

NOBEL DESIGN HOLDINGS LIMITED
(Company Registration No: 198104591E)

First Quarter Financial Statement And Dividend Announcement for the Period Ended 31 Mar 2014

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.

Consolidated income statement for the financial period ended 31-Mar-14

	GROUP		
	31-Mar-14	31-Mar-13	Variance
	S\$'000	S\$'000	%
Revenue	27,560	21,492	28%
Cost of sales	(18,246)	(13,789)	32%
Gross profit	9,314	7,703	
Other income	1,552	1,220	27%
Other gains – net	833	894	(7%)
Expenses			
- Distribution and marketing	(2,906)	(2,673)	9%
- Administrative	(4,840)	(4,832)	
- Finance	(124)	(74)	68%
Share of loss of associated companies	(1)	(2)	
Profit before income tax	3,828	2,236	
Income tax expense	(457)	(382)	20%
Net profit	3,371	1,854	
Profit attributable to:			
Equity holders of the Company	3,120	1,668	
Non-controlling interests	251	186	
	3,371	1,854	

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

Consolidated Statement of Comprehensive income for the financial period ended 31-Mar-14

	<u>GROUP</u>		
	31-Mar-14	31-Mar-13	Variance
	S\$'000	S\$'000	%
Net profit	3,371	1,854	
<i>Other comprehensive income</i>			
Available-for-sale financial assets – fair value gain	8	-	
Currency translation differences arising from consolidation	(75)	140	
Other comprehensive (loss)/income, net of tax	(67)	140	
Total comprehensive income	3,304	1,994	
Total comprehensive income attributable to:			
Equity holders of the Company	3,074	1,770	
Non-controlling interests	230	224	
	3,304	1,994	

Additional information to the income statement:

	<u>GROUP</u>	
	31-Mar-14	31-Mar-13
	S\$'000	S\$'000
1. Other income		
Commission income	6	8
Fixed deposit interest	255	155
Interest income from financial assets	161	96
Parking fee income	26	29
Management fee	14	-
Rental income	949	870
Miscellaneous income	141	62
	1,552	1,220

	<u>GROUP</u>	
	31-Mar-14	31-Mar-13
	S\$'000	S\$'000
2. Other gains – net		
Amortisation of deferred income	812	882
Bad debts recovered	21	12
	833	894

Additional information to the income statement (continued):**3. Distribution Expenses**

The increase in distribution and marketing expenses was mainly due to increase in rental due to expansion of showroom, staff cost and marketing cost.

	GROUP	
	31-Mar-14	31-Mar-13
	S\$'000	S\$'000
4. Finance Expense		
Bank loan interest	419	284
Finance lease interest	2	3
Trust receipts interest	20	25
	441	312
Finance expense capitalised in:		
- Development properties	(317)	(238)
	124	74

	GROUP	
	31-Mar-14	31-Mar-13
	S\$'000	S\$'000
5. Profit before income tax		
Profit before income tax is determined after charging/(crediting):-		
Depreciation of property, plant and equipment	155	102
(Recovered)/Allowance for doubtful debts	(2)	53
Foreign Exchange loss - net	15	30

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	
	31-Mar-14	31-Dec-13		31-Mar-14	31-Dec-13
	S\$'000	S\$'000		S\$'000	S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	105,306	100,662		68,610	69,278
Available-for-sale financial assets	20	521		20	521
Trade and other receivables	23,526	22,515		21,488	19,416
Inventories	15,106	15,551		-	-
Gross amount due from customers for contract work-in-progress	155	460		-	-
Development properties	82,913	88,187		-	-
	227,026	227,896		90,118	89,215
Non-current assets					
Other receivables	180	180		-	-
Investments in associated companies	1,169	1,170		800	800
Investments in joint venture	-	-		1,138	1,138
Investments in subsidiaries	-	-		3,716	3,716
Property, plant and equipment	18,685	18,728		249	273
Intangible assets	161	349		161	349
	20,195	20,427		6,064	6,276
Total assets	247,221	248,323		96,182	95,491
LIABILITIES					
Current liabilities					
Trade and other payables	28,655	31,312		6,713	6,539
Borrowings	11,549	10,774		1,683	-
Obligations under finance leases	79	88		38	38
Gross amount due to customers for contract work-in-progress	4,962	4,011		-	-
Current income tax liabilities	1,267	954		-	-
Deferred income	3,250	3,250		3,250	3,250
	49,762	50,389		11,684	9,827
Non-current liabilities					
Deferred income	10,291	11,104		10,291	11,104
Borrowings	79,336	82,562		-	-
Obligations under finance leases	21	35		10	19
Deferred income tax liabilities	2,503	2,385		69	69
	92,151	96,086		10,370	11,192
Total liabilities	141,913	146,475		22,054	21,019
NET ASSETS	105,308	101,848		74,128	74,472
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27,326	27,310		27,326	27,310
Other reserves	1,251	1,157		1,986	1,838
Retained earnings	74,004	70,884		44,816	45,324
	102,581	99,351		74,128	74,472
Non-controlling interests	2,727	2,497		-	-
Total equity	105,308	101,848		74,128	74,472

