



MIDDLE EAST DEVELOPMENT SINGAPORE LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No: 196600189D)

Unaudited Financial Statements and Dividend Announcement for the First Quarter Ended 30 September 2009

10 November 2009

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "**Sponsor**"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited (the "**Exchange**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Ng Joo Khin:
Telephone: 6389 3000 Email: jookhin.ng@stamfordlaw.com.sg

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First Quarter Financial Statements And Dividend Announcement

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

1(a) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED RESULTS FOR THE 1st QUARTER ENDED 30 SEPTEMBER 2009 ("1QFY2010")

	← Group →		+ / (-) %
	3 Months Ended		
	30.09.09 S\$	30.09.08 S\$	
Continuing Operations			
Revenue	2,122,260	2,989,239	-29.00
Cost of Sales	(1,449,309)	(2,166,390)	-33.10
Gross Profit	672,951	822,849	-18.22
Other Operating Income	121,974	19,119	537.97
Distribution Costs	(241,421)	(342,077)	-29.42
Administrative Expenses	(1,202,240)	(1,269,951)	-5.33
Other Operating Expenses	(15,809)	(301,731)	-94.76
Finance Cost	(10,503)	(11,635)	-9.73
Loss before Income Tax	(675,048)	(1,083,426)	-37.69
Income Tax Expense	(8,355)	(8,756)	-4.58
Loss for the Period	(683,403)	(1,092,182)	-37.43
Other comprehensive income:			
Exchange differences on translating foreign operations	(168,109)	96,969	-273.36
Other comprehensive (expense)/income for the period, net of tax	(168,109)	96,969	-273.36
Total comprehensive expense for the period	(851,512)	(995,213)	-14.44
Loss for the period attributable to:			
Owners of the Company	(683,403)	(1,092,182)	-37.43
Total comprehensive expense attributable to:			
Owners of the Company	(851,512)	(995,213)	-14.44

Notes:

1(a)(i) Other operating income includes the following:

	3 Months Ended	
	30.09.09	30.09.08
	S\$	S\$
Allowances for doubtful debts written back	2,000	--
Fair value gain on held-for-trading investment	16,900	--
Foreign exchange transaction gain	1,781	--
Gain on disposal of property, plant and equipment	33,952	--
Government grants/subsidies	27,430	--
Interest income	4,169	13,182
Jobs credit scheme	33,538	--
Sundry income	2,204	5,937
	121,974	19,119

1(a)(ii) Other operating expenses includes the following:

	3 Months Ended	
	30.09.09	30.09.08
	S\$	S\$
Allowances for doubtful debts	12,279	--
Bad debts written off - trade receivables	1,013	16,325
Fair value loss on held-for-trading investment	--	280,000
Foreign exchange transaction loss	--	4,896
Inventory written off	2,517	510
	15,809	301,731

1(a)(iii) Loss before income tax is arrived at after charging the following:

	3 Months Ended	
	30.09.09	30.09.08
	S\$	S\$
Amortisation of intangible assets	5,143	--
Depreciation of property, plant and equipment	51,261	57,292

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As At 30.09.09	As At 30.06.09	As At 30.09.09	As At 30.06.09
	S\$	S\$	S\$	S\$
ASSETS				
Current assets:				
Cash and bank balances	9,392,614	10,067,665	5,639,169	8,195,570
Trade and other receivables	6,587,719	6,832,368	4,983,067	2,735,785
Held-for-trading investment	182,922	166,022	--	--
Amount due from contract customers	218,154	222,680	--	--
Inventories	961,280	836,367	--	--
Total current assets	17,342,689	18,125,102	10,622,236	10,931,355
Non-current assets:				
Property, plant and equipment	841,845	814,765	61,734	75,560
Intangible assets	53,184	53,827	4,250	--
Investment in subsidiaries	--	--	3,031,819	3,031,819
Investment in an associate	--	--	--	--
Deferred tax asset	21,590	21,855	--	--
Total non-current assets	916,619	890,447	3,097,803	3,107,379
Total assets	18,259,308	19,015,549	13,720,039	14,038,734
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts	572,495	562,813	--	--
Trade and other payables	3,698,095	3,611,212	1,193,582	1,105,120
Amount due to contract customers	88,150	86,370	--	--
Current portion of finance leases	30,554	34,836	--	--
Income tax payable	134,877	127,069	36,257	36,257
Total current liabilities	4,524,171	4,422,300	1,229,839	1,141,377
Non-current liabilities:				
Finance leases	119,031	125,625	--	--
Deferred tax liabilities	466	472	--	--
Total non-current liabilities	119,497	126,097	--	--
Capital and reserves:				
Share capital	22,054,845	22,054,845	22,054,845	22,054,845
Statutory reserve	346,410	346,410	--	--
Share option reserves	4,179	4,179	4,179	4,179
Foreign currency translation reserves	(745,679)	(577,570)	--	--
Accumulated losses	(8,044,115)	(7,360,712)	(9,568,824)	(9,161,667)
Total equity	13,615,640	14,467,152	12,490,200	12,897,357
Total liabilities and equity	18,259,308	19,015,549	13,720,039	14,038,734

