

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 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		
	First quarter ended		Increase/ (Decrease)
	30/09/2011	30/09/2010*	
	S\$'000	S\$'000	%
Revenue	13,927	12,109	15
Cost of sales	(10,373)	(9,703)	7
Gross profit	3,554	2,406	48
Other operating income	45	45	-
Distribution costs	(1,102)	(937)	18
Administrative expenses	(750)	(809)	-7
Other operating expenses	(23)	(151)	-85
Profit before income tax	1,724	554	211
Income tax expense	(327)	(183)	79
Net profit for the period	1,397	371	276

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

Consolidated statement of comprehensive income

	Group		Increase/ (Decrease) %
	FY2011	FY2010	
	First quarter ended 30/09/2011	30/09/2010	
	S\$'000	S\$'000	
Net profit for the period	1,397	371	276
Other comprehensive income:			
Foreign currency translation differences arising from consolidation	73	(17)	N/M
Total comprehensive income for the period	1,470	354	315
Attributable to:			
Equity holders of the Company	1,397	371	276
Total comprehensive income for the period	1,470	354	315

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

	Group	
	First quarter ended	
	30/09/2011	30/09/2010
	S\$'000	S\$'000
Depreciation of property, plant and equipment	(202)	(144)
Foreign exchange gain/(loss), net	4	(56)
Interest income on bank and short-term bank deposits	39	35
Allowance for doubtful debts – trade, net	(22)	(95)
Reversal/(Allowance) for inventory write-down	51	(138)
Reversal/(Allowance) for damaged/obsolete inventories	15	(13)

N/M: Not meaningful

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	
	30/09/2011	30/06/2011	30/09/2011	30/06/2011
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	8,814	8,770	8,516	8,568
Investment in subsidiaries	–	–	5,000	5,000
Deferred tax assets	166	164	166	164
	8,980	8,934	13,682	13,732
Current assets				
Inventories	34,967	30,880	32,584	29,887
Trade and other receivables	14,882	15,618	14,636	15,217
Cash and cash equivalents	34,889	36,356	32,970	32,923
	84,738	82,854	80,190	78,027
Total assets	93,718	91,788	93,872	91,759
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	23	(50)	–	–
Retained earnings	40,938	39,541	41,247	39,788
Total equity	88,571	87,101	88,857	87,398
Current liabilities				
Trade and other payables	3,833	3,747	3,708	3,421
Current tax liability	1,314	940	1,307	940
	5,147	4,687	5,015	4,361
Total liabilities	5,147	4,687	5,015	4,361
Total equity and liabilities	93,718	91,788	93,872	91,759

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 2011 and 30 June 2011.

- 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	
	30/09/2011 S\$'000	30/09/2010 S\$'000
Cash flows from operating activities		
Profit before income tax	1,724	554
Adjustments for :		
Depreciation of property, plant and equipment	202	144
Interest income	(39)	(35)
Operating cash flows before working capital changes	1,887	663
Change in operating assets and liabilities:		
Trade and other receivables	736	1,297
Trade and other payables	86	(9)
Inventories	(4,087)	(1,577)
Cash used in / generated from operations	(1,378)	374
Interest received	39	35
Income tax refund	45	-
Net cash used in / generated from operating activities	(1,294)	409
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	1	-
Purchase of property, plant and equipment	(247)	(493)
Net cash used in investing activities	(246)	(493)
Net decrease in cash and cash equivalents	(1,540)	(84)
Cash and cash equivalents at beginning of the period	36,356	39,805
Effect of exchange rate fluctuations	73	(17)
Cash and cash equivalents at end of financial period	34,889	39,704
Cash and cash equivalents comprise:		
Cash and bank balances	24,889	34,704
Short-term bank deposits	10,000	5,000
	34,889	39,704

- 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 2011	45,750	1,860	(50)	39,541	87,101
Total comprehensive income for the quarter ended 30 September 2011	-	-	73	1,397	1,470
Balance as at 30 September 2011	45,750	1,860	23	40,938	88,571
Balance as at 1 July 2010	45,750	1,860	-	38,655	86,265
Total comprehensive income for the quarter ended 30 September 2010	-	-	(17)	371	354
Balance as at 30 September 2010	45,750	1,860	(17)	39,026	86,619

