

Full Year Financial Statement And Dividend Announcement for the Year Ended 31 December 2013

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF-YEAR AND FULL YEAR RESULTS

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

Statement of Comprehensive Income

	Note	FY 2013 S\$'000	FY 2012 S\$'000	Change %
<b>Revenue</b>		<b>64,450</b>	<b>90,063</b>	-28%
Cost of Sales	a	(51,126)	(75,229)	-32%
<b>Gross Profit</b>		<b>13,324</b>	<b>14,834</b>	-10%
<b><u>Other Items of Income</u></b>				
Interest Income		24	10	140%
Other Credits	b	124	241	-49%
<b><u>Other Items of Expense</u></b>				
Distribution Costs		(2,191)	(2,830)	-23%
Administrative Expenses	a	(6,673)	(6,295)	6%
Interest Expense		(3)	(29)	-90%
Other Charges	c	(121)	(60)	102%
Share of Profit from Equity-Accounted Associates		653	650	N.M.
<b>Profit Before Tax from Continuing Operations</b>		<b>5,137</b>	<b>6,521</b>	-21%
Income Tax Expense		(574)	(759)	-24%
<b>Profit Net of Tax</b>		<b>4,563</b>	<b>5,762</b>	-21%
<b><u>Other Comprehensive Income</u></b>				
Exchange Differences on Translation from Functional Currency to Presentation Currency	d	709	(1,022)	N.M.
Fair Value Changes on Available-for-sale assets		(59)	-	N.M.
<b>Total Comprehensive Income</b>		<b>5,213</b>	<b>4,740</b>	10%
Profit Attributable to Owners of the Parent, Net of Tax		4,563	5,762	-21%
Profit Attributable to Non-Controlling Interests, Net of Tax		-	-	N.M.
<b>Profit Net of Tax</b>		<b>4,563</b>	<b>5,762</b>	-21%
Total Comprehensive Income Attributable to Owners of the Parent		5,213	4,740	10%
Total Comprehensive Income Attributable to Non-Controlling Interests		-	-	N.M.
<b>Total Comprehensive Income</b>		<b>5,213</b>	<b>4,740</b>	10%

N.M. : Not meaningful

## Notes to Statement of Comprehensive Income

	FY 2013 S\$'000	FY 2012 S\$'000
<b>a. Depreciation</b>		
The total depreciation expenses charged are as follows:		
Cost of sales	(384)	(406)
Administrative expenses	(671)	(598)
	<u>(1,055)</u>	<u>(1,004)</u>
<b>b. Other Credits</b>		
Bad debts recovered on trade receivables	6	-
Foreign exchange gain	-	73
Gain on disposal of plant and equipment	1	19
Gain on foreign exchange hedging	-	38
Government grant	26	5
Other Income	91	106
	<u>124</u>	<u>241</u>
<b>c. Other Charges</b>		
Allowance for impairment on trade receivables	(42)	(33)
Bad debts written off trade receivables	(12)	(26)
Foreign exchange loss	(67)	-
Other expenses	-	(1)
	<u>(121)</u>	<u>(60)</u>
<b>d. Exchange differences</b>		
Exchange differences arose mainly from the translation of foreign currency assets and liabilities of the financial statements to Singapore dollars at the exchange rate at the end of the financial year.		

