POPULAR HOLDINGS LIMITED

(Co. Regn. No.: 199607187M)

## FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 30 APRIL 2014

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

### 1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**Consolidated Income Statement**

| | Group | | |
|---|---|---|---|
| | Full year ended | | |
| | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 | Change % |
| **Turnover** | **551,856** | **524,163** | **5.3%** |
| Cost of sales | (454,607) | (427,773) | 6.3% |
| **Gross profit** | **97,249** | **96,390** | **0.9%** |
| Other operating income | 4,086 | 3,697 | 10.5% |
| Distribution and selling expenses | (16,118) | (14,126) | 14.1% |
| Administrative expenses | (61,926) | (54,959) | 12.7% |
| Other operating expenses | (7,975) | (3,878) | 105.6% |
| **Profit from operations** | **15,316** | **27,124** | **-43.5%** |
| Financial income | 1,526 | 1,487 | 2.6% |
| Financial expenses | (673) | (270) | 149.3% |
| Share of losses of associate | - | (63) | N.M. |
| **Profit before tax** | **16,169** | **28,278** | -42.8% |
| Income tax expense | (5,565) | (4,909) | 13.4% |
| **Profit for the year, net of tax** | **10,604** | **23,369** | -54.6% |
| **Profit attributable to:** | | | |
| Owners of the Company | 10,589 | 23,262 | -54.5% |
| Non-controlling interests | 15 | 107 | -86.0% |
| | **10,604** | **23,369** | **-54.6%** |

Note: N.M. - Not meaningful

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

**Consolidated Statement of Comprehensive Income**

| | Group | | |
|---|---|---|---|
| | Full year ended | | |
| | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 | Change % |
| **Profit for the year, net of tax** | **10,604** | **23,369** | **-54.6%** |
| **Other comprehensive income:** | | | |
| Currency translation adjustments on foreign operations | (2,928) | 2,200 | N.M |
| Fair value adjustments | 174 | (29) | N.M |
| **Other comprehensive income for the year, net of tax** | **(2,754)** | **2,171** | N.M |
| **Total comprehensive income for the year** | **7,850** | **25,540** | **-69.3%** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | 7,823 | 25,431 | -69.2% |
| Non-controlling interests | 27 | 109 | -75.2% |
| | **7,850** | **25,540** | **-69.3%** |

## 1(a)(iii) Profit before tax is arrived at after charging/(crediting) the following:

| | Group | | |
|---|---|---|---|
| | Full year ended | | |
| | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 | Change % |
| Allowance for doubtful debts - trade receivables | 263 | 468 | -43.8% |
| Allowance for inventory obsolescence | 5,143 | 5,171 | -0.5% |
| Amortisation of development costs | 610 | 713 | -14.4% |
| Depreciation of property, plant and equipment | 9,665 | 9,725 | -0.6% |
| Development cost written off | - | 45 | N.M. |
| Foreign exchange loss, net | 319 | 1,794 | -82.2% |
| Provision for foreseeable losses on development properties | 1,844 | - | N.M. |
| Gain on disposal of property, plant and equipment | (158) | (59) | 167.8% |
| Impariment on investment in associate | - | 110 | N.M. |
| Impairment on intangible assets | 126 | - | N.M. |
| Impairment on property, plant and equipment | 415 | 423 | -1.9% |
| Impairment on properties held for sale | 3,114 | - | N.M. |
| Interest expenses | 480 | 112 | 328.6% |
| Inventories written down | 347 | 770 | -54.9% |
| Property, plant and equipment written off | 195 | 63 | 209.5% |
| Write-back of allowance for doubtful debts - trade receivables | (103) | (162) | -36.4% |
| Write-back of allowance for inventory obsolescence | (295) | (771) | -61.7% |

## 1(a)(iv) Income tax expense

Income tax expense included adjustments for over provision of tax in respect of prior years which amounted to S$266,000 (FY2013: over provision of S$2,019,000).

