

GRP LIMITED

Half Year Financial Statements Announcement for the period ended 31/12/2014

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

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

	GROUP		
	\$'000		% Increase/ (decrease)
	6 months ended 31/12/2014	6 months ended 31/12/2013	
Revenue	13,088	14,287	(8.4)
Cost of sales	(8,170)	(9,031)	(9.5)
Gross profit	4,918	5,256	(6.4)
Other income	194	147	32.0
Selling and Distribution expenses	(106)	(112)	(5.4)
Administrative expenses	(3,547)	(2,841)	24.9
Other expenses	(158)	(61)	NM
Profit before income tax expenses	1,301	2,389	(45.5)
Income tax expense	(398)	(521)	(23.6)
Profit for the period	903	1,868	(51.7)
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences arising on translation of foreign operations	(43)	(91)	(52.7)
Other comprehensive income for the period, net of tax:	(43)	(91)	(52.7)
Total comprehensive income for the period	860	1,777	(51.6)
Profit/ (loss) attributable to:			
Owners of the company	812	1,878	(56.8)
Non-controlling interest	91	(10)	NM
	903	1,868	(51.7)
Total comprehensive income/ (loss) attributable to:			
Owners of the company	769	1,787	(57.0)
Non-controlling interest	91	(10)	NM
	860	1,777	(51.6)

Note:

NM - Percentage change not meaningful.

Notes to the Statement of Comprehensive Income

Other disclosure items included in the above statement

	GROUP	
	\$'000	
	6 months ended 31/12/2014	6 months ended 31/12/2013
Depreciation	492	461
Impairment loss on available-for-sale investment	199	67
Allowance for inventories	48	437
Gain on disposal of property, plant and equipment	-	(3)
Tax expenses		
- current period	398	521
- Adjustment for overprovision of tax in respect of prior years	-	-
Foreign exchange gain	(41)	(6)
Interest income	(72)	(17)
Rental and services income	(107)	(107)
Other income	(15)	(23)

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	
	\$'000		\$'000	
	31/12/2014	30/6/2014	31/12/2014	30/6/2014
ASSETS				
Current assets				
Cash and bank balances	53,010	51,302	46,427	42,557
Trade receivables	2,815	3,589	10	-
Other receivables & prepayments	2,761	199	2,630	24
Available-for-sale investment	260	459	260	459
Amount due from subsidiaries	-	-	5,433	9,864
Inventories	7,337	7,106	-	-
Total current assets	66,183	62,655	54,760	52,904
Non-current assets				
Investment in subsidiaries	-	-	6,485	6,485
Intangible asset	25	25	25	25
Property, plant and equipment	2,296	2,785	1,301	1,651
Total non-current assets	2,321	2,810	7,811	8,161
Total assets	68,504	65,465	62,571	61,065
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	2,330	2,100	573	465
Other payables	1,259	1,766	775	1,072
Income tax payable	682	635	106	127
Total current liabilities	4,271	4,501	1,454	1,664
Non-current liabilities				
Deferred tax liabilities	198	195	196	196
Total non-current liabilities	198	195	196	196
Capital and reserves				
Share capital	55,997	50,306	55,997	50,306
Asset revaluation reserve	2,872	2,872	2,605	2,605
Currency translation reserve	(832)	(789)	-	-
Accumulated profits	6,198	8,671	2,319	6,294
Equity attributable to owners of the company	64,235	61,060	60,921	59,205
Non-controlling interests	(200)	(291)	-	-
Total equity	64,035	60,769	60,921	59,205
Total liabilities and equity	68,504	65,465	62,571	61,065

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

The Group has no borrowings.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group	
	\$'000	
	6 months ended 31/12/2014	6 months ended 31/12/2013
Operating activities:		
Profit before income tax	1,301	2,389
Adjustments for:		
Depreciation of property, plant and equipment	492	461
Impairment loss on available-for-sale investment	199	67
Allowance for inventories	48	437
Gain on disposal of property, plant and equipment	-	(3)
Interest income	(72)	(17)
Operating cash flows before movements in working capital	1,968	3,334
Trade receivables	775	398
Other receivables & prepayments	(2,562)	(80)
Inventories	(266)	344
Trade payables	230	(1,067)
Other payables	(507)	90
Cash (used in)/generated from operating activities	(362)	3,019
Income taxes paid	(348)	(360)
Net cash (used in)/from operating activities	(710)	2,659
Investing activities:		
Proceeds from disposal of property, plant and equipment	-	33
Purchase of property, plant and equipment	(25)	(18)
Interest received	72	17
Net cash from investing activities	47	32
Financing activities:		
Net proceeds from issue of shares	5,691	33,190
Dividends paid	(3,285)	(1,394)
Net cash from financing activities	2,406	31,796
Net increase in cash and cash equivalents	1,743	34,487
Cash and cash equivalents at beginning of period	51,302	11,348
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(35)	(81)
Cash and cash equivalents at end of period	53,010	45,754