Additional Information to the Statement of financial position:

Current Assets

- Cash and cash equivalents increased by \$4.64 million as compared to 31 Dec 2013. The increase is mainly due to funds received by joint venture companies.
- Available-for-sale financial assets decreased by \$0.5 million as compared to 31 Dec 2013. The decrease is mainly due to the redemption of bond during the 1st quarter.
- Trade and other receivables increased by \$1.01 million as compared to 31 Dec 2013. The increase is mainly due to the increase in trade and other receivables from joint venture companies.
- Development properties decreased by \$5.27 million as compared to 31 Dec 2013. The decrease is mainly due to recognition of revenue by joint venture companies.

Non-Current Assets

- Property, plant and equipment decreased by \$0.04 million as compared to 31 Dec 2013. The decrease is mainly due to the purchase of plant and equipment of \$0.11 million and partially offset by depreciation charges for the period up to 31 Mar 2014 of \$0.16 million.
- Intangible Assets decreased by \$0.19 million as compared to 31 Dec 2013. The decrease is mainly due to the disposal of club membership.

Current and Non-Current Liabilities

- Total bank borrowings decreased by \$2.45 million as compared to 31 Dec 2013. The decrease is mainly due to decrease in bank loans by joint venture companies.

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-Mar-14		As at 31-Dec-13	
Secured	Unsecured	Secured	Unsecured
S\$11,458,480	S\$169,664	S\$10,522,315	S\$340,311

Amount repayable after one year

As at 31-Mar-14		As at 31-Dec-13	
Secured	Unsecured	Secured	Unsecured
S\$79,356,558	Nil	S\$82,596,754	Nil

Details of any collateral

A subsidiary's bank trade facilities are secured by its fixed deposit of \$601,582 and proportionate corporate guarantee by the Company.

The loans are secured by first legal mortgages over the development properties.

Finance leases of \$99,771 (31 Dec 2013: \$122,926) are secured over some of the Group's motor vehicles.

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

	GROUP	
	31-Mar-14	31-Mar-13
	S\$'000	S\$'000
<i>Cash flows from operating activities</i>		
Net profit	3,371	1,854
Adjustments for:		
- Income tax expense	457	382
- Employee share option expense	141	139
- Amortisation of deferred income	(812)	(882)
- Depreciation	155	102
- Gain on disposal of Club membership	(14)	-
- Loss on redemption of financial assets	9	-
- Reversal of loss on available-for-sale financial assets	1	3
- Interest income	(416)	(251)
- Finance expenses	124	74
- Share of loss of associated companies	1	2
- Unrealised currency translation (gains)/losses	(72)	128
	2,945	1,551
<i>Change in working capital:</i>		
- Trade and other receivables	(847)	735
- Inventories	445	1,318
- Contract work-in-progress	1,256	(132)
- Development properties	5,591	(3,109)
- Trade and other payables	(2,658)	(17,709)
Cash generated/(used) in operations	6,732	(17,346)
- Income tax paid	(26)	(84)
Net cash generated/(used) in operating activities	6,706	(17,430)
<i>Cash flows from investing activities</i>		
Proceeds from redemption of financial assets	500	-
Proceeds from disposal of Club membership	202	-
Additions to property, plant and equipment	(112)	(1,684)
Fixed deposits with maturity of more than three months	11,820	(11,048)
Interest received	252	96
Net cash provided by/(used in) investing activities	12,662	(12,636)
<i>Cash flows from financing activities</i>		
(Repayment)/Proceeds from bank borrowings	(2,452)	21,163
Net proceeds from issuance of shares	15	11
Fixed deposits pledged	(4,365)	(8)
Repayment of finance leases	(23)	(34)
Interest paid (including amounts capitalised as development properties)	(441)	(312)
Net cash (used in)/provided by financing activities	(7,266)	20,820
Net increase/(decreased) in cash and cash equivalents	12,102	(9,246)
<i>Cash and cash equivalents</i>		
Beginning of financial year	19,027	23,194
Effect of currency translation on cash and cash equivalents	(3)	10
End of the financial year	31,126	13,958

