

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**First Quarter Financial Statement Announcement For the Period Ended 31 March 2014****PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

- 1(a) 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.

	Note	Group		Increase/ (Decrease) %
		First quarter ended 31-03-14 S\$'000	31-03-13 S\$'000	
Revenue		152,665	145,126	5.2
Cost of sales		(143,665)	(131,118)	9.6
Gross profit		9,000	14,008	(35.8)
Other income	1	2,335	2,831	(17.5)
Distribution expenses		(3,853)	(4,095)	(5.9)
Administrative expenses		(7,836)	(6,476)	21.0
Sales and marketing expenses		(2,080)	(2,480)	(16.1)
Other expenses	2	(4,418)	(841)	n.m.
Results from operating activities		(6,852)	2,947	n.m.
Finance income		147	143	2.8
Finance costs		(1,929)	(1,574)	22.6
Net finance costs		(1,782)	(1,431)	24.5
Share of profit of associates (net of tax)		1	137	(99.3)
(Loss)/Profit before tax	3	(8,633)	1,653	n.m.
Tax credit/(expense)	4	8,911	(1,044)	n.m.
Profit for the period		278	609	(54.4)
<b>Profit attributable to :</b>				
Owners of the Company		207	517	(60.0)
Non-controlling interests		71	92	(22.8)
Profit for the period		278	609	(54.4)

n.m. - not meaningful

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**First Quarter Financial Statement Announcement For the Period Ended 31 March 2014**

	Group		
	First quarter ended 31-03-14 S\$'000	31-03-13 S\$'000	Increase/ (Decrease) %
<b>Statement of comprehensive income</b>			
<b>Profit for the period</b>	278	609	(54.4)
<b>Other comprehensive income :</b>			
Foreign currency translation differences for foreign operations	(2,845)	3,498	n.m.
Total comprehensive (loss)/income for the period	(2,567)	4,107	n.m.
<b>Total comprehensive income attributable to :</b>			
Owners of the Company	(2,578)	3,997	n.m.
Non-controlling interests	11	110	(90.0)
Total comprehensive (loss)/income for the period	(2,567)	4,107	n.m.
<b>Notes to Income Statement</b>			
<b>1) Other income</b>			
Foreign exchange gain <sup>a</sup>	-	1,090	(100.0)
Fair value gain on financial derivatives <sup>b</sup>	-	58	(100.0)
Scrap income	279	352	(20.7)
Gain on disposal of property, plant & equipment	10	24	(58.3)
Gain on disposal of an asset held for sale	1,939	-	n.m.
Refund of employer's contributions	-	824	(100.0)
Others	107	483	(77.8)
	2,335	2,831	(17.5)
<b>2) Other expenses</b>			
Foreign exchange loss <sup>a</sup>	(328)	-	n.m.
Fair value loss on financial derivatives <sup>c</sup>	(3,991)	-	n.m.
Impairment loss on loan to an investee company	(50)	(121)	(58.7)
Allowance for impairment of other receivable	-	(720)	n.m.
Others	(49)	-	n.m.
	(4,418)	(841)	n.m.
<sup>a</sup> The foreign exchange gain and loss mainly arose from the unrealised gains and losses from the translation of foreign currency-denominated monetary items.			
<sup>b</sup> This was mainly the unrealised mark-to-market (MTM) fair value gain related to forward and derivative contracts entered by the Group to manage its net currency exposure for payments denominated in Chinese Renminbi, Japanese Yen and Singapore Dollar, receipts denominated in United States Dollar and net investments in foreign operations, whose functional currencies are different from the Company's functional currency (Singapore Dollar).			
<sup>c</sup> This was mainly the unrealised mark-to-market (MTM) fair value loss related to forward and derivative contracts entered by the Group to manage its net currency exposure for payments denominated in Chinese Renminbi and receipts denominated in United States Dollar.			
	Group		
	First quarter ended 31-03-14 S\$'000	31-03-13 S\$'000	Increase/ (Decrease) %
<b>3) (Loss)/Profit before tax included</b>			
Depreciation	(10,019)	(11,019)	(9.1)
Relocation Costs in Shenzhen (HDD segment)	(44)	-	n.m.
Factory Reinstatement Costs in Shenzhen (HDD segment)	(172)	-	n.m.
Redundancy Costs in Shenzhen (HDD segment)	(542)	-	n.m.
Redundancy Costs in Chengdu (Foam plastics division)	(129)	-	n.m.
<b>4) Tax credit/(expense)</b>			
Current tax	(878)	(1,703)	(48.4)
Deferred tax	(257)	707	n.m.
Over/(Under) provision in prior years	10,046	(48)	n.m.
	8,911	(1,044)	n.m.

n.m. - not meaningful

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**Company Registration No. 199405266K**
**First Quarter Financial Statement Announcement For the Period Ended 31 March 2014**

- 1b(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.

