



TYE SOON LIMITED

Company Registration No. 195700114W

Half Year Financial Statements and Dividend Announcement For The Period Ended 30 June 2014

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

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

Consolidated Income Statement	30 June 2014 \$'000	30 June 2013 \$'000	Increase/ (Decrease) %
Revenue	98,203	95,661	2.7
Other income	1,871	1,638	14.2
Gain on sale of investment properties	-	1,520	(100.0)
Gain on disposal of subsidiary	-	906	(100.0)
Changes in inventories of finished goods	648	7,904	(91.8)
Cost of purchases	(78,436)	(84,319)	(7.0)
Staff costs	(10,081)	(8,802)	14.5
Depreciation of property, plant and equipment and investment property	(303)	(328)	(7.6)
Other operating expenses	(8,747)	(8,503)	2.9
Finance expenses	(805)	(798)	0.9
Profit before income tax	2,350	4,879	(51.8)
Income tax expense	(602)	(699)	(13.9)
Profit for the period	1,748	4,180	(58.2)
Profit attributable to:			
Owners of the Company	1,722	4,154	(58.5)
Non-controlling interests	26	26	0.0
Profit for the period	1,748	4,180	(58.2)

Consolidated Statement of Comprehensive Income	30 June 2014 \$'000	30 June 2013 \$'000	Increase/ (Decrease) %
Profit for the period	1,748	4,180	(58.2)
Other comprehensive income:			
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associates	956	(1,524)	nm
Transfer of reserves to income statement on disposal of interests in subsidiary	-	233	(100.0)
Other comprehensive income for the period, net of tax	956	(1,291)	nm
Total comprehensive income for the period	2,704	2,889	(6.4)
Total comprehensive income attributable to:			
Owners of the Company	2,677	2,863	(6.5)
Non-controlling interests	27	26	3.9
Total comprehensive income for the period	2,704	2,889	(6.4)

1(a)(ii) The following items (with appropriate breakdown and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	30 June 2014 \$'000	30 June 2013 \$'000	Increase/ (Decrease) %
Analysis of operating expenses:			
Operating lease expenses	(3,360)	(3,156)	6.5
Transportation expenses	(1,416)	(1,494)	(5.2)
Allowance for impairment loss on trade receivables and bad debts written off	(24)	(104)	(76.9)
Allowance for inventory obsolescence	(341)	14	nm
Loss on sale of property, plant and equipment	(3)	(24)	(87.5)
Foreign exchange loss	-	(332)	(100.0)
Other expenses	(3,603)	(3,407)	5.8
Other operating expenses	(8,747)	(8,503)	2.9

	30 June 2014 \$'000	30 June 2013 \$'000	Increase/ (Decrease) %
Analysis of other income:			
Foreign exchange gain	354	-	nm
Rental income	617	742	(16.8)
Amortisation of deferred income	750	750	0.0
Finance income	33	29	13.8
Other income	117	117	0.0
	1,871	1,638	14.2

nm denotes not meaningful.

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 30 June 2014 \$'000	Group 31 Dec 2013 \$'000	Company 30 June 2014 \$'000	Company 31 Dec 2013 \$'000
Assets				
Property, plant and equipment	4,981	4,966	3,476	3,559
Goodwill	118	113	-	-
Investment properties	-	-	-	-
Subsidiaries	-	-	16,494	16,172
Associates	1,469	1,450	327	327
Other investments	-	-	-	-
Deferred tax assets	1,139	994	81	81
Loan receivables	-	-	-	-
Non-current assets	7,707	7,523	20,378	20,139
Inventories	92,771	92,123	34,481	32,637
Trade and other receivables	38,936	36,160	58,065	53,233
Cash and cash equivalents	11,341	12,429	4,238	6,080
Current assets	143,048	140,712	96,784	91,950
Total assets	150,755	148,235	117,162	112,089
Equity				
Share capital	38,057	38,057	38,057	38,057
Reserves	21,486	21,063	5,890	7,057
Equity attributable to owners of the Company	59,543	59,120	43,947	45,114
Non-controlling interests	127	100	-	-
Total equity	59,670	59,220	43,947	45,114
Liabilities				
Financial liabilities	53	74	-	-
Employee benefits	1,292	995	-	-
Deferred income	-	117	-	117
Deferred tax liabilities	138	133	51	51
Non-current liabilities	1,483	1,319	51	168
Financial liabilities	67,196	63,700	62,627	57,633
Trade and other payables	21,101	21,771	9,648	7,619
Deferred income	867	1,500	867	1,500
Current tax payable	438	725	22	55
Current liabilities	89,602	87,696	73,164	66,807
Total liabilities	91,085	89,015	73,215	66,975
Total equity and liabilities	150,755	148,235	117,162	112,089

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

(A) the amount repayable in one year or less, or on demand;

As at 30/6/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
40	67,156	41	63,659

(B) the amount repayable after one year;

As at 30/6/2014		As at 31/12/2013	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
53	-	74	-

(C) whether the amounts are secured or unsecured; and

As disclosed in (A) and (B) above.

