HLN TECHNOLOGIES LIMITED
HALF YEAR FINANCIAL STATEMENT FOR PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

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

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year

(In $'000)	6 months ended 30.06.2009	6 months ended 30.06.2008	Change
Revenue	**11,159**	**24,448**	(54.4%)
Cost of sales	(8,312)	(18,765)	(55.7%)
Gross profit	**2,847**	**5,683**	(49.9%)
Other Items of Income			
Interest Income	20	44	(54.5%)
Other Credits	64	22	190.9%
Other Items of Expenses			
Marketing and Distribution Costs	(807)	(1,406)	(42.6%)
Administrative Expenses	(2,336)	(2,939)	(20.5%)
Financial Costs	(91)	(337)	(73.0%)
Other Charges	(2,212)	(1,298)	70.4%
Loss Before Tax from Continuing Operations	**(2,515)**	**(231)**	988.7%
Income tax Expenses	(134)	(297)	(54.9%)
Loss Net of Tax	**(2,649)**	**(528)**	401.7%
Other Comprehensive Income/(Loss):			
Foreign Currency Translation Gain/(Loss)	63	(20)	NM
Fair Value Gain on Quoted Shares	13	-	NM
Other Comprehensive Income for the Period, Net of Tax	**76**	**(20)**	NM
Total Comprehensive Loss for the Period	**(2,573)**	**(548)**	369.5%
Loss Attributable to Owners of the Parent, Net of Tax	**(2,355)**	**(423)**	456.7%
Loss Attributable to Minority Interest, Net of Tax	(294)	(105)	180.0%
Loss Net of Tax	**(2,649)**	**(528)**	401.7%
Total Comprehensive Loss Attributable to Owners of Parent	(2,290)	(443)	416.9%
Total Comprehensive Loss Attributable to Minority Interest	(283)	(105)	169.5%
Total Comprehensive Loss for the Period	**(2,573)**	**(548)**	369.5%
Earnings Per Share			
Earnings Per Share Currency Unit	Cents	Cents	
Basic			
Continuing Operations	(1.90)	(0.38)	400.0%
Diluted			
Continuing Operations	(1.90)	(0.38)	400.0%

Note: Refer to paragraph 8 - Review of the performance of the Group, found on pages 9 to 11 of this announcement.

Loss net of tax is arrived at after (charging)/ crediting the following:

(in $'000)	6 months ended 30.06.2009	6 months ended 30.06.2008	Change	Note
Depreciation of plant & equipment	(794)	(745)	6.6%	
Amortisation of intangible assets	(28)	(28)	0.0%	
Loss of inventories due to theft	-	(91)	NM	(a)
Inventory provision & impairment charges	(1,214)	(610)	99.0%	(b)
Allowance for bad debts/Bad debts written-off	(57)	(151)	(62.3%)	(b)
Plant & equipment written off	(6)	(150)	(96.0%)	(c)
Impairment loss on plant & equipment	(1,032)	-	NM	(d)
Foreign exchange gain/(loss), net	127	(268)	NM	(e)
Loss on disposal of plant & equipment	(31)	(3)	933.3%	(f)

NM – not meaningful

(a) Loss of inventories due to theft at one of the Malaysian subsidiaries in 1Q 2008

(b) Provision for slow moving & obsolete inventories and bad debts in accordance with Group accounting policy. The Group made higher provision for inventories for our aluminium service centre division due to the sharp decline in alumninium prices

(c) Plant & equipment written off in 1H 2008 was due to closure of plant 2 in Batam

(d) Impairment loss on plant & equipment arose from impairment loss recognised for our precision turning operations in Malaysia in 1H 2009

(e) Foreign exchange gain in 1H 2009 was due to the appreciation of US$ against S$, whereas 1H 2008 was a net loss

