



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 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	9 months ended 31.03.14 \$'000	9 months ended 31.03.13 \$'000
		Restated^(a)
Revenue	226,154	219,263
Cost of sales	(178,819)	(178,440)
Gross profit	47,335	40,823
Other operating income	2,612	870
Selling and distribution expenses	(12,300)	(11,780)
Administrative expenses	(13,533)	(13,441)
Other operating expenses	(2,806)	(51)
Finance costs	(657)	(978)
Share of profit of associates	37	671
Profit before income tax	20,688	16,114
Income tax expense	(3,568)	(2,419)
Profit after income tax	17,120	13,695
Other comprehensive income :		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	205	351
Changes in share of other comprehensive income of associates	8	7
Total other comprehensive income for the period	213	358
Total comprehensive income for the period	17,333	14,053
Profit attributable to:		
Shareholders of the company	16,295	13,584
Non-controlling interests	825	111
	17,120	13,695
Total comprehensive income attributable to :		
Shareholders of the company	16,429	13,910
Non-controlling interests	904	143
	17,333	14,053

^(a) Please refer to the 2013 Annual Report for the details of the nature of restatement.

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	9 months ended 31.03.14 \$'000	9 months ended 31.03.13 \$'000
		Restated
Interest income	21	15
(Bad debts written off) Bad debts recovered	(77)	1
(Allowance for) Reversal of doubtful receivables	(813)	50
Allowance for inventories obsolescence written back	-	56
Loss on disposal of a subsidiary	(1,367)	-
Fair value adjustment on derivative financial instruments	9	42
Foreign exchange (loss) gain	(388)	142
Adjustment for over (under) provision of income tax in respect of prior years	23	(68)
Gain on disposal of assets classified as held for sale	1,246	-
Impairment loss on investment in an associate	-	(22)
Gain (loss) on disposal of property, plant and equipment	134	(10)
Property, plant and equipment written off	(31)	(19)
Intangible assets written off	(129)	-
Depreciation of property, plant and equipment	(2,621)	(2,983)
Amortisation of intangible assets	(213)	(220)

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 31.03.14 \$'000	As at 30.06.13 \$'000	As at 31.03.14 \$'000	As at 30.06.13 \$'000
ASSETS				
Current assets:				
Cash and bank balances	23,769	24,481	14,096	11,299
Trade receivables	79,013	94,645	40,893	49,317
Other receivables	2,471	2,551	4,036	6,044
Derivative financial instruments	-	1,424	-	-
Inventories	70,853	66,124	46,281	39,741
	176,106	189,225	105,306	106,401
Assets classified as held for sale	-	1,427	-	-
Total current assets	176,106	190,652	105,306	106,401
Non-current assets:				
Subsidiaries	-	-	32,375	32,375
Associates	4,848	4,850	-	-
Property, plant and equipment	23,074	23,168	5,165	4,479
Investment properties	1,141	1,171	-	-
Leasehold prepayments	166	181	-	-
Intangible assets	1,727	2,174	-	-
Other receivables	122	59	-	-
Deferred tax assets	176	176	-	-
Total non-current assets	31,254	31,779	37,540	36,854
Total assets	207,360	222,431	142,846	143,255
LIABILITIES AND EQUITY				
Current liabilities:				
Bank overdrafts and short-term bank borrowings	30,661	36,105	14,762	15,909
Trade payables	22,362	31,421	10,893	15,934
Other payables	6,341	10,269	1,459	2,950
Derivative financial instruments	4	-	-	-
Current portion of finance leases	396	630	29	-
Current portion of long-term borrowings	-	198	-	-
Income tax payable	3,670	3,283	2,422	2,362
Total current liabilities	63,434	81,906	29,565	37,155
Non-current liabilities:				
Non-current portion of finance leases	138	331	-	-
Long-term borrowings	-	966	-	-
Deferred liabilities	35	47	-	-
Deferred tax liabilities	1,818	1,893	322	322
Total non-current liabilities	1,991	3,237	322	322

