



Financial Statement for Half Year 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 comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period

	31 Mar 2014 \$'000	31 Mar 2013 \$'000	+ / (-)%
Sales	15,405	13,138	17.3%
Cost of sales	(9,408)	(8,270)	13.8%
Gross profit	5,997	4,868	23.2%
Other operating income	815	1,012	(19.5%)
Selling and distribution expenses	(1,798)	(1,447)	24.3%
Administrative and other operating expenses	(4,213)	(3,251)	29.6%
Profit from operation	801	1,182	(32.2%)
Finance cost	(73)	(68)	7.4%
Share of profit of associated company	1,949	1,605	21.4%
Share of profit of joint venture	-	32	Na
Profit before tax	2,677	2,751	(2.7%)
Income tax expenses	(377)	(186)	102.7%
Total Profit	2,300	2,565	(10.33%)
Other comprehensive income/(loss), net of tax			
Currency translation differences arising from consolidation	(768)	(507)	
Share of other comprehensive losses of associated company	(268)	(54)	
	1,264	2,004	
Profit attributable to:			
Equity holders of the Company	2,410	2,577	
Non-controlling interests	(110)	(12)	
	2,300	2,565	
Total comprehensive income attributable to:			
Equity holders of the Company	1,374	2,050	
Non-controlling interests	(110)	(46)	
	1,264	2,004	

na - not applicable

1(a)(ii) The accompanying notes to the financial statements form an integral part of the financial statements

	31 Mar 2014 \$'000	31 Mar 2013 \$'000
<i>Charging/ (crediting):</i>		
Other income (including interest income)	(815)	(1,012)
Interest on borrowings	73	68
Amortization and depreciation	296	284
Fair value gain on financial assets at fair value through profit and loss	-	(114)
Reversal of allowance for impairment of trade receivables made in prior year	-	(107)
Allowance for impairment of trade receivables	325	118
Foreign exchange gain - net	-	(138)
Inventories		
- cost of inventories recognised as an expense (included in 'cost of sales')	9,218	8,068
- write-down of inventory	104	141
- reversal of part of inventory write down made in prior year	-	(292)

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.

	<u>The Group</u>		<u>The Company</u>	
	31 Mar 2014	30 Sept 2013	31 Mar 2014	30 Sept 2013
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current assets:</u>				
Cash and cash equivalents	2,187	10,295	-	4,522
Financial asset, at fair value through profit or loss	-	82	-	82
Trade and other receivables	23,490	14,358	9,916	3,527
Inventories	7,402	7,695	-	-
Total current assets	33,079	32,430	9,916	8,131
<u>Non-current assets:</u>				
Club membership	9	9	-	-
Goodwill	1,155	-	-	-
Investment in associated company	30,019	28,929	14,452	14,452
Investment in joint venture	-	2,271	-	-
Investments in subsidiaries	-	-	19,053	18,644
Property, plant and equipment	15,014	11,445	479	393
Land use rights	842	862	-	-
Deferred tax assets	55	55	-	-
Total non-current assets	47,094	43,571	33,984	33,489
Total assets	80,173	76,001	43,900	41,620
<u>Liabilities and shareholder's equity</u>				
<u>Current liabilities:</u>				
Trade and other payables	10,893	10,578	9,245	6,691
Bills payable	1,877	2,620	-	-
Borrowings	3,289	2,274	-	-
Current income tax liabilities	675	664	-	-
Provision for warranty claims	390	400	-	-
Total current liabilities	17,124	16,536	9,245	6,691
<u>Non-current liabilities:</u>				
Borrowings	1,952	-	-	-
Net assets	61,097	59,465	34,655	34,929
<u>Capital and reserves attributable to equity holders of the Company</u>				
Share capital	32,315	32,315	32,315	32,315
Currency translation reserves	(5,473)	(4,705)	-	-
Revaluation reserves	2,128	2,396	-	-
Retained profit	29,616	29,304	2,340	2,614
Equity attributable to equity holders of the company	58,586	59,310	34,655	34,929
Non-controlling interests	2,511	155	-	-
	61,097	59,465	34,655	34,929

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

Amount repayable in one year or less, or on demand			
As at 31/3/2014 (S\$'000)		As at 30/9/2013 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,289	-	2,274	-

Amount repayable in more than one year			
As at 31/3/2014 (S\$'000)		As at 30/9/2013 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,952	-	-	-

The Group's borrowings are secured by freehold land, leasehold building and land use rights.

