



**COURTS ASIA LIMITED**

**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**

**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**1(a)(i) Statement of total comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Q4 FY13/14 S\$'000	Group Q4 FY12/13 S\$'000	% Change	YTD Mar14 FY13/14 S\$'000	Group YTD Mar13 FY12/13 S\$'000	% Change
<b>Sales</b>	206,952	188,502	9.8	830,263	793,768	4.6
Cost of sales	(139,749)	(127,860)	(9.3)	(574,098)	(543,510)	(5.6)
<b>Gross profit</b>	<b>67,203</b>	<b>60,642</b>	<b>10.8</b>	<b>256,165</b>	<b>250,258</b>	<b>2.4</b>
Other income and other gains - net	1,205	1,342	(10.2)	4,310	6,541	(34.1)
<b>Expenses</b>						
- Distribution and marketing	(15,657)	(14,044)	(11.5)	(63,675)	(61,899)	(2.9)
- Administrative	(34,687)	(27,631)	(25.5)	(136,448)	(126,086)	(8.2)
- Finance	(6,236)	(4,467)	(39.6)	(22,351)	(17,451)	(28.1)
<b>Profit before income tax</b>	<b>11,828</b>	<b>15,842</b>	<b>(25.3)</b>	<b>38,001</b>	<b>51,363</b>	<b>(26.0)</b>
Income tax expense	(3,987)	(3,203)	(24.5)	(9,691)	(9,958)	2.7
<b>Net profit</b>	<b>7,841</b>	<b>12,639</b>	<b>(38.0)</b>	<b>28,310</b>	<b>41,405</b>	<b>(31.6)</b>

**Statement of Comprehensive Income**

	Q4 FY13/14 S\$'000	Group Q4 FY12/13 S\$'000	% Change	YTD Mar14 FY13/14 S\$'000	Group YTD Mar13 FY12/13 S\$'000	% Change
<b>Net profit</b>	<b>7,841</b>	<b>12,639</b>	<b>(38.0)</b>	<b>28,310</b>	<b>41,405</b>	<b>(31.6)</b>
<b>Other comprehensive income:</b>						
Currency translation differences	103	463	(77.8)	(6,864)	(3,231)	112.4
<b>Total comprehensive income</b>	<b>7,944</b>	<b>13,102</b>	<b>(39.4)</b>	<b>21,446</b>	<b>38,174</b>	<b>(43.8)</b>

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**1(a)(ii) Breakdown and explanatory notes to the statement of total comprehensive income:-**

	Group		Group	
	Q4	Q4	YTD Mar14	YTD Mar13
	FY13/14	FY12/13	FY13/14	FY12/13
	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>Profit before income tax was arrived at after charging/ (crediting):</u></b>				
Depreciation and amortisation of property, plant and equipment and intangible assets	3,343	2,603	12,611	9,748
Amortisation of deferred income	(973)	(1,143)	(4,376)	(3,641)
Impairment allowance on trade receivables	6,002	2,555	20,081	18,652
Other income and other gains - net				
- Interest income	(432)	(555)	(2,154)	(4,187)
- Loss on disposal of property, plant and equipment (net)	49	7	86	22
- Fair value change of derivative financial instruments	2	(309)	(25)	(93)
- Others	(824)	(485)	(2,217)	(2,283)
	<b>(1,205)</b>	<b>(1,342)</b>	<b>(4,310)</b>	<b>(6,541)</b>
Finance costs				
- Interest expense on borrowings	4,861	4,013	19,468	15,803
- Interest expense on finance lease liabilities	25	9	79	29
- Amortisation of borrowing cost	446	248	1,698	1,608
- Foreign exchange losses - net	904	197	1,106	11
	<b>6,236</b>	<b>4,467</b>	<b>22,351</b>	<b>17,451</b>
<b>Total gross profit as a percentage of turnover</b>	<b>32.5%</b>	<b>32.2%</b>	<b>30.9%</b>	<b>31.5%</b>
<b>Net profit as a percentage of turnover</b>	<b>3.8%</b>	<b>6.7%</b>	<b>3.4%</b>	<b>5.2%</b>
<b>Net profit as a percentage of total equity at the end of financial year</b>	<b>2.6%</b>	<b>4.4%</b>	<b>9.5%</b>	<b>14.3%</b>