(D) details of any collaterals.

Nil.

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 30 June 2014 \$'000	Group 30 June 2013 \$'000
Cash flow from operating activities		
Profit before income tax	2,350	4,879
Adjustments for :		
Amortisation of deferred income	(750)	(750)
Depreciation of property, plant and equipment	303	310
Depreciation of investment properties	-	18
Gain on sale of investment properties	-	(1,520)
Gain on disposal of subsidiary	-	(906)
Loss on sale of property, plant and equipment	3	24
Finance income	(33)	(29)
Finance expenses	805	798
	2,678	2,824
Changes in working capital		
Changes in inventories	231	(9,286)
Changes in trade and other receivables	(2,452)	(4,436)
Changes in trade and other payables	(528)	1,530

Changes in bills payable and trust receipts	360	(636)
Cash from/(used in) operating activities	289	(10,004)
Tax paid	(1,009)	(588)
Interest paid	(402)	(499)
Net cash used in operating activities	(1,122)	(11,091)
Cash flows from investing activities		
Interest received	33	29
Proceeds from sale of investment properties	-	1,724
Proceeds from disposal of subsidiary, net of cash disposed of	-	2,677
Proceeds from sale of property, plant and equipment	3	24
Expenses relating to sale of investment properties	-	(49)
Expenses relating to disposal of subsidiary	-	(86)
Acquisition of property, plant and equipment	(279)	(294)
Net cash (used in)/from investing activities	(243)	4,025
Cash flows from financing activities		
Payment of finance leases liabilities	(20)	(9)
Repayment of interest-bearing term loans	-	(645)
Proceeds from interest-bearing bank loans	2,923	6,470
Interest paid	(422)	(321)
Dividends paid	(751)	(751)
Special dividends paid	(1,503)	-
Net cash from financing activities	227	4,744
Net decrease in cash and cash equivalents	(1,138)	(2,322)
Cash and cash equivalents at beginning of period	12,429	12,319
Effect of exchange rate changes on the balance of cash held in foreign currencies	50	(182)
Cash and cash equivalents at end of period	11,341	9,815

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	Attributable to owners of the Company						Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Revaluation reserve \$'000	Other capital reserves \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 January 2013	38,057	169	2,915	799	14,798	56,738	60	56,798
Total comprehensive income for the period								
Profit for the period	-	-	-	-	4,154	4,154	26	4,180
Other comprehensive income								
Transfer of revaluation reserve to equity on sale of investment properties	-	(169)	-	-	169	-	-	-
Transfer of reserves to income statement on disposal of interests in subsidiary	-	-	586	(353)	-	233	-	233
Foreign currency translation differences of net assets/liabilities of foreign branch,								

subsidiaries and associates	-	-	-	(1,524)	-	(1,524)	-	(1,524)
Total other comprehensive income	-	(169)	586	(1,877)	169	(1,291)	-	(1,291)
Total comprehensive income for the period	-	(169)	586	(1,877)	4,323	2,863	26	2,889
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2012	-	-	-	-	(751)	(751)	-	(751)
Total contributions by and distributions to owners of the Company	-	-	-	-	(751)	(751)	-	(751)
At 30 June 2013	38,057	-	3,501	(1,078)	18,370	58,850	86	58,936
At 1 January 2014	38,057	-	3,501	(2,009)	19,571	59,120	100	59,220
Total comprehensive income for the period								
Profit for the period	-	-	-	-	1,722	1,722	26	1,748
Other comprehensive income								
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associates	-	-	-	955	-	955	1	956
Total other comprehensive income	-	-	-	955	-	955	1	956
Total comprehensive income for the period	-	-	-	955	1,722	2,677	27	2,704
Transactions with owners, recognised directly in equity								
Contributions by and distributions to owners								
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2013	-	-	-	-	(751)	(751)	-	(751)
Special tax exempt (one-tier) dividend of 0.574 cents per share paid in respect of the year ended 31 December 2013	-	-	-	-	(1,503)	(1,503)	-	(1,503)
Total contributions by and distributions to owners of the Company	-	-	-	-	(2,254)	(2,254)	-	(2,254)
At 30 June 2014	38,057	-	3,501	(1,054)	19,039	59,543	127	59,670