## 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

**Statements of Financial Position**

| | Group | | Company | |
|---|---|---|---|---|
| | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 |
| **Share Capital and Reserves** | | | | |
| Share capital | 92,170 | 92,170 | 92,170 | 92,170 |
| Treasury shares | (10,307) | (5,136) | (10,307) | (5,136) |
| Reserves | 136,568 | 136,888 | 12,817 | 15,158 |
| **Equity attributable to owners of the Company** | **218,431** | **223,922** | **94,680** | **102,192** |
| Non-controlling interests | 578 | 630 | - | - |
| **Total equity** | **219,009** | **224,552** | **94,680** | **102,192** |
| | | | | |
| Represented by: | | | | |
| | | | | |
| **Non-Current Assets** | | | | |
| Property, plant and equipment | 67,555 | 68,728 | 3,657 | 4,809 |
| Investments in subsidiaries | - | - | 92,662 | 95,865 |
| Investment in joint venture* | - | - | - | - |
| Goodwill on consolidation | 1,256 | 1,233 | - | - |
| Intangible assets | 2,447 | 126 | - | 126 |
| Other investments | 248 | 75 | - | - |
| Development costs | 4,601 | 1,261 | - | - |
| Deferred tax assets | 3,721 | 2,211 | 212 | - |
| Other receivables and deposits | 5,941 | 6,601 | - | - |
| | **85,769** | **80,235** | **96,531** | **100,800** |
| | | | | |
| **Current Assets** | | | | |
| Development properties | 23,274 | 80,446 | - | - |
| Properties held for sale | 49,297 | 12,430 | - | - |
| Inventories | 102,210 | 103,240 | - | - |
| Trade receivables | 19,128 | 16,606 | - | - |
| Other receivables and deposits | 3,978 | 6,544 | 157 | 137 |
| Prepayments | 4,437 | 5,762 | 353 | 354 |
| Due from subsidiaries (trade) | - | - | 7,105 | 5,325 |
| Due from subsidiaries (non-trade) | - | - | 33,773 | 35,702 |
| Due from associated company (trade) | - | 625 | - | - |
| Due from affiliated companies (non-trade) | 14 | 12 | - | - |
| Tax recoverable | 27 | 263 | - | - |
| Fixed deposits | 51,442 | 55,335 | - | - |
| Cash and bank balances | 57,328 | 61,034 | 3,191 | 1,682 |
| | 311,135 | 342,297 | 44,579 | 43,200 |
| Investment in associate classified as held for sale** | - | - | - | - |
| Assets classified as held for sale# | 2,437 | - | - | - |
| | **313,572** | **342,297** | **44,579** | **43,200** |
| | | | | |
| **Total Assets** | **399,341** | **422,532** | **141,110** | **144,000** |

* The investment in joint venture was fully impaired.

** The investment in associate was disposed on 3 June 2013 and classified as held for sale in the previous financial year.

# The assets classified as held for sale are in respect of two commercial property units expected to be disposed of subsequent to the financial year end.

| | Group | | Company | |
|---|---|---|---|---|
| | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 |
| **Current Liabilities** | | | | |
| Trade payables | 100,774 | 106,646 | - | - |
| Other payables and accruals | 44,349 | 42,649 | 3,617 | 2,794 |
| Deferred income | - | 23 | - | - |
| Due to subsidiaries (non-trade) | - | - | 1,840 | 1,169 |
| Due to joint venture partners (non-trade) | 649 | 465 | - | - |
| Due to affiliated companies (non-trade) | 14 | 19 | - | - |
| Loan from subsidiaries | - | - | 39,577 | 36,266 |
| Short-term bank loans (unsecured) | 16,724 | 8,300 | 1,300 | 1,300 |
| Long-term bank loans (secured), current portion | 583 | 21,676 | - | - |
| Obligations under finance leases, current portion | - | 86 | - | 86 |
| Tax payable | 1,930 | 2,106 | 96 | 78 |
| | **165,023** | **181,970** | **46,430** | **41,693** |
| **Net Current Assets/ (Liabilities)** | **148,549** | **160,327** | **(1,851)** | **1,507** |
| **Non-Current Liabilities** | | | | |
| Long-term bank loans (secured), non-current portion | 15,190 | 15,781 | - | - |
| Obligations under finance leases, non-current portion | - | 4 | - | 4 |
| Deferred tax liabilities | 119 | 225 | - | 111 |
| | **15,309** | **16,010** | **-** | **115** |
| **Total Liabilities** | **180,332** | **197,980** | **46,430** | **41,808** |
| **Net Assets** | **219,009** | **224,552** | **94,680** | **102,192** |