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	Asset revaluation reserve	Currency translation reserve	Accumulated profits	Attributable to equity holders of the company	Non-controlling interest	Total
\$'000							
Latest Period							
Balance at 30/06/2014	50,306	2,872	(789)	8,671	61,060	(291)	60,769
<i>Total comprehensive income for the period</i>							
- Profit for the period	-	-	-	812	812	91	903
- Other comprehensive income/(loss) for the period			(43)		(43)		(43)
<i>Transactions with owners, recognised directly in equity</i>							
- Dividends paid	-	-	-	(3,285)	(3,285)	-	(3,285)
- Issue of shares	5,691	-	-	-	5,691	-	5,691
Balance at 31/12/2014	55,997	2,872	(832)	6,198	64,235	(200)	64,035
Previous Corresponding Period							
Balance at 30/06/2013	14,390	2,669	(521)	7,113	23,651	(242)	23,409
<i>Total comprehensive income for the period</i>							
- Profit for the period	-	-	-	1,878	1,878	-	1,878
- Other comprehensive income/(loss) for the period			(91)		(91)	(10)	(101)
<i>Transactions with owners, recognised directly in equity</i>							
- Dividends paid	-	-	-	(1,394)	(1,394)	-	(1,394)
- Issue of shares	33,190	-	-	-	33,190	-	33,190
Balance at 31/12/2013	47,580	2,669	(612)	7,597	57,234	(252)	56,982
The Company							
\$'000							
Latest Period							
Balance at 30/06/2014	50,306	2,605	6,294	59,205			
<i>Total comprehensive income for the period</i>							
- Loss for the period	-	-	(690)	(690)			
<i>Transactions with owners, recognised directly in equity</i>							
- Dividends paid	-	-	(3,285)	(3,285)			
- Issue of shares	5,691	-	-	5,691			
Balance at 31/12/2014	55,997	2,605	2,319	60,921			
Previous Corresponding Period							
Balance at 30/06/2013	14,390	2,439	1,559	18,388			
<i>Total comprehensive income for the period</i>							
- Profit for the period	-	-	53	53			
<i>Transactions with owners, recognised directly in equity</i>							
- Dividends paid	-	-	(1,394)	(1,394)			
- Issue of shares	33,190	-	-	33,190			
Balance at 31/12/2013	47,580	2,439	218	50,237			

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 or 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

Share Capital	6 months ended 31/12/2014	6 months ended 31/12/2013	6 months ended 31/12/2014 S\$	6 months ended 31/12/2013 S\$
	No of ordinary shares			
Issues and paid up:				
At 1 July	585,807,846	139,407,200	50,306,330	14,390,218
Issue of rights shares	-	418,221,600	-	33,457,728
Rights issue expenses	-	-	-	(281,868)
Exercise of warrants	71,131,148	178,000	5,690,492	14,240
At 31 December	656,938,994	557,806,800	55,996,822	47,580,318

Warrants	6 months ended 31/12/2014	6 months ended 31/12/2013
	No of warrants	
At 1 July	417,842,554	-
Issue of warrants	-	418,221,600
Exercise of warrants	(71,131,148)	(178,000)
At 31 December	346,711,406	418,043,600

The warrants have an exercise period of 2 years, expiring on 27 November 2015. During the half year ended 31 December 2014, 71,131,148 new ordinary shares were issued from the exercise of warrants. As at 31 December 2014, the outstanding number of warrants was 346,711,406.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the auditors.

3. Whether the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of 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

During the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are relevant to its operation and effective for the annual periods beginning on or after July 1, 2014. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.

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

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	6 months ended 31/12/2014	6 months ended 31/12/2013
Earnings per ordinary share attributable to the owners of the company for the period		
(i) Based on weighted average number of ordinary share in issue (Cents)	0.13	0.51
(ii) On a fully diluted basis (Cents)	0.12	0.42
Computed based on the following weighted average number of shares		
(i) Basic	611,850,745	369,040,512
(ii) Diluted	688,760,950	448,025,709

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 period reported on and (b) immediately preceding financial year

	31/12/2014	30/6/2014
	Cents	
The Group	9.78	10.42
The Company	9.27	10.11

Net asset value per share attributable to the owners of the company is calculated based on 656,938,994 (30 June 2014 : 585,807,846) ordinary shares issued at the end of the current period under review and of the immediately preceding financial year.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Statement of comprehensive income

The Group registered revenue of S\$13.1 mil for the half year ended 31 December 2014 ("HY2015"). This is 8.4% lower than previous corresponding half year ended 31 December 2013 ("HY2014"). Revenue for Hose & Marine segment declined by S\$1 mil and uPVC fittings segment dropped by S\$0.3 million. These declines are partially offset by a S\$0.1 mil improvement in revenue for the Measuring Instrument segment.

