

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND YEAR ENDED 30 JUNE 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 Income Statement

	Group					
	FY2011	FY2010	Increase/ (Decrease)	FY2011	FY2010	Increase/ (Decrease)
	Fourth quarter ended 30/06/2011	30/06/2010*		Year ended 30/06/2011	30/06/2010*	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Revenue	14,974	13,577	10	52,700	48,375	9
Cost of sales	(10,894)	(10,537)	3	(39,403)	(38,063)	4
Gross profit	4,080	3,040	34	13,297	10,312	29
Other operating income	223	49	355	210	336	(38)
Distribution costs	(910)	(843)	8	(3,985)	(3,237)	23
Administrative expenses	(738)	(679)	9	(3,036)	(2,951)	3
Other operating expenses	(32)	(7)	357	(181)	(6)	2,917
Finance costs	-	-	-	-	(4)	N/M
Profit before income tax	2,623	1,560	68	6,305	4,450	42
Income tax expense	(357)	(264)	35	(979)	(716)	37
Net Profit for the period	2,266	1,296	75	5,326	3,734	43

* 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

Consolidated statement of comprehensive income

	Group					
	FY2011		FY2010			
	Fourth quarter ended		Increase/		Year ended	
	30/06/2011	30/06/2010	(Decrease)	30/06/2011	30/06/2010	Increase/
S\$'000	S\$'000	%	S\$'000	S\$'000	(Decrease)	
Net Profit for the period	2,266	1,296	75	5,326	3,734	43
Other comprehensive income:						
Foreign currency translation differences arising from consolidation	(17)	-	N/M	(50)	-	N/M
Revaluation on property, plant and equipment	-	399	N/M	-	399	N/M
Total comprehensive income for the period	2,249	1,695	33	5,276	4,133	28
Attributable to:						
Equity holders of the Company	2,249	1,695	33	5,276	4,133	28
Total comprehensive income for the period	2,249	1,695	33	5,276	4,133	28

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

	Group			
	FY2011		FY2010	
	Fourth quarter ended		Year ended	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
S\$'000	S\$'000	S\$'000	S\$'000	
Depreciation of property, plant and equipment	(164)	(139)	(682)	(548)
Gain on disposal of property, plant and equipment	11	-	53	49
Foreign exchange loss, net	(30)	(7)	(160)	(6)
Interest income on bank and short-term bank deposits	41	34	142	89
Interest expense on borrowings	-	-	-	(4)
Reversal/(Allowance) for doubtful debts - trade	170	4	(19)	56
Reversal/(Allowance) for inventories, net	95	(155)	727	698

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	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	8,770	8,168	8,568	8,168
Investment in subsidiaries	–	–	5,000	1,000
Deferred tax assets	164	275	164	275
	<u>8,934</u>	<u>8,443</u>	<u>13,732</u>	<u>9,443</u>
Current assets				
Inventories	30,880	28,322	29,887	28,322
Trade and other receivables	15,618	13,246	15,217	13,269
Cash and cash equivalents	36,356	39,805	32,923	38,786
	<u>82,854</u>	<u>81,373</u>	<u>78,027</u>	<u>80,377</u>
Total assets	<u>91,788</u>	<u>89,816</u>	<u>91,759</u>	<u>89,820</u>
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	(50)	–	–	–
Retained earnings	39,541	38,655	39,788	38,659
Total equity	<u>87,101</u>	<u>86,265</u>	<u>87,398</u>	<u>86,269</u>
Current liabilities				
Trade and other payables	3,747	2,888	3,421	2,888
Current tax liability	940	663	940	663
	<u>4,687</u>	<u>3,551</u>	<u>4,361</u>	<u>3,551</u>
Total liabilities	<u>4,687</u>	<u>3,551</u>	<u>4,361</u>	<u>3,551</u>
Total equity and liabilities	<u>91,788</u>	<u>89,816</u>	<u>91,759</u>	<u>89,820</u>