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**1(b)(i) 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 Mar 2014</b>	<b>31 Mar 2013</b>	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	114,951	88,985	47,894	40,590
Trade and other receivables	227,983	200,140	38,543	12,036
Inventories	89,784	73,065	-	-
Current income tax recoverable	1,106	1,744	-	-
	<b>433,824</b>	<b>363,934</b>	<b>86,437</b>	<b>52,626</b>
<b>Non-current assets</b>				
Trade and other receivables	260,181	246,160	70,000	-
Investments in subsidiaries	-	-	213,205	203,069
Property, plant and equipment	28,846	22,535	-	-
Intangible assets	23,856	23,710	20,065	20,065
Deferred income tax assets	-	1,284	-	-
	<b>312,883</b>	<b>293,689</b>	<b>303,270</b>	<b>223,134</b>
<b>Total assets</b>	<b>746,707</b>	<b>657,623</b>	<b>389,707</b>	<b>275,760</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	127,433	129,534	3,155	13,231
Current income tax liabilities	4,105	5,590	2,174	2,297
Borrowings	1,200	5,506	-	-
Deferred income	3,664	3,697	-	-
	<b>136,402</b>	<b>144,327</b>	<b>5,329</b>	<b>15,528</b>
<b>Non-current liabilities</b>				
Derivative financial instruments	55	83	-	-
Trade and other payables	163	166	-	-
Borrowings	306,831	218,806	124,098	-
Deferred income	3,290	4,766	-	-
Deferred income tax liabilities	1,178	-	2,507	1,729
	<b>311,517</b>	<b>223,821</b>	<b>126,605</b>	<b>1,729</b>
<b>Total liabilities</b>	<b>447,919</b>	<b>368,148</b>	<b>131,934</b>	<b>17,257</b>
<b>NET ASSETS</b>	<b>298,788</b>	<b>289,475</b>	<b>257,773</b>	<b>258,503</b>
<b>EQUITY</b>				
Share capital	265,332	265,332	265,332	265,332
Treasury shares	(2,544)	-	(2,544)	-
Other reserves	(17,031)	(10,489)	(23,597)	(23,919)
Retained profit	53,031	34,632	18,582	17,090
<b>Total equity</b>	<b>298,788</b>	<b>289,475</b>	<b>257,773</b>	<b>258,503</b>

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

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

**Amount repayable in one year or less, or on demand**

As at 31.03.14 S\$'000		As at 31.03.13 S\$'000	
Secured	Unsecured	Secured	Unsecured
1,200	-	5,506	-

**Amount repayable after one year**

As at 31.03.14 S\$'000		As at 31.03.13 S\$'000	
Secured	Unsecured	Secured	Unsecured
182,733	124,098	218,806	-

**Details of any collateral**

The Group's borrowings of \$308.0 million (31 March 2013: \$224.3 million) consist of fixed rate notes, the Asset Securitisation Programme 2012 and Syndicated Senior Loan in Malaysia.

On 23 April 2013, a \$500 million Multicurrency Medium Term Note programme was established. Notes issued on 24 April 2013 comprise of \$125 million 3-year unsecured fixed rate notes due in 2016.

The Asset Securitisation Programme 2012 is secured against the trade receivables of Courts (Singapore) Pte Ltd ("CSL"). CSL has also provided a guarantee and indemnity in favour of the Senior Beneficiary, The Hong Kong and Shanghai Banking Corporation Limited, in respect of amounts payable under the Asset Securitisation Programme 2012.

The Syndicated Senior Loan is secured by a fixed charge over the designated bank accounts of Courts (Malaysia) Sdn Bhd ("CMB") and all credit balances in respect thereof, a debenture covering a fixed and floating charge over all the assets of CMB (both present and future), an assignment over existing and future trade receivables and corporate guarantee issued by CMB.