**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.**

**Statement of Financial Position**

	Group			Company		
	31-12-13	31-12-12	%	31-12-13	31-12-12	%
	S\$'000	S\$'000	Change	S\$'000	S\$'000	Change
<u>Non-Current Assets</u>						
Property, Plant & Equipment	3,864	3,860	N.M.	905	822	10%
Goodwill	409	409	N.M.	-	-	N.M.
Investments in Subsidiaries	-	-	N.M.	5,907	5,902	N.M.
Investments in Associates	2,733	2,519	8%	-	-	N.M.
Investments in Joint-Venture	-	5	N.M.	-	5	N.M.
Deferred Tax Assets	29	22	32%	-	-	N.M.
Other Assets	1,324	600	121%	724	-	N.M.
Total Non-Current Assets	8,359	7,415	13%	7,536	6,729	12%
<u>Current Assets</u>						
Inventories	5,059	6,321	-20%	3,691	5,208	-29%
Trade and Other Receivables	8,152	8,793	-7%	4,013	6,146	-35%
Other Assets	649	427	52%	581	337	72%
Cash and Cash Equivalents	26,211	20,443	28%	13,768	8,277	66%
Total Current Assets	40,071	35,984	11%	22,053	19,968	10%
Total Assets	48,430	43,399	12%	29,589	26,697	11%
<u>Equity and Liabilities</u>						
<u>Equity attributable to owners of the parent</u>						
Share Capital	6,606	6,606	N.M.	6,606	6,606	N.M.
Retained Earnings	35,521	31,781	12%	15,982	14,325	12%
Other Reserves, Total	(1,172)	(1,822)	-36%	(1,699)	(2,103)	-19%
Total Equity	40,955	36,565	12%	20,889	18,828	11%
<u>Non-Current Liabilities</u>						
Deferred Tax Liabilities	248	213	16%	78	43	81%
Total Non-Current Liabilities	248	213	16%	78	43	81%
<u>Current Liabilities</u>						
Income Tax Payable	660	854	-23%	-	-	N.M.
Trade and Other Payables	6,567	5,767	14%	8,622	7,826	10%
Total Current Liabilities	7,227	6,621	9%	8,622	7,826	10%
Total Liabilities	7,475	6,834	9%	8,700	7,869	11%
Total Equity and Liabilities	48,430	43,399	12%	29,589	26,697	11%

N.M. : Not meaningful

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

Amount repayable in one year or less, or on demand (S\$'000)

31-12-13		31-12-12	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

Amount repayable after one year (S\$'000)

31-12-13		31-12-12	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
-	-	-	-

**Details of any collaterals**

Not applicable.

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

**Statement of Cash Flow**

	<b>FY 2013 S\$'000</b>	<b>FY 2012 S\$'000</b>
<b><u>Cash Flows From Operating Activities</u></b>		
Profit before tax	5,137	6,521
Adjustments for:		
Interest Income	(24)	(10)
Interest Expense	3	29
Insurance Premium Charged to Profit or Loss	73	-
Depreciation of Property, Plant and Equipment	1,055	1,004
Share of Profit of Associates	(653)	(650)
Gain on Disposal of Property, Plant and Equipment	(1)	(19)
Operating Cash Flows before Changes in Working Capital	5,590	6,875
Inventories	1,485	(126)
Trade and Other Receivables	952	1,010
Other Assets	(185)	(169)
Trade and Other Payables	597	(915)
Net Cash Flows From Operations Activities	8,439	6,675
Net Income Tax Paid	(757)	(503)
Net Cash Flows From Operating Activities	7,682	6,172
<b><u>Cash Flows From Investing Activities</u></b>		
Disposal of Property, Plant and Equipment	8	26
Purchase of Property, Plant and Equipment	(1,018)	(998)
Purchase of keyman insurance policy	(856)	-
Dividend from Associates	470	427
Investment in Joint-Venture	-	(5)
Interest received	24	10
Net Cash Flows Used In Investing Activities	(1,372)	(540)
<b><u>Cash Flows From Financing Activities</u></b>		
Dividends Paid to Equity Owners	(823)	(823)
Cash Restricted in Use	-	15
Decrease in borrowings	-	(45)
Interest paid	(3)	(29)
Net Cash Flows Used in Financing Activities	(826)	(882)
<b>Net Increase in Cash and Cash Equivalents</b>	<b>5,484</b>	<b>4,750</b>
Cash and Cash Equivalents, Statement of Cash Flow, Beginning Balance	20,443	16,024
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	284	(331)
<b>Cash and Cash Equivalents, Statement of Cash Flow, Ending Balance</b>	<b>26,211</b>	<b>20,443</b>