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 June 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 Fourth quarter ended 30/06/2011 S\$'000	FY2010 30/06/2010 S\$'000	FY2011 Year ended 30/06/2011 S\$'000	FY2010 30/06/2010 S\$'000
Cash flows from operating activities				
Profit before income tax	2,623	1,560	6,305	4,450
Adjustments for :				
Depreciation of property, plant and equipment	164	139	682	548
Gain on disposal of property, plant and equipment	(11)	-	(53)	(49)
Interest expense	-	- [#]	-	4
Interest income	(40)	(34)	(142)	(89)
Operating cash flows before working capital changes	2,736	1,665	6,792	4,864
Change in operating assets and liabilities				
Trade and other receivables	(2,346)	(276)	(2,372)	(1,832)
Trade and other payables	(187)	1,124	859	377
Inventories	(1,595)	2,238	(2,558)	6,322
Cash (used in) / generated from operations	(1,392)	4,751	2,721	9,731
Interest received	40	34	142	89
Interest paid	-	- [#]	-	(4)
Income tax paid	-	-	(591)	(742)
Net cash (used in) / generated from operating activities	(1,352)	4,785	2,272	9,074
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	40	-	131	49
Purchase of property, plant and equipment	(111)	(575)	(1,362)	(770)
Net cash used in investing activities	(71)	(575)	(1,231)	(721)
Cash flows from financing activities				
Dividend paid	-	-	(4,440)	(2,220)
Net cash used in financing activities	-	-	(4,440)	(2,220)
Net (decrease) / increase in cash and cash equivalents	(1,423)	4,210	(3,399)	6,133
Cash and cash equivalents at beginning of the period	37,796	35,595	39,805	33,672
Effect of exchange rate fluctuations	(17)	-	(50)	-
Cash and cash equivalents at end of financial period	36,356	39,805	36,356	39,805
Cash and cash equivalents comprise:				
Cash and bank balances	26,356	39,805	26,356	39,805
Short-term bank deposits	10,000	-	10,000	-
	36,356	39,805	36,356	39,805

[#] 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 March 2011	-	-	(33)	3,060	3,027
Dividend paid	-	-	-	(4,440)	(4,440)
Balance as at 31 March 2011	45,750	1,860	(33)	37,275	84,852
Total comprehensive income for the quarter ended 30 June 2011	-	-	(17)	2,266	2,249
Balance as at 30 June 2011	45,750	1,860	(50)	39,541	87,101

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 2009	45,750	1,461	37,141	84,352
Total comprehensive income for the period ended 31 March 2010	-	-	2,438	2,438
Dividend paid	-	-	(2,220)	(2,220)
Balance as at 31 March 2010	45,750	1,461	37,359	84,570
Total comprehensive income for the quarter ended 30 June 2010	-	399	1,300	1,699
Balance as at 30 June 2010	45,750	1,860	38,659	86,269
Balance as at 1 July 2010	45,750	1,860	38,659	86,269
Total comprehensive income for the period ended 31 March 2011	-	-	3,251	3,251
Dividend paid	-	-	(4,440)	(4,440)
Balance as at 31 March 2011	45,750	1,860	37,470	85,080
Total comprehensive income for the quarter ended 30 June 2011	-	-	2,318	2,318
Balance as at 30 June 2011	45,750	1,860	39,788	87,398

- 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 June 2011 and 30 June 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 30/06/2011	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 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	
	Fourth quarter ended		Year ended	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
Earnings per share (cents)				
(a) based on weighted average number of shares in issue	1.02	0.58	2.40	1.68
(b) on a fully diluted basis	1.02	0.58	2.40	1.68
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	
	30/06/2011	30/06/2010	30/06/2011	30/06/2010
Net asset value per share based on issued share capital (cents)	39.2	38.9	39.4	38.9
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 fourth quarter ended 30 Jun 2011

The Group achieved a net profit of \$2.3 million for the fourth quarter ended 30 June 2011 ("4Q2011") compared with \$1.3 million posted in the corresponding period ended 30 June 2010 ("4Q2010").

Revenue for the quarter was \$15 million - 10% higher than the \$13.6 million recorded in 4Q2010. The increase in revenue was mainly attributed to higher sales volume coupled with an increase in average selling price of the products. The average cost price was approximately at the same level as in 4Q2010. These collectively contributed to an increase in gross profit.

Distribution costs were generally higher in line with higher sales. In addition, the increased distribution costs and administration expenses were also due to increased manpower costs and the new operations in Suzhou, PRC which commenced business activities during the year.

