



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958

SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2013

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

1(a)(i) A statement of profit or loss and other comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	6 months ended 31.12.13 \$'000	6 months ended 31.12.12 \$'000
		Restated^(a)
Revenue	160,209	150,243
Cost of sales	(126,026)	(120,010)
Gross profit	34,183	30,233
Other operating income	2,068	601
Selling and distribution expenses	(8,628)	(7,888)
Administrative expenses	(9,904)	(8,901)
Other operating expenses	(2,665)	(33)
Finance costs	(467)	(686)
Share of profit of associates	127	355
Profit before income tax	14,714	13,681
Income tax expense	(2,526)	(2,051)
Profit after income tax	12,188	11,630
Other comprehensive income (loss) :		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	180	(51)
Changes in share of other comprehensive income of associates	21	3
Total other comprehensive income (loss) for the period	201	(48)
Total comprehensive income for the period	12,389	11,582
Profit attributable to:		
Shareholders of the company	11,625	11,499
Non-controlling interests	563	131
	12,188	11,630
Total comprehensive income attributable to :		
Shareholders of the company	11,747	11,455
Non-controlling interests	642	127
	12,389	11,582

^(a) Please refer to the 2013 Annual Report for the details of the nature of restatement.

1(a)(ii) Notes to the statement of profit or loss (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	6 months ended 31.12.13 \$'000	6 months ended 31.12.12 \$'000
		Restated
Interest income	20	10
(Bad debts written off) Bad debts recovered	(84)	46
(Allowance for) Reversal of doubtful receivables	(612)	10
Allowance for inventories obsolescence written back	-	52
Loss on disposal of a subsidiary	(1,367)	-
Fair value adjustment on derivative financial instruments	(31)	104
Foreign exchange (loss) gain	(548)	4
Adjustment for over (under) provision of income tax in respect of prior years	19	(46)
Gain on disposal of assets classified as held for sale	1,246	-
Impairment loss on investment in associates	-	22
Gain (loss) on disposal of property, plant and equipment	74	(12)
Property, plant and equipment written off	(22)	-
Depreciation of property, plant and equipment	(1,778)	(1,953)
Amortisation of intangible assets	(144)	(147)

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 31.12.13 \$'000	As at 30.06.13 \$'000	As at 31.12.13 \$'000	As at 30.06.13 \$'000
ASSETS				
Current assets:				
Cash and bank balances	22,977	24,481	10,320	11,299
Trade receivables	82,257	94,645	44,682	49,317
Other receivables	2,577	2,551	4,301	6,044
Derivative financial instruments	-	1,424	-	-
Inventories	67,206	66,124	43,448	39,741
	175,017	189,225	102,751	106,401
Assets classified as held for sale	60	1,427	-	-
Total current assets	175,077	190,652	102,751	106,401
Non-current assets:				
Subsidiaries	-	-	32,375	32,375
Associates	4,950	4,850	-	-
Property, plant and equipment	22,651	23,168	4,641	4,479
Investment properties	1,151	1,171	-	-
Leasehold prepayments	171	181	-	-
Intangible assets	2,030	2,174	-	-
Other receivables	-	59	-	-
Deferred tax assets	176	176	-	-
Total non-current assets	31,129	31,779	37,016	36,854
Total assets	206,206	222,431	139,767	143,255
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts and short-term bank borrowings	25,698	36,105	11,614	15,909
Trade payables	26,170	31,421	12,747	15,934
Other payables	7,376	10,269	1,911	2,950
Current portion of finance leases	491	630	38	-
Current portion of long-term borrowings	-	198	-	-
Income tax payable	4,126	3,283	2,760	2,362
Total current liabilities	63,861	81,906	29,070	37,155
Non-current liabilities:				
Non-current portion of finance leases	209	331	-	-
Long-term borrowings	-	966	-	-
Deferred liabilities	39	47	-	-
Deferred tax liabilities	1,840	1,893	322	322
Total non-current liabilities	2,088	3,237	322	322

	GROUP		COMPANY	
	As at 31.12.13 \$'000	As at 30.06.13 \$'000	As at 31.12.13 \$'000	As at 30.06.13 \$'000
Capital, reserves and non-controlling interests:				
Share capital	56,288	56,288	56,288	56,288
Treasury shares	(950)	(950)	(950)	(950)
Reserves	79,550	74,255	55,037	50,440
Equity attributable to the shareholders of the company	134,888	129,593	110,375	105,778
Non-controlling interests	5,369	7,695	-	-
Total equity	140,257	137,288	110,375	105,778
Total liabilities and equity	206,206	222,431	139,767	143,255

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

Amount repayable in one year or less, or on demand

As at 31/12/2013		As at 30/06/2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
14,575	11,614	21,024	15,909

Amount repayable after one year

As at 31/12/2013		As at 30/06/2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
209	-	1,297	-

Details of any collateral

The bank overdrafts and other bank borrowings of the Group are secured by the following:

- i. negative pledge over all assets of a subsidiary; and
- ii. corporate guarantee by a subsidiary and the company.