(f) Loss on disposal of plant & equipment by one of the subsidiaries in 1H 2009

1(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

(in $'000)	Group 30.06.09	Group 31.12.08	Company 30.06.09	Company 31.12.08	Note
Non Current Assets					
Plant & Equipment	7,524	9,034	256	337	(1)
Intangible Assets	45	73	-	-	(2)
Investments in Subsidiaries	-	-	11,395	4,350	(3)
Financial Assets, Available-for-sale	96	133	96	133	(4)
Total Non-Current Assets	**7,665**	**9,240**	**11,747**	**4,820**	
Current Assets					
Inventories	4,157	5,830	-	-	(5)
Trade and Other Receivables	7,021	8,985	2,208	2,028	(6)
Cash and Cash Equivalents	9,981	8,664	5,754	3,339	(7)
Total Current Assets	**21,159**	**23,479**	**7,962**	**5,367**	
Total Assets	**28,824**	**32,719**	**19,709**	**10,187**	
EQUITY AND LIABILITIES					
Equity					
Share Capital	16,536	16,648	16,536	16,648	
Treasury Shares	(965)	(740)	(965)	(740)	
Retained Earnings	5,714	8,193	3,773	(6,311)	
Other Reserves	(42)	(107)	66	53	
Equity, Attributable to Equity Holders of the Parent	**21,243**	**23,994**	**19,410**	**9,650**	(8)
Minority Interest	659	942	-	-	(9)
Total Equity	**21,902**	**24,936**	**19,410**	**9,650**	
Non Current Liabilities					
Deferred Tax Liabilities	387	393	58	58	
Trade and Other Payables, Non Current	-	72	-	-	(10)
Finance Leases, Non Current	7	10	-	-	(11)
Other Financial Liabilities, Non Current	214	245	-	-	(12)
Total non-current liabilities	**608**	**720**	**58**	**58**	
Current Liabilities					
Income Tax Payable, Current	259	436	(4)	-	(13)
Trade and Other Payables, Current	4,002	3,713	245	479	(10)
Finance Leases, Current	7	7	-	-	(11)
Other Financial Liabilities, Current	2,046	2,907	-	-	(12)
Total Current Liabilities	**6,314**	**7,063**	**241**	**479**	
Total Liabilities	**6,922**	**7,783**	**299**	**537**	
Total Equity and Liabilities	**28,824**	**32,719**	**19,709**	**10,187**	

Note: Refer to paragraph 8 - Review of the performance of the Group, found on pages 9 to 11 of this announcement.

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

Amount repayable in one year or less, or on demand

(In $'000)	As at 30.06.2009		As at 31.12.2008	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	7	-	7	-
Borrowings	2,046	-	2,907	-
Total	2,053	-	2,914	-

Amount repayable after one year

(In $'000)	As at 30.06.2009		As at 31.12.2008	
	Secured	Unsecured	Secured	Unsecured
Finance lease liabilities	7	-	10	-
Borrowings	214	-	245	-
Total	221	-	255	-

Details of any collateral

Finance lease liabilities refer to hire purchases for motor vehicles secured by a pledge of the assets and guaranteed by a director of our subsidiary.

Bank borrowings amounting to $2,259,000 consist of:

a. $691,000 (31 December 2008: $723,000) short-term loans, machinery loans and trade finance faclities extended to our subsidiaries in Malaysia
b. $1,068,000 (31 December 2008: $1,050,000) short-term loans and trade finance facilities extended to our subsidiaries in China
c $500,000 (31 December 2008: $1,379,000) short-term loans extended to our subsidiaries in Singapore

The above bank borrowings are secured by pledges of the Group's plant and equipment and guaranteed by the company and directors of our subsidiaries.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

(In $'000)	6 months ended 30/6/2009	6 months ended 30/6/2008
Cash Flows From Operating Activities		
Loss Before Tax	**(2,515)**	**(231)**
Adjustments for :		
Dividend Income	(3)	-
Interest Income	(20)	(44)
Interest Expense	91	337
Amortisation of Intangible Assets	28	28
Depreciation of Plant and Equipment	794	745
Loss on Disposal of Plant and Equipment	31	-
Plant and Equipment Written off	6	150
Impairment Loss on Plant and Equipment	1,032	-
Provision for Bad Debts	-	151
Loss of Inventories	-	91
Inventory provision & impairment charges	1,214	610
Operating Cash Flows Before Changes in Working Capital	**658**	**1,837**
Inventories	993	458
Trade and Other Receivables, Current	1,910	1,178
Trade and Other Payables, Total	(317)	(1,279)
Net Cash Flows From Operations Before Interest and Tax	**3,244**	**2,194**
Income Taxes Paid	(309)	(474)
Net Cash Flows From Operating Activities	**2,935**	**1,720**
Cash Flows From Investing Activities		
Purchase of Plant and Equipment	(344)	(795)
Proceeds from Disposal of Plant and Equipment	15	35
Receipt from Acquirer for Disposal of Subsidiary	54	408
Proceeds from Disposal of Quoted Sequities	50	-
Interest Received	20	44
Dividend Received	3	-
Net Cash Flows Used in Investing Activities	**(202)**	**(308)**
Cash Flows From Financing Activities		
Purchase of Treasury Shares	(337)	(48)
Interest Paid	(91)	(337)
Finance Lease Repayment	(3)	(22)
Minority Shareholder Contributions	-	250
Net Borrowings Decrease	(892)	(4,349)
Loans from Minority Shareholder	-	855
Dividend Paid	(124)	(220)
Net Cash Flows Used in Financing Activities	**(1,447)**	**(3,871)**
Net Effect of Exchange Rate Changes in Consolidating Subsidiaries	31	240
Net Increase/(Decrease) in Cash and Cash Equivalents	**1,317**	**(2,219)**
Cash and Cash Equivalents, Cash Flow Statement, Beginning Balance	8,664	6,748
Cash and Cash Equivalents, Cash Flow Statement, Ending Balance	**9,981**	**4,529**

