



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958

FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

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

Group	3 months ended 30.09.14 \$'000	3 months ended 30.09.13 \$'000
Revenue	78,714	81,892
Cost of sales	(63,227)	(64,106)
Gross profit	15,487	17,786
Other operating income	390	384
Selling and distribution expenses	(4,183)	(4,352)
Administrative expenses	(3,956)	(4,647)
Other operating expenses	(271)	(829)
Finance costs	(150)	(257)
Share of loss of associates	(335)	(16)
Profit before income tax	6,982	8,069
Income tax expense	(1,282)	(1,389)
Profit after income tax	5,700	6,680
Other comprehensive income :		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Exchange difference on translation of foreign operations	197	4
Changes in share of other comprehensive income of an associate	2	4
Other comprehensive income for the period, net of tax	199	8
Total comprehensive income for the period	5,899	6,688
Profit attributable to:		
Shareholders of the company	5,368	6,267
Non-controlling interests	332	413
	5,700	6,680
Total comprehensive income attributable to :		
Shareholders of the company	5,563	6,196
Non-controlling interests	336	492
	5,899	6,688

1(a)(ii) Notes to the statement of profit or loss (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	3 months ended 30.09.14 \$'000	3 months ended 30.09.13 \$'000
Interest income	4	14
Bad debts written off	-	(82)
Allowance for doubtful receivables	(107)	(435)
Fair value adjustment on derivative financial instruments	-	(62)
Foreign exchange loss	(169)	(250)
Adjustment for under provision of income tax in respect of prior years	-	(2)
Gain on disposal of property, plant and equipment	15	35
Property, plant and equipment written off	-	(4)
Depreciation of property, plant and equipment	(937)	(869)
Amortisation of intangible assets	(69)	(73)

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 30.09.14 \$'000	As at 30.06.14 \$'000	As at 30.09.14 \$'000	As at 30.06.14 \$'000
ASSETS				
Current assets:				
Cash and bank balances	29,113	22,349	16,893	10,248
Trade receivables	90,242	90,844	52,058	52,450
Other receivables	4,298	3,627	5,436	4,900
Inventories	61,713	65,251	40,351	42,364
Total current assets	185,366	182,071	114,738	109,962
Non-current assets:				
Subsidiaries	-	-	32,914	32,914
Associates	4,486	4,822	-	-
Property, plant and equipment	22,937	23,200	4,882	4,967
Investment properties	1,121	1,131	-	-
Leasehold prepayments	160	158	-	-
Other receivables	322	323	-	-
Intangible assets	1,589	1,658	-	-
Deferred tax assets	211	210	-	-
Total non-current assets	30,826	31,502	37,796	37,881
Total assets	216,192	213,573	152,534	147,843
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts and short-term bank borrowings	27,088	25,593	11,934	12,026
Trade payables	22,095	24,828	14,466	12,248
Other payables	6,587	9,498	1,548	2,895
Current portion of finance leases	205	274	4	17
Income tax payable	4,557	3,545	3,352	2,685
Total current liabilities	60,532	63,738	31,304	29,871
Non-current liabilities:				
Non-current portion of finance leases	84	144	-	-
Other payables	53	53	-	-
Deferred tax liabilities	1,651	1,665	222	222
Total non-current liabilities	1,788	1,862	222	222

	GROUP		COMPANY	
	As at 30.09.14 \$'000	As at 30.06.14 \$'000	As at 30.09.14 \$'000	As at 30.06.14 \$'000
Capital, reserves and non-controlling interests:				
Share capital	56,288	56,288	56,288	56,288
Treasury shares	(950)	(950)	(950)	(950)
Reserves	92,016	86,453	65,670	62,412
Equity attributable to the shareholders of the Company	147,354	141,791	121,008	117,750
Non-controlling interests	6,518	6,182	-	-
Total equity	153,872	147,973	121,008	117,750
Total liabilities and equity	216,192	213,573	152,534	147,843

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

Amount repayable in one year or less, or on demand

As at 30/09/2014		As at 30/06/2014	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
15,359	11,934	13,841	12,026

Amount repayable after one year

As at 30/09/2014		As at 30/06/2014	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
84	-	144	-

Details of any collateral

The bank overdrafts and other bank borrowings of the Group are secured by the following:

- i. negative pledge over all assets of a subsidiary; and
- ii. corporate guarantee by a subsidiary and the company.