	<b>Group</b>		<b>Company</b>	
	<b>31-03-14</b>	<b>31-12-13</b>	<b>31-03-14</b>	<b>31-12-13</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Assets</b>				
Property, plant and equipment	204,825	213,316	132	127
Goodwill	59,719	60,052	-	-
Subsidiaries	-	-	152,136	152,136
Associates	1,370	1,368	98	98
Loans to subsidiaries	-	-	278	279
Other investments	1,024	1,024	852	852
Deferred tax assets	13,911	14,283	-	-
<b>Non-current assets</b>	<b>280,849</b>	<b>290,043</b>	<b>153,496</b>	<b>153,492</b>
Loan to an investee company	753	757	753	757
Financial derivatives	95	365	-	-
Inventories	93,545	93,325	-	-
Trade and other receivables	140,017	146,481	3,949	3,719
Cash and cash equivalents	28,492	36,171	2,790	484
Asset held for sale	-	2,170	-	2,170
<b>Current assets</b>	<b>262,902</b>	<b>279,269</b>	<b>7,492</b>	<b>7,130</b>
<b>Total assets</b>	<b>543,751</b>	<b>569,312</b>	<b>160,988</b>	<b>160,622</b>
<b>Equity</b>				
Share capital	103,450	103,448	103,450	103,448
Reserves	(26,716)	(23,825)	537	509
Retained earnings	139,963	139,756	42,965	42,457
<b>Equity attributable to owners of the Company</b>	<b>216,697</b>	<b>219,379</b>	<b>146,952</b>	<b>146,414</b>
<b>Non-controlling interests</b>	<b>1,643</b>	<b>1,632</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>	<b>218,340</b>	<b>221,011</b>	<b>146,952</b>	<b>146,414</b>
<b>Liabilities</b>				
Loans and borrowings	82,693	86,627	-	1,260
Deferred tax liabilities	243	249	-	-
<b>Non-current liabilities</b>	<b>82,936</b>	<b>86,876</b>	<b>-</b>	<b>1,260</b>
Financial derivatives	3,835	-	-	-
Loans and borrowings	99,098	90,815	2,000	2,160
Trade and other payables	136,234	155,983	12,017	10,769
Current tax liabilities	3,308	14,627	19	19
<b>Current liabilities</b>	<b>242,475</b>	<b>261,425</b>	<b>14,036</b>	<b>12,948</b>
<b>Total liabilities</b>	<b>325,411</b>	<b>348,301</b>	<b>14,036</b>	<b>14,208</b>
<b>Total equity and liabilities</b>	<b>543,751</b>	<b>569,312</b>	<b>160,988</b>	<b>160,622</b>

**Notes to Balance Sheet :-**

1) The lower trade and other receivables at 31 Mar 2014 was mainly due to lower revenue generated in 1Q2014 in the foam plastics division.

2) The reserves comprise reserve for own shares, capital reserve, share option reserve, asset revaluation reserve, translation reserve and hedging reserve. Pages 6 and 7 show the movements of reserves.

**Notes to Balance Sheet (cont'd) :-**

3) The decrease in the Group's trade and other payables was mainly due to lower trade purchases in the foam plastics division in 1Q2014.

4) The lower current tax liabilities mainly due to the reversal of overprovision of income tax for prior years no longer required because of the expiry of the tax liability period.

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

Amount repayable in one year or less, or on demand

As at 31-03-14		As at 31-12-13	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
83,363	15,735	77,601	13,214

Amount repayable after one year

As at 31-03-14		As at 31-12-13	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
82,693	-	86,627	-

**Details of any collateral**

Secured bank loans of the Group are secured by legal charges over certain Group's land and buildings with a carrying amount of S\$3,174,000 (31 Dec 2013 : S\$22,149,000) and guarantees issued by certain subsidiaries and the Company.

As at 31 Dec 2013, the secured bank loan of the company amounting to S\$1,420,000 was secured by its asset held for sale with a carrying amount of \$2,170,000.

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**First Quarter Financial Statement Announcement For the Period Ended 31 March 2014**

- 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.