Other operating income was higher at \$223,000 compared with \$49,000 in 4Q2010 largely due to reversal of allowance for doubtful debts of \$173,000 most of which were recorded in "other operating

expenses" in the earlier quarters within FY2011. Other operating expenses were higher at \$32,000 (4Q2010: \$7,000) mainly due to foreign exchange loss.

Allowances for inventory write-down and damaged/obsolete inventories as well as any reversals thereof, which were previously included in "other operating income" or "other operating expenses", have been reclassified and included in cost of sales. Any movement of such allowances or reversals in a period henceforth would be reflected in the cost of sales and the gross profit on a net basis.

Consolidated Income Statement for the year ended 30 June 2011

During the year ended 30 June 2011 (FY2011), the Group posted a revenue of \$52.7 million. This was 9% higher compared with \$48.4 million recorded in the preceding year ("FY2010"). The bulk of the increase was from the "trading and others" segment and the "processing and machining" segment, which collectively rose 24.8% compared with the preceding year. Revenue from the marine and shipbuilding industry, however, declined.

Net profit at \$5.3 million was 43% higher than the \$3.7 million registered in FY2010.

Sales volume for FY2011 increased by 14% over FY2010. The average selling price and average cost price of the products decreased by 4% and 9% respectively compared with FY2010. The average cost price decreased proportionately more than the decrease in average selling price, contributing to an overall improvement in the gross profit margin.

Distribution costs were higher generally in line with higher sales and also due to increased manpower costs and the new operations in Suzhou, which commenced business activities during the year.

Other operating income for the year was \$210,000 (FY2010: \$336,000). The lower operating income was mainly due to lower reversal of allowance for doubtful debts and also because grants previously received under the jobs credit scheme ceased in the early part of FY2011.

Other operating expenses were higher at \$181,000 (FY2010: \$6,000) mainly due to higher foreign exchange loss and allowance for doubtful debts.

As the allowances for inventory write-down and damaged/obsolete inventories as well as any reversals thereof have been reclassified and included in cost of sales, any movement of such allowances or reversals during the period henceforth would be reflected in the cost of sales and the gross profit on a net basis.

Statements of Financial Position and Cash Flows

Cash generated from operations in 4Q2011 was a negative \$1.4 million compared with a positive \$4.8 million in 4Q2010. For the full year, this was \$2.7 million (FY2010: \$9.7 million). The disparities were mainly due to working capital changes relative to the levels of business activities between the respective periods.

Sales revenue in FY2009 at \$54.4 million decreased to \$48.4 million in FY2010, but increased to \$52.7 million in FY2011 as business activities picked up. Hence, inventories were correspondingly curtailed in FY2010 due to lower demand for the products, but replenished in FY2011 as market conditions improved, resulting in the change of inventory levels.

The higher trade receivables at the end of FY2011 were mainly because of increased sales revenue, especially during the fourth quarter of FY2011, resulting in a more significant impact in terms of changes in working capital and hence cash flows from operations.

The Group invested a total of \$1.4 million (FY2010: \$770,000) in capital expenditure during the year. This included the facility set-up at Suzhou, completion of warehouse extension at 32 Gul Circle Singapore as well as replacements of certain plant, property and equipment.

Dividend paid in FY2011 was \$4.4 million whilst \$2.2 million was paid in FY2010.

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

The fourth 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.*

Although the Singapore and regional economies have rebounded during the year, the debt crises in the Euro zone and the United States have cast an uncertainty over the global economy.

We have to distinguish between the financial market and the real economy. However, turmoils in the former will have an unavoidable impact on the latter. The Ministry of Trade and Industry has revised its 2011 forecast from an earlier 5-7% growth range to 5-6%. According to World Steel Association, steel demand in Asia is expected to grow at a moderate pace in 2011 and 2012. As the Group's business generally depends on the levels of economic activities prevailing in Singapore and the ASEAN countries, the directors expect the financial year ending 30 June 2012 to be profitable unless the financial market causes an unexpected serious negative impact on the region's economy.

11. *Dividend*

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

The Directors recommend a Final one-tier tax-exempt dividend of 1.2 cents per share and a Special one-tier tax-exempt dividend of 0.8 cents per share based on 222,000,000 shares in issue as at 30 June 2011 for shareholders' approval at the forthcoming Annual General Meeting of the Company.