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	3 months ended 30.09.14 \$'000	3 months ended 30.09.13 \$'000
Operating activities		
Profit before income tax	6,982	8,069
Adjustments for:		
Depreciation expense	937	869
Amortisation expense	69	73
Interest income	(4)	(14)
Interest expense	150	257
Fair value adjustment on derivative financial instruments taken to profit or loss	-	62
Bad debts written off	-	82
Allowance for doubtful receivables	107	435
Gain on disposal of property, plant and equipment	(15)	(35)
Property, plant and equipment written off	-	4
Share of loss of associates	335	16
Operating cash flows before movement in working capital	8,561	9,818
Trade receivables	567	4,077
Other receivables	(670)	(233)
Inventories	3,692	2,707
Trade payables	(2,788)	(3,104)
Other payables	(2,922)	(2,523)
Deferred liabilities	-	(4)
Cash generated from operations	6,440	10,738
Income tax paid	(285)	(435)
Net cash from operating activities	6,155	10,303
Investing activities		
Purchase of property, plant and equipment	(653)	(1,495)
Proceeds from disposal of property, plant and equipment	48	86
Interest received	4	14
Net cash used in investing activities	(601)	(1,395)
Financing activities		
Proceeds from short-term bank borrowings	20,359	18,320
Repayment of short-term bank borrowings	(19,561)	(20,213)
Repayment of hire purchase obligations	(129)	(167)
Repayment of long-term bank borrowings	-	(49)
Interest paid	(150)	(257)
Net cash from (used in) financing activities	519	(2,366)
Net increase in cash and cash equivalents	6,073	6,542
Cash and cash equivalents at beginning of period	22,232	23,568
Effect of exchange rate changes on the balance of cash held in foreign currencies	21	25
Cash and cash equivalents at end of period	28,326	30,135

Notes :

The cash and cash equivalents consist of the followings:

	3 months ended 30.09.14 \$'000	3 months ended 30.09.13 \$'000
Cash and bank balances	29,113	30,285
Bank overdrafts	(787)	(150)
	28,326	30,135

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 \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2014	56,288	(950)	(1,264)	(381)	88,098	141,791	6,182	147,973
Total comprehensive income for the period								
Profit for the period	-	-	-	-	5,368	5,368	332	5,700
Other comprehensive income for the period	-	-	195	-	-	195	4	199
Total	-	-	195	-	5,368	5,563	336	5,899
Balance at 30 September 2014	56,288	(950)	(1,069)	(381)	93,466	147,354	6,518	153,872
Group	Share capital \$'000	Treasury shares \$'000	Foreign currency translation reserve \$'000	Other reserve \$'000	Accumulated profits \$'000	Equity attributable to shareholders of the company \$'000	Non-controlling interests \$'000	Total equity \$'000
Balance at 1 July 2013	56,288	(950)	(1,565)	(381)	76,201	129,593	7,695	137,288
Total comprehensive income for the period								
Profit for the period	-	-	-	-	6,267	6,267	413	6,680
Other comprehensive (loss) income for the period	-	-	(71)	-	-	(71)	79	8
Total	-	-	(71)	-	6,267	6,196	492	6,688
Balance at 30 September 2013	56,288	(950)	(1,636)	(381)	82,468	135,789	8,187	143,976

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2014	56,288	(950)	62,412	117,750
Profit for the year, representing total comprehensive income for the period	-	-	3,258	3,258
Balance at 30 September 2014	<u>56,288</u>	<u>(950)</u>	<u>65,670</u>	<u>121,008</u>

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2013	56,288	(950)	50,440	105,778
Profit for the year, representing total comprehensive income for the period	-	-	3,232	3,232
Balance at 30 September 2013	<u>56,288</u>	<u>(950)</u>	<u>53,672</u>	<u>109,010</u>

- 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 changes in the Company's share capital during the 3 months ended 30 September 2014.

The total number of issued ordinary shares excluding treasury shares as at 30 September 2014 was 435,515,791 (30 September 2013: 435,515,791).

The number of ordinary shares held as treasury shares as at 30 September 2014 was 2,727,000 (30 September 2013: 2,727,000).

As at 30 September 2014, there were no shares that may be issued on conversion of any outstanding convertibles or shares options (30 September 2013: Nil).

- 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.**

The total number of issued ordinary shares excluding treasury shares as at 30 September 2014 was 435,515,791 (30 June 2014: 435,515,791).

- 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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed.

- 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.**

Except as disclosed below, the Group and the Company have adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as compared with the audited financial statements as at 30 June 2014.

The Group and Company have adopted the following applicable Singapore Financial Reporting Standards ("FRSs") which became effective for the financial year beginning on or after 1 July 2014:

- FRS 110 *Consolidated Financial Statements*
- FRS 112 *Disclosure of Interests in Other Entities*
- FRS 27 (Revised) *Separate Financial Statements*
- Amendments to FRS 36 *Impairment of Assets*

The adoption of these FRSs has no material effect on the announcement for the current period.

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.**

There are no significant changes in the accounting policies adopted by the Group and the company, other than as disclosed in item 4.

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.**

	3 months ended 30.09.14	3 months ended 30.09.13
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares in issue; and	1.23 cents	1.44 cents
(ii) On a fully diluted basis	1.23 cents	1.44 cents

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 30.09.14	As at 30.06.14	As at 30.09.14	As at 30.06.14
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	33.83 cents	32.56 cents	27.78 cents	27.04 cents

Net asset value per share is calculated based on the existing number of shares in issue of 435,515,791 (30 June 2014: 435,515,791 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.