Notes to Cash Flow Statement

For the purpose of presenting in the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	GROUP	
	31-Mar-14	31-Mar-13
	S\$'000	S\$'000
Cash and cash equivalents	105,306	88,585
Less: Bank deposits pledged	(5,683)	(1,310)
Less: Bank deposits with maturity more than three months	(68,497)	(73,317)
Cash and cash equivalents per consolidated statement of cash flows	31,126	13,958

The Group generated an operating cash flow before working capital changes of \$2.95 million as compared to cash generated from operations of \$1.55 million in the 1st quarter ended 31 Mar 2013. Taking into account changes in working capital and income tax paid, the Group generated \$6.71 million from its operating activities as compared to \$17.43 million used in the 1st quarter ended 31 Mar 2013.

The Group recorded a net cash inflow of \$12.10 million in the 1st quarter ended 31 Mar 2014 compared to a net cash outflow of \$9.25 million in the 1st quarter of 2013. The net increase in cash and cash equivalents was due to net cash generated from operating activities and investing activities of \$6.71 million and \$12.66 million respectively, which was partially offset by net cash used by financing activities of \$7.27 million.

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.

Consolidated statement of changes in equity for the period ended 31-Mar-14

	Attributable to equity holders of the Company								
GROUP	Share capital	Currency translation reserves	Warrant reserves	Fair value reserves	Employee share option reserves	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-14	27,310	(681)	255	(8)	1,591	70,884	99,351	2,497	101,848
Issue of new shares	16	-	(1)	-	-	-	15	-	15
Employee share option scheme	-	-	-	-	141	-	141	-	141
Total comprehensive Income/(loss) for the period	-	(54)	-	8	-	3,120	3,074	230	3,304
Balance as at 31-Mar-14	27,326	(735)	254	-	1,732	74,004	102,581	2,727	105,308

Consolidated statement of changes in equity for the period ended 31-Mar-13

	Attributable to equity holders of the Company								
GROUP	Share capital	Currency translation reserves	Warrant reserves	Fair value reserves	Employee share option reserves	Retained earnings	Total	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-13	23,273	(968)	490	(7)	968	53,190	76,946	1,965	78,911
Issue of new shares	11	-	-	-	-	-	11	-	11
Employee share option scheme	-	-	-	-	139	-	139	-	139
Total comprehensive Income/(loss) for the period	-	102	-	-	-	1,668	1,770	224	1,994
Balance as at 31-Mar-13	23,284	(866)	490	(7)	1,107	54,858	78,866	2,189	81,055

Statement of changes in equity for the financial period ended 31-Mar-14

<u>COMPANY</u>	Share capital	Fair value reserves	Warrants reserves	Employee share option reserves	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-14	27,310	(8)	255	1,591	45,324	74,472
Issue of new shares	16	-	(1)	-	-	15
Employee share option scheme	-	-	-	141	-	141
Total comprehensive Income/(loss) for the period	-	8	-	-	(508)	(500)
Balance as at 31-Mar-14	27,326	-	254	1,732	44,816	74,128

Statement of changes in equity for the financial period ended 31-Mar-13

<u>COMPANY</u>	Share capital	Fair value reserves	Warrants reserves	Employee share option reserves	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1-Jan-13	23,273	(7)	490	968	38,605	63,329
Issue of new shares	11	-	-	-	-	11
Employee share option scheme	-	-	-	139	-	139
Total comprehensive Income/(loss) for the period	-	-	-	-	(793)	(793)
Balance as at 31-Mar-13	23,284	(7)	490	1,107	37,812	62,686

- 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.**

	GROUP AND COMPANY	
	31-Mar-14	31-Dec-13
	S\$'000	S\$'000
<u>Issued and paid up capital</u>		
At the end of the financial period/year	27,326	27,310

Note: During the financial period;

- (i) 66,000 warrants were exercised and issued at \$0.2300 each.