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.

Group	6 months ended 31.12.13 \$'000	6 months ended 31.12.12 \$'000
		Restated
Operating activities		
Profit before income tax	14,714	13,681
Adjustments for:		
Depreciation expense	1,778	1,953
Amortisation expense	144	147
Interest income	(20)	(10)
Interest expense	467	686
Fair value adjustment on derivative financial instruments taken to profit or loss	31	(104)
Bad debts written off (Bad debts recovered)	84	(46)
Allowance for (Reversal of) doubtful receivables	612	(10)
Allowance for inventories obsolescence written back	-	(52)
(Gain) Loss on disposal of property, plant and equipment	(74)	12
Property, plant and equipment written off	22	-
Impairment loss on investment of an associate	-	22
Gain on disposal of assets classified as held for sale	(1,246)	-
Loss on disposal of a subsidiary	1,367	-
Share of profit of associates	(127)	(355)
Operating cash flows before movement in working capital	17,752	15,924
Trade receivables	8,902	(3,048)
Other receivables	(68)	347
Contract work-in-progress	-	(271)
Inventories	(4,943)	(6,980)
Trade payables	(2,930)	(1,030)
Other payables	(1,782)	(736)
Deferred liabilities	(8)	(23)
Cash generated from operations	16,923	4,183
Income tax paid	(1,635)	(1,617)
Net cash from operating activities	15,288	2,566
Investing activities		
Purchase of property, plant and equipment	(3,715)	(1,391)
Proceeds from disposal of property, plant and equipment	124	54
Dividend received from an associate	-	65
Proceeds from disposal of assets classified as held for sale	2,579	-
Proceeds from disposal of a subsidiary (Note a)	1,546	-
Interest received	20	10
Net cash from (used in) investing activities	554	(1,262)
Financing activities		
Proceeds from short-term bank borrowings	43,402	57,092
Repayment of short-term bank borrowings	(52,662)	(59,112)
Repayment of hire purchase obligations	(358)	(247)
Repayment of long-term bank borrowings	(51)	(1,080)
Interest paid	(467)	(686)
Dividend paid	(6,533)	(1,642)
Capital contribution by non-controlling interests	-	13
Dividend paid to non-controlling interests	(300)	(13)
Net cash used in financing activities	(16,969)	(5,675)

<u>Group</u>	6 months ended 31.12.13 \$'000	6 months ended 31.12.12 \$'000
		Restated
Net decrease in cash and cash equivalents	(1,127)	(4,371)
Cash and cash equivalents at beginning of period	23,568	16,897
Effect of exchange rate changes on the balance of cash held in foreign currencies	382	214
Cash and cash equivalents at end of period (Note b)	22,823	12,740

Notes :

a) Disposal of a subsidiary

	Period ended 31.12.13 \$'000
<u>Book value of net assets over which control was lost</u>	
Cash and bank balances	1,047
Trade and other receivables	2,625
Inventories	3,672
Property, plant and equipment	2,496
Derivative financial instruments	23
Trade and other payables	(3,360)
Income tax payables	(115)
Long-term bank borrowings	(1,130)
Net assets	5,258
Less : Non-controlling interest	(1,217)
Net assets disposed	4,041
Exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of the subsidiary	(81)
Loss on disposal of a subsidiary	(1,367)
Total consideration, satisfied by cash	2,593
Less : Cash and cash equivalent disposed of	(1,047)
Net cash inflows arising from disposal of a subsidiary	1,546

b) The cash and cash equivalents consist of the followings:

	6 months ended 31.12.13 \$'000	6 months ended 31.12.12 \$'000
Cash and bank balances	22,977	15,756
Bank overdrafts	(154)	(3,016)
	22,823	12,740

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.