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 2011	45,750	1,860	39,788	87,398
Total comprehensive income for the quarter ended 30 September 2011	-	-	1,459	1,459
Balance as at 30 September 2011	45,750	1,860	41,247	88,857
Balance as at 1 July 2010	45,750	1,860	38,659	86,269
Total comprehensive income for the quarter ended 30 September 2010	-	-	421	421
Balance as at 30 September 2010	45,750	1,860	39,080	86,690

- 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 2011 and 30 September 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 30/09/2011	As at 30/06/2011
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 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:*

Earnings per Share

	<u>Group</u>	
	First quarter ended	
	30/09/2011	30/09/2010
Earnings per share (cents)		
(a) based on weighted average number of shares in issue	0.63	0.17
(b) on a fully diluted basis	0.63	0.17
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>	
	30/09/2011	30/06/2011	30/09/2011	30/06/2011
Net asset value per share based on issued share capital (cents)	39.9	39.2	40.0	39.4
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 2011

Revenue for the first quarter ended 30 September 2011 ("1Q2012") rose 15% to \$13.9 million from \$12.1 million posted in the corresponding quarter of the preceding year ("1Q2011"). The higher revenue was mainly attributed to increases in sales volume and average selling price, which also contributed to improved gross margin as average cost price for the quarter was approximately the same as in 1Q2011.

Distribution costs were higher generally due to increased sales activities and manpower cost. Other operating expenses for 1Q2012 comprised mainly an allowance for doubtful debts of \$22,000. By comparison, other operating expenses for 1Q2011 comprised an allowance for doubtful debts of \$95,000 and foreign exchange loss of \$56,000.

Income tax expense was higher largely due to higher profit.

Net profit for the quarter improved to \$1.4 million compared with \$371,000 in 1Q2011.

Statements of Financial Position and Cash Flows

The Group made significant replenishment of inventories in 1Q2012 in anticipation of increased business activities. Inventories at the end of the first quarter totalled \$35.0 million compared with \$30.9 million at the end of 1Q2011 – an increase of \$4.1 million.

Cash used in operations in 1Q2012 was a negative \$1.4 million compared with a positive \$374,000 million in 1Q2011. The disparity was mainly due to increased inventory replenishment. This also resulted in a negative \$1.3 million in net cash used in operating activities compared with a positive \$409,000 in net cash generated from operating activities in 1Q2011.

Cash and cash equivalents at the end of 1Q2012 was lower at \$34.9 million, down from \$39.7 million a year ago mainly due to payment of dividend of \$4.4 million in the second quarter of the preceding year.

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 unresolved problems in the Eurozone and the gloom over the global economic prospects have resulted in falling business confidence. With little hope of economic growth in the short term, prices for a number of commodities, including nickel, have slid.

The Ministry of Trade and Industry has in a Press Release (dated 14 October 2011) stated the Singapore economy grew by 5.9% on a year-on-year basis in the third quarter of 2011, and for the year as a whole, GDP growth to be around 5.0%. For the rest of the year, growth could be weighed down by the softening global economic conditions.

The Monetary Authority of Singapore's Macroeconomic Review (dated 27 October 2011) had warned of a bleak outlook due to the near-term weakness of Singapore's key trading partners and worsening global economic and financial turbulence and that growth may slow to below its potential rate of 3% to 5% in 2012. (The foregoing periods referred to are on calendar year basis.)

End-users and traders are more cautious in their buying when expectations are not positive. However, underlying demand is still reasonable despite the fact that there is no permanent solution in sight to lift the global economic gloom.

Barring unforeseen circumstances, the directors expect the second quarter and FY2012 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

(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 2011.

13. 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 Consolidated Income Statement are as follows:

	First quarter ended 30/09/2010	
	Previously reported	After reclassifi- cation
	S\$'000	S\$'000
Cost of sales	(9,554)	(9,703)
Other operating income	417	45
Other operating expenses	(672)	(151)

14. *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 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

2 November 2011