1 (d) (i) statement (for the issuer and Group) showing either (i) all changes in equity or (ii) changes in equity otther 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

	Attributable to equity holders of the parent					Minority	Total
	Capital	Treasury shares	Other reserves	Retained earnings	Parent sub-total	interest	equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Opening Balance as at 1 January 2008	13,708	-	(212)	10,277	23,773	759	24,532
Total Comprehensive Loss for the Period	-	-	(20)	(423)	(443)	(105)	(548)
Other Movements in Equity:							
Purchase of treasury shares	-	(48)	-	-	(48)	-	(48)
Capital contribution by minority shareholders	-	-	-	-	-	250	250
Dividend paid	-	-	-	(220)	(220)	-	(220)
	-	(48)	-	(220)	(268)	250	(18)
Closing Balance at 30 June 2008	13,708	(48)	(232)	9,634	23,062	904	23,966
Opening Balance as at 1 January 2009	16,648	(740)	(107)	8,193	23,994	942	24,936
Total Comprehensive Income/(Loss) for the Period	-	-	65	(2,355)	(2,290)	(283)	(2,573)
Other Movements in Equity:							
Issue of employee performance shares	(112)	112	-	-	-	-	-
Purchase of treasury shares	-	(337)	-	-	(337)	-	(337)
Dividend paid	-	-	-	(124)	(124)	-	(124)
	(112)	(225)	-	(124)	(461)	-	(461)
Closing Balance at 30 June 2009	16,536	(965)	(42)	5,714	21,243	659	21,902
Company							
Opening Balance at 1 January 2008	13,708	-	16	1,055	14,779		
Total Comprehensive Loss for the Period	-	-	-	(1)	(1)		
Other Movements in Equity							
Purchase of treasury shares	-	(48)	-	-	(48)		
Dividend received	-	-	-	1,489	1,489		
Dividend paid	-	-	-	(220)	(220)		
	-	(48)	-	1,269	1,221		
Closing Balance at 30 June 2008	13,708	(48)	16	2,323	15,999		
Opening Balance at 1 January 2009	16,648	(740)	53	(6,311)	9,650		
Total Comprehensive Income for the Period	-	-	13	10,208	10,221		
Other Movements in Equity:							
Issue of employee performance shares	(112)	112	-	-	-		
Purchase of treasury shares	-	(337)	-	-	(337)		
Dividend paid	-	-	-	(124)	(124)		
	(112)	(225)	-	(124)	(461)		
Closing Balance at 30 June 2009	16,536	(965)	66	3,773	19,410		

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 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

The Company acquired 2,824,000 of its own shares through open-market purchases on the Singapore Exchange Securities Trading Limited during the period and these shares were held as Treasury Shares as at 30 June 2009.

On 27 April 2009, the Company issued 252,000 treasury shares (30 June 2008: Nil shares) to its employees pursuant to the Company's Performance Share Plan ("HLN Technologies PSP").

As at 30 June 2009, there were 160,000 unissued ordinary shares under options granted and unexercised (30 June 2008: 310,000 shares).

(d)(iii) To show the total number of Issued share excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

As at 30.06.2009	As at 31.12.2008
123,310,920	125,882,920

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury share as at the end of current financial period reported on.

Total number of treasury shares as at 01.01.09	5,155,000
Treasury shares purchased from open market in:	
- January 2009	340,000
- March 2009	2,113,000
- May 2009	371,000
Total Purchases	2,824,000
Use of Treasury Share for HLN Technologies PSP	(252,000)
Total number of treasury shares as at 30.06.09	7,727,000

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by external auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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 financial statements for the current period as those for the audited financial statements for the year ended 31 December 2008, except for the adoption of certain revised Financial Reporting Standards ("FRS") and interpretations of FRS ("INT FRS") that become mandatory from 1 January 2009. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies or any significant impact on the financial statements except for the presentation of financial statements as required by FRS 1 (Revised) Presentation of Financial Statements as disclosed in item 5 below.