## 1(b)(ii) Aggregate amount of group's borrowing and debt securities

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

| As at 30 April 2014 | | As at 30 April 2013 | |
|---|---|---|---|
| | | | |
| Secured | Unsecured | Secured | Unsecured |
| S$'000 | S$'000 | S$'000 | S$'000 |
| 583 | 16,724 | 21,762 | 8,300 |

### Amount repayable after one year

| As at 30 April 2014 | | As at 30 April 2013 | |
|---|---|---|---|
| | | | |
| Secured | Unsecured | Secured | Unsecured |
| S$'000 | S$'000 | S$'000 | S$'000 |
| 15,190 | - | 15,785 | - |

### Details of any collateral

The Group's borrowings are secured by properties owned by its subsidiaries and assets under fixed term lease financing.

## 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 | |
|---|---|---|
| | Full year ended | |
| | 30-Apr-14 | 30-Apr-13 |
| | S$'000 | S$'000 |
| **Cash flows from operating activities** | | |
| Profit before tax | 16,169 | 28,278 |
| Adjustments for: | | |
| Share of losses of associate | - | 63 |
| Allowance for doubtful debts - trade receivables | 263 | 468 |
| Allowance for inventory obsolescence | 5,143 | 5,171 |
| Amortisation of development cost | 610 | 713 |
| Depreciation of property, plant and equipment | 9,665 | 9,725 |
| Development cost written off | - | 45 |
| Property, plant and equipment written off | 195 | 63 |
| Gain on disposal of property, plant and equipment | (158) | (59) |
| Impairment on investment in associate | - | 110 |
| Impairment on intangible assets | 126 | - |
| Impairment on property, plant and equipment | 415 | 423 |
| Impairment on properties held for sale | 3,114 | - |
| Inventories written down | 347 | 770 |
| Provision for foreseeable losses on development properties | 1,844 | - |
| Write-back of allowance for doubtful debts - trade receivables | (103) | (162) |
| Write-back of allowance for inventory obsolescence | (295) | (771) |
| Interest expense | 480 | 112 |
| Interest income | (1,526) | (1,487) |
| Currency realignment | (198) | 2,455 |
| **Operating cash flows before working capital changes** | **36,091** | **45,917** |
| | | |
| (Increase)/Decrease in: | | |
| Development properties | (1,576) | (12,466) |
| Properties held for sale | 17,318 | 2,858 |
| Inventories | (3,630) | (17,151) |
| Trade receivables | (2,678) | 418 |
| Other receivables, deposits and prepayments | 4,551 | (5,640) |
| Due from affiliated companies | (2) | 6 |
| Due from associated company | 625 | 118 |
| | | |
| Increase/(Decrease) in: | | |
| Trade payables | (5,872) | 1,115 |
| Other payables and accruals | 1,677 | 2,221 |
| Due to affiliated companies | (5) | 19 |
| Due to joint venture partners | 184 | 207 |
| | | |
| **Cash flows generated from operations** | **46,683** | **17,622** |
| Interest received | 1,526 | 1,487 |
| Interest paid | (991) | (957) |
| Income taxes paid | (7,347) | (10,564) |
| Income taxes refunded | 226 | 574 |
| | | |
| **Net cash flows generated from operating activities** | **40,097** | **8,162** |