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

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

	Group		Group	
	Q4	Q4	YTD Mar14	YTD Mar13
	FY13/14	FY12/13	FY13/14	FY12/13
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities:</b>				
Net profit	7,841	12,639	28,310	41,405
Adjustments for:				
Income tax expense	3,987	3,203	9,691	9,958
Depreciation and amortisation	3,343	2,603	12,611	9,748
Amortisation of deferred income	(973)	(1,143)	(4,376)	(3,641)
Interest expense	4,886	4,022	19,547	15,832
Interest income	(432)	(555)	(2,154)	(4,187)
Amortisation of borrowing costs	446	248	1,698	1,608
Loss on disposal of property, plant and equipment (net)	49	7	86	22
Share-based compensation	131	100	1,323	401
Placement and listing expense	-	237	-	237
Changes in fair value of derivative financial instruments	2	(309)	(25)	(93)
Operating cash flow before working capital changes	19,280	21,052	66,711	71,290
Changes in working capital				
Inventories	380	(49)	(16,719)	(6,454)
Trade and other receivables	(5,672)	(12,861)	(41,868)	(56,505)
Trade and other payables	3,979	(1,458)	(1,531)	(510)
Cash generated from operations	17,967	6,684	6,593	7,821
Income tax paid (net)	(1,476)	(1,479)	(8,159)	(7,663)
Foreign currency translation differences	79	619	(6,038)	(2,617)
<b>Net cash provided by/(used in) operating activities</b>	<b>16,570</b>	<b>5,824</b>	<b>(7,604)</b>	<b>(2,459)</b>
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(3,524)	(3,451)	(18,508)	(15,331)
Acquisition of intangible assets	(551)	(566)	(1,474)	(1,671)
Acquisition of a subsidiary	-	- *	-	- *
Proceeds from sale of property, plant and equipment	(48)	273	273	189
Interest received	426	137	2,158	2,393
<b>Net cash used in investing activities</b>	<b>(3,697)</b>	<b>(3,607)</b>	<b>(17,551)</b>	<b>(14,420)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bond issue	-	-	123,661	-
Proceeds from/(repayment of) syndicated senior loan - net	5,360	(716)	11,558	5,251
Additions to/(repayment of) finance lease liabilities - net	369	(47)	1,608	526
Proceeds from term loan	-	-	-	15,000
Repayment of term loan	-	(1,250)	(13,750)	(30,190)
(Repayment of)/proceeds from loan received on asset securitisation	(5,909)	(3,979)	(41,054)	29,924
(Increase)/decrease in fixed deposits pledged as securities for banking	(106)	3,201	1,370	3,114
Decrease in deposits for asset securitisation	-	12,046	-	11,025
Purchase of treasury shares	(913)	-	(3,545)	-
Proceeds from placement and listing - net	-	463	-	43,966
Interest paid	(6,414)	(4,022)	(17,123)	(15,832)
Dividend paid	-	-	(9,911)	(12,582)
<b>Net cash (used in)/provided by financing activities</b>	<b>(7,613)</b>	<b>5,696</b>	<b>52,814</b>	<b>50,202</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,260</b>	<b>7,913</b>	<b>27,659</b>	<b>33,323</b>
<b>Cash and cash equivalents as at beginning of period/financial year</b>	<b>103,977</b>	<b>73,931</b>	<b>81,898</b>	<b>48,973</b>
<b>Effects of currency translations on cash and bank balances</b>	<b>(3)</b>	<b>54</b>	<b>(323)</b>	<b>(398)</b>
<b>Cash and cash equivalents as at end of period/financial year</b>	<b>109,234</b>	<b>81,898</b>	<b>109,234</b>	<b>81,898</b>

\* Less than \$1,000

For the purposes of the consolidated statement of cash flows, the cash and cash equivalents comprise the following:

	31 Mar 2014	31 Mar 2013
	S\$'000	S\$'000
Cash and bank balances	79,812	82,507
Fixed deposits	35,139	6,478
	114,951	88,985
Less: Fixed deposits pledged as securities for banking facilities	(5,717)	(7,087)
<b>Cash and cash equivalents per consolidated statement of cash flows</b>	<b>109,234</b>	<b>81,898</b>

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**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.**

	<b>Group</b>						
	<b>Attributable to equity holders of the Group</b>						
	<b>Share capital</b>	<b>Treasury Shares</b>	<b>Share option reserve</b>	<b>Currency translation reserve</b>	<b>Capital reserve</b>	<b>Retained profits</b>	<b>Total equity</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at 1 April 2013</b>	<b>265,332</b>	<b>-</b>	<b>401</b>	<b>(17,038)</b>	<b>6,148</b>	<b>34,632</b>	<b>289,475</b>
Purchase of treasury shares	-	(3,545)	-	-	-	-	(3,545)
Treasury shares reissued	-	1,001	(869)	-	(132)	-	-
Share-based compensation	-	-	1,323	-	-	-	1,323
Total comprehensive income for the year	-	-	-	(6,864)	-	28,310	21,446
Dividends	-	-	-	-	-	(9,911)	(9,911)
<b>Balance at 31 March 2014</b>	<b>265,332</b>	<b>(2,544)</b>	<b>855</b>	<b>(23,902)</b>	<b>6,016</b>	<b>53,031</b>	<b>298,788</b>
<b>Balance at 1 January 2014</b>	<b>265,332</b>	<b>(1,656)</b>	<b>617</b>	<b>(24,005)</b>	<b>6,148</b>	<b>45,190</b>	<b>291,626</b>
Purchase of treasury shares	-	(913)	-	-	-	-	(913)
Treasury shares reissued	-	25	107	-	(132)	-	-
Share-based compensation	-	-	131	-	-	-	131
Total comprehensive income for the period	-	-	-	103	-	7,841	7,944
Dividends	-	-	-	-	-	-	-
<b>Balance at 31 March 2014</b>	<b>265,332</b>	<b>(2,544)</b>	<b>855</b>	<b>(23,902)</b>	<b>6,016</b>	<b>53,031</b>	<b>298,788</b>
<b>Balance at 1 April 2012</b>	<b>221,129</b>	<b>-</b>	<b>-</b>	<b>(13,807)</b>	<b>6,148</b>	<b>5,809</b>	<b>219,279</b>
Issue of shares pursuant to listing	46,200	-	-	-	-	-	46,200
Placement and listing expenses	(1,997)	-	-	-	-	-	(1,997)
Share-based compensation	-	-	401	-	-	-	401
Total comprehensive income for the year	-	-	-	(3,231)	-	41,405	38,174
Dividends	-	-	-	-	-	(12,582)	(12,582)
<b>Balance at 31 March 2013</b>	<b>265,332</b>	<b>-</b>	<b>401</b>	<b>(17,038)</b>	<b>6,148</b>	<b>34,632</b>	<b>289,475</b>
<b>Balance at 1 January 2013</b>	<b>264,632</b>	<b>-</b>	<b>301</b>	<b>(17,501)</b>	<b>6,148</b>	<b>21,993</b>	<b>275,573</b>
Issue of shares pursuant to listing	700	-	-	-	-	-	700
Share-based compensation	-	-	100	-	-	-	100
Total comprehensive income for the period	-	-	-	463	-	12,639	13,102
<b>Balance at 31 March 2013</b>	<b>265,332</b>	<b>-</b>	<b>401</b>	<b>(17,038)</b>	<b>6,148</b>	<b>34,632</b>	<b>289,475</b>