	<b>Group</b>	
	<b>First quarter ended</b>	
	<b>31-03-14</b>	<b>31-03-13</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flow from operating activities</b>		
<b>(Loss)/Profit before tax</b>	(8,633)	1,653
<b>Adjustments for :</b>		
Depreciation on investment properties	-	18
Depreciation on property, plant and equipment	10,019	11,001
Equity-settled share-based payment transactions	30	51
Fair value change on financial derivatives	3,991	(58)
Gain on disposal of property, plant and equipment	(10)	(24)
Gain on disposal of an asset held for sale	(1,939)	-
Impairment loss on loan to investee companies	50	121
Interest expense	1,929	1,574
Interest income	(147)	(143)
Share of profit of associates, net of income tax	(1)	(137)
	<u>5,289</u>	<u>14,056</u>
Change in inventories	(1,079)	2,545
Change in trade and other receivables	4,101	1,794
Change in trade and other payables	(16,683)	(6,585)
Cash generated from operating activities	<u>(8,372)</u>	<u>11,810</u>
Income tax paid	(2,120)	(771)
<b>Net cash (used in)/from operating activities</b>	<u>(10,492)</u>	<u>11,039</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,459)	(8,550)
Interest received	81	76
Proceeds from disposal of property, plant and equipment	31	52
Proceeds from disposal of the asset held for sale	4,109	-
<b>Net cash used in investing activities</b>	<u>(1,238)</u>	<u>(8,422)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(1,929)	(1,574)
Proceeds from bank borrowings	20,568	14,543
Repayments of bank borrowings	(14,518)	(14,753)
<b>Net cash from/(used in) financing activities</b>	<u>4,121</u>	<u>(1,784)</u>
Net (decrease)/increase in cash and cash equivalents	(7,609)	833
Cash and cash equivalents at 1 January *	36,166	17,551
Effect of exchange rate fluctuations on cash held	(70)	220
<b>Cash and cash equivalents at 31 March *</b>	<u>28,487</u>	<u>18,604</u>

\* A fixed deposit of \$5,000, which was pledged as security to obtain credit facilities, was excluded from the cash and cash equivalents .

**BROADWAY INDUSTRIAL GROUP LIMITED**
**Company Registration No. 199405266K**
**First Quarter Financial Statement Announcement For the Period Ended 31 March 2014**

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.

	Reserves							Retained earnings S\$'000	Total attributable to owners of the Company S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Reserve for own shares S\$'000	Capital reserve S\$'000	Share option reserve S\$'000	Asset revaluation reserve S\$'000	Translation reserve S\$'000	Hedging reserve S\$'000				
<b>The Group</b>											
<b>At 1 January 2014</b>	103,448	(303)	2,924	812	870	(28,128)	-	139,756	219,379	1,632	221,011
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	207	207	71	278
<b>Other comprehensive income</b>											
Change in fair value of interest rate swaps	-	-	-	-	-	-	(134)	-	(134)	-	(134)
Foreign currency translation differences for foreign operations	-	-	-	-	-	(2,785)	-	-	(2,785)	(60)	(2,845)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(2,785)	(134)	207	(2,712)	11	(2,701)
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	2	71	-	(73)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	30	-	-	-	-	30	-	30
<b>Total contributions by owners of the Company</b>	2	71	-	(43)	-	-	-	-	30	-	30
<b>At 31 March 2014</b>	103,450	(232)	2,924	769	870	(30,913)	(134)	139,963	216,697	1,643	218,340
<b>At 1 January 2013</b>	103,446	(393)	2,924	705	870	(37,258)	-	138,121	208,415	1,254	209,669
<b>Total comprehensive income for the period</b>											
Profit for the period	-	-	-	-	-	-	-	517	517	92	609
<b>Other comprehensive income</b>											
Foreign currency translation differences for foreign operations	-	-	-	-	-	3,480	-	-	3,480	18	3,498
<b>Total comprehensive income for the period</b>	-	-	-	-	-	3,480	-	517	3,997	110	4,107
<b>Transaction with owners of the Company, recognised directly in equity</b>											
<b>Contributions by owners of the Company</b>											
Vesting of share awards	(79)	79	-	-	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	51	-	-	-	-	51	-	51
<b>Total contributions by owners of the Company</b>	(79)	79	-	51	-	-	-	-	51	-	51
<b>At 31 March 2013</b>	103,367	(314)	2,924	756	870	(33,778)	-	138,638	212,463	1,364	213,827

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**First Quarter Financial Statement Announcement For the Period Ended 31 March 2014**

