

Unaudited Financial Statements and Related Announcement for the Third Quarter Ended 30 Jun 2014

PART I – 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.

	Group					
	3QFY14 S\$'000	3QFY13 S\$'000	Change %	9M2014 S\$'000	9M2013 S\$'000	Change %
Revenue	12,997	10,137	28.2%	25,584	23,579	8.5%
Cost of sales	(9,746)	(7,533)	29.4%	(19,160)	(17,821)	7.5%
Gross profit	3,251	2,604	24.8%	6,424	5,758	11.6%
Marketing and distribution costs	(861)	(704)	22.3%	(2,046)	(2,014)	1.6%
Administrative expenses	(1,468)	(1,146)	28.1%	(3,438)	(3,196)	7.6%
Interest income	71	50	42.0%	176	133	32.3%
Finance costs	-	-	N.M.	-	(2)	-100.0%
Other credits	1	94	-98.9%	75	157	-52.2%
Other charges	(89)	(244)	-63.5%	(296)	(1,589)	-81.4%
Share of (loss) / profit from equity-accounted associate	(30)	(151)	-80.1%	38	(282)	N.M.
Profit / (Loss) before tax	875	503	74.0%	933	(1,035)	N.M.
Income tax (expenses) / credit	(111)	(103)	7.8%	(71)	57	N.M.
Profit / (Loss), net of tax	764	400	91.0%	862	(978)	N.M.
Other comprehensive income / (loss)						
Exchange differences on translating foreign operations, net of tax	(22)	118	N.M.	(25)	111	N.M.
Total comprehensive profit / (loss)	742	518	43.2%	837	(867)	N.M.
Profit / (Loss) attributable to:						
Equity holders of the parent, net of tax	764	400	91.0%	863	(978)	N.M.
Non-controlling interests, net of tax	-	-	N.M.	(1)	-	N.M.
	764	400	91.0%	862	(978)	N.M.
Total comprehensive profit / (loss) attributable to:						
Equity holders of the parent, net of tax	742	518	43.2%	838	(867)	N.M.
Non-controlling interests, net of tax	-	-	N.M.	(1)	-	N.M.
	742	518	43.2%	837	(867)	N.M.

N.M. = Not Meaningful

HISAKA Holdings Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the third quarter ended 30 Jun 2014

1(a)(ii) Notes to statement of comprehensive income

	Group					
	3QFY14 S\$'000	3QFY13 S\$'000	Change %	9M2014 S\$'000	9M2013 S\$'000	Change %
Depreciation of property , plant and equipment	(80)	(116)	-31.0%	(235)	(344)	-31.7%
Interest income	71	50	42.0%	176	133	32.3%
Interest expense	-	-	N.M.	-	(2)	-100.0%
Allowance for impairment on inventories - reversal / (loss)	(43)	(244)	-82.4%	30	(1,459)	N.M.
Allowance for impairment on trade receivables - reversal	-	-	N.M.	-	41	-100.0%
Allowance for impairment on other receivables - loss	-	-	N.M.	(80)	-	N.M.
Bad trade debts recovered	-	-	N.M.	-	21	-100.0%
Foreign exchange adjustment net gain / (loss)	(46)	54	N.M.	(216)	(130)	66.2%
Gain on disposal of plant and equipment	-	19	-100.0%	-	30	-100.0%
Over / (Under) provision of tax in respect of prior years	-	42	-100.0%	(34)	-	N.M.

N.M. = Not Meaningful

HISAKA Holdings Ltd.

(Company Registration No. 200508585R)

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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.