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

FRS 1 (Revised) Presentation of financial statements requires an entity to present all non-owner changes in equity in a Statement of Comprehensive Income ("SCI"). Owner changes will include items of income and expense reconized directly in equity. Previously such non-owner changes were included in the statement of changes in equity. This is a change of presentation and does not affect the recognition or measurement of the entity's transactions. An entity may choose to present the SCI in a single statement, or in two statements (a separate income statement and a SCI). The Group is presenting SCI in a single statement.

6. Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	6 months ended 30.06.2009	6 months ended 30.06.2008
Earnings per share based on loss attributable to shareholders:		
(a) Basic (in cents)	(1.90)	(0.38)
(b) On a fully diluted basis (in cents)	(1.90)	(0.38)

The basic earnings per share above have been calculated based on net loss atttributable to shareholders of $2,355,000 (1H 2008: loss $423,000) and the weighted average number of ordinary shares in issue during the period of 124,208,417 (1H 2008: 110,019,513). The fully diluted earnings per share above have been calculated based on net loss attributable to shareholders of $2,355,000 (1H 2008: loss $423,000) and the weighted average number of ordinary shares during the period of 124,208,417 shares (1H 2008: 110,067.805).

7. Net asset value (for the issuer and Group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group	Group	Company	Company
as at	30.6.2009	31.12.2008	30.6.2009	31.12.2008
Net Asset Value per ordinary share (cents)	17.23	19.06	15.74	7.67

The net asset value per share of the Group has been calculated based on shareholders' equity of $21,243,000 (31 December 2008: $23,994,000) and 123,310,920 shares (31 December 2008: 125,882,920 shares). The net asset value per share of the Company has been calculated based on shareholders' equity of $19,410,000 (31 December 2008: $9,650,000) and issued share capital of 123,310,920 shares (31 December 2008: 125,882,920 shares).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on

The principal activities of our Group involve the manufacture and sale of a wide range of customised precision elastomeric, polymeric and metallic components which are used in a variety of industries principally in office automation, lifestyle products, industrial application, consumer electronics and automotive industries.

Our metallic, elastomeric and polymeric component production capabilities range from material formulation and compounding as well as molding to secondary process including polymeric die-cutting, precision turning and precision machining of metallic components. We also supply machined aluminium products through our aluminium service centres. Our production facilities and sales offices are located in Singapore, Johor, Malaysia, Batam, Indonesia, Shenzhen and Suzhou, PRC. Our customers include multinational corporations with presence in South East Asia, North and East Asia, the US and Europe.

Income Statement

Revenue

Revenue decreased by $13.3 million or 54.4% from $24.4 million in 1H 2008 to $11.2 million in 1H 2009. The decline in total revenue was mainly due to the disposal of our Singapore aluminium service business in September 2008, a significant revenue contributor, whilst all our other operating segments also experienced substantial drop in sales due to lower demand arising from the global economic and financial crises.

Gross profit

Due to lower revenue and relatively high fixed manufacturing costs, gross profit reduced by $2.8 million or 49.9% from $5.7 million in 1H 2008 to $2.8 million in 1H 2009. However the overall GP% increased from 23.2% to 25.5%, as the Group reduces the contribution of the aluminium service business which used to command lower GP% compared to our other operating segments.

Operating Expenses and Finance Costs

In line with lower revenue, business restructuring and cost cutting, distribution costs and administrative expenses also declined. Distribution costs reduced by $0.60 million or 42.6% from $1.41 million in 1H 2008 to $0.81 million in 1H 2009 while administrative expenses dropped by $0.60 million or 20.5% from $2.94 million to $2.34 million over the same period.

Financial costs reduced by $0.25 million or 73.0% from $337,000 in 1H 2008 to $91,000 in 1H 2009 after substantial repayment of bank borrowings in second half year of 2008 as the Group no longer borrows heavily to finance the aluminium service centre business as was the practice in 2008 up to the disposal of the Singapore business in September 2008.

Aggregate operating expenses and finance costs decreased by $1.45 million or 30.9% from $4.68 million in 1H 2008 to $3.23 million in 1H 2009.