**Consolidated Statement of Cash Flows (Cont'd)**

| | Group | |
|---|---|---|
| | Full year ended | |
| | 30-Apr-14 | 30-Apr-13 |
| | S$'000 | S$'000 |
| **Cash flows from investing activities** | | |
| Proceeds from sale of property, plant and equipment | 195 | 71 |
| Purchase of property, plant and equipment | (12,161) | (38,405) |
| Purchase of intangible assets | (2,447) | - |
| Increase in development costs | (3,937) | (1,167) |
| Net cash outflow on acquisition of non-controlling interests | - | (921) |
| **Net cash flows used in investing activities** | **(18,350)** | **(40,422)** |
| **Cash flows from financing activities** | | |
| Proceeds from long-term bank loans | 166 | 7,353 |
| Proceeds from short-term bank loans | 8,424 | 16,300 |
| Purchase of treasury shares | (5,171) | (5,136) |
| Repayment of short-term bank loan | - | (8,000) |
| Repayment of long-term bank loans | (21,850) | (649) |
| Repayment of obligations under finance leases | (90) | (111) |
| Dividends paid to non-controlling interest | (79) | (121) |
| Dividends paid | (8,143) | (6,729) |
| **Net cash flows (used in)/generated from financing activities** | **(26,743)** | **2,907** |
| **Net decrease in cash and cash equivalents** | **(4,996)** | **(29,353)** |
| Effects of exchange rates changes on cash and cash equivalents | (2,603) | (223) |
| Cash and cash equivalents as at beginning of the year | 116,369 | 145,945 |
| **Cash and cash equivalents as at end of the year** | **108,770** | **116,369** |

Note to Consolidated Statement of Cash Flows:

Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following amounts:

| | Group | |
|---|---|---|
| | Full year ended | |
| | 30-Apr-14 | 30-Apr-13 |
| | S$'000 | S$'000 |
| Fixed deposits | 51,442 | 55,335 |
| Cash and bank balances | 57,328 | 61,034 |
| **Cash and cash equivalents** | **108,770** | **116,369** |

**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**

**Statements of Changes in Equity**

| | ← Attributable to owners of the Company → | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Treasury shares | Translation reserve | Accumulated profits | Fair value adjustment reserve | Legal reserve | Premium paid on acquisition of non-controlling interests | Total | Non-controlling interests | Total equity |
| **Group** | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Balance as at 1 May 2012** | **92,170** | **–** | **(21,663)** | **140,365** | **(57)** | **255** | **–** | **211,070** | **849** | **211,919** |
| Profit for the year, net of tax | – | – | – | 23,262 | – | – | – | 23,262 | 107 | 23,369 |
| Other comprehensive income for the year | – | – | 2,198 | – | (29) | – | – | 2,169 | 2 | 2,171 |
| Total comprehensive income for the year | – | – | 2,198 | 23,262 | (29) | – | – | 25,431 | 109 | 25,540 |
| Dividends paid, net | – | – | – | (6,729) | – | – | – | (6,729) | (121) | (6,850) |
| Purchase of treasury shares | – | (5,136) | – | – | – | – | – | (5,136) | – | (5,136) |
| Transfer to legal reserve | – | – | – | (35) | – | 35 | – | – | – | – |
| Acquisition of non-controlling interests without a change in control | – | – | – | – | – | – | (714) | (714) | (207) | (921) |
| **Balance as at 30 April 2013 and 1 May 2013** | **92,170** | **(5,136)** | **(19,465)** | **156,863** | **(86)** | **290** | **(714)** | **223,922** | **630** | **224,552** |
| Profit for the year, net of tax | – | – | – | 10,589 | – | – | – | 10,589 | 15 | 10,604 |
| Other comprehensive income for the year | – | – | (2,940) | – | 174 | – | – | (2,766) | 12 | (2,754) |
| Total comprehensive income for the year | – | – | (2,940) | 10,589 | 174 | – | – | 7,823 | 27 | 7,850 |
| Dividends paid, net | – | – | – | (8,143) | – | – | – | (8,143) | (79) | (8,222) |
| Purchase of treasury shares | – | (5,171) | – | – | – | – | – | (5,171) | – | (5,171) |
| Transfer to legal reserve | – | – | – | (32) | – | 32 | – | – | – | – |
| **Balance as at 30 April 2014** | **92,170** | **(10,307)** | **(22,405)** | **159,277** | **88** | **322** | **(714)** | **218,431** | **578** | **219,009** |