- 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 preceding year.**

	GROUP AND COMPANY	
	31-Mar-14	31-Dec-13
No of issued shares at the beginning of the period/year	190,481,700	174,455,000
Issue of new shares:		
- exercised of share option by employees and directors	-	1,219,000
- exercised of Warrant by warrant-holders	66,000	14,807,700
No of issued shares at the end of the period/year	190,547,700	190,481,700

- 1(d)(iv) A statement showing all sales, transfers, disposals, 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 financial statements have not been audited nor reviewed by the Company's auditors.

- 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.

The Group has adopted the same accounting policies and methods of computation in the financial statements for current reporting period compared with the audited financial statements for the year ended 31 Dec 2013.

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 has adopted the new and revised Singapore Financial Reporting Standards ("FRSs") that are mandatory for financial years beginning on and after 1 Jan 2014, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the retained earnings of the Group as at 1 Jan 2014.

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.

	GROUP	
	31-Mar-14	31-Mar-13
Earnings per share based on consolidated profit after taxation and Non-controlling interests		
Based on existing issued share capital (cents)	1.638	0.956
On a fully diluted basis (cents)	1.491	0.804

Note:

- a) The Earnings per share is calculated based on the weighted average number of shares in issue during the period amounting to 190,481,700 and 174,466,667 shares as at 31 Mar 2014 and 31 Mar 2013 respectively.
- b) In calculating Earnings per share on a fully diluted basis, the weighted average number of shares in issue during the period is adjusted to take into account the employee share options and warrants issued on a deemed exercised basis, being 209,253,009 and 207,465,304 shares as at 31 Mar 2014 and 31 Mar 2013 respectively.

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 financial period reported on; and**
(b) immediately preceding financial year.

	GROUP		COMPANY	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
Net asset value per share based on the existing issued share capital as at the respective period	53.83 cents	52.16 cents	38.90 cents	39.10 cents

Note:

The net assets value per ordinary shares are calculated based on the issued share capital of the Company of 190,547,700 and 190,481,700 shares as at 31 Mar 2014 and 31 Dec 2013 respectively.

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.**

Group revenue for the 1st quarter ended 31 Mar 2014 increased by 28% to \$27.56 million as compared to \$21.49 million for the 1st quarter ended 31 Mar 2013. All divisions performed well and contributed to the increase in revenue.

The Group's supply chain division under Buylateral Group which sells mainly to the USA market, achieved a sales increase of 29% from \$6.94 million for the 1st quarter ended 31 Mar 2013 to \$8.93 million for the 1st quarter ended 31 Mar 2014.

In the 1st quarter ended 31 Mar 2014, the Group's property companies have performed well and contributed to the Group's revenue and Group's net profit, with the Group's net profit increasing to \$3.37 million as compared to a net profit of \$1.85 million for the 1st quarter ended 31 Mar 2013.

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

Not applicable.

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 furniture business is seasonal in nature. Business is generally slower in the 1st quarter and 3rd quarter of each financial year compared to the 2nd and 4th quarters. Based on historical trends, the furniture business should generally perform better in the following quarters.

We anticipate that the supply of properties coming on-stream this year and in the next few years will be positive for the furniture business.

The Group's property division will continue to seek and explore opportunities in property development in London. In Feb 2014, our joint venture company, Covent Garden Development Pte Ltd, entered into a joint venture with English Rose Estates Limited to develop a prime parcel of land at Covent Garden, Central London. We are currently negotiating further acquisitions and will announce these acquisitions in due course.

The Group's USA distribution and supply chain company, Buylateral Group Pte Ltd, has performed positively in the 1st quarter of 2014 and should continue to perform well in 2014 in line with the economic recovery in the USA.

Barring any events that will have an adverse impact on global markets, the Group remains optimistic about its performance for the next three quarters of 2014.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?
None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect.

No dividend has been declared/recommendeded for the current financial period ended 31 Mar 2014.

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 review 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.

Total Annual Dividend (*Refer to Para 16 of Appendix 7.2 for the required details*)

	Latest Full Year (S\$)	Previous Full Year (S\$)
Ordinary	0	0
Preference	0	0
Total:	0	0

17. Interest Person Transaction

Name of Interested Person	Aggregate value of all Interested Persons Transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' Mandate pursuant to Rule 920)	Aggregate value of all Interested Persons Transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	Nil	Nil

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

The board of directors have confirmed that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of which may render the unaudited 1st quarter financial statements for the three month ended 31 Mar 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Goon Eu Jin Terence
Director

Wee Ai Quey
Director

BY ORDER OF THE BOARD

Goon Eu Jin Terence
Group Chief Executive Officer and Managing Director

7 May 2014