Group	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2013	56,288	(950)	(1,565)	(381)	76,201	129,593	7,695	137,288
Total comprehensive income for the period	-	-	122	-	11,625	11,747	642	12,389
Exercise of personal undertakings from non-controlling interests	-	-	-	-	-	-	(1,370)	(1,370)
Acquisition of additional interests in a subsidiary	-	-	(6)	-	87	81	(81)	-
Disposal of a subsidiary	-	-	-	-	-	-	(1,217)	(1,217)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(300)	(300)
Final dividend for the previous year paid	-	-	-	-	(6,533)	(6,533)	-	(6,533)
Balance at 31 December 2013	56,288	(950)	(1,449)	(381)	81,380	134,888	5,369	140,257

Group	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2012	51,723	(950)	(1,803)	(381)	64,515	113,104	7,777	120,881
Total comprehensive income for the period, as restated	-	-	(44)	-	11,499	11,455	127	11,582
Issue of shares capital	4,565	-	-	-	(4,565)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	(13)	(13)
Final dividend for the previous year paid	-	-	-	-	(1,642)	(1,642)	-	(1,642)
Balance at 31 December 2012, as restated	56,288	(950)	(1,847)	(381)	69,807	122,917	7,891	130,808

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2013	56,288	(950)	50,440	105,778
Total comprehensive income for the period	-	-	11,130	11,130
Final dividend for the previous year paid	-	-	(6,533)	(6,533)
Balance at 31 December 2013	56,288	(950)	55,037	110,375

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2012	51,723	(950)	45,355	96,128
Total comprehensive income for the period, as restated	-	-	7,385	7,385
Issue of shares capital	4,565	-	(4,565)	-
Final dividend for the previous year paid	-	-	(1,642)	(1,642)
Balance at 31 December 2012, as restated	56,288	(950)	46,533	101,871

- 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 were no changes in the Company's share capital during the 3 months ended 31 December 2013.

The total number of issued ordinary shares excluding treasury shares as at 31 December 2013 was 435,515,791 (31 December 2012: 435,515,791).

The number of ordinary shares held as treasury shares as at 31 December 2013 was 2,727,000 (31 December 2012: 2,727,000).

As at 31 December 2013, there were no shares that may be issued on conversion of any outstanding convertibles or shares options (31 December 2012: Nil).

- 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 ordinary shares excluding treasury shares as at 31 December 2013 was 435,515,791 (30 June 2013: 435,515,791).

- 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 during the current financial period reported on.

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

The figures have not been audited nor 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.**

Except as disclosed below, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as compared with the audited financial statements as at 30 June 2013.

The Group and Company have adopted the following applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 July 2013:

- FRS 113 Fair Value Measurements
- FRS 107 Financial Instruments: Disclosure-Offsetting Financial Assets and Financial Liabilities
- Annual Improvements to FRS 2012

The adoption of these FRSs has no material effect on the announcement for the current period.

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.**

There are no significant changes in the accounting policies adopted by the Group and the company, other than as disclosed in item 4.

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.**

	6 months ended 31.12.13	6 months ended 31.12.12 Restated
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares in issue; and	2.67 cents	2.64 cents
(ii) On a fully diluted basis	2.67 cents	2.64 cents

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 31.12.13	As at 30.06.13	As at 31.12.13	As at 30.06.13
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	30.97 cents	29.76 cents	25.34 cents	24.29 cents

Net asset value per share is calculated based on the existing number of shares in issue of 435,515,791 (30 June 2013: 435,515,791 shares).

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 financial period reported on.

Statement of profit or loss

The Group posted revenue of \$160.21 million for the half year ended 31 December 2013, an increase of 6.63% from \$150.24 million in the last corresponding period. The increase in revenue was from :

- a) The Cable & Wire Segment which increased by \$7.37 million, mainly from higher quantities sold. The increase was underpinned by growth in the Commercial & Residential Sector in Singapore as well as the Export Sector; and
- b) The Electrical Material Distribution Segment which increased by \$2.51 million, due to growth in the Industrial and Export Sectors and new lighting business.

Other operating income increased by \$1.47 million mainly from gain on disposal of assets classified as held for sale amounting to \$1.25 million.

Administrative, selling and distribution expenses increased by 10.38% attributable to the increase in business activities for the period and higher staff costs incurred.

Other operating expenses increased by \$2.63 million principally due to loss on disposal of a subsidiary amounting to \$1.37 million, allowance for doubtful receivables provided for long overdue debts and higher foreign exchange losses.

The Group reported profit before income tax of \$14.71 million for the half year ended 31 December 2013, an increase of \$1.03 million (7.55%) compared to the last corresponding period ended 31 December 2012. The increase was driven by the gain on disposal of assets classified as held for sale amounting to \$1.25 million and the Test & Inspection Segment which contributed to an increase of \$0.92 million for current period. This was however negated by decrease in profit before income tax in the Electrical Material Distribution Segment which is primarily due to loss on disposal of a subsidiary – Vynco Industries (NZ) Limited.