**Statements of Changes in Equity (Cont'd)**

| | Share capital | Treasury shares | Accumulated profits | Total |
|---|---|---|---|---|
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **Company** | | | | |
| **Balance as at 1 May 2012** | **92,170** | **–** | **4,108** | **96,278** |
| Profit for the year, net of tax, representing total comprehensive income for the year | – | – | 17,779 | 17,779 |
| Purchase of treasury shares | – | (5,136) | – | (5,136) |
| Dividends paid, net | – | – | (6,729) | (6,729) |
| **Balance as at 30 April 2013 and 1 May 2013** | **92,170** | **(5,136)** | **15,158** | **102,192** |
| Profit for the period, net of tax, representing total comprehensive income for the year | – | – | 5,802 | 5,802 |
| Purchase of treasury shares | – | (5,171) | – | (5,171) |
| Dividends paid, net | – | – | (8,143) | (8,143) |
| **Balance as at 30 April 2014** | **92,170** | **(10,307)** | **12,817** | **94,680** |

**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 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**

**Treasury shares**

| | Number of shares | | | |
|---|---|---|---|---|
| | 4th Quarter ended | | Full year ended | |
| | 30-Apr-14 | 30-Apr-13 | 30-Apr-14 | 30-Apr-13 |
| Balance at beginning of period | 26,795,000 | 15,273,000 | 20,700,000 | - |
| Purchased during the period | 13,544,000 | 5,427,000 | 19,639,000 | 20,700,000 |
| Balance at end of period | 40,339,000 | 20,700,000 | 40,339,000 | 20,700,000 |

During the quarter ended 30 April 2014, the Company purchased a total of 13,544,000 (30 April 2013: 5,427,000) of its ordinary shares by way of on-market purchase for a total cash consideration of S$3.5m (30 April 2013: S$1.4 million). These shares were held as treasury shares and were recorded separately in shareholders' equity.

There is no change in the issued and paid up capital of the Company during the financial period.

**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**

| | Number of shares | |
|---|---|---|
| | As at | |
| | 30-Apr-14 | 30-Apr-13 |
| Total number of issued shares | 841,105,755 | 841,105,755 |
| Less: Treasury shares | (40,339,000) | (20,700,000) |
| Total number of issued shares, excluding treasury shares | 800,766,755 | 820,405,755 |

**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 by the Company'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 computations as in the issuer's most recently audited annual financial statements have been applied

The accounting policies have been consistently applied by the Group and the Company and are consistent with the audited financial statements as at 30 April 2013. The Group and Company have adopted all new and revised standards which are effective for annual financial periods beginning on or after 1 May 2013. The adoption of these new standards did not have any effect on the financial performance or position of the Group and Company.

## 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 were no changes in the accounting policies and methods of computation during the year.

## 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 | | |
|---|---|---|---|
| | Full year ended | | |
| | 30-Apr-14 | 30-Apr-13 | Change |
| | Cents | Cents | % |
| Earnings per ordinary share based on weighted average number of ordinary shares in issue during the year | 1.30 | 2.79 | -53.4% |
| - Weighted average number of ordinary shares in issue during the year | 815,310,834 | 834,933,786 | |
| Earnings per ordinary share on a fully diluted basis | 1.30 | 2.79 | -53.4% |
| - Weighted average number of ordinary shares in issue during the year | 815,310,834 | 834,933,786 | |

Basic EPS is calculated based on the net profit attributable to equity holders of the Company set out in 1(a)(i) above divided by the weighted average number of ordinary shares in issue during the financial year.

## 7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

| | Group | | |
|---|---|---|---|
| | 30-Apr-14 | 30-Apr-13 | Change |
| | Cents | Cents | % |
| Net asset value per ordinary share (cents) based on existing issued capital as at the end of the year | 27.28 | 27.29 | N.M. |

| | Company | | |
|---|---|---|---|
| | 30-Apr-14 | 30-Apr-13 | Change |
| | Cents | Cents | |
| Net asset value per ordinary share (cents) based on existing issued capital as at the end of the year | 11.82 | 12.46 | -5.1% |

**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**

For the financial year ended 30 April 2014 ("FY2014"), the Group's revenue increased by $27.7 million (or 5.3%) from $524.1 million to $551.8 million. Revenue achieved by all divisions of the Group has recorded growth.