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

	Company					
	<u>Attributable to equity holders of the Company</u>					
	Share capital \$'000	Treasury Shares \$'000	Share option reserve \$'000	Capital reserve \$'000	Retained profits \$'000	Total equity \$'000
<b>Balance at 1 April 2013</b>	<b>265,332</b>	<b>-</b>	<b>401</b>	<b>(24,320)</b>	<b>17,090</b>	<b>258,503</b>
Purchase of treasury shares	-	(3,545)	-	-	-	(3,545)
Treasury shares reissued	-	1,001	(869)	(132)	-	-
Share-based compensation	-	-	1,323	-	-	1,323
Total comprehensive income for the year	-	-	-	-	11,403	11,403
Dividends	-	-	-	-	(9,911)	(9,911)
<b>Balance at 31 March 2014</b>	<b>265,332</b>	<b>(2,544)</b>	<b>855</b>	<b>(24,452)</b>	<b>18,582</b>	<b>257,773</b>
<b>Balance at 1 January 2014</b>	<b>265,332</b>	<b>(1,656)</b>	<b>617</b>	<b>(24,320)</b>	<b>15,674</b>	<b>255,647</b>
Purchase of treasury shares	-	(913)	-	-	-	(913)
Treasury shares reissued	-	25	107	(132)	-	-
Share-based compensation	-	-	131	-	-	131
Total comprehensive income for the period	-	-	-	-	2,908	2,908
<b>Balance at 31 March 2014</b>	<b>265,332</b>	<b>(2,544)</b>	<b>855</b>	<b>(24,452)</b>	<b>18,582</b>	<b>257,773</b>
<b>Balance at 1 April 2012</b>	<b>221,129</b>	<b>-</b>	<b>-</b>	<b>(24,320)</b>	<b>13,372</b>	<b>210,181</b>
Issue of shares pursuant to listing	46,200	-	-	-	-	46,200
Placement and listing expenses	(1,997)	-	-	-	-	(1,997)
Share-based compensation	-	-	401	-	-	401
Total comprehensive income for the year	-	-	-	-	16,300	16,300
Dividends	-	-	-	-	(12,582)	(12,582)
<b>Balance at 31 March 2013</b>	<b>265,332</b>	<b>-</b>	<b>401</b>	<b>(24,320)</b>	<b>17,090</b>	<b>258,503</b>
<b>Balance at 1 January 2013</b>	<b>264,632</b>	<b>-</b>	<b>301</b>	<b>(24,320)</b>	<b>14,130</b>	<b>254,743</b>
Issue of shares pursuant to listing	700	-	-	-	-	700
Share-based compensation	-	-	100	-	-	100
Total comprehensive income for the period	-	-	-	-	2,960	2,960
<b>Balance at 31 March 2013</b>	<b>265,332</b>	<b>-</b>	<b>401</b>	<b>(24,320)</b>	<b>17,090</b>	<b>258,503</b>

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

- 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 new shares issued in the twelve months ended 31 March 2014.

Treasury shares

During the year, the Company purchased 5,600,000 of its own shares for a total consideration of S\$3.5 million by way of market acquisition.

In the same period, 1,316,924 treasury shares were awarded under share based compensation. Total value of treasury shares awarded was \$1.0 million.

As at 31 March 2014, there are 4,283,076 shares held as treasury shares. The total number of issued shares excluding treasury shares is 555,716,924 (31 March 2013: 560,000,000).

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year.**

	<b>31 March 2014</b>	<b>31 Mar 2013</b>
Total number of issued shares excluding treasury shares	<u>555,716,924</u>	<u>560,000,000</u>

- 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.**

	<b>31 March 2014</b>	<b>31 Mar 2013</b>
Number of treasury shares awarded under share based compensation	<u>1,316,924</u>	<u>-</u>

- 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 Group'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 accounting policies adopted and methods of computation applied are consistent with those used in the recently audited financial statements of the Group for the financial year ended 31 March 2013.



**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

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.**

Interpretations and amendments to published standards effective in 2013

On 1 April 2013, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Group's and Company's accounting policies and had no material effect on the amounts for the current or prior financial years.