Other Charges

Other charges comprise mainly foreign exchange differences, impairment losses and accounting provisions. Other charges increased from $1.30 million in 1H 2008 to $2.21 million in 1H 2009 as the Group undertook substantial restructuring to its business during the period. The Group recognised $1.03 million impairment losses of its plant & equipment (1H 2008: $0.15 million) of its precision turning operation in Malaysia, and wrote off $1.21 million impairment losses arising from its inventories (1H 2008: $0.61 million) held by its aluminium service centre business amidst declining aluminium prices. These impairment losses were mitigated by foreign exchange gain of $0.13 million in 1H 2009 (1H 2008: foreign exchange loss of $0.27 million).

Profitability

1H 2009 reported a net loss after tax of $2.65 million compared to a net loss after tax of $0.53 million in 1H 2008 mainly due to lower gross profits and higher other charges and provisions as explained above. Excluding the impairment losses associated with the precision turning and aluminium service centre businesses, net loss after tax would have been $0.41 million (1H 2008: net profit after tax of $0.23 million).

Minority interest's share of losses has increased by $189,000 from $105,000 in 1H 2008 to $294,000 in 1H 2009. While minority interest's share of losses increased substantially due to the higher losses from the aluminium service centre business in 1H 2009, the Group's name-plate business, however, posted positive results, thus mitigating the overall minority interest's share of losses. Net loss after tax and attributable to shareholders for 1H 2009 were higher at $2.36 million which rose approximately $1.93 million or 456.7% compared to 1H 2008. However, excluding the impairment losses associated with the precision turning and aluminium service centre businesses, net loss after tax and attributable to shareholders would have been $0.43 million (1H 2008: net profit attributable to shareholders of $0.19 million).

Balance Sheet

Below is a review of material changes in key balance sheet items between 31 December 2008 and 30 June 2009.

(1) **Plant and equipment** of the Group reduced by $1.51 million from $9.03 million as at 31 December 2008 to $7.52 million as at 30 June 2009. The decrease was mainly due to the $1.03 million impairment losses for its plant and equipment at its precision turning operations in Malaysia in 1H 2009 and depreciation of $0.79 million, while the Group spent $0.34 million capital expenditure in its new polymeric die-cutting facility in Suzhou, China.

(2) **Intangible assets** of the Group decreased by $28,000 from $73,000 as at 31 December 2008 to $45,000 as at 30 June 2009 due to amortisation during the period.

(3) **Investment in subsidiaries** of the Company increased by $7.05 million as at 30 June 2009 due to the additional investments in two of its Singapore subsidiaries while the Group made further provision for impairment loss in a subsidiary, HLN Micron Pte Ltd for the period ended 30 June 2009.

(4) **Financial assets, available-for-sale** of the Group and the Company are investments in quoted securities listed on the SGX-ST. It decreased by $37,000 due to the disposal of investment and fair value gain on available-for-sale financial assets.

(5) **Inventories** of the Group decreased by $1.67 million from $5.83 million as at 31 December 2008 to $4.16 million as at 30 June 2009 as anticipated demand slows down and the Group cut down on purchases and production, as well as additional provision for impairments during the period. Despite the drop in inventory holdings, inventory turnover days increased from 62 days as at 31 December 2008 to 91 days as at 30 June 2009 due to lower sales.

(6) **Trade and other receivables** of the Group decreased by $1.96 million from $8.98 million as at 31 December 2008 to $7.02 million as at 30 June 2009 mainly due to better collection efforts of trade receivables. However, due to lower sales during the current period, debtors' turnover days as at 30 June 2009 increased to 100 days compared to 62 days as at 31 December 2008.

(7) **Cash and cash equivalents** of the Group increased by $1.32 million from $8.66 million as at 31 December 2008 to $9.98 million as at 30 June 2009 as it generated $2.94 million net cash flows from operating activities due to better working capital management during the period. Through its financing activities, the Group repaid bank borrowings with interest of $0.98 million, spent $0.34 million on share buy back and $0.12 million on dividends. The Group spent a net of $0.20 million on its Suzhou expansion, net of proceeds from disposal of plant and equipment and quoted securities.

(8) **Equity attributable to Equity Holders of the Company** decreased by $2.75 million from $24.0 million as at 31 December 2008 to $21.2 million as at 30 June 2009 mainly due to the net loss of $2.36 million for the current period. The Company also spent $0.34 million on share buyback and paid out $0.12 million dividends in May 2009.