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, please specify the following at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

Amount repayable in one year or less, or on demand

As at 30.09.09 S\$		As at 30.06.09 S\$	
Secured	Unsecured	Secured	Unsecured
603,049	--	597,649	--

Amount repayable after one year

As at 30.09.09 S\$		As at 30.06.09 S\$	
Secured	Unsecured	Secured	Unsecured
119,031	--	125,625	--

Details of any collaterals

The Group's secured borrowings comprise bank overdrafts and finance leases.

The bank overdrafts are secured on:

- (i) fixed deposits pledged; and
- (ii) corporate guarantees of the Company.

The finance leases are secured on the plant and equipment under finance lease. The net book value of these plant and equipment as at 30.09.09 is S\$157,472. (30.06.09: S\$179,116).

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

	Group	
	For 3 Months Ended	
	30.09.09	30.09.08
	S\$	S\$
Cash flows from operating activities:		
Loss before income tax	(675,048)	(1,083,426)
Adjustments for:		
Amortisation of intangible assets	5,143	--
Allowances for doubtful debts written back	(2,000)	--
Allowances for doubtful debts	12,279	--
Bad debts written off	1,013	16,325
Depreciation of property, plant and equipment	51,261	57,292
Fair value (gain)/loss on held-for-trading investment	(16,900)	280,000
Gain on disposal of property, plant and equipment	(33,952)	--
Interest expense	10,503	11,635
Interest income	(4,169)	(13,182)
Inventory written off	2,517	510
Provision for warranties	19,500	31,912
Operating loss before working capital changes	(629,853)	(698,934)
Trade and other receivables	244,504	(218,272)
Amount due from/to contract customers	6,306	--
Inventories	(127,430)	(13,754)
Trade and other payables	67,383	(142,048)
Cash used in operations	(439,090)	(1,073,008)
Interest paid	(10,503)	(11,635)
Income tax paid	(11,147)	(31,423)
Net cash used in operating activities	(460,740)	(1,116,066)
Cash flows from investing activities:		
Interest received	4,169	13,182
Proceeds from disposal of property, plant and equipment	34,529	--
Purchase of property, plant and equipment (Note 1)	(88,839)	(9,151)
Purchase of intangible assets	(4,500)	--
Net cash (used in)/from investing activities	(54,641)	4,031
Cash flows from financing activities:		
Net repayments from finance leases	(10,876)	(45,085)
Restricted cash	3,952	4,474
Net cash used in financing activities	(6,924)	(40,611)
Net effect of exchange rate changes in consolidating subsidiaries	(158,475)	84,992
Net decrease in cash and cash equivalents	(680,780)	(1,067,654)
Cash and cash equivalents at beginning of year	8,766,569	7,921,291
Cash and cash equivalents at end of period	8,085,789	6,853,637

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year – cont'd

	Group	
	For 3 Months Ended	
	30.09.09	30.09.08
	S\$	S\$
Cash at end of period includes the following:		
Cash and bank balances	9,392,614	8,298,656
Bank overdrafts	(572,495)	(392,396)
	8,820,119	7,906,260
Restricted cash (Note 2)	(734,330)	(1,052,623)
Cash and cash equivalents at end of period	8,085,789	6,853,637

Notes:

(1) Property, plant and equipment

During the financial period under review, the Group acquired mainly plant and equipment with an aggregate cost of S\$88,839 (2008: S\$9,151) by cash.

(2) Restricted cash

Restricted cash pertains to fixed deposits of certain subsidiaries which have been pledged with banks as securities for banking facilities granted.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP	Share Capital	Statutory Reserve	Share Option Reserves	Foreign Currency Translation Reserves	Accumulated Losses	Total
	S\$	S\$	S\$	S\$	S\$	S\$
Balance at 30.06.08	18,325,460	346,410	4,179	(681,186)	(4,735,570)	13,259,293
Total comprehensive income/(expense) for the period	--	--	--	96,969	(1,092,182)	(995,213)
Balance at 30.09.08	18,325,460	346,410	4,179	(584,217)	(5,827,752)	12,264,080
Balance at 30.06.09	22,054,845	346,410	4,179	(577,570)	(7,360,712)	14,467,152
Total comprehensive expense for the period	--	--	--	(168,109)	(683,403)	(851,512)
Balance at 30.09.09	22,054,845	346,410	4,179	(745,679)	(8,044,115)	13,615,640