STATEMENT OF FINANCIAL POSITION	Group		Company	
	As at	As at	As at	As at
	30 Jun 2014 S\$'000	30 Sep 2013 S\$'000	30 Jun 2014 S\$'000	30 Sep 2013 S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	1,369	1,517	-	-
Investment in subsidiaries	-	-	6,335	6,716
Investment in associate	1,070	986	1,679	1,636
Deferred tax asset	285	281	-	-
	2,724	2,784	8,014	8,352
Current assets:				
Inventories	5,683	6,461	-	-
Trade and other receivables	15,264	12,404	4,724	3,769
Other assets	470	298	5	25
Cash and cash equivalents	26,233	26,556	21,911	20,219
	47,650	45,719	26,640	24,013
Total assets	50,374	48,503	34,654	32,365
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	27,024	27,024	27,024	27,024
Treasury shares	-	-	-	-
Retained earnings	16,257	17,147	7,436	4,712
Other reserves	249	274	-	-
Equity attributable to equity holders of the parent, Total	43,530	44,445	34,460	31,736
Non-controlling interests	(1)	-	-	-
Total equity	43,529	44,445	34,460	31,736
Non-current liabilities				
Deferred tax liabilities	54	51	11	21
	54	51	11	21
Current liabilities:				
Income tax payable	92	31	28	-
Trade and other payables	6,699	3,976	155	608
	6,791	4,007	183	608
Total equity and liabilities	50,374	48,503	34,654	32,365

HISAKA Holdings Ltd.

(Company Registration No. 200508585R)

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1(b)(ii) In relation to the aggregate amount of the 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.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS	Group			
	3QFY14 S\$'000	3QFY13 S\$'000	9M2014 S\$'000	9M2013 S\$'000
Cash flows from operating activities				
Profit / (Loss) before tax	875	503	933	(1,035)
Adjustments for :				
Depreciation of property , plant and equipment	80	116	235	344
Interest income	(71)	(50)	(176)	(133)
Interest expense	-	-	-	2
Gain on disposal of plant and equipment	-	(19)	-	(30)
Net effect of exchange rate changes in consolidating foreign operations	(20)	115	(28)	172
Share of (profit) / loss from associate	30	151	(38)	282
Operating cash flows before changes in working capital	894	816	926	(398)
Trade and other receivables	(5,668)	(3,300)	(2,860)	3,576
Other assets	(86)	(86)	(275)	(88)
Inventories	734	239	778	5,948
Trade and other payables	2,033	2,467	2,723	(1,103)
Net cash flows (used in) / from operations before interest and tax	(2,093)	136	1,292	7,935
Income tax paid/ (refund)	(70)	(281)	93	(376)
Net cash flows (used in) / from operating activities	(2,163)	(145)	1,385	7,559
Cash flows from investing activities				
Investments in associate	(1)	-	(44)	(184)
Purchase of plant and equipment	(9)	(40)	(87)	(74)
Proceeds from disposal of plant and equipment	-	19	-	30
Proceeds from disposal of shares in joint venture	-	1,658	-	1,658
Interest received	71	50	176	133
Net cash flows from investing activities	61	1,687	45	1,563
Cash flows from financing activities				
Dividends paid	-	-	(1,753)	(1,753)
Decrease in short term loan	-	-	-	(760)
Interest paid	-	-	-	(2)
Net cash flows used in financing activities	-	-	(1,753)	(2,515)
Net (decrease) / increase in cash and cash equivalents	(2,102)	1,542	(323)	6,607
Cash and cash equivalents, beginning balance	28,335	22,514	26,556	17,449
Cash and cash equivalents, ending balance	26,233	24,056	26,233	24,056
Cash and cash equivalents comprise :				
Cash and bank balances	26,233	24,056	26,233	24,056

HISAKA Holdings Ltd.

(Company Registration No. 200508585R)

- Unaudited Financial Statements and Related Announcement for the third quarter ended 30 Jun 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.