Name of dividend	Final	Special
Dividend type	Cash	Cash
Dividend amount per share	1.2 cents	0.8 cents
Tax rate	One-tier tax exempt	One-tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Name of dividend	Final	Special
Dividend type	Cash	Cash
Dividend amount per share	1 cent	1 cent
Tax rate	One-tier tax exempt	One-tier tax exempt

(c) Date payable

The dividends will be paid on 15 November 2011 subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

(d) Books closure date

3 November 2011

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

Subject to shareholders' approval, the Register of Members and Register of Transfers of the Company will be closed on 3 November 2011 for the purpose of determining shareholders' entitlements to the Final and Special dividends. Registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registrar Services at 8 Cross Street, #11-00, PWC Building, Singapore 048424 up to 5.00 pm on 2 November 2011, will be registered before entitlements to the dividends are determined.

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

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. *Revenue and Results by Business Segments*

The Group has essentially one business or operating segment, which is the trading and sales of stainless steel products, as the risks and returns of the products are substantially similar. These products comprise mainly bars, plates, pipes, tubes and fittings which are stainless steel materials of varying grades and specifications for use in the respective industries to which the Group sells its products. The Group's resource allocation is market-oriented with focus on the respective industries.

Financial year ended 30 June 2011

	Marine and shipbuilding	Oil & gas and petrochemical	Building and construction	Machining and processing	Trading and others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	8,041	5,621	3,056	12,081	23,901	52,700
Segment Results	1,968	1,311	741	3,112	6,165	13,297
Unallocated costs						(7,202)
						6,095
Other operating income						210
Profit before income tax						6,305
Income tax expense						(979)
Net profit for the year						5,326
Assets:						
Trade receivables	2,408	2,225	841	4,040	5,541	15,055
Others - unallocated						76,733
						91,788

Financial year ended 30 June 2010

	Marine and shipbuilding	Oil & gas and petrochemical	Building and construction	Machining and processing	Trading and others	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	9,931	5,848	3,767	9,821	19,008	48,375
Segment Results	1,898	1,289	716	2,425	3,984	10,312
Unallocated costs						(6,194)
						4,118
Other operating income						336
Finance costs						(4)
Profit before income tax						4,450
Income tax expense						(716)
Net profit for the year						3,734
Assets:						
Trade receivables	2,424	1,723	1,254	3,037	4,636	13,074
Others - unallocated						76,742
						89,816

Information on income, expenses, assets and liabilities, other than as identified and allocated to the respective segments, is not provided by segment as it is neither meaningful nor practicable to allocate these items by segment.

Revenue by Geographical Segments

Distribution of revenue based on the geographical location of customers:

	FY2011 S\$'000	FY2010 S\$'000
Singapore	37,748	34,473
ASEAN	12,769	9,959
Others *	2,183	3,943
	52,700	48,375

* Others mainly include Australia, China, Hong Kong and Middle East.

14. *In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments:*

Please refer to paragraph 8.

15. *Breakdown of Revenue*

	FY2011 S\$'000	FY2010 S\$'000	Increase/ (Decrease) %
(a) Revenue reported for first half year	24,222	23,171	5
(b) Profit after income tax reported for first half year	1,330	1,443	(8)
(c) Revenue reported for second half year	28,478	25,204	13
(d) Profit after income tax reported for second half year	3,996	2,291	74

16. *Breakdown of Total Annual Dividend (in dollar value) for the issuer's latest full year and its previous full year.*

	FY2011 S\$'000	FY2010 S\$'000
Final dividend	2,664	2,220
Special dividend	1,776	2,220
Total dividend	4,440	4,440

17. *Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries during the year*

There were no interested person transactions during the year under review.

18. Certain reclassifications have been made to the comparative figures to enhance comparability with the presentation for the current period. As a result, certain line items have been amended in the consolidated income statement.

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

	Fourth quarter ended 30/06/2010		Year ended 30/06/2010	
	Previously reported	After reclassifi- cation	Previously reported	After reclassifi- cation
	S\$'000	S\$'000	S\$'000	S\$'000
Cost of sales	(10,381)	(10,537)	(38,802)	(38,063)
Other operating income	578	49	2,094	336
Other operating expenses	(692)	(7)	(1,025)	(6)

BY ORDER OF THE BOARD

Lim Lian Soon
Chief Executive Officer

24 August 2011