Amendment to FRS 1 Presentation of Items of Other Comprehensive Income

The Group has adopted the amendment to FRS 1 Presentation of Items of Other Comprehensive Income on 1 April 2013. The amendment is applicable for annual periods beginning on or after 1 July 2012 (with early adoption permitted). It requires items presented in other comprehensive income to be separated into two groups, based on whether or not they may be recycled to profit or loss in the future.

FRS 113 Fair Value Measurements

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any material impact on the accounting policies of the Group. The Group has incorporated the additional disclosures required by FRS 113 into 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			
	Q4 FY13/14	Q4 FY12/13	YTD Mar14 FY13/14	YTD Mar13 FY12/13
(a) Basic earnings per share (cents)	1.43	2.26	5.08	7.85
(b) Fully diluted earnings per share (cents)	1.42	2.25	5.08	7.83

**Explanatory notes**

Basic earnings per share is calculated by dividing the Group's profit after tax attributable to shareholders by the weighted average ordinary shares during the three months ended 31 March 2014 and the same period last year of 550,113,945 and 560,000,000 respectively. The weighted average ordinary shares for the twelve months ended 31 March 2014 and the same period last year were 556,777,904 and 527,500,000 respectively.

In 2013, the Company granted certain key management personnel with Courts Share Appreciation Rights ("SAR") to motivate them to drive the long term success of the Company and to enhance shareholder returns. Under the SAR plan, each SAR represents the right to receive fully paid ordinary shares of the Company with zero exercise price. In the event that the market value of the share at the point of time of exercise is equal or less than the grant value, no shares will be awarded to the key management personnel. Estimated total number of outstanding shares under the SAR plan as at 31 March 2014 is 1,223,817 (31 March 2013: 1,223,817).

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

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.**

**Explanatory notes (continued)**

In November 2013, Courts Asia FY1314 Strategic Deferred Share Award ("DSA") under Courts Asia Performance Share Plan has been granted to Selected Top Management. An initial award of 2,033,000 shares has been granted and each share represents a fully paid share. Out of the total initial award, 1,259,900 has been vested and awarded through reissuance of Treasury Shares. Total outstanding shares under DSA plan as at 31 March 2014 is 1,005,100.

Diluted earnings per share is calculated by dividing the Group's profit after tax attributable to shareholders by the weighted average ordinary shares during the three months ended 31 March 2014 and the same period last year of 551,119,045 and 561,223,817 respectively. The weighted average ordinary shares for the twelve months ended 31 March 2014 and the same period last year were 557,196,696 and 528,723,817 respectively.

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.**

	<b>Group</b>	
	<b>31 Mar 2014</b>	<b>31 Mar 2013</b>
Net asset value per ordinary share (cents)	53.8	51.7

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 Income Statement – Year Ended 31 March 2014**

**Sales**

The Group's sales of \$830.3 million for FY13/14 was 4.6% or \$36.5 million higher compared to FY12/13.

Singapore's sales, which contributed to 68% of the Group's sales, registered a 4.4% increase in FY13/14. The increase was mainly due to higher bulk sales of digital products and higher electrical sales contributed by air systems and major white categories. Sales were boosted by 2 new stores, JEM and Westgate, which opened in June 2013 and December 2013 respectively.

Malaysia's sales, which contributed to 32% of the Group's sales, increased by 5.1% (7.7% in RM term) in FY13/14 compared to FY12/13. Growth was mainly attributable to higher credit sales from a successful credit campaign launched during the year. The opening of 6 new stores also contributed to overall growth.

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

Gross profit

Gross profit increased by 2.4% or \$5.9 million whilst gross profit margin decreased from 31.5% in FY12/13 to 30.9% in FY13/14. This was mainly due to the shift in the Group's sales mix towards the electrical category and increased bulk sales of digital products, both carry a lower margin. The decrease was partially offset by higher service charge income in Malaysia.

Other income and other gains - net

Other income and other gains - net decreased by \$2.2 million or 34.1% mainly due to a write back of impairment on overdue debtors in Malaysia and Singapore in FY12/13, there was no such write back in FY13/14.

Distribution and marketing expenses

Distribution and marketing expenses increased from \$61.9 million in FY12/13 to \$63.7 million in FY13/14. The increase was mainly due to additional cost incurred in distribution cost due to migrating to a new third party logistic service provider in Malaysia, partially offset by lower advertising spend in Malaysia. As a percentage of sales, distribution and marketing expenses decreased marginally from 7.8% in FY12/13 to 7.7% in FY13/14.

Administrative expenses

Administrative expenses for the year were \$136.4 million, an increase of \$10.3 million from FY12/13 of \$126.1 million. The increase was mainly due to higher impairment allowance on trade receivables of \$1.4 million arising from higher credit portfolio and higher occupancy costs such as branches' rental costs and depreciation amounting to \$8.1 million attributable to the opening of new stores in Singapore and Malaysia.