Property Division: Revenue for the Property Division increased by $14.9 million for FY2014 to $18.2 million. Six units of properties were sold during the year as compared to one during the corresponding period ("FY2013").

Retail & Distribution Division: Revenue grew by $6.6 million (or 1.4%) for FY2014 from $462.9 million to $469.5 million, largely contributed by revenue generated from new retail outlets, BookFest@Malaysia 2013, Gadgets & Write Fair in Singapore and BookFest@Singapore 2013. The growth in revenue was partially negated by the closure of two large retail outlets in February and August 2013 and the depreciation of the Malaysian Ringgit against Singapore dollar.

Publishing & e-Learning Division: Revenue increased by $6.1 million (or 10.5%), from $58.0 million to $64.1 million, primarily driven by growth in adoption of new textbook series (from Pre-school to Secondary) and increase in revenues from new publication of assessment / supplementary titles in Hong Kong as well as increase in adoption of the Group's teaching aids and teacher's training programme in China.

Gross profit increased by $0.8 million from $96.4 million to $97.2 million. Excluding the results of the Property Division, gross profit would have been $96.8 million (FY2013: $96.2 million). Gross profit margin (excluding Property Division) was maintained at 18.1% despite rising rental costs and manpower shortages across the region.

Other operating income increased $0.4 million from $3.7 million to $4.1 million. The gain from disposal of motor vehicles in Singapore, higher grant income recognised for the year and higher advertising income recognised during the year was offset by the decrease in booth rental income received due to fewer number of EXPO book fairs held in Singapore during the year.

Increased delivery charges and advertising and promotion expenditure incurred on the Gadgets & Write Fair and BookFest@Singapore 2013 and higher distribution and promotion expenses incurred in China to promote our teaching aids have resulted in an increase in distribution and selling expenses by $2.0 million to $16.1 million for FY2014.

Administrative expenses increased by $7.0 million to $61.9 million due to additional manpower costs incurred for the Gadgets & Write Fair and BookFest@Singapore 2013 ($0.6 million) and higher manpower costs ($4.2 million), office and warehouse costs ($1 million) incurred to support the expanded retail and publishing businesses across the region.

Other operating expenses increased by $4.1 million to $8.0 million in FY2014 mainly due to losses recognised by the Group's Property Division partially offset by decrease in foreign exchange losses of $1.5 million. An impairment loss of $3.1 million was recognised for two units of 18 Shelford based on the average valuations by three independent valuers in FY2014. In addition, provision for foreseeable losses on development properties of $1.8 million was recognised on Permai Residences. Besides, the set up costs incurred for the Gadgets & Write Fair and BookFest@Singapore 2013 have also contributed to the increase in other operating expenses.

Subsequent to the TOP of Ei8ht Raja in May 2013, interest expenses incurred to finance this property were no longer capitalised, resulting in higher financial expenses.

Despite the decrease in profit before tax, income tax expense has increased by $0.7 million to $5.6 million mainly due to the effect of over provision of tax expense adjusted in the previous financial year which amounted to $2.0 million. The high effective tax rate for the current financial year was mainly due to higher contribution of profits generated by subsidiaries operating in tax jurisdiction with higher statutory tax rates and the effect of unrecognised tax losses of companies within the Group.

**Statement of Financial Position**

The Group's intangible assets which amounted to $2.4 million as at 30 April 2014 were in respect of license fee paid to BBC Worldwide to use some of its brand names and intellectual properties to operate English language learning centres in Mainland China and Hong Kong. During the year, the license fee previously paid to use the Borders brand name which amounted to $0.1 million was fully impaired as the Borders store located at Westgate was converted to a Popular store subsequent to financial year end.

The Group's development costs increased by $3.3 million to $4.6 million, largely due to costs incurred in the development of new digital teaching and learning components in Greater China.

Upon obtaining TOP for Ei8ht Raja, the related development costs were reclassified from "Development properties" to "Properties held for sale" in the Statement of Financial Position. The overall net decrease of $20.3 million was attributed to the sale of four Ei8ht Raja units and two 18 Shelford units.