**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**

**Statement of Changes in Equity**

	<b>Total Equity S\$'000</b>	<b>Attributable to Parent Sub-total S\$'000</b>	<b>Share Capital S\$'000</b>	<b>Retained Earning S\$'000</b>	<b>Currency Translation Reserve S\$'000</b>	<b>Other Reserve S\$'000</b>	<b>Non- Controlling Interests S\$'000</b>
<b>Group</b>							
<b>Current Period:</b>							
Opening Balance at 1.1.13	36,565	36,565	6,606	31,781	(3,052)	1,230	-
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Year	5,213	5,213	-	4,563	709	(59)	-
Dividends paid	(823)	(823)	-	(823)	-	-	-
Closing Balance at 31.12.13	40,955	40,955	6,606	35,521	(2,343)	1,171	-
<b>Previous period:</b>							
Opening Balance at 1.1.12	32,648	32,648	6,606	26,842	(2,030)	1,230	-
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Year	4,740	4,740	-	5,762	(1,022)	-	-
Dividends paid	(823)	(823)	-	(823)	-	-	-
Closing Balance at 31.12.12	36,565	36,565	6,606	31,781	(3,052)	1,230	-
<b>Company</b>							
<b>Current Period:</b>							
Opening Balance at 1.1.13	18,828	18,828	6,606	14,325	(2,103)	-	-
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Year	2,884	2,884	-	2,480	463	(59)	-
Dividends paid	(823)	(823)	-	(823)	-	-	-
Closing Balance at 31.12.13	20,889	20,889	6,606	15,982	(1,640)	(59)	-
<b>Previous period:</b>							
Opening Balance at 1.1.12	17,984	17,984	6,606	12,770	(1,392)	-	-
<b>Movements in Equity:</b>							
Total Comprehensive Income for the Year	1,667	1,667	-	2,378	(711)	-	-
Dividends paid	(823)	(823)	-	(823)	-	-	-
Closing Balance at 31.12.12	18,828	18,828	6,606	14,325	(2,103)	-	-

**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.**

As at 31 December 2013, there was no movement in the company's share capital and no share options were issued.

**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.**

The total number of issued shares was 164,531,172 as at 31.12.2013 and 31.12.2012.

**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.**

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.

**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.**

Yes.

**5. If there were 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 company for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Group		
	31-12-13	31-12-12
	Singapore Cents	Singapore Cents
(i) Based on number of ordinary shares in issue of 164,531,172 (31.12.2012: 164,531,172 shares)	2.77	3.50
(ii) On a fully diluted basis of 164,531,172 ordinary shares (31.12.2012: 164,531,172 shares)	2.77	3.50

Note:

Earnings per ordinary share were calculated based on the number of ordinary share in issue of 164,531,172 as at 31.12.2013.

**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**

	31-12-13	31-12-12
	Singapore Cents	Singapore Cents
Net asset value per ordinary shares in issue of 164,531,172 (31.12.12 : 164,531,172)		
Group	24.89	22.22
Company	12.70	11.44

Note:

Net asset value per ordinary share was calculated based on the number of ordinary share in issue of 164,531,172 as at 31.12.2013.

**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 or liabilities of the group during the current period reported on.**

**Income Statement**

- (i) As a result of challenging market conditions, total revenues of the Group decreased by 28% to S\$64.5 million due mainly to reduction in trading opportunities and manufacturing volumes.
- (ii) The total cost of sales and distribution costs decreased by 32% and 23% respectively.
- (iii) Both the profit before tax and net profit after tax decreased by 21% to S\$5.1 million and S\$4.6 million, respectively.
- (iv) The Group adopts US dollars as functional currency while the financial presentation here is in Singapore dollars. Exchange losses arose mainly from the translation of foreign currency assets and liabilities of the financial statements to Singapore dollars with the exchange rate at the end of the period. The income and expenses were converted at the average rate of exchange for the period.



### **Statement of Financial Position**

- (i) Other non-current assets increased by 121% due to other assets purchased during the year.
- (ii) Inventories reduced by 20% as raw material purchases volumes were lower in the last quarter of FY 2013.
- (iii) Other current assets increased by 52% due to deposits paid for raw material purchases in the last quarter of FY 2013.
- (iv) Trade and other payables increased by 14% due to purchases toward the end of the year.

### **Statement of Cash Flow**

Operational cash flow grew 24% or S\$1.5 million. This was as a result of lower stock level.