COMPANY	Share Capital	Share Option Reserves	Accumulated Losses	Total
	S\$	S\$	S\$	S\$
Balance at 30.06.08	18,325,460	4,179	(6,472,672)	11,856,967
Total comprehensive expense for the period	--	--	(557,980)	(557,980)
Balance at 30.09.08	18,325,460	4,179	(7,030,652)	11,298,987
Balance at 30.06.09	22,054,845	4,179	(9,161,667)	12,897,357
Total comprehensive expense for the period	--	--	(407,157)	(407,157)
Balance at 30.09.09	22,054,845	4,179	(9,568,824)	12,490,200

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 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 did not issue any ordinary shares during the 3 months ended 30 September 2009.

The number of ordinary shares that may be issued upon exercise of all share options, under the Hitchins Employees' Share Option Scheme outstanding at 30 September 2009 was 235,000 (as at 30 September 2008: 235,000).

In December 2006, the Company granted a call option to M.E. Development L.L.C., to subscribe for 120,000,000 ordinary shares at S\$0.05 per share, exercisable within 2 years after January 2007. As at 30 September 2009, this option has lapsed (as at 30 September 2008: remaining option to subscribe for 100,000,000 ordinary shares at S\$0.05 per share).

Save as disclosed above, the Company has no other convertible securities.

As at 30 September 2009 and 30 September 2008 respectively, there were no treasury shares held.

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.

Total number of issued shares excluding treasury shares, as at 30 September 2009 was 477,477,500 (as at 30 June 2009: 477,477,500).

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 reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard or practice.

The figures have not been audited nor reviewed by our 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.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period, compared with those of the audited financial statements as at 30 June 2009.

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

The Group adopted the new/revised FRSs and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009 and 1 July 2009 [respectively]. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRS.

The following are the new or amended FRSs that are relevant to the Group:

FRS 1 (Revised)	Presentation of Financial Statements
Amendments to FRS 23	Borrowing Costs
FRS 27 (Revised)	Consolidated and Separate Financial Statements
Amendments to FRS 107	Improving Disclosures about Financial Statements
FRS 108	Operating Segments

The adoption of the above FRSs did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements except for the presentation of financial statements as required by FRS 1 (Revised) Presentation of Financial Statements.

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"). Non-owner changes will include items of income and expense recognised directly in equity. Previously such non-owner changes were included in 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 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.

	3 Months Ended	
	30.09.09	30.09.08
(i) Based on weighted average number of ordinary shares in issue	(0.14) cents	(0.27) cents
(ii) On a fully diluted basis	(0.14) cents	(0.27) cents

Basic earnings per share (“EPS”) is computed based on the weighted average number of shares in issue during the financial period. The weighted average number of ordinary shares represents the number of ordinary shares at the beginning of the financial period, adjusted for new ordinary shares issued during the financial period, multiplied by a time-weighted factor.

Options that were not included in the calculation of diluted EPS because they are anti dilutive for the current financial period and the corresponding period of the immediate preceding financial year. As at 30 September 2009, these options were those 235,000 options under the Hitchins Employees’ Share Option Scheme with an exercise price of S\$0.08 per share. As at 30 September 2008, the outstanding options were as follows:

- i) Outstanding share options, under the Hitchins Employees’ Share Option Scheme, of 235,000, with an exercise price of S\$0.08 per share; and
- ii) Call option granted to M.E. Development L.L.C., to subscribe for 100,000,000 ordinary shares of S\$0.05 per share. At as 30 September 2009, this option has lapsed.

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.

	Group	Company
As at 30.09.09	2.85 cents	2.62 cents
As at 30.06.09	3.03 cents	2.70 cents

Net asset per share is calculated based on the existing number of shares in issue (excluding treasury shares) of 477,477,500 (30.06.09: 477,477,500).

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 affect the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement

Revenue

The Group’s revenue for 1QFY2010 was S\$2.12 million, as compared to S\$2.99 million in the corresponding period last year (“1QFY2009”). The decline in revenue was due mainly to weaker demand and lower sales orders for our products.

Gross Profit

In line with the lower revenue reported for 1QFY2010, the Group’s gross profit for 1QFY2010 declined, as compared to 1QFY2009.

8. A review of the performance of the group – cont'd.

Other Operating Income

The Group's other operating income for 1QFY2010 was S\$121,974, as compared to S\$19,119 in the corresponding quarter of FY2009, which was an increase of 538%.

The increase was due mainly to gains on disposal of property, plant and equipment as well as higher subsidies received. The stock market rebound in 1QFY2010 has resulted in a fair value gain on held-for-trading investment being reported.