Inventories were maintained at $102.2 million.

Trade receivables increased by $2.5 million to $19.1 million mainly due to delay in the distribution of the Malaysian Book Vouchers in FY2014 which resulted in higher claims outstanding from the Malaysian government.

Total other receivables and deposits reduced by $3.2 million to $9.9 million mainly due to the receipt of GST input tax in 1QFY2014 relating to the acquisition of the industrial site at Serangoon North Avenue 5, recovery of rental deposits subsequent to the closure of three retail outlets and recovery of renovation deposits for two retail outlets.

Prepayments decreased by $1.3 million to $4.4 million largely due to recognition of rental paid in advance for BookFest@Singapore 2013 and advance payments made to trade suppliers as expenses during the year.

Two commercial property units are expected to be disposed of subsequent to the financial year end and were reclassified as "Assets classified as held for sale" in the Statement of Financial Position.

Trade payables decreased by $5.9 million to $100.8 million mainly due to reduction in inventories held and timing difference of payment to suppliers.

Other payables and accruals of operating expenses increased by $1.7 million to $44.3 million mainly due to higher advance receipts from membership subscription during the year and increase in provision of sales return for the year which was in line with the increase in revenue for the Publishing & e-Learning Division.

Additional short-term bank loan of $8.4 million was drawdown during the year to finance the working capital requirements of Greater China.

Current portion of long-term loan decreased by $21.1 million to $0.6 million, mainly due to full repayment of the Ei8ht Raja construction loan.

**Statement of Cash Flows**

Net cash flows generated from operating activities improved by $31.9 million to $40.1 million, mainly due to receipt of proceeds from sale of properties, lower cash incurred in property development and lower payment of income taxes.

Net cash flows used in investing activities decreased by $22.1 million to $18.4 million for FY2014 as progressive payment for the purchase of an industrial land parcel at Serangoon North Avenue 5 was made in the previous year.

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

Not applicable. No forecast or prospect statement were made in previous results 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

The Group remains cautious of the unexpected economic upheavals and the continuing regulations of the property sector.

Inflationary cost pressure on manpower and rental may not ease in the immediate term. The Group will continue to monitor operational efficiency.

The Group remains confident in weathering the uncertainties ahead.

## 11 Dividend

### (a) Current Financial Period Reported On
### Any dividend declared for the current financial period report on?

Yes

| | |
|---|---|
| Name of Dividend | Final |
| Dividend Type | Cash |
| Dividend amount per share (in cents) (exempt one tier dividend) | 1.0 cent per share |
| Tax rate | Tax exempt one tier dividend |

### (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 | Final |
| Dividend Type | Cash |
| Dividend amount per share (in cents) (exempt one tier dividend) | 1.0 cent per share |
| Tax rate | Tax exempt one tier dividend |

### (c) Date payable

The final dividend of 1.0 cent per share (exempt one tier dividend) will be payable on 24 September 2014, if approved at the Annual General Meeting.

### (d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 10 September 2014, for the purpose of determining Members' entitlement to the dividend.

Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 10 September 2014 by the Company's Share Registrar, Tricor Barbinder Share Registration Services Pte. Ltd. (a division of Tricor Singapore Pte. Ltd.), 80 Robinson Road, #02-00, Singapore 068898 will be registered to determine Members' entitlement to such dividend. Members whose Securities Accounts with The Central Depository (Pte) Ltd. are credited with shares in the Company as at 5.00 p.m. on 10 September 2014 will be entitled to the dividend.

## 12 If no Dividends has been declared/recommended, a statement to that effect

Not applicable.

## 13 Interested person transactions

The Group does not have a general mandate from shareholders for Interested Person Transactions ("IPT"). The IPT entered during the financial year ended 30 April 2014 were:

| Name of interested person | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000) |
|---|---|
| | S$'000 |
| | |
| Chou Cheng Ngok | |
| - Sale of two units of 18 Shelford | 8,810 |

The aggregate value of the IPT represents 3.98% of the latest audited net tangible assets of the Group as at 30 April 2013.

