	1,860	38,659	86,269
Total comprehensive income for the period ended 31 December 2010	-	-	1,463	1,463
Dividend paid	-	-	(4,440)	(4,440)
Balance as at 31 December 2010	45,750	1,860	35,682	83,292
Total comprehensive income for the quarter ended 31 March 2011	-	-	1,788	1,788
Balance as at 31 March 2011	45,750	1,860	37,470	85,080
Balance as at 1 July 2009	45,750	1,461	37,141	84,352
Total comprehensive income for the period ended 31 December 2009	-	-	1,443	1,443
Dividend paid	-	-	(2,220)	(2,220)
Balance as at 31 December 2009	45,750	1,461	36,364	83,575
Total comprehensive income for the quarter ended 31 March 2010	-	-	995	995
Balance as at 31 March 2010	45,750	1,461	37,359	84,570

- 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 31 March 2011 and 31 March 2010.

- 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 31/03/2011	As at 30/06/2010
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 third quarter ended 31 March 2011 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 2010.

- 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	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010
Earnings per share (cents)				
(a) based on weighted average number of shares in issue	0.77	0.45	1.38	1.10
(b) on a fully diluted basis	0.77	0.45	1.38	1.10
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	
	31/03/2011	30/06/2010	31/03/2011	30/06/2010
Net asset value per share based on issued share capital (cents)	38.2	38.9	38.3	38.9
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 2011

Group revenue rose 16% to \$13.5 million in the third quarter ended 31 March 2011 ("3Q2011") compared with the corresponding quarter of the preceding financial year ("3Q2010"). Net profit grew 73% to \$1.7 million in 3Q2011.

The increase in revenue was attributed to 22% increase in sales volume after being offset by 5% reduction in average sales price in 3Q2011 compared with 3Q2010.

Gross profit margin improved significantly to 25% (3Q2010: 20%) mainly due to reduction in average cost price of 10%. The greater proportion in reduction in average cost price relative to the reduction in average selling price contributed to the improvement in gross profit margin.

Distribution costs were higher in line with higher sales. Administrative expenses were lower because an allowance for unconsumed leave was accrued in 3Q2010 but no such accrual was required for 3Q2011.

Other operating income was lower at \$495,000 compared with \$603,000 in 3Q2010. This was mainly because there was a gain on disposal of property, plant and equipment in 3Q2010 but none in 3Q2011, and also due to lower reversal of allowance for inventory write-down of \$364,000 (3Q2010: \$415,000).

Other operating expenses were higher mainly due to higher depreciation and foreign exchange loss, after being offset by reduction in allowance for damaged/obsolete inventories.

Statement of Comprehensive Income - For the nine months ended 31 March 2011

Group revenue for the nine months ended 31 March 2011 ("YTD2011") was 8% higher compared with the corresponding period of the preceding year ("YTD2010"). Net profit achieved was \$3.1 million, an increase of 26% over the same period last year.

Sales volume rose 18% compared with YTD2010 whilst both the average selling price and average cost price decreased over the same period. However, the average cost price decreased by a more significant proportion than the average selling price. These contributed to the higher gross profit of \$8.6 million (YTD2010: \$6.4 million) as well as improved gross profit margin of 23% (YTD2010: 18%) for the period under review.

Distribution costs were higher generally in line with higher sales, expenses for the China subsidiary which commenced operations this year and increased manpower costs.

Other operating income was lower mainly due to lower reversal of inventory write-down of \$842,000 (YTD2010: \$984,000) and lower reversal of allowance for doubtful debts of \$32,000 (YTD2010: \$111,000), as offset by increased reversal of allowance for damaged/obsolete inventories of \$263,000 (YTD2010: \$166,000).

Other operating expenses were higher largely due to increases in allowance for inventory write-down \$421,000 (YTD2010: \$200,000), allowance for doubtful debts of \$223,000 (YTD2010: \$59,000), foreign exchange loss of \$131,000 (YTD2010: exchange gain of \$1,000), after being offset by lower allowance for damaged/obsolete inventories of \$52,000 (YTD2010: \$103,000).

Statements of Financial Position and Cash Flows

The Group continued to generate a positive working capital for the quarter ended 31 March 2011.

Net cash generated from operating activities in 3Q2011 was higher at \$2.0 million compared with \$247,000 in 3Q2010 mainly due to the higher profit for the quarter under review.

For the nine months ended 31 March 2011, net cash generated from operating activities was \$3.6 million (YTD2010: \$4.3 million) largely due to inventory replenishments.

Dividend paid in YTD2011 was \$4.4 million whilst \$2.2 million was paid in the same period last year.

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 of FY2011 remained 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.*

As anticipated in the results announcement dated 9 February 2011 for the preceding quarter, demand did increase in the 3Q2011 to compensate for the reduced demand in 2Q2011 due to the extended holiday breaks, and margins did improve as expected due to the increase in nickel prices.

The Ministry of Trade and Industry had, in a Press Release dated 17 February 2011, stated that the Singapore economy is expected to grow by 4% to 6% in 2011. This is a positive indicator of demand for the company's products. However, with the volatility in the hard commodities market, a price decline in the next quarter is possible, as reported in the MEPS Steel News (dated 1 March 2011). This may affect the margin for the company's products.

The earthquake and tsunami in Japan have led to some disruption to supplies of stainless steel in Asia. However, there is unlikely to be any severe shortage as the political unrest in North Africa and the Middle East has led to a reduction in consumption.

Based on the foregoing, the directors expect the fourth quarter and FY2011 to remain profitable.

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

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 2011.

13. Certain reclassifications have been made to the comparative figures to enhance comparability with current period's presentation. As a result, certain line items have been amended on the statement of comprehensive income.

The items reclassified on the face of the Statement of Comprehensive Income are as follows:

	Third quarter ended 31/03/2010		Nine months ended 31/03/2010	
	Previously reported	After reclassifi- cation	Previously reported	After reclassifi- cation
	S\$'000	S\$'000	S\$'000	S\$'000
Administrative expenses	(778)	(795)	(2,222)	(2,272)
Finance Costs	(17)	-	(54)	(4)

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 ended 31 March 2011 to be false or misleading in any material aspect.

Lim Lian Soon
Chief Executive Officer

Kua Chee Meng
Director

BY ORDER OF THE BOARD

Lim Lian Soon
Chief Executive Officer

11 May 2011