
Yalian Steel announces Q2 financial and operational results

Thursday, 28 May, 2009

Yalian Steel Corporation has announced its financial and operating results for the 3 and 6 month periods ended March 31st 2009. It was incorporated in June 2008 and completed its qualifying transaction and began trading as a public company in December 2008. Therefore, there are no comparative quarterly results for the previous year.

For the 3 months ended March 31st 2009, Yalian reported operation expenses of CAD 416,716 and income of CSD 734,430. Income was comprised of CAD 714,543 in proceeds from a grant from the Chinese local municipal government to encourage foreign investment in the city of Yangzhou, where Yalian's new facility is located and CAD 19,887 in interest income. Net income for the 3 month period was CAD 122,649.

For the 6 month period ended March 31st 2009, Yalian reported operation expenses totaling CAD 645,610, income of CAD 824,045 and a net loss of CAD 16,313. As at March 31st 2009, prepayments for property plant and equipment totaled CAD 39.9 million, cash and cash equivalents were CAD 3.6 million and working capital was CAD 2.2 million.

Selected financial highlights

Item	Q2 '09	H1 '09
Interest income	19,887	109,502
Other income	714,543	714,543
Operating expenses	734,430	824,045
General and Administrative	360,772	554,004
Income taxes	114,733	114,733
Net income (loss)	122,648	(16,313)

In CAD

Yalian Steel expects to secure a project loan shortly which will enable it to fund the remaining capital costs for the Yangzhou plant, as well as working capital. To the extent that additional funds are required to fund working capital, management is confident that such funds can be obtained through working capital loans or other sources of financing.

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