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

There is no significant variance between the previous disclosures and the actual results.

### **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.**

- (i) Given the uncertainty of the global economy, we expect the business environment will continue to be challenging in 2014.
- (ii) Apart from volatility of raw material costs, higher operating costs and increase in labour cost will affect our profitability.
- (iii) Nevertheless, we believe the overall business of our major subsidiaries and associates should stay healthy.
- (iv) Barring any unforeseen circumstances, the management expects the outlook of the Group for FY2014 to remain positive.

## **11. Dividend**

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes, an interim exempt (one-tier) dividend of 0.50 cent in cash per ordinary share.

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Yes, an interim exempt (one-tier) dividend of 0.50 cent in cash per ordinary share.

### **(c) Date payable**

27 March 2014.

### **(d) Books closure date**

7 March 2014.

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

Not applicable.

## **13. 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 Group does not have a general mandate from shareholders for interested person transactions.

**14. 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.**

	Manufacturing		Trading		Franchising*		Unallocated		Group	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Continuing Operations</b>										
<b>Revenue by Segment</b>										
Total Revenue by Segment	54,083	66,787	12,784	25,458	12,650	16,814	-	-	79,517	109,059
Inter-Segment Sales	(14,867)	(18,796)	(200)	(200)	-	-	-	-	(15,067)	(18,996)
External Revenue	39,216	47,991	12,584	25,258	12,650	16,814	-	-	64,450	90,063
Operating Profit	10,556	11,595	1,116	2,512	1,652	727	-	-	13,324	14,834
Other Credit							124	241	124	241
Other Charges							(121)	(60)	(121)	(60)
Interest Income							24	10	24	10
Interest Expense							(3)	(29)	(3)	(29)
Unallocated Expense							(8,864)	(9,125)	(8,864)	(9,125)
Share of Profit of Associates							653	650	653	650
Profit before tax									5,137	6,521
Income tax expense									(574)	(759)
Profit From Continuing Operations									4,563	5,762
<b>Assets and reconciliations</b>										
Total assets for reportable segments	13,331	15,199	2,131	2,679	1,119	444	31,849	25,077	48,430	43,399
<b>Liabilities and reconciliations</b>										
Total liabilities for reportable segments	2,041	3,548	1,268	937	467	354	3,699	1,995	7,475	6,834
<b>Othe material items and reconciliations</b>										
Capital expenditure	301	466	311	342	-	-	406	190	1,018	998
Depreciation expense	487	506	339	338	-	-	229	160	1,055	1,004

\* The franchising segment includes trades in raw materials for products under our brand names.

**Geographical Information**

Country	Revenue			Non-Current Asset		
	2013 S\$'000	2012 S\$'000	% Change	2013 S\$'000	2012 S\$'000	% Change
Bangladesh	1,404	16,814	-92%	-	-	N.M.
Myanmar	3,834	4,363	-12%	-	-	N.M.
Vietnam	11,273	12,625	-11%	600	600	N.M.
Other countries	6,691	9,383	-29%	-	-	N.M.
Singapore	41,248	46,878	-12%	7,730	6,793	14%
Total	64,450	90,063		8,330	7,393	

N.M. : Not meaningful

**Information about major customers**

2 customers (FY 2012: 3 customers) contributed more than 10% each of the Group's total revenues. The total sales to these 2 customers (FY 2012: 3 customers) was approximately S\$26 million (FY 2012: S\$53 million).

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

As a result of challenging market conditions, total revenues of the Group decreased by 28% to S\$64.5 million due mainly to reduction in trading opportunities and manufacturing volumes.

**16. A breakdown of sales and profit**

	Group		
	2013 \$'000	2012 \$'000	% Change
Sales for first half year	35,339	51,753	-32%
Operating profit for first half year	3,050	3,042	0.3%
Sales for second half year	29,111	38,310	-24%
Operating profit for second half year	1,513	2,720	-44%

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	2013 \$'000	2012 \$'000
Ordinary	823	823
Preference	-	-
Total:	823	823

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ho Chee Hon  
Group Deputy Chief Executive Officer  
26/02/2014