	GROUP		COMPANY	
	As at 31.03.14 \$'000	As at 30.06.13 \$'000	As at 31.03.14 \$'000	As at 30.06.13 \$'000
Capital, reserves and non-controlling interests:				
Share capital	56,288	56,288	56,288	56,288
Treasury shares	(950)	(950)	(950)	(950)
Reserves	80,966	74,255	57,621	50,440
Equity attributable to the shareholders of the company	136,304	129,593	112,959	105,778
Non-controlling interests	5,631	7,695	-	-
Total equity	141,935	137,288	112,959	105,778
Total liabilities and equity	207,360	222,431	142,846	143,255

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

Amount repayable in one year or less, or on demand

As at 31/03/2014		As at 30/06/2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
16,295	14,762	21,024	15,909

Amount repayable after one year

As at 31/03/2014		As at 30/06/2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
138	-	1,297	-

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	9 months ended 31.03.14 \$'000	9 months ended 31.03.13 \$'000
		Restated
Operating activities		
Profit before income tax	20,688	16,114
Adjustments for:		
Depreciation expense	2,621	2,983
Amortisation expense	213	220
Interest income	(21)	(15)
Interest expense	657	978
Fair value adjustment on derivative financial instruments taken to profit or loss	(9)	(42)
Bad debts written off (Bad debts recovered)	77	(1)
Allowance for (Reversal of) doubtful receivables	813	(50)
Intangible assets written off	129	
Allowance for inventories obsolescence written back	-	(56)
(Gain) Loss on disposal of property, plant and equipment	(134)	10
Property, plant and equipment written off	31	19
Impairment loss on investment of an associate	-	22
Gain on disposal of assets classified as held for sale	(1,246)	-
Loss on disposal of a subsidiary	1,367	-
Share of profit of associates	(37)	(671)
Operating cash flows before movement in working capital	25,149	19,511
Trade receivables	12,000	3,347
Other receivables	(129)	219
Contract work-in-progress	-	(206)
Inventories	(8,545)	874
Trade payables	(6,756)	(2,128)
Other payables	(2,823)	(1,078)
Deferred liabilities	(12)	(27)
Cash generated from operations	18,884	20,512
Income tax paid	(3,162)	(2,583)
Net cash from operating activities	15,722	17,929
Investing activities		
Purchase of property, plant and equipment	(4,858)	(2,949)
Proceeds from disposal of property, plant and equipment	185	90
Dividend received from an associate	48	65
Proceeds from disposal of assets classified as held for sale	2,631	-
Proceeds from disposal of a subsidiary (Note a)	1,546	-
Interest received	21	15
Net cash used in investing activities	(427)	(2,779)
Financing activities		
Proceeds from short-term bank borrowings	68,582	75,668
Repayment of short-term bank borrowings	(73,226)	(85,648)
Repayment of hire purchase obligations	(51)	(1,104)
Repayment of long-term bank borrowings	(524)	(414)
Interest paid	(657)	(978)
Dividend paid	(9,799)	(4,908)
Capital contribution by non-controlling interests	-	13
Dividend paid to non-controlling interests	(300)	(313)
Net cash used in financing activities	(15,975)	(17,684)

Group	9 months ended 31.03.14 \$'000	9 months ended 31.03.13 \$'000
		Restated
Net decrease in cash and cash equivalents	(680)	(2,534)
Cash and cash equivalents at beginning of period	23,568	16,897
Effect of exchange rate changes on the balance of cash held in foreign currencies	395	247
Cash and cash equivalents at end of period (Note b)	23,283	14,610

Notes :

a) Disposal of a subsidiary

	Period ended 31.03.14 \$'000
<u>Book value of net assets over which control was lost</u>	
Cash and bank balances	1,047
Trade and other receivables	2,625
Inventories	3,672
Property, plant and equipment	2,496
Derivative financial instruments	23
Trade and other payables	(3,360)
Income tax payables	(115)
Long-term bank borrowings	(1,130)
Net assets	5,258
Less : Non-controlling interest	(1,217)
Net assets disposed	4,041
Exchange differences in respect of the net assets of the subsidiary reclassified from equity on loss of control of the subsidiary	(81)
Loss on disposal of a subsidiary	(1,367)
Total consideration, satisfied by cash	2,593
Less : Cash and cash equivalent disposed of	(1,047)
Net cash inflows arising from disposal of a subsidiary	1,546

b) The cash and cash equivalents consist of the followings:

	9 months ended 31.03.14 \$'000	9 months ended 31.03.13 \$'000
Cash and bank balances	23,769	15,983
Bank overdrafts	(486)	(1,373)
	23,283	14,610

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 2013	56,288	(950)	(1,565)	(381)	76,201	129,593	7,695	137,288
Total comprehensive income for the period	-	-	134	-	16,295	16,429	904	17,333
Exercise of personal undertakings from non-controlling interests	-	-	-	-	-	-	(1,370)	(1,370)
Acquisition of additional interests in a subsidiary	-	-	(6)	-	87	81	(81)	-
Disposal of a subsidiary	-	-	-	-	-	-	(1,217)	(1,217)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(300)	(300)
Final dividend for the previous year paid	-	-	-	-	(6,533)	(6,533)	-	(6,533)
Interim dividend for the year paid	-	-	-	-	(3,266)	(3,266)	-	(3,266)
Balance at 31 March 2014	56,288	(950)	(1,437)	(381)	82,784	136,304	5,631	141,935

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 2012	51,723	(950)	(1,803)	(381)	64,515	113,104	7,777	120,881
Total comprehensive income for the period, as restated	-	-	326	-	13,584	13,910	143	14,053
Issue of shares capital	4,565	-	-	-	(4,565)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	(13)	(13)
Final dividend for the previous year paid	-	-	-	-	(1,642)	(1,642)	-	(1,642)
Interim dividend for the year paid	-	-	-	-	(3,266)	(3,266)	-	(3,266)
Balance at 31 March 2013, as restated	56,288	(950)	(1,477)	(381)	68,626	122,106	7,907	130,013

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
Total comprehensive income for the period	-	-	16,980	16,980
Final dividend for the previous year paid	-	-	(6,533)	(6,533)
Interim dividend for the year paid	-	-	(3,266)	(3,266)
Balance at 31 March 2014	56,288	(950)	57,621	112,959

Company	Share capital \$'000	Treasury shares \$'000	Accumulated profits \$'000	Total equity \$'000
Balance at 1 July 2012	51,723	(950)	45,355	96,128
Total comprehensive income for the period, as restated	-	-	9,464	9,464
Issue of shares capital	4,565	-	(4,565)	-
Final dividend for the previous year paid	-	-	(1,642)	(1,642)
Interim dividend for the year paid	-	-	(3,266)	(3,266)
Balance at 31 March 2013, as restated	56,288	(950)	45,346	100,684

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 31 March 2014.

The total number of issued ordinary shares excluding treasury shares as at 31 March 2014 was 435,515,791 (31 March 2013: 435,515,791).

The number of ordinary shares held as treasury shares as at 31 March 2014 was 2,727,000 (31 March 2013: 2,727,000).

As at 31 March 2014, there were no shares that may be issued on conversion of any outstanding convertibles or shares options (31 March 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 31 March 2014 was 435,515,791 (30 June 2013: 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 2013.

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 2013:

- FRS 113 Fair Value Measurements
- FRS 107 Financial Instruments: Disclosure-Offsetting Financial Assets and Financial Liabilities
- Annual Improvements to FRS 2012

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.**

	9 months ended 31.03.14	9 months ended 31.03.13 Restated
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	3.74 cents	3.12 cents
(ii) On a fully diluted basis	3.74 cents	3.12 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 31.03.14	As at 30.06.13	As at 31.03.14	As at 30.06.13
Net asset backing per ordinary share based on existing issued share capital as at the end of the period reported on	31.30 cents	29.76 cents	25.94 cents	24.29 cents

Net asset value per share is calculated based on the existing number of shares in issue of 435,515,791 (30 June 2013: 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 \$226.15 million for the 9 months ended 31 March 2014, an increase of 3.14% from \$219.26 million in the last corresponding period.

The Cable & Wire Segment was the biggest contributor to the revenue growth, posting an increase of \$7.31 million as a result of higher quantities sold. The increase was underpinned by growth in the Industrial, Commercial & Residential Sector in Singapore especially expansion in public sector construction activities.

The increase in revenue in the Cable & Wire Segment was however offset by the decrease in revenue in Others Segment of \$0.62 million, primarily due to cessation of lamps and lightings operations since the last financial year.