The lower revenue in Hose and Marine segment is largely due to weaker demand in HY2015, attributed to the weak global economic condition and falling oil price. The decline in uPVC revenue is due to the cessation of this business, with effect from 1 July 2014.

The Group's gross profit decreased by 6.4% from S\$5.3 mil in HY2014 to S\$4.9 mil in HY2015 mainly due to the lower revenue in HY2015 as compared to HY2014.

Other income improved by 32% in HY2015 as compared to HY2014. This is mainly due to higher interest income, resulting from the increased cash and bank balances.

Administrative expenses increased by 24.9% from S\$2.8 mil in HY2014 to S\$3.5 mil in HY2015. The increase is largely due to S\$0.4 mil increase in staff costs, S\$0.1 mil increase in rental expense and S\$0.2 mil increase in professional fees, as a result of the newly set-up property development business.

Other expenses increased by S\$0.1 mil in HY2015 as compared to HY2014. This is mainly due to higher impairment loss on available-for-sale investment in HY2015.

Consequently, Profit before tax for HY2015 decreased by 45.5% from S\$2.4 mil in HY2014 to S\$1.3 mil in HY2015.

Statement of financial position and Statement of cashflows

The Group's financial position remains sound with current ratio of around 15.5 times at the end of December 2014 as compared to 13.9 times at the end of June 2014 ("FY2014). As at 31 December 2014, the Group had cash and bank balances totaling S\$53 mil. This is an increase of S\$1.7 mil as compared to 30 June 2014. The increase is largely due to the net positive impact of a S\$5.7 mil proceeds from exercise of warrants and a dividend payment of S\$3.3 mil during the period under review. Other receivables and prepayments increased by S\$2.6 mil from S\$0.2 mil as at 30 June 2014 to S\$2.8 mil as at 31 December 2014. This is mainly due to deposits paid in accordance to the Framework Structure Agreement per announcements made on 30 July 2014 and 15 August 2014.

Non-current assets reduced by S\$0.5 mil or 17.4% from S\$2.8 mil in FY2014 to S\$2.3 mil in HY2015. This is due to depreciation charge on property, plant and equipment.

Current liabilities decreased by S\$0.2 mil or 5.1% from S\$4.5 mil in FY2014 to S\$4.3 mil in HY2015. This is mainly due to the decreased in other payables.

Share capital increased by S\$5.7 mil from S\$50.3 mil in FY2014 to S\$56 mil in HY2015. This is a result of exercise of warrants during the period under review.

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 prospect statement has been issued previously.

10. A commentary at the date of the announcement of the 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 overall market for the Group's products remains challenging. However, the Group remains cautiously optimistic despite the uncertain market conditions. In addition, the Group is actively reviewing and evaluating property development opportunities in Myanmar, Malaysia and China.

11. Dividend

(a) Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? No

Name of Dividend	NA
Dividend Type	NA
Dividend Rate	NA

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend	NA
Dividend Type	NA
Dividend Rate	NA

(c) Date payable

Not Applicable

(d) Books closure date

Not Applicable

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

The directors do not recommend any dividend to be paid.

13. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Interested person transaction, as defined in Chapter 9 of the Listing Manual of the SGX-ST, entered into by the Group or by the Company during the half year ended 31 December 2014 is as follows:

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 under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Luminor Capital Pte Ltd	65,616 *	-

* The amount is for a period of 6 months, from 1 July 2014 to 31 December 2014.

14. Use of rights issue proceeds

As at date of this announcement, the status of the use of net proceeds from the rights shares is as below:

Use of Net Proceeds	Allocation of Net Proceeds S\$'000	Net Proceeds utilised as at the date of this announcement S\$'000	Balance of Net Proceeds as at the date of this announcement S\$'000
Proposed new business	28,000	(2,571)	25,429
General working capital	5,000	(117)	4,883
Total	33,000	(2,688)	30,312
Breakdown of general working capital is as follows:			
Rental expenses		(34)	
General administrative expenses		(83)	
Total		(117)	

15. Confirmation by the Board of Directors

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited financial statements for the half-year ended 31 December 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Kwan Chee Seng
Executive Director
6 February 2015