



Half Year Financial Statement And Dividend Announcement for the Period Ended 28 February 2015

Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

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

	Group	
	1 Sep 2014 to 28 Feb 2015 S\$'000	1 Sep 2013 to 28 Feb 2014 S\$'000
Revenue	22,768	17,860
Cost of sales	(16,346)	(12,808)
Gross profit	6,422	5,052
Other items of income		
Other income	349	358
Other items of expenses		
Selling and distribution expenses	(1,774)	(1,616)
Administrative expenses	(3,611)	(3,180)
Finance costs	(379)	(335)
Other expenses	(424)	(158)
Share of result of associate	(121)	-
Profit before income tax	462	121
Income tax expense	(215)	(15)
Profit for the financial period	247	106
Other comprehensive income:		
Items that may subsequently be reclassified to profit or loss:		
Foreign currency differences on translation of foreign operations	1,164	53
Income tax relating to component of other comprehensive income	-	-
Other comprehensive income for the financial period, net of tax	1,164	53
Total comprehensive income for the financial period	1,411	159
Profit attributable to:		
Owners of the parent	(162)	2
Non-controlling interests	409	104
	247	106
Total comprehensive income attributable to:		
Owners of the parent	507	32
Non-controlling interests	904	127
	1,411	159

1(a)(ii) The following items have been included in arriving at profit before income tax:-

	Group	
	1 Sep 2014 to 28 Feb 2015 S\$'000	1 Sep 2013 to 28 Feb 2014 S\$'000
Allowance for doubtful receivables	(8)	(1)
Amortisation of intangible assets	(85)	(115)
Bad debts written off	(2)	(26)
Depreciation of investment properties	(83)	(75)
Depreciation of property, plant and equipment	(1,114)	(1,068)
Employee benefits expenses	(5,889)	(5,100)
(Loss)/Gain on foreign exchange, net	(330)	4
Impairment loss on property, plant and equipment	-	(15)
Interest on borrowings	(337)	(287)
Rental income	304	296
Write-back of allowance for doubtful receivables	2	13

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 28 Feb 2015 S\$'000	Audited As at 31 Aug 2014 S\$'000	As at 28 Feb 2015 S\$'000	Audited As at 31 Aug 2014 S\$'000
Non-current assets				
Property, plant and equipment	17,681	16,545	-	-
Intangible assets	1,693	1,778	-	-
Investment properties	2,420	2,270	-	-
Investments in subsidiaries	-	-	23,952	23,952
Investment in associate	89	210	-	-
Available-for-sale financial asset	4,109	4,109	4,109	4,109
	25,992	24,912	28,061	28,061
Current assets				
Inventories	18,526	18,138	-	-
Trade and other receivables	14,950	13,993	498	485
Prepayments	237	796	16	20
Derivative financial instruments	-	*	-	-
Cash and cash equivalents	2,085	2,072	*	10
	35,798	34,999	514	515
Less:				
Current liabilities				
Trade and other payables	7,193	7,045	3,402	2,554
Interest bearing liabilities	14,758	14,150	583	1,083
Current income tax payable	127	221	-	-
	22,078	21,416	3,985	3,637
Net current assets/(liabilities)	13,720	13,583	(3,471)	(3,122)
Less:				
Non-current liabilities				
Interest bearing liabilities	5,347	5,502	-	-
Deferred tax liabilities	728	767	-	-
	6,075	6,269	-	-
Net assets	33,637	32,226	24,590	24,939
Equity				
Share capital	26,700	26,700	26,700	26,700
Foreign currency translation reserve	1,308	639	-	-
Accumulated losses	(1,041)	(879)	(2,110)	(1,761)
Equity attributable to owners of the parent	26,967	26,460	24,590	24,939
Non-controlling interests	6,670	5,766	-	-
Total equity	33,637	32,226	24,590	24,939

* denotes amounts less than \$1,000

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

The amount repayable in one year or less, or on demand

As at 28 Feb 2015 (S\$'000)		As at 31 Aug 2014 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
14,758	-	13,921	229

The amount repayable after one year

As at 28 Feb 2015 (S\$'000)		As at 31 Aug 2014 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
5,347	-	5,502	-

Details of collaterals

The Group's borrowings are secured by:

- Corporate guarantee by the Company and a subsidiary
- Assignment of rental proceeds from an investment property of a subsidiary
- First legal mortgage of subsidiaries' properties and investment properties
- Personal guarantee by Director of a subsidiary

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	
	1 Sep 2014 to 28 Feb 2015 S\$'000	1 Sep 2013 to 28 Feb 2014 S\$'000
Operating activities		
Profit before income tax	462	121
Adjustments for:		
Allowance for doubtful trade receivables	8	1
Amortisation of intangible assets	85	115
Bad debts written off	2	26
Depreciation of property, plant and equipment	1,114	1,068
Depreciation of investment properties	83	75
Fair value gain on derivative financial instruments	-	(6)
Impairment loss on property, plant and equipment	-	15
Interest expenses	337	287
Interest income	(4)	(1)
Write-back of allowance for doubtful trade receivables	(2)	(13)
Share of result of associate	121	-
Unrealised exchange loss	658	92
Operating cash flows before working capital changes	2,864	1,780
Changes in working capital:		
Inventories	(388)	(547)
Trade and other receivables	(989)	(867)
Prepayments	559	1,110
Trade and other payables	148	(1,187)
Cash generated from operations	2,194	289
Interest received	4	1
Income taxes paid	(364)	(474)
Net cash from/(used in) operating activities	1,834	(184)
Investing activities		
Proceeds from disposal of property, plant and equipment	-	16
Purchase of property, plant and equipment	(969)	(853)
Net cash used in investing activities	(969)	(837)
Financing activities		
Repayment of obligations under finance leases	(801)	(612)
Proceeds from bank borrowings	1,252	2,750
Repayment of bank borrowings	(1,384)	(1,078)
Interest paid	(337)	(287)
Net cash (used in)/from financing activities	(1,270)	773
Net change in cash and cash equivalents	(405)	(248)
Cash and cash equivalents at beginning of financial period	2,072	1,239
Cash and cash equivalents at end of financial period	1,667	991
Cash and cash equivalents comprise:		
Short-term deposits with banks	-	15
Cash and bank balances	2,085	1,236
Cash and cash equivalents on statement of financial position	2,085	1,251
Short-term deposits pledged	-	(15)
Bank overdraft	(418)	(245)
Cash and cash equivalents on statement of cash flows	1,667	991

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	Share capital S\$'000	Foreign currency translation reserve S\$'000	Accumulated losses S\$'000	Equity attributable to owners of the parent S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
Balance as at 1 September 2014	26,700	639	(879)	26,460	5,766	32,226
Profit for the financial period	-	-	(162)	(162)	409	247
Other comprehensive income for the financial period that may subsequently be reclassified to profit or loss: Foreign currency differences on translation of foreign operations, net of tax	-	669	-	669	495	1,164
Balance as at 28 February 2015	26,700	1,308	(1,041)	26,967	6,670	33,637

Balance as at 1 September 2013	26,700	776	(1,308)	26,168	5,288	31,456
Profit for the financial period	-	-	2	2	104	106
Other comprehensive income for the financial period that may subsequently be reclassified to profit or loss: Foreign currency differences on translation of foreign operations, net of tax	-	30	-	30	23	53
Balance as at 28 February 2014	26,700	806	(1,306)	26,200	5,415	31,615

Company	Share capital S\$'000	Accumulated losses S\$'000	Total equity S\$'000
Balance as at 1 September 2014	26,700	(1,761)	24,939
Loss for the financial period, representing total comprehensive income for the financial period	-	(349)	(349)
Balance as at 28 February 2015	26,700	(2,110)	24,590

Balance as at 1 September 2013	26,700	(1,158)	25,542
Loss for the financial period, representing total comprehensive income for the financial period	-	(290)	(290)
Balance as at 28 February 2014	26,700	(1,448)	25,252

- 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.

Shares

Date	Description	Number of shares	Paid-up capital S\$'000
1 Sep 2014 and 28 Feb 2015	Issued and paid-up capital	1,196,348,241	26,700
1 Sep 2013 and 28 Feb 2014	Issued and paid-up capital	1,196,348,241	26,700

- 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 28 Feb 2015	Audited As at 31 Aug 2014
Total number of issued shares	1,196,348,241	1,196,348,241
Less: Treasury shares	-	-
Total number of issued shares excluding treasury shares	1,196,348,241	1,196,348,241

- 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 in this announcement 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 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 and methods of computation applied by the Group are consistent with those used in its most recently audited financial statements.