Statement of profit or loss

The Group achieved revenue of \$78.71 million for the 3 months ended 30 September 2014, a decline of 3.88% from \$81.89 million in the last corresponding period. The decrease in revenue was mainly derived from :

- a) the Electrical Material Distribution ("EMD") Segment which decreased by \$6.47 million. This was mainly due to (i) disposal of a subsidiary – Vynco Industries (NZ) Limited in December 2013 which accounted for \$5.56 million in the last corresponding period; and (ii) restructuring of the EMD business in Vietnam by Lim Kim Hai Electric (VN) Co. Ltd ("LKHVN") which represents the 3 cable factories. LKHVN contributed \$2.69 million to the EMD Segment in the last corresponding period. The decrease was however compensated by increase in revenue from the domestic market of the EMD Segment which benefited from growth in the Electronics Industry in Singapore.
- b) the Switchboard Segment which decreased by \$0.71 million, as infrastructure projects were completed in last financial year.

The decline in Group revenue was offset by increase in revenue from the Cable & Wire Segment of \$4.19 million, mainly from:-

(i) higher quantities sold as compared to the last corresponding period. This increase was underpinned by growth in the Commercial and Infrastructure Sector in Singapore.

(ii) restructuring the business activities of LKHVN into Cable & Wire Segment, the revenue increased by \$3.57 million.

Administrative, selling and distribution expenses decreased by 9.56% mainly attributable to the disposal of a subsidiary in December 2013. Without taking the disposal into consideration, the Group's operating expenses increased, moving in tandem with higher business activities during the financial period and higher staff costs incurred.

Other operating expenses decreased by \$0.56 million mainly due to lower allowance for doubtful receivables provided for long overdue debts as a result of improvement in collections.

The Group reported profit before income tax of \$6.98 million for the 3 months ended 30 September 2014, a decline of \$1.09 million (13.47%) compared to the last corresponding period. The Cable & Wire Segment decreased by \$0.78 million, followed by the Electrical Material Distribution Segment which decreased by \$0.39 million and the Switchboard Segment by \$0.10 million. For the Test & Inspection Segment, profit before income tax increased by \$0.16 million.

Statement of financial position

Cash and bank balances increased by \$6.76 million, due to higher receipts from customers towards period end and drawdown of bank borrowings during the quarter.

Trade receivables decreased by \$0.60 million, attributable to lower sales for the quarter ended September 2014 as compared to the last preceding quarter.

Other receivables increased by \$0.67 million, primarily due to prepayment of stamp duty for purchase of the property located in Tuas and higher advances to suppliers.

Inventories decreased by \$3.54 million. This was mainly the result of lower purchases of copper in the Cable & Wire Segment.

Bank overdrafts and other bank borrowings increased by \$1.50 million primarily because of drawdown of funds to finance the buyback of ordinary shares by Cast Laboratories Pte Ltd as announced on 1 October 2014.

Trade payables decreased by \$2.73 million to \$22.10 million, principally due to lower purchases in the Cable & Wire Segment.

Other payables decreased by \$2.91 million mainly because of bonus payout and lower advances from customers.

Income tax payables increased by \$1.01 million which was in tandem with profit attained for the current quarter.

Statement of cash flows

The cash and cash equivalent at the end of the period increased to \$28.33 million compared with \$22.23 million at the end of the preceding period.

The net cash from operating activities of \$6.16 million was mostly due to lower purchases and bonus payout during the period.

The net cash used in investing activities of \$0.60 million was mainly used for purchase of plant and equipment, net of proceeds from disposal of property, plant and equipment and interest received.

The net cash from financing activities of \$0.52 million was largely attributed to proceeds from bank borrowings, net of repayment of bank borrowings, finance leases and interest paid.

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

No forecast or a prospect statement has been previously disclosed to shareholders.

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 Group expects opportunities in the infrastructure sector and public housing development in Singapore for the three business segments.

The Group will continue to build capabilities to provide comprehensive packaged solutions to various business sectors and to grow the business locally and regionally.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared (recommended) for the current financial period reported on? **No**

Name of Dividend	Not applicable
Dividend Type	
Dividend Amount per Share (in cents)	
Tax Rate	

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year? **No**

Name of Dividend	Not applicable
Dividend Type	
Dividend Amount per Share (in cents)	
Tax Rate	

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared for the quarter ended 30 September 2014.

13. **If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“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.**

No IPT mandate has been obtained from shareholders.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

16. **A breakdown of sales.**

Not applicable.

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

Not applicable.

18. **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.

BY ORDER OF THE BOARD

Tan Shou Chieh
Secretary

Singapore, 10 November 2014



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958



CERT. NO.: 96-2-0545
SS ISO 9001: 2000

**CONFIRMATION BY THE BOARD OF DIRECTORS
PURSUANT TO RULE 705(5) OF THE LISTING MANUAL**

We, the undersigned, being two Directors of Tai Sin Electric Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company 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 interim financial statements for the first quarter ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors,

Prof. Lee Chang Leng Brian
Chairman

Mr. Lim Boon Hock Bernard
Chief Executive Officer

Singapore, 10 November 2014

Tai Sin Electric Limited

24 Gul Crescent, Jurong Town, Singapore 629531 Tel: (65) 6861 3401 Fax: (65) 6861 4084
Website : www.taisn.com.sg Email : mailbox1@taisn.com.sg Co. Reg. No. : 198000057W