	Reserves			Retained earnings S\$'000	Total equity S\$'000
	Share capital S\$'000	Reserve for own shares S\$'000	Share option reserve S\$'000		
<b>The Company</b>					
<b>At 1 January 2014</b>	103,448	(303)	812	42,457	146,414
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	508	508
Total comprehensive income for the period	-	-	-	508	508
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	2	71	(73)	-	-
Share-based payment transactions	-	-	30	-	30
Total contributions by owners of the Company	2	71	(43)	-	30
<b>At 31 March 2014</b>	103,450	(232)	769	42,965	146,952
<b>At 1 January 2013</b>	103,446	(393)	705	35,453	139,211
<b>Total comprehensive income for the period</b>					
Loss for the period	-	-	-	(1,067)	(1,067)
Total comprehensive income for the period	-	-	-	(1,067)	(1,067)
<b>Transaction with owners of the Company, recognised directly in equity</b>					
<b>Contributions by owners of the Company</b>					
Vesting of share awards	(79)	79	-	-	-
Share-based payment transactions	-	-	51	-	51
Total contributions by owners of the Company	(79)	79	51	-	51
<b>At 31 March 2013</b>	103,367	(314)	756	34,386	138,195

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.

During the quarter, 173,000 shares were transferred from treasury shares under the BIGL Share Plan.

As at 31 Mar 2014, there were 1,896,000 (31 Mar 2013 : 2,076,000) outstanding share options in respect of unissued ordinary shares under the BIGL Share Option Scheme 2001.

As at 31 Mar 2014, there were 1,486,000 (31 Mar 2013 : 1,511,000) outstanding shares in respect of unissued ordinary shares under the BIGL Share Plan.

There were 563,500 shares (31 Mar 2013 : 764,000) held as treasury shares.

**BROADWAY INDUSTRIAL GROUP LIMITED**

Company Registration No. 199405266K

**First Quarter Financial Statement Announcement For the Period Ended 31 March 2014**

- 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.

Total number of issued shares excluding treasury shares as at 31 Mar 2014 was 415,878,628 (31 Dec 2013 : 415,705,628).

- 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.

As at 31 March 2014, 173,000 treasury shares were transferred to the BIGL Share Plan.

- 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 Whether 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 applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited 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 has adopted the new or revised FRS that have become effective for the financial year beginning 1 January 2014.

Presently, the Group does not expect the adoption of the new or revised FRS to have any material impact on the financial statements.

- 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	
	31-03-14	31-03-13
Based on the weighted average number of ordinary share on issue	0.05 Cents	0.12 Cents
On a fully diluted basis	0.05 Cents	0.12 Cents

a) Earnings per ordinary share is calculated based on the weighted average number of shares of 415,759,450 shares (31 Mar 2013 : 415,545,861 shares).

b) Diluted earnings per ordinary share is calculated based on the weighted average number of shares of 417,535,057 shares (31 Mar 2013 : 417,243,685 shares).

- 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 period reported on; and

(b) immediately preceding financial year.

	31-03-14	31-12-13
The Group	52.11 Cents	52.77 Cents
The Company	35.34 Cents	35.22 Cents

Net asset value per ordinary share is calculated based on number of shares at 31 Mar 2014 of 415,878,628 shares (31 Dec 2013 : 415,705,628 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.

#### **Revenue and Gross Profit**

The Group's revenue increased by 5.2% for the financial quarter ended 31 March 2014 ("1Q2014") year-on-year ("yoy") to S\$152.7 million, mainly due to increased revenue from the Hard Disk Drive ("HDD") and non-HDD segments in the components division.

The revenue from the components division increased by 15.0% yoy to S\$109.9 million in 1Q2014. HDD's revenue increased by 10.3% yoy to S\$92.2 million in 1Q2014. Revenue from the non-HDD segment increased by 47.6% yoy to S\$17.7 million in 1Q2014. The increase in the non-HDD segment was led by strong demand in the semi-conductor industry and new forays in the consumer devices market.

Revenue from the foam plastics division decreased by 13.7% yoy in 1Q2014 to S\$42.8 million, mainly due to a reduction in demand for the foam plastics packaging segment.

Gross profit decreased 35.8% yoy to S\$9.0 million in 1Q2014 mainly due to decreased revenue from the foam plastics division and increased material and labour costs in both the foam plastics and components divisions. Gross profit margin contracted to 5.9% in 1Q2014 as compared to 9.7% in 1Q2013.

#### **Other Income**

The Group recorded other income of S\$2.3 million in 1Q2014 as compared to S\$2.8 million in 1Q2013. For 1Q2014, such income was mainly derived from the divestment of an asset held for sale.

#### **Operating Expenses**

Distribution expenses decreased by 5.9% yoy to S\$3.9 million in 1Q2014 due to lower revenue for the foam plastics division and improved logistics management resulting from the streamlining of production processes in the HDD segment of the components division.