STATEMENT OF CHANGES IN EQUITY	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Treasury shares	Foreign currency translation reserves	Statutory reserves	Retained earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group - 3QFY14								
Opening balance as at 1 Apr 2014	27,024	-	60	211	15,493	42,788	(1)	42,787
Total comprehensive income / (loss)	-	-	(22)	-	764	742	-	742
Closing balance as at 30 Jun 2014	27,024	-	38	211	16,257	43,530	(1)	43,529
Group - 3QFY13								
Opening balance as at 1 Apr 2013	33,851	(6,827)	(41)	211	15,371	42,565	(4)	42,561
Total comprehensive income / (loss)	-	-	118	-	400	518	-	518
Closing balance as at 30 Jun 2013	33,851	(6,827)	77	211	15,771	43,083	(4)	43,079

Note : The Statutory Reserves and Foreign Currency Translation Reserves are not available for distribution as cash dividends.

STATEMENT OF CHANGES IN EQUITY	Share capital	Treasury shares	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Company - 3QFY14				
Opening balance as at 1 Apr 2014	27,024	-	3,228	30,252
Total comprehensive income / (loss)	-	-	4,208	4,208
Closing balance as at 30 Jun 2014	27,024	-	7,436	34,460
Company - 3QFY13				
Opening balance as at 1 Apr 2013	33,851	(6,827)	1,471	28,495
Total comprehensive income / (loss)	-	-	(213)	(213)
Closing balance as at 30 Jun 2013	33,851	(6,827)	1,258	28,282

Note : The Statutory Reserves and Foreign Currency Translation Reserves are not available for distribution as cash dividends.

- 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 have been no changes in the Company's share capital and treasury shares since the end of the previous period reported on.

As at 30 Jun 2014, the Company did not hold any treasury shares (30 Jun 2013: 17,481,000).

- 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.

	As at 30 Jun 2014	As at 30 Sep 2013
Total number of issued shares excluding treasury shares	175,343,026	175,343,026

- 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.

Nil.

- 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 our auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to its audited financial statements as at 30 Sep 2013, except for the adoption of Financial Reporting Standards ("FRSs") which are relevant to the Group's operations and took effect from 1 Oct 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.

Please refer to item 4 above. The adoption of the new and revised FRSs had no material effect on the Group's accounting policies and had no significant impact on the Group's financial statements.

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- 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.

- (a) Based on the weighted average number of ordinary shares on issue;

EARNINGS PER SHARE (EPS)	Group			
	3QFY14	3QFY13	9M2014	9M2013
Profit / (Loss) attributable to the equity holders of the parent during the financial period (S\$'000)	764	400	863	(978)
Weighted average number of ordinary shares on issue	175,343,026	175,343,026	175,343,026	175,343,026
Basic earnings/ (losses) per share for profit attributable to equity holders of the parent during the financial period (SGD cents)	0.44	0.23	0.49	(0.56)

- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

Diluted earnings per share is not presented as there is no potential dilutive ordinary share existing during the relevant financial periods presented.

- 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.

NET ASSET VALUE	Group		Company	
	As at	As at	As at	As at
	30 Jun 2014	30 Sep 2013	30 Jun 2014	30 Sep 2013
Net asset value (S\$'000)	43,530	44,445	34,460	31,736
Number of issued shares excluding treasury shares	175,343,026	175,343,026	175,343,026	175,343,026
Net asset value per ordinary share (SGD cents)	24.83	25.35	19.65	18.10

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: -

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Statement of Comprehensive Income

The Group's revenue increased 28.2% from S\$10.1 million in 3QFY13 to S\$13 million in 3QFY14. The increase in revenue was mainly due to the recovery in the global market. The Group's gross profit increased 24.8% from S\$2.6 million in 3QFY13 to S\$3.3 million in 3QFY14.

In line with the increase in revenue, the Group's Marketing and Distribution costs and Administrative expenses increased 22.3% and 28.1% respectively in 3QFY14 to \$861,000 and \$1,468,000 respectively.

The Group's Interest Income increased by 42.0% to S\$71,000 in 3QFY14 mainly due to increase in both fixed deposit amounts and interest rates.