Finance expenses

Finance expenses increased by \$4.9 million from \$17.5 million in FY12/13 to \$22.4 million in FY13/14, mainly due to higher interest on borrowings, which increased from \$15.8 million in FY12/13 to \$19.5 million in FY13/14. The increase arose from the \$125 million fixed rate notes, partially offset by lower interest expense from the Asset Securitisation Loan resulting from loan repayment in Singapore. The increase was also due to an unrealized exchange loss captured in Malaysia's books arising from a Singapore dollar denominated inter-company loan.

Income tax expense

The tax expense of \$9.7 million for FY13/14 was based on taxable profit from Singapore and Malaysia operations. The effective tax rate for FY13/14 was higher than the Singapore statutory tax rate mainly due to non-tax deductible expenses and higher profit contribution from Malaysia which is subject to a higher corporate tax rate.

**Group Balance Sheet – As at 31 March 2014**

Trade and other receivables

The Group's trade and other receivables (current and non-current) increased by 9.4% from \$446.3 million as at 31 March 2013 to \$488.2 million as at 31 March 2014 due to increase in credit sales.

Allowance for impairment of trade receivables as at 31 March 2014 was \$23.5 million, representing 4.3% of trade receivables, as compared to \$22.2 million as at 31 March 2013, which represents 4.4% of trade receivables.

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

Inventories

The Group's inventories increased from \$73.1 million to \$89.8 million due to opening of new stores in Singapore and Malaysia and additional stock up to support new retail initiatives in Malaysia.

Property, plant and equipment

Property, plant and equipment increased from \$22.5 million to \$28.9 million mainly due to additions for new stores in both Singapore and Malaysia such as renovations and fittings, partially offset by the depreciation charge.

Intangible assets

Intangible assets increased marginally from \$23.7 million as at 31 March 2013 to \$23.9 million as at 31 March 2014. It comprises of trademark and computer software costs and licenses.

Trade and other payables

The Group's trade and other payables (current and non-current) decreased by 1.6% from \$129.7 million as at 31 March 2013 to \$127.6 million as at 31 March 2014 due to shorter average payment terms to suppliers.

Borrowings

The total borrowings of \$308.0 million (31 March 2013: \$224.3 million) represent the amount received from the issue of fixed rate notes, the Asset Securitisation Programme 2012 in Singapore, Syndicated Senior Loan in Malaysia and finance lease liabilities. The increase was mainly due to net proceeds from the fixed rate notes issue of \$125 million and net proceeds from both Asset Securitisation Programme 2012 and Syndicated Senior Loan. This was partially offset by full repayment of HSBC term loan of \$13.8 million and partial repayment of the Asset Securitisation Programme of \$41.1 million in Singapore.

Deferred income tax assets/liabilities

The deferred income tax assets as at 31 Mar 2014 arose mainly from future deductible expenses net of deferred tax liabilities on intangible assets. The decline as at 31 Mar 2014 is mainly due to realisation of the deferred tax assets on deductible expenses recognised in prior years.

Cash and bank balances

Cash and bank balances were at \$115.0 million as at 31 March 2014 (31 March 2013: \$89.0 million). The increase was mainly due to proceeds from the issue of fixed rate notes of \$125 million offset by repayment of term loan and Asset Securitisation Programme, cashflow used in operating activities, payment of dividends of \$9.9 million and capital expenditure incurred for new stores and refurbishment of existing stores totaling \$18.5 million during the twelve months ended 31 March 2014.

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

Statement / plans outlined previously (as per note 10 of Q3 FY13/14 announcement) have been completed or are on track as planned.

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**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.**

Singapore's on-going economic restructuring is likely to weigh on growth, as the Government's tighter restriction on foreign labour exerts upward pressure on labour costs. Market sentiment of the residential property sector in Singapore has been more subdued following the implementation of various property cooling measures. At the same time, with Singapore having the highest level of household borrowing relative to gross domestic product (GDP) in Asia at 77 percent, rising from around 64 percent in 2007<sup>1</sup>, the MAS Debt Servicing framework for property loans, Total Debt Servicing Ratio (TDSR), where total debt of borrowers cannot be more than 60% of their income, was implemented in June last year to curb consumer spending<sup>2</sup>. As a result, GDP is expected to post a modest growth of 2% to 4% this year<sup>3</sup>, compared to 4.1% in 2013.<sup>4</sup> Meanwhile, retail sales were also lacklustre, declining 3.9% year-on-year in March. Even excluding motor vehicle, retail sales still dipped 0.4%.<sup>5</sup>

In Malaysia, the GDP is expected to grow between 5% and 5.5% in 2014, marginally higher than the 4.7% in 2013.<sup>6</sup> Despite improving economic outlook, consumer sentiments were dampened by rising inflation in the country, driven by higher fuel and grocery prices due to cuts in government subsidies.<sup>7</sup> Consumer prices rose 3.5% in March from a year earlier, the fastest pace since June 2011.<sup>8</sup> At the same time, a range of regulatory measures aimed at tempering household borrowing and property lending were implemented in view of Malaysia's high household debt, which reached 86.8% of gross domestic product (GDP) at end-2013.<sup>9</sup> This has had an impact on the retail industry, with consumer discretionary spending projected to grow at a slower pace as households increase savings rate.<sup>4</sup>