Administrative expenses increased by 21.0% yoy to S\$7.8 million in 1Q2014 primarily due to redundancy expenses for Chengdu factory in the foam plastics division and for the streamlining of production processes in the HDD segment as well as costs associated with the increase in revenue for the non-HDD segment of the components division.

Sales and marketing expenses decreased by 16.1% yoy to S\$2.1 million in 1Q2014 due to reduction in revenue related expenses for the foam plastics division.

Other expenses increased to S\$4.4 million in 1Q2014 from S\$0.8 million in 1Q2013 mainly due to S\$4.0 million unrealised mark-to-market (MTM) fair value loss on financial derivatives.

#### **Finance Costs**

Finance costs increased 22.6% yoy to S\$1.9 million in 1Q2014 due to increased borrowings for the Group.

#### **Loss / Profit before Income Tax**

The foam plastics division recorded a lower profit before tax of S\$1.6 million in 1Q2014 as compared to S\$6.1 million in 1Q2013 mainly due to lower revenue in the packaging segment.

The HDD segment of the components division recorded a loss of S\$6.1 million in 1Q2014 as compared to a loss of S\$3.1 million in 1Q2013 due to increased material and labour costs for the revenue mix and administrative costs incurred to streamline the production processes.

The non-HDD segment of the components division recorded a loss of S\$1.0 million in 1Q2014 as compared to profit of S\$0.3 million in 1Q2013 due to higher material, labour, overheads costs and the new forays into the consumer devices market.

#### **Tax Credit / Expense**

The Group recorded a tax credit of S\$8.9 million for 1Q2014 as compared to a tax expense of S\$1.0 million in 1Q2013 mainly due to reversal of overprovision of income tax for prior years no longer required because of the expiry of the tax liability period.

#### **Net Profit**

Due to the above factors, the Group recorded a profit after tax and minority interest of S\$0.2 million as compared to S\$0.5 million in 1Q2013.

**Balance Sheet**

The Group's cash conversion cycle increased from 56 days as at 31 December 2013 to 65 days as at 31 March 2014. The lower payables turnover days in the foam plastics division mainly accounted for the increase in cash conversion cycle for the Group.

The Net Asset Value (NAV) per share of the Group decreased from 52.77 cents as at 31 December 2013 to 50.11 cents as at 31 March 2014. This was mainly due to foreign currency translation differences for foreign operations in the translation reserve.

**Cash Flow**

The Group recorded net cash used in operating activities of S\$10.5 million in 1Q2014 as compared to net cash from operations of S\$11.0 million in 1Q2013 mainly due to the increase in the cash conversion cycle in 1Q2014.

Net cash used in investing activities decreased to S\$1.2 million in 1Q2014 as compared to S\$8.4 million in 1Q2013 mainly due to proceeds from the divestment of the asset held for sale in 1Q2014.

Net cash from financing activities was S\$4.1 million in 1Q2014 as compared to net cash used in financing activities of S\$1.8 million in 1Q2013 mainly due to higher bank borrowings in 1Q2014.

Cash and cash equivalents at 31 March 2014 was S\$28.5 million as compared to S\$18.6 million at 31 March 2013 mainly due to higher cash and cash equivalents at 1 January 2014.

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

The Group still holds a cautious view on its prospects for FY2014.

- 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 long term trend in the HDD industry is expected to remain flat. The Group has continued with its drive to right-size and streamline the manufacturing processes and logistics management for its HDD business segment.

In relation to our non-HDD business, the Group's efforts to diversify its income streams has met some success in the semiconductor business segment. Revenue for the consumer devices business segment is expected to improve in 2Q2014 and the Group continues to develop new programs and customers.

The Group is also continuing with its endeavours to expand the product range of the foam plastics division.

The Group remains cautious on its prospects for FY2014.

**11 Dividend****(a) Current financial period reported on**

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

Name of Dividend	NIL
Dividend Type	NIL
Dividend per share	NIL
Tax Rate	NIL

**(b) Corresponding period of the immediately preceding financial year**

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

Name of Dividend	NIL
Dividend Type	NIL
Dividend per share	NIL
Tax Rate	NIL

**(c) Date payable**

NIL

**(d) Books closure date**

N.A.

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

No dividend has been declared or recommended by the Company.

**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.**

There is no IPT mandate.

**14 Confirmation by the Board pursuant to Rule 705 (5)**

The Directors confirm 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 unaudited financial results of the Group for the financial period ended 31 March 2014, to be false or misleading in any material aspect.

**By Order of the Board**

Lew Syn Pau

Chairman

**May 9, 2014**