Statement of financial position

Cash and bank balances decreased by \$1.50 million, due to settlement of bank borrowings and liabilities towards period end and disposal of a subsidiary.

Trade receivables decreased by \$12.39 million, attributable to lower sales towards period ended December 2013, improvement in collection from customers, allowance for doubtful debts provided for long overdue debts and disposal of a subsidiary.

Derivative financial instruments decreased by \$1.42 million mainly because of the exercise of personal undertakings from non-controlling interests of a subsidiary which resulted in an increase of shareholding in Cast Laboratories Group.

Assets classified as held for sales decreased by \$1.37 million, attributable to completion of sale of leasehold land and buildings during the period.

Inventories increased by \$1.08 million was due to the net impact of lower sales in the Cable & Wire Segment as well as the Electrical Material Distribution Segment towards period end and disposal of a subsidiary.

Bank overdrafts and other bank borrowings decreased by \$10.41 million primarily because of lower purchases and settlement of bank borrowings towards period end.

Trade payables decreased by \$5.25 million, principally driven by lower purchases in both the Cable & Wire Segment and the Electrical Material Distribution Segment, prompt payment to suppliers as well as disposal of a subsidiary.

Other payables decreased by \$2.89 million mainly because of bonus payout during the period, lower advances from customers and disposal of a subsidiary.

Statement of cash flows

The cash and cash equivalent at the end of the period decreased to \$22.82 million compared with \$23.57 million at the end of the preceding period.

The net cash from operating activities of \$15.29 million was mostly due to lower sales net of purchases, bonus payout and income tax paid during the period.

The net cash from investing activities of \$0.55 million was mainly from sales of assets classified as held for sale, plant and equipment and proceeds from disposal of a subsidiary, net of purchase of plant and equipment.

The net cash used in financing activities of \$16.97 million was largely attributed to repayment of bank borrowings, finance leases, dividend paid and interest paid.

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

No forecast or a prospect statement has been previously disclosed to shareholders.

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 property cooling measures introduced in Singapore began to impact the Group's Cable & Wire Segment results in the second quarter. The effect of the cooling measures could continue to impact the Group's results in the next 12 months.

The gradual recovery in the Electronics Cluster will allow the Electrical Material Distribution ("EMD") Segment to continue to contribute positively to the Group. This segment will refresh its business plan to explore potential opportunities both in the local markets as well as other countries in the region.

For the Test & Inspection Segment, the Group aims to achieve better synergies across its business divisions. This segment will also expand its businesses in the Malaysian and Indonesian markets to grow its revenue and profit streams.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared (recommended) for the current financial period reported on? **Yes**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.75 cent per ordinary share
Tax Rate	Exempt One-tier

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.75 cent per ordinary share
Tax Rate	Exempt One-tier

(c) Date payable

The Interim Exempt One-tier Dividend of 0.75 cent per ordinary share will be paid on 17 March 2014.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 7 March 2014 for the purpose of preparing dividend warrants.

Duly completed transfers received by the Company's Share Registrars, B.A.C.S. Private Limited of 63 Cantonment Road, Singapore 089758 up to 5.00 p.m. on 6 March 2014 will be registered before entitlements to the Interim Dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said Interim Dividend will be paid by the Company to CDP which will distribute the dividend to holders of the securities accounts.

- 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 Interested Person Transactions (“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.**

No IPT mandate has been obtained from shareholders.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 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.**

Not applicable.

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

Not applicable.

- 16. A breakdown of sales.**

Not applicable.

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

Not applicable.

- 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(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

BY ORDER OF THE BOARD

Tan Shou Chieh
Secretary

Singapore, 12 February 2014



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958



CERT. NO.: 96-2-0545
SS ISO 9001: 2000

**CONFIRMATION BY THE BOARD OF DIRECTORS
PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, being two Directors of Tai Sin Electric Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial statements for the second quarter ended 31 December 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Prof. Lee Chang Leng Brian
Chairman

Mr. Lim Boon Hock Bernard
Chief Executive Officer

Singapore, 12 February 2014

Tai Sin Electric Limited

24 Gul Crescent, Jurong Town, Singapore 629531 Tel: (65) 6861 3401 Fax: (65) 6861 4084
Website : www.taisn.com.sg Email : mailbox1@taisn.com.sg Co. Reg. No. : 198000057W