Despite a downgrade in the projected GDP growth from 5.5%-5.9% to 5.1%-5.5% in Indonesia, consumer sentiments remain largely optimistic.<sup>10</sup> This could be seen in the robust retail sales in March, which grew 25.1% year-on-year, faster than the 18.8% in February. According to a Bank of Indonesia survey, this would accelerate further to 27.8% in April, partially due to the legislative election in the country.<sup>11</sup>

The operating environment in Singapore and Malaysia remain difficult in the near term, given the economic adjustments that are taking place in the two countries. However, we are more sanguine in the medium term as we see a few positive developments on the horizon.

In Singapore, the expected increase in completion of HDB flats in 2014 and 2015 should boost demand for home furnishings and electronics. The Government is expected to deliver 28,000 HDB units this year, which is more than double the 13,600 units completed in 2013.<sup>12</sup>

In Malaysia, we have opened our second 'Big Box' Megastore in Subang Jaya in January 2014. This should begin to contribute more meaningfully to the Group's revenue and profit this financial year. We are also on track to roll out one new store in Kuala Krai, Kelantan in Q1 of FY14/15, while simultaneously exploring other expansion opportunities.

Our flagship store in Indonesia would be opening by September 2014. We plan to have three stores operational during 2015.

Meanwhile, the Group continues to look into various other opportunities in the region.

Barring any unforeseen circumstances, the Group expects to remain profitable in FY14/15.

---

<sup>1</sup> CNBC, July 14, 2013

<sup>2</sup> MAS, June 2013

<sup>3</sup> Singapore's ongoing restructuring efforts to weigh on GDP growth: MAS – The Straits Times, 29 April 2014

<sup>4</sup> MINISTRY OF TRADE AND INDUSTRY, 14 April 2014

<sup>5</sup> S'pore retail sales dip 4% on-month in March – Channel News Asia, 15 May 2014

<sup>6</sup> Moderate outlook for Asean-5 economies – The Star, 3 May, 2014

<sup>7</sup> Consumer confidence in M'sia below global average: Nielsen – The Star, 30 April 2014

<sup>8</sup> Policy may need adjustment after rate kept steady – New Straits Times, 8 May 2014

<sup>9</sup> The Edge Financial Daily, on March 25, 2014.

<sup>10</sup> Indonesia holds rates steady, slashes 2014 growth outlook – Business Times, May 9, 2014

<sup>11</sup> Retail sales rise in March as consumption remains robust – The Jakarta Post, 14 May 2014

<sup>12</sup> 28,000 new HDB flats next year: Khaw – Today, September 6, 2013

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**11. Dividend**

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

Any dividend declared for the current financial period reported on? Yes.

Name of dividend	Interim	Proposed Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cent)	0.76 cent per ordinary share*	0.76 cent per ordinary share^
Tax Rate	Tax exempt (one tier)	Tax exempt (one tier)

\* Interim dividend per ordinary share was based on 560 million shares calculated as at 30 September 2013 and is derived from 30% of net profit after tax for first half FY13/14.

^ Proposed final dividend per ordinary share was based on 555,716,924 shares (excludes treasury shares) as at 31 March 2014 and is derived from 30% of net profit after tax for second half FY13/14.

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

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

Name of dividend	Interim	Proposed Final
Dividend Type	Cash	Cash
Dividend Amount per Share (in cent)	6.29 cent per ordinary share*	1.01 cent per ordinary share^
Tax Rate	Tax exempt (one tier)	Tax exempt (one tier)

\* Interim dividend per ordinary share was based on 200 million shares calculated before the consolidation and sub-division that took place on 1 October 2012.

^ Proposed final dividend per ordinary share was based on 560 million shares as at 31 March 2013 and is derived from 30% of net profit after tax for second half year.

**(c) Date payable**

The proposed final dividend will be paid on 19 August 2014 subject to shareholders' approval.

**(d) Books closure date**

The Transfer Books and Register of Members of the Company will be closed on 8 August 2014 for the purpose of determining members' entitlements to the proposed dividends. Accordingly, registrable transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte Ltd) at 80 Robinson Road, #02-00 Singapore 068898, up to 5.00 pm on 7 August 2014 will be registered before entitlements to the dividend are determined.

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

Not applicable.

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

**ADDITIONAL 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 segments or geographical segments (of the group) in the form presented in the issuers' most recent audited financial statements, with comparative information for the immediately preceding year.**

Management has determined the operating segments based on the reports reviewed by the Regional Executive Committee ("Exco") which are used to make strategic decisions. The Exco comprises the Regional Chief Executive Officer, the Regional Chief Financial Officer, the Regional Chief Information and Credit Officer, the Regional Chief Talent Officer, Regional Chief Operating Officer and the regional heads of each business.