The disposal of a subsidiary – Vynco Industries (NZ) Limited did not result in a drop in the Group's revenue because of increase in revenue from other subsidiaries within the Electrical Material Distribution Segment which benefited from the growth in the Electronics Industry in Singapore.

Other operating income increased by \$1.74 million mainly from gain on disposal of assets classified as held for sale amounting to \$1.25 million and scrap sales of \$0.25 million.

With the disposal of a subsidiary, administrative, selling and distribution expenses should have decreased. However, these expenses increased by \$0.61 million, mainly attributable to the increase in the Group's business activities and in turn its operating costs, especially staff costs incurred for the 9 months ended 31 March 2014.

Other operating expenses increased by \$2.76 million principally due to loss on disposal of a subsidiary amounting to \$1.37 million, allowance for doubtful receivables provided for long overdue debts of \$0.81 million and higher foreign exchange losses of \$0.39 million.

The Group reported profit before income tax of \$20.69 million for the 9 months ended 31 March 2014, an increase of \$4.57 million (28.39%) compared to the last corresponding period ended 31 March 2013.

The increase was driven by the Cable & Wire Segment's contribution of \$2.59 million, the Test & Inspection Segment of \$1.57 million and a gain on disposal of assets classified as held for sale amounting to \$1.25 million. These were however negated by loss on disposal of a subsidiary – Vynco Industries (NZ) Limited of \$1.367 million in December 2013.

Statement of financial position

Cash and bank balances decreased by \$0.71 million due to disposal of a subsidiary.

Trade receivables decreased by \$15.63 million, attributable to lower sales for the quarter ended 31 March 2014, improvement in collection from customers, allowance for doubtful debts provided for long overdue debts and disposal of a subsidiary.

Derivative financial instruments decreased by \$1.42 million mainly because of the exercise of personal undertakings from non-controlling interests of a subsidiary which resulted in an increase of shareholding in Cast Laboratories Group.

Inventories increased by \$4.73 million was due to the net impact of lower sales in the Cable & Wire Segment as well as the Electrical Material Distribution Segment towards period end and disposal of a subsidiary.

Assets classified as held for sales decreased by \$1.43 million, attributable to completion of the sale of leasehold land and buildings and disposal of an associate during the period.

Bank overdrafts and other bank borrowings decreased by \$5.44 million primarily due to settlement of bank borrowings towards period end.

Trade payables decreased by \$9.06 million, principally driven by prompt payment to suppliers as well as disposal of a subsidiary.

Other payables decreased by \$3.93 million mainly because of bonus payout during the period, lower advances from customers and disposal of a subsidiary.

Statement of cash flows

The cash and cash equivalent decreased from \$23.57 million at the beginning period to \$23.28 million at the end of the period.

The net cash from operating activities of \$15.72 million was mostly due to lower sales net of purchases, bonus payout and income tax paid during the period.

The net cash from investing activities of \$0.43 million was mainly from sales of assets classified as held for sale, plant and equipment and proceeds from disposal of a subsidiary, net of purchase of plant and equipment.

The net cash used in financing activities of \$15.98 million was largely attributed to repayment of bank borrowings, finance leases, dividend 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 property cooling measures continued to dampen the Residential Sector in Singapore. This affected the Group's Cable & Wire Segment results in the second and third quarter. The effect of the cooling measures could continue to impact the Group's results in the next 12 months. Nevertheless, expansion is expected in the Commercial, Industrial and Infrastructure Sectors which would alleviate the impact of the cooling measures in the Residential Sector.

The outlook for the Electrical Material Distribution ("EMD") Segment remains optimistic. Strong growth in the Electronics Industry will allow the EMD Segment to contribute positively to the Group's results.

The Test & Inspection Segment will continue to harvest more projects in the Infrastructure Sector and expand its businesses in the Malaysian and Indonesian markets to grow its revenue and profit streams.

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/recommended, a statement to that effect.

No dividend has been declared for the third quarter ended 31 March 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, 8 May 2014



Tai Sin[®]

The Electric Solutions Specialist For Asia Since 1958



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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 third quarter ended 31 March 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, 8 May 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