## 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.**

| | Retail and distribution | | Publishing/ e-Learning | | Property development | | Corporate | | Eliminations | | Per consolidated financial statements | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 | 2014 $'000 | 2013 $'000 |
| **Turnover:** | | | | | | | | | | | | |
| External customers | 469,532 | 462,881 | 64,138 | 57,982 | 18,186 | 3,300 | – | – | – | – | 551,856 | 524,163 |
| Inter-segment | 391 | 358 | 16,126 | 13,657 | – | – | 15,040 | 32,697 | (31,557) | (46,712) | – | – |
| **Total turnover** | **469,923** | **463,239** | **80,264** | **71,639** | **18,186** | **3,300** | **15,040** | **32,697** | **(31,557)** | **(46,712)** | **551,856** | **524,163** |
| **Results:** | | | | | | | | | | | | |
| Financial income | – | – | – | – | – | – | 1,775 | 1,572 | (249) | (85) | 1,526 | 1,487 |
| Depreciation and amortisation | (7,070) | (7,266) | (1,684) | (1,659) | (83) | (91) | (1,438) | (1,422) | – | – | (10,275) | (10,438) |
| Share of results of associate | – | – | – | (63) | – | – | – | – | – | – | – | (63) |
| Allowance for inventory obsolescence | (4,728) | (4,052) | (415) | (1,119) | – | – | – | – | – | – | (5,143) | (5,171) |
| Provision for foreseeable losses on development properties | – | – | – | – | (1,844) | – | – | – | – | – | (1,844) | – |
| Impairment of non-financial assets | (541) | (423) | – | (110) | (3,114) | – | – | – | – | – | (3,655) | (533) |
| **Segment profit before tax** | **18,663** | **24,828** | **4,531** | **4,950** | **(5,806)** | **(1,461)** | **5,068** | **15,702** | **(6,287)** | **(15,741)** | **16,169** | **28,278** |
| **Assets:** | | | | | | | | | | | | |
| Additions to non-current assets | 10,566 | 35,890 | 7,781 | 2,537 | 6 | 13 | 308 | 1,132 | – | – | 18,661 | 39,572 |
| **Segment assets** | **305,800** | **301,293** | **136,810** | **116,905** | **91,174** | **123,260** | **141,111** | **143,999** | **(275,554)** | **(262,925)** | **399,341** | **422,532** |
| **Segment liabilities** | **233,033** | **229,818** | **82,875** | **61,248** | **90,936** | **118,046** | **46,430** | **41,807** | **(272,942)** | **(252,939)** | **180,332** | **197,980** |

**Note**: Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

**By Geographical Segment**

| | Turnover | | Non-current Assets | |
|---|---|---|---|---|
| | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 | 30-Apr-14 S$'000 | 30-Apr-13 S$'000 |
| Singapore | 232,469 | 217,825 | 49,693 | 47,508 |
| Malaysia | 211,633 | 210,461 | 11,920 | 15,442 |
| Greater China | 105,209 | 93,092 | 13,899 | 8,025 |
| Others | 2,545 | 2,785 | 347 | 373 |
| | 551,856 | 524,163 | 75,859 | 71,348 |

Non-current assets information presented above consist of property, plant and equipment, development costs, intangible assets and goodwill as presented in the consolidated statement of financial position.

## 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.

Please refer to Note 8 for the review of performance.

## 16 A breakdown of sales.

| | Group | | |
|---|---|---|---|
| | FY2014 S$'000 | FY2013 S$'000 | Change % |
| (a) Sales reported for first half year | 270,067 | 240,407 | 12.3% |
| (b) Operating profit after tax before non-controlling interest reported for first half year | 5,281 | 8,331 | -36.6% |
| (c) Sales reported for second half year | 281,789 | 283,756 | -0.7% |
| (d) Operating profit after tax before non-controlling interest reported for second half year | 5,323 | 15,038 | -71% |

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

| | FY2014 S$'000 | FY2013 S$'000 |
|---|---|---|
| Ordinary dividend | | |
| Final | 7,971 | 8,193 |

**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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

None.

**BY ORDER OF THE BOARD**

Chou Cheng Ngok
Executive Director
27 June 2014