Breakdown of other credits / (charges)

Other Credits / (charges)	3QFY14 S\$'000	3QFY13 S\$'000	Change %	9M2014 S\$'000	9M2013 S\$'000	Change %
Allowance for impairment on inventories - reversal / (loss)	(43)	(244)	-82.4%	30	(1,459)	N.M.
Allowance for impairment on trade receivables - reversal	-	-	N.M.	-	41	-100.0%
Allowance for impairment on other receivables - loss	-	-	N.M.	(80)	-	N.M.
Bad trade debts recovered	-	-	N.M.	-	21	-100.0%
Foreign exchange adjustment net gain / (loss)	(46)	54	N.M.	(216)	(130)	66.2%
Gain on disposal of plant & equipment	-	19	-100.0%	-	30	-100.0%
Grants from government	-	21	-100.0%	44	63	-30.2%
Other income	1	-	N.M.	1	2	-50.0%
Net	(88)	(150)	-41.3%	(221)	(1,432)	-84.6%
Presented in profit or loss as:						
Other credits	1	94	-98.9%	75	157	-52.2%
Other (charges)	(89)	(244)	-63.5%	(296)	(1,589)	-81.4%
Net	(88)	(150)	-41.3%	(221)	(1,432)	-84.6%

The Group's Other Credits decreased from S\$94,000 in 3QFY13 to S\$1,000 in 3QFY14 mainly due to absence of (i) the foreign exchange gain of S\$54,000, (ii) the gain on disposal of plant and equipment of S\$19,000 and grants from government of S\$21,000 in 3QFY13.

The Group's Other Charges decreased from S\$244,000 in 3QFY13 to S\$89,000 in 3QFY14 mainly due to decrease in allowance for impairment on inventories from S\$244,000 in 3QFY13 to S\$43,000 in 3QFY14.

Share of Loss from Equity-Accounted Associate decreased from S\$151,000 in 3QFY13 to S\$30,000 in 3QFY14 mainly due to slight improvement in revenue of the associate in India.

Statement of Financial Position

Inventories as at 30 Jun 2014 stood at S\$5.7 million compared to S\$6.5 million as at 30 Sep 2013. Lower inventory level as of 30 Jun 2014 was mainly due clearance of existing inventory.

Trade and other receivables increased from S\$12.4 million as at 30 Sep 2013 to S\$15.3 million as at 30 Jun 2014. This was mainly due to higher sales revenue in 3QFY14 compared to 4QFY13.

Trade and other payables increased from S\$4 million as at 30 Sep 2013 to S\$6.7 million as at 30 June 2014 mainly due to provision for staff bonus and higher purchases in 3QFY14 compared to 4QFY13.

Statement of Cash flows

Net cash and cash equivalents held by the Group decreased from S\$28.3 million as at 31 Mar 2014 to S\$26.2 million as at 30 Jun 2014. The decrease was mainly due to net cash flows used in operating activities of S\$2.2m.

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

Not Applicable.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Although there are signs of recovery, the Group remains cautious on the sustainability of its recovery and expects FY14 to remain challenging.

- 11 Dividend

- (a) Current Financial Period Reported On
Any dividend recommended for the current financial period reported on?

Yes, the Board has recommended special interim dividend as follows :

Name of Dividend	Interim
Dividend Type	Cash
Special Dividend Amount per Share (in SGD cents)	0.75 cent per ordinary share
Tax Rate	Not applicable, under the exempt-1-tier system

- (b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend recommended for the corresponding period of the immediately preceding financial year?

Nil

- (c) Date Payable

1 September 2014

- (d) Books Closure Date

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 a general mandate from shareholders for Interested Person Transactions.

- 14 Negative confirmation pursuant to Rule 705(5).

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the third quarter and nine months ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Jackie Cheng Ee Lieng
Chief Executive Officer
5 August 2014

Jessica Ong Boon Chin
Executive Director