The Group received the third payment of the cash grants of S\$33,538 under the Jobs Credit Scheme, which is part of the Resilience Package as announced in the 2009 Budget by the Singapore Government.

Distribution Costs

The Group's distribution costs for 1QFY2010 amounted to S\$241,421, as compared to S\$342,077 for the corresponding quarter of FY2009. This decrease was due mainly to the lower level of revenue for 1QFY2010.

Other Operating Expenses

The Group's other operating expenses for 1QFY2010 amounted to S\$15,809, as compared to S\$301,731 for the corresponding quarter of FY2009.

The decrease was due mainly to fair value loss on held-for-trading investment reported for 1QFY2009, while a fair value gain on held-for-trading investment was reported for 1QFY2010.

Finance Cost

The Group's finance cost for 1QFY2010 amounted to S\$10,503, as compared to S\$11,635 for the corresponding quarter of FY2009. As compared to 1QFY2009, we experienced higher usage of our banking facilities in 1QFY2010. However in 1QFY2009, we incurred a one-time interest expense upon early redemption of a hire purchase agreement.

Loss for the Period

Despite lower revenue for 1QFY2010, the Group's loss for 1QFY2010 was S\$683,403 as compared to S\$1.09 million in 1QFY2009.

Lower expenses as well as an increase in other operating income had attributed to a reduction in loss for the period.

Other Comprehensive Income

For 1QFY2010, the Group reported a foreign exchange loss of S\$168,109 on translating foreign operations, as compared to a foreign exchange gain of S\$96,969 for 1QFY2009. Adverse movement in foreign exchange rates in 1QFY2010 has resulted in a loss being reported while movement in foreign exchange rates in 1QFY2009 has resulted in a gain being reported for 1QFY2009.

Statement of Financial Position

Total assets

As at 30.09.09, the Group's total assets amounted to S\$18.26 million (30.06.09: S\$19.02 million). The decrease was mainly due to decrease in bank balances of S\$0.68 million, and decrease in trade and other receivables of S\$0.24 million.

The decrease in the trade and other receivables balances was mainly due to the decrease in revenue.

Statement of Cash Flows

Net cash flow used in operating activities in 1QFY2010 was S\$0.46 million, as compared to S\$1.12 million in the corresponding period in FY2009. Lower loss and less cash used in working capital have accounted mainly for the reduction in cash used in operating activities.

Net cash flow used in investing activities increased in 1QFY2010, as compared to net cash flow from investing activities in 1QFY2009. This was mainly due to the purchase of fixed assets, reduced by proceeds from disposal of fixed assets.

Net cash flow used in financing activities in 1QFY2010 amounted to S\$6,924, as compared to S\$40,611 in 1QFY2009. Early redemption of a hire purchase agreement in 1QFY2009 accounted for the higher funds used in that quarter.

Cash and cash equivalents as at 30 September 2009 amounted to S\$8.06 million, as compared to \$6.85 million as at 30 September 2008. The higher balance in cash and cash equivalents as at 30 September 2009, was due mainly to net proceeds from placement of new shares yet to be utilised.

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

No forecast was given.

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 Group continues to take active steps to remain vigilant and cautious as the operating environment in the near term remains challenging.

The Group will continue to take active steps to remain lean in its operations, with a focus on not affecting the Group's efficiency.

As announced today, our shareholders, during an extraordinary general meeting held today, have approved the additional investment by Germir Group Limited in the Company. More information relating to this investment may be found in our circular to shareholders dated 19 October 2009. This will result in fresh funds for the Company to seize new business opportunities.

As disclosed in our circular to shareholders dated 19 October 2009, the Group intends to engage in the Resource Development Business as one of the core businesses of the Group. The Group believes that the accelerated pace of economic growth in the Asia-Pacific region has led to an increase in the demand for natural resources. By diversifying into the Resource Development Business, the Group will be able to sustain and enhance Shareholders' value and returns.

11. If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and*
- (b) (i) Amount per share in cents
(ii) Previous corresponding period in cents*
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).*
- (d) The date the dividend is payable.*
- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.*

No dividends were declared for the current financial period reported on and for the previous corresponding period.

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

No dividends have been declared or recommended.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year results)**

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

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

Not applicable.

15. A breakdown of sales

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

Not applicable.

17. Statement pursuant to Rule 705(5) of the SGX-ST Listing Manual – Section B: Rules of Catalist

We, Ong Soon Teik and Kim Leng Choon, do hereby confirm on behalf of the Board of Directors of the Company 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 financial statements for the first quarter ended 30 September 2009, to be false or misleading, in any material aspect.

On Behalf of the Board of Directors,

Ong Soon Teik
Executive Director

Kim Leng Choon
Executive Director

BY ORDER OF THE BOARD

CHEW KOK LIANG
Company Secretary

10 November 2009