The Exco considers the business from a geographic segment perspective. Management manages and monitors the business in the two primary geographic areas, Singapore and Malaysia. Operations in Singapore and Malaysia are essentially similar and consist principally of the retailing of household furniture, furnishings, home appliances and information technology products.

Segmented revenue and results for business segments:

<b>FY13/14</b>	<b><u>Singapore</u></b>	<b><u>Malaysia</u></b>	<b><u>Indonesia</u></b>	<b><u>Consolidated</u></b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Sales</b>				
- External sales	567,165	263,098	-	830,263
<b>Segment results</b>	28,542	28,377	(877)	56,042
Other income and other gains - net				4,310
Finance expense				(22,351)
Profit before income tax				38,001
Income tax expense				(9,691)
<b>Total profit</b>				<b>28,310</b>
<b>Other segment items</b>				
Depreciation and amortisation	6,884	5,676	51	12,611
Amortisation of deferred income	(2,202)	(2,174)	-	(4,376)

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

13. **Segmented revenue and results for business segments or geographical segments (of the group) in the form presented in the issuers' most recent audited financial statements, with comparative information for the immediately preceding year.**

Segmented revenue and results for business segments: (continued)

<b>FY13/14</b>	<b><u>Singapore</u></b>	<b><u>Malaysia</u></b>	<b><u>Indonesia</u></b>	<b><u>Elimination</u></b>	<b><u>Consolidated</u></b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Segment assets</b>	521,154	366,588	10,897	(188,177)	710,462
Unallocated assets					
- Fixed deposits					35,139
- Current income tax recoverable					1,106
<b>Total consolidated assets</b>					<b>746,707</b>

Segment assets includes:

Additions to:					
- property, plant and equipment	7,379	10,038	1,091	-	18,508
- intangible assets	581	893	-	-	1,474
<b>Segment liabilities</b>	170,243	89,188	841	(125,667)	134,605
Unallocated liabilities					
- Current income tax liabilities					4,105
- Deferred income tax liabilities					1,178
- Borrowings					308,031
<b>Total consolidated liabilities</b>					<b>447,919</b>

<b>FY12/13</b>	<b><u>Singapore</u></b>	<b><u>Malaysia</u></b>	<b><u>Consolidated</u></b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Sales</b>			
- External sales	543,386	250,382	793,768
<b>Segment results</b>	43,146	19,127	62,273
Other income and other gains - net			6,541
Finance expense			(17,451)
Profit before income tax			51,363
Income tax expense			(9,958)
<b>Total profit</b>			<b>41,405</b>
<b>Other segment items</b>			
Depreciation and amortisation	5,472	4,276	9,748
Amortisation of deferred income	(2,015)	(1,626)	(3,641)



**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

13. **Segmented revenue and results for business segments or geographical segments (of the group) in the form presented in the issuers' most recent audited financial statements, with comparative information for the immediately preceding year.**

Segmented revenue and results for business segments: (continued)

<b>FY12/13</b>	<b><u>Singapore</u></b>	<b><u>Malaysia</u></b>	<b><u>Elimination</u></b>	<b><u>Consolidated</u></b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Segment assets</b>	458,575	314,486	(124,944)	648,117
Unallocated assets				
- Deferred income tax assets				1,284
- Fixed deposits				6,478
- Current income tax recoverable				1,744
<b>Total consolidated assets</b>				<b>657,623</b>
Segment assets includes:				
Additions to:				
- property, plant and equipment	9,007	6,324	-	15,331
- intangible assets	965	706	-	1,671
<b>Segment liabilities</b>	105,659	56,203	(23,616)	138,246
Unallocated liabilities				
- Current income tax liabilities				5,590
- Borrowings				224,312
<b>Total consolidated liabilities</b>				<b>368,148</b>

14. **A breakdown of sales**

	<b>FY 13/14</b>	<b>FY 12/13</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(a) Sales reported for first half year	420,014	409,730	2.5
(b) Net profit after tax reported for first half year	14,202	22,601	(37.2)
(c) Sales reported for second half year	410,249	384,038	6.8
(d) Net profit after tax reported for second half year	14,108	18,804	(25.0)

15. **Interested Person Transactions**

There were no interested person transactions during the financial year ended 31 March 2014.

**COURTS ASIA LIMITED**  
**UNAUDITED RESULTS FOR THE YEAR ENDED 31 MARCH 2014**  
**FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT**

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

	FY13/14 \$'000	FY12/13 \$'000
<i>Ordinary dividends paid:</i>		
Interim exempt dividends of 0.76 cents (2013: 6.29 cents) per share paid in respective financial year	4,255	12,582
Final exempt dividends of 1.01 cents per share paid in respect of prior financial year	5,656	-
	<b>9,911</b>	<b>12,582</b>

17. 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.

For and on behalf of the  
**Board of Directors of Courts Asia Limited**

Terence Donald O'Connor  
Chief Executive Officer  
29 May 2014

Kee Kim Eng  
Chief Financial Officer