Company	Share capital \$'000	Revaluation reserve \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2013	38,057	169	860	4,649	43,735
Total comprehensive income for the period					
Profit for the period	-	-	-	3,018	3,018
Other comprehensive income					
Transfer of revaluation reserve to equity on sale of investment properties	-	(169)	-	169	-
Foreign currency translation differences of net assets/liabilities of foreign branch	-	-	(79)	-	(79)

Total other comprehensive income	-	-	(79)	-	(79)
Total comprehensive income for the period	-	(169)	(79)	3,187	2,939
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2012	-	-	-	(751)	(751)
Total contributions by and distributions to owners of the Company	-	-	-	(751)	(751)
At 30 June 2013	38,057	-	781	7,085	45,923
At 1 January 2014	38,057	-	767	6,290	45,114
Total comprehensive income for the period					
Profit for the period	-	-	-	1,062	1,062
Other comprehensive income					
Foreign currency translation differences of net assets/liabilities of foreign branch	-	-	25	-	25
Total other comprehensive income	-	-	25	-	25
Total comprehensive income for the period	-	-	25	1,062	1,087
Transactions with owners, recognised directly in equity					
Contributions by and distributions to owners					
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2013	-	-	-	(751)	(751)
Special tax exempt (one-tier) dividend of 0.574 cents per share paid in respect of the year ended 31 December 2013	-	-	-	(1,503)	(1,503)
Total contributions by and distributions to owners of the Company	-	-	-	(2,254)	(2,254)
At 30 June 2014	38,057	-	792	5,098	43,947

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.

Not applicable.

- 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 immediate preceding year.

	Number of ordinary Shares	Share Capital \$'000
As at 31 Dec 2013	261,800,000	38,057
As at 30 June 2014	261,800,000	38,057

- 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 by the 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 item 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those applied for the financial statements for the year ended 31 December 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 adopted all new or revised Singapore Financial Reporting Standards ("FRSs") which are relevant to its operations and effective for annual periods on or after 1 January 2014.

The adoption of the new and revised FRSs did not result in any adjustment to the opening balance of accumulated profits of prior and current years or to changes in comparatives.

6. Earning 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:-

Earnings per ordinary share for the period based on profit attributable to shareholders	30 June 2014	30 June 2013
(a) Based on the weighted average number of ordinary shares in issue; and	0.66 cents	1.59cents
(b) On a fully diluted basis	0.66 cents	1.59cents

Basic earnings per share for the period ended 30 June 2014 was computed based on net profit attributable to shareholders of \$1,722,000 (30 June 2013: \$4,154,000) and weighted average number of ordinary shares of 261,800,000 (30 June 2013: 261,800,000).

Diluted earnings per share for the period ended 30 June 2014 was computed based on net profit attributable to shareholders of \$1,722,000 (30 June 2013: \$4,154,000) and number of ordinary shares of 261,800,000 (30 June 2013: 261,800,000).

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 30 June 2014	Group 31 December 2013	Company 30 June 2014	Company 31 December 2013
Net asset value per ordinary share based on issued share capital	22.7 cents	22.6 cents	16.8 cents	17.2 cents

Net asset value per ordinary share as at 30 June 2014 was computed after deducting non-controlling interest and based on existing ordinary shares of 261,800,000 (31 December 2013: 261,800,000).

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.

Review of Performance

Turnover increased by 2.7% to \$98.2 million.

An earlier announcement by the Group in May 2014 disclosed that business in Singapore declined by 11.1% in IQ14 as the export-based business in Singapore was affected by delays in supplies of a major brand as well as lower demand for another brand due to a price increase. Sales recovered to some degree in 2Q14 as the supply rate of the aforementioned major brand picked up towards the latter part of the quarter. The recovery, however, was not

sufficient to cover the drop in sales in 1Q14 and turnover for the Singapore operations registered a decline of 5.8% for 1H14.

Although the operations in Hong Kong/China and Thailand were held back, the Group's overseas operations overall grew by 13.0% reflecting the Group's distribution strengths in Malaysia, Australia and South Korea. The Group's overseas operations have continued to develop positively over the years and for 1H14, revenues from these operations contributed 49.6% of the Group's turnover. The Group's distribution infrastructure, most notably in the form of team strength and depth, as well as logistics and warehousing facilities continued to be built up.

Total margins increased by \$0.8 million due to marginal improvements in both turnover as well as the gross margin rate. Operating expenses increased by \$1.1 million with staff costs and operating lease expenses accounting for the increase. These costs were considered necessary to expand the Group's distribution capability and capacity.

Staff costs increased by \$1.3 million mainly due to the increase in headcount in Australia, South Korea and Malaysia to support business growth. The operations in Australia and Malaysia continued to add mainly sales and logistics staff members, whilst the relatively new team in South Korea continued to be built up.