(9) **Minority interest** decreased by $0.28 million from $0.94 million as at 31 December 2008 to $659,000 as at 30 June 2009 due to continuing losses of the aluminium service centre business during the period in which the Group does not own 100%. Pri-V Technology Group, the name-plate business in which the Group holds 60% interest, has turned around since 2H 2008 which contributed to $65,000 to the increase in minority interest thus mitigating the portion from the aluminium service centre business.

(10) **Trade payables and other payables** of the Group increased by $0.22 million from $3.78 million as at 31 December 2008 to $4.00 million as at 30 June 2009 in accordance with the Group's working capital management practice.

(11) **Finance leases** of the Group decreased by $3,000 due to regular repayments.

(12) **Bank borrowings** of the Group refers to trust receipts, short-term revolving and long-term loan facilities granted to our subsidiaries. As at 30 June 2009, the Group has repaid substantially the bank borrowings of $0.89 million, hence, outstanding bank borrowings stood at $2.26 million.

(13) **Current tax payable** of the Group decreased by $0.18 million from $0.44 million as at 31 December 2008 to $0.26 million as at 30 June 2009 mainly due to payment of income taxes during the current period.

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

On 17 Jul 2009, the Group issued a profit warning announcing that its half year results ending 30 June 2009 would be significantly affected by impairment loss for its metallic division. These impairment losses have been included in the half year results announcement. Other than this profit warning, the Group has not previously disclosed any forecast or prospect statement.

10. A commentary at the date of the announcement of the 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 Group posted its highest ever net loss after tax and minority interest of $2.35 million mainly due to the ongoing global economic and financial crises which started in the 4Q of 2008. The Group was adversely affected by declining sales across all its operating segments which impacted its gross profits drastically due to the nature of the Group's manufacturing business with relatively high fixed cost structures. Although the Group has taken swift actions to contain costs and expenses, the reduction in operating expenses was inadequate to offset the decline in gross profits. Nevertheless, the Group has managed to control its borrowing exposure and financial costs through effective working capital management as well as the timely disposal of the Singapore aluminium service centre business in September 2008 which utilized substantial banking facilities. The Group has also undertaken a drastic restructuring of its business, especially its loss-making and cash flow intensive metallic business.

Notwithstanding its substantial net losses for the period, the Group is financially strong with cash resources of approximately $10.0 million as at 30 June 2009. Its working capital indicators are also healthy and the Group is confident of riding the current economic crises.

In August 2009, the Group sold all the plant and equipment in its Malaysia precision turning operations and recovered approximately $0.41 million from the proceeds.

While recent economic indicators point to possible bottoming out of the recession, the Group expects to operate in a very challenging business environment amid the current financial turmoil, tightening global credit and declining real demand in the world economy in FY 2009.

The Group will continue to monitor the economic and business environment and evaluate the impact on its business and earnings, and would take necessary pre-emptive and precautionary measures to address the challenges and business risks.

Nevertheless, the Group would continue to explore other business opportunities which can enhance long term shareholder value. These include geographical expansion, mergers and acquisitions, divestment and partnering with long term strategic investor(s) who can add depth and breadth to the Group's existing business portfolio.

On 24 July 2009, the Board of Directors announced that the Company's controlling and substantial shareholders, Messrs. Wa Kok Liang, Leslie, Ng Khoon Seng and Lim Chye Huat, Bobby, have sold part of their shares in the Company in aggregate of 36,000,000 representing 29.19% of the Company's issued share capital to China Infrastructures Global Investment Capital Limited. On 4 August 2009, the Board announced the appointment of a new Group CEO and restructuring of the existing top management. The Board will provide more updates to the shareholders pertaining to business opportunities and business directions of the Company in due course.

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? Yes

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	1.00 cent per ordinary share one-tier tax exempt

(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/recommended.

13. Summary of interest person transactions for the financial period ended 30 June 2009

Name of Interest Person	Aggregate value of all interest person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Nil	Nil	Nil

14. Negative Assurance Confirmation on Interim Financial Results Under Rule 705(4) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Company (comprising the balance sheets of the Group and the Company as at 30 June 2009, and the consolidated income statement, statements of changes in equity and consolidated cash flow statement of the Group, and statement of changes in equity of the Company (together with their accompanying notes) as at 30 June 2009 and the result of the business, changes in equity and cash flows of the Group for the 6 months ended on that date), to be false or misleading in any material respect

BY ORDER OF THE BOARD

Wa Kok Liang, Leslie
Executive Director
13 August 2009