- 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 same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 31 August 2014 have been applied.

- 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	
	1 Sep 2014 to 28 Feb 2015	1 Sep 2013 to 28 Feb 2014
Weighted average number of ordinary shares on issue	1,196,348,241	1,196,348,241
Profit for the financial period attributable to owners of the parent (\$'000)	(162)	2
- On a fully diluted basis (cents)	(0.0135)	0.0001

- 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:-

	Group		Company	
	As at 28 Feb 2015	Audited As at 31 Aug 2014	As at 28 Feb 2015	Audited As at 31 Aug 2014
Net assets value per ordinary share based on issued share capital of the issuer at the end of the period reported (cents)	2.81	2.69	2.06	2.08
Number of ordinary shares in issue	1,196,348,241	1,196,348,241	1,196,348,241	1,196,348,241

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

The Group recorded revenues of S\$22.8 million for the period ended 28 February 2015. This gave rise to gross profit of S\$6.4 million. 39.9% of the revenues were contributed by the retail, original equipment manufacturing ("OEM") and export business segments, while the remaining 60.1% was contributed by the precision engineering business segment. In the last corresponding period, 51.9% of the revenues were contributed by the retail, OEM and export business segments, while the remaining 48.1% was contributed by the precision engineering business segment.

The global economic environment remains clouded with uncertainties and an uneven global recovery continues. Despite the uncertainties, the Group's revenues which increased by 27.5% in the current period as compared to that in the six months ended 28 February 2014. This was attributed to the precision engineering business segment, which generated substantially 59.2% higher revenues than in the last corresponding period due to the increase in sale orders from existing major customers.

In line with the increase in revenues, the Group recorded profit before income tax of S\$0.46 million in the current period as compared to S\$0.12 million in the last corresponding period.

However, employee benefits expenses (including salaries) increased by 15.5% due to increase in headcounts, higher overtime payments and general increase in salaries, especially as the market salary for staff and required skilled labour increased. The depreciation of property, plant & equipment increased by 4.3% due to the additional plant & machinery, furniture & fittings purchased. Finance costs also increased by 13.1% due to new loans drawn down. The strengthening of US dollars against Singapore currency resulted in a net loss in foreign exchange of S\$0.33 million recognised for the current period.

- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Total interest bearing liabilities increased by S\$0.45 million due to new loans drawn down for the purchase of plant & machinery, furniture & fittings, renovation.

Inventories increased by S\$0.39 million as more purchases were made under the retail, OEM and export business segments in view of the cheaper stainless steel prices.

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.

In the next reporting period and the next 12 months, we expect operating conditions experienced to persist. Global factors, such as stiffening competition and rising operating costs are expected to continue to challenge our Group, as well as many others globally.

Our Group will continue to take steps to keep ourselves resilient and competitive amidst these challenging conditions, while seeking new growth opportunities. In particular, the Group will continue to source for products with better quality and pricing in the competitive markets and improve its cost efficiency, and tap into new and specialised markets with higher barriers to entry to improve its profit margins and profitability respectively.

11 If a decision regarding dividend has been made:-

- (a) Whether an interim (final) ordinary dividend has been declared (recommended)?

None.

- (b)(i) Amount per share 0 cents

- (b)(ii) Previous corresponding period 0 cents

- (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. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not Applicable.

- (d) The date the dividend is payable

Not Applicable.

- (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.

Not Applicable.

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

No dividend has been declared/ recommended.

13 Interested person transactions pursuant to Rule 920(1)(a)(ii).

No mandate was sought or obtained from shareholders for the Company to deal with interested persons in recurrent transactions of a revenue or trading nature or in transactions necessary for day-to-day operations

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
-	S\$'000 -	S\$'000 -

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

We, Teo Cher Cheong and Teo Teck Leong, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the half-year ended 28 Feb 2015 to be false or misleading.

BY ORDER OF THE BOARD

Teo Teck Leong
Managing Director
14 Apr 2015