Operating lease expenses increased by \$0.2 million mainly due to the rental of additional warehousing space to support business growth.

Other income increased by \$0.2 million mainly due to a foreign exchange gain of \$0.3 million, which was largely contributed by the appreciation of the Korean Won against the Singapore Dollar. In 1H13, the Group incurred a foreign exchange loss of \$0.3m.

The Group made a gain of \$2.4 million in aggregate in 1H13 from the sale of investment property units in Hong Kong and the sale of a subsidiary in China. There were no such gains in 1H14.

Profit from operations (PBIT) decreased from \$5.7 million to \$3.2 million. Excluding the gain on disposal of assets in 1H13, PBIT would have remained about the same level in both years.

As finance costs remained at \$0.8 million, profit before tax decreased from \$4.9 million to \$2.4 million.

Balance Sheet Review

Group inventory levels were at 7.1 months as at 30 June 2014 and 7.2 months as at 31 December 2013. Inventory levels nudged up slightly from \$92.1 million as at 31 December 2013 to \$92.8 million as at 30 June 2014.

Group receivable levels were at 2.2 months as at 30 June 2014 and 2.0 months as at 31 December 2013. Trade and other receivables increased by \$2.8 million, from \$36.1 million as at 31 December 2013 to \$38.9 million as at 30 June 2014, largely reflecting the higher level of sales in June 2014 as some of the supplies originally scheduled for the end of last year and the beginning of this year, arrived in 2Q14.

Group payable levels decreased by \$0.7 million from \$21.8 million as at 31 December 2013 to \$21.1 million as at 30 June 2014. Financial liabilities increased by \$3.5 million, from \$63.7 million as at 31 December 2013 to \$67.2 million as at 30 June 2014, largely reflecting both the increase in trade receivables and the reduction in trade payables.

Cash balances declined from \$12.4 million to \$11.3 million over the period.

The Group's current ratio was at 1.6 times as at 30 June 2014, almost unchanged from the ratio as at 31 December 2013.

The Group's net gearing level increased to 0.94 times as at 30 June 2014 in comparison with 0.87 times as at 31 December 2013.

Cash Flow Statement Review

Cash generated from operations before accounting for changes in working capital amounted to \$2.7 million for 1H14. After accounting for changes in working capital, cash generated from operating activities amounted to \$0.3 million. Cash flows used in operating activities after accounting for tax and net interest paid amounted to \$1.1 million. Net cash used for investing activities amounted to \$0.2 million. Net cash from financing activities amounted to \$0.2 million as bank facilities were utilized. Cash balances as at 30 June 2014 amounted to \$11.3 million.

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

In the announcement dated 26 February 2014, the Directors stated that "Barring unforeseen circumstances, the Group is expected to remain profitable in the current financial year." The Group's performance is consistent with the prospect statement.

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.

Despite the decline in turnover from the export-based business in Singapore, the Group managed to turn in an increase in turnover for 1H14. External factors such as supply delays may still recur in the future but the strength of the Group's distribution network continues to be built up and will increasingly be more resilient towards such occurrences.

The Group continues to stay the course, in a measured way, in investing in the Group's distribution capability and capacity as long as the markets in which the Group operates remain on a growth trajectory.

Barring unforeseen circumstances, the Group is expected to remain profitable in the current financial year.

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

- (a) Whether an interim/final ordinary dividend has been declared (recommended); and

Yes

- (b) (i) Amounts per share.

An interim tax exempt (one-tier) dividend of 0.287 cents per ordinary share has been recommended for the financial year reported on.

- (b) (ii) Previous corresponding period

An interim tax exempt (one-tier) dividend of 0.287 cents per ordinary share has been paid for the financial year reported on.

- (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.

Tax exempt (one-tier).

- (d) The date the dividend is payable

4 September 2014

- (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.

22 August 2014

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

Not applicable.

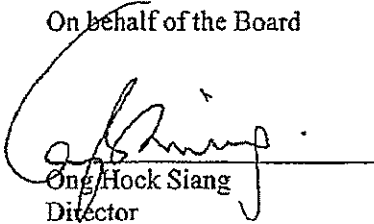
13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained IPT mandate.

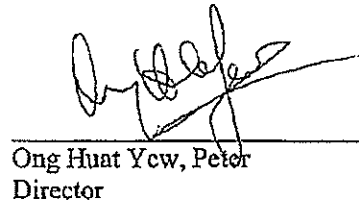
14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company for the six-month period ended 30 June 2014 to be false or misleading in any material respects.

On behalf of the Board



Ong Hock Siang
Director



Ong Huat Yew, Peter
Director

BY ORDER OF THE BOARD

Evelyn Wee Kim Lin
Company Secretary
8 August 2014