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

<u>S\$'000</u>	<u>31 Mar 2014</u>	<u>31 Mar 2013</u>
Net Profit	2,300	2,565
Adjustment for:		
Income tax expense	377	186
Amortization and depreciation	296	284
Interest income	-	(4)
Interest expense	73	68
Dividend income	-	(20)
Share of results of associated company	(1,949)	(1,605)
Share of results of joint venture	-	(33)
Gain on disposal of property, plant and equipment	-	(22)
Loss on disposal on financial assets, at fair value through profit and loss	2	-
Fair value gain on financial assets, at fair value through profit and loss	-	(114)
Unrealised currency translation (gain)/loss	(12)	7
Operating cash flows before working capital changes	1,087	1,312
Inventories	693	(590)
Trade and other receivables	669	1,177
Trade and other payables	(376)	(1,754)
Cash generated from operations	2,073	145
Income tax paid	(366)	(236)
CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES	1,707	(91)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment	(1,137)	(230)
Deposits for land held for property development business	(9,460)	-
Proceeds from disposal of property, plant and equipment	-	22
Proceeds from disposal of financial assets	80	-
Purchase of Investment Property	(87)	-
Acquisition of shares of joint venture	(365)	-
Dividend received	-	20
Interest received	-	4
CASH FLOWS USED IN INVESTING ACTIVITIES	(10,969)	(184)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of borrowings	(2,274)	-
Proceeds from borrowings	5,241	-
Proceeds from related party's borrowings	1,052	-
Movement in bills payable	(743)	854
Dividends paid to shareholders	(2,098)	(2,098)
Interest paid	(73)	(68)
Increase in bank deposits pledged	(89)	-
CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES	1,016	(1,312)
Net decrease in cash and cash equivalents	(8,246)	(1,587)
Cash and cash equivalents at the beginning of the financial year	10,121	10,937
Effects of exchange rate changes on cash and cash equivalents	49	25
Cash and cash equivalents at the end of the financial period	1,924	9,375

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company					Non controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Revaluation reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
The Group							
Balance as at 1 Oct 2013	32,315	(4,705)	2,396	29,304	59,310	155	59,465
Total comprehensive (loss)/income for the financial year	-	(768)	(268)	2,410	1,374	(110)	1,264
Acquisition of interests	-	-	-	-	-	2,466	2,466
Dividend relating to 2013 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2014	32,315	(5,473)	2,128	29,616	58,586	2,511	61,097

The Group							
Balance as at 1 Oct 2012	32,315	(3,640)	2,528	21,871	53,074	186	53,260
Total comprehensive (loss)/income for the financial year	-	(473)	(54)	2,577	2,050	(46)	2,004
Dividend relating to 2012 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2013	32,315	(4,113)	2,474	22,350	53,026	140	53,166

	Attributable to equity holders of the Company					Non controlling interests S\$'000	Total equity S\$'000
	Share capital S\$'000	Currency translation reserve S\$'000	Revaluation reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
The Company							
Balance as at 1 Oct 2013	32,315	-	-	2,614	34,929	-	34,929
Total comprehensive income for the financial year	-	-	-	1,824	1,824	-	1,824
Dividend relating to 2012 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2014	32,315	-	-	2,340	34,655	-	34,655

The Company							
Balance as at 1 Oct 2012	32,315	-	-	(66)	32,249	-	32,249
Total comprehensive income for the financial year	-	-	-	2,187	2,187	-	2,187
Dividend relating to 2012 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2013	32,315	-	-	23	32,338	-	32,338

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.

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

As at 31 March 2014, the total number of issued shares of the Company was 209,826,140 (As of 30 September 2013: 209,826,140).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on
Not applicable.

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

The figures 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).

The figures have not been audited nor reviewed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Yes. The Company and the Group have applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements for the financial year ended 30 September 2013.

Certain comparatives have been reclassified to conform with current year's presentation. The reclassifications have no impact on the profit and loss accounts of the Company and the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of all the new and revised Singapore Financial Reporting Standards did not result in significant changes in the Group's accounting policies.

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.

The Group 31 Mar 2014 31 Mar 2013

Amounts in cents

Profit per ordinary share for the period reported on based on net profit attributable to shareholders:

(i) Based on the weighted average number of ordinary shares on issue	1.15	1.23
(ii) Based on a fully diluted basis	1.15	1.23

The earnings per share is calculated based on the group's net profit attributable to the shareholders divided by the issued share capital of the Company of 209,826,140 shares.

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.

	The Group		The Company	
	<u>31 Mar 2014</u>	<u>30 Sep 2013</u>	<u>31 Mar 2014</u>	<u>30 Sep 2013</u>
<u>Amounts in cents</u>				
Net asset value (NAV) per ordinary share based on the issued share capital at the end of the year	27.92	28.27	16.51	16.64

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

Revenue and Cost of Sales

The Group's total revenue increased by S\$2.3 million or 17.3%, from S\$13.1 million in the First Half FY2013 to S\$15.4 million in the First Half FY2014. The increase was mainly due to increase in the sales and delivery of home appliances projects.

Consistent with increased in sales volume, cost of sales was 13.8% higher at S\$9.4 million for the half year.

Other Operating Income

Other operating income decreased by S\$0.2 million or 19.5%, from S\$1.0 million to S\$0.8 million in First Half 2014. The reason for the decrease was due to a foreign exchange gain of S\$0.2 million recognized in First Half FY 2013.

Selling and Distribution Expenses

Selling and distribution expenses increased by S\$0.4 million or 24.3%, from S\$1.4 million in the First Half FY 2013 to S\$1.8 million in First Half FY 2014. This was in line with increase in sales.

Administrative and other Operating Expenses

Administrative expenses and other operating expenses increased by S\$1.0 million or 29.6%, from S\$3.2 million in the First Half FY 2013 to S\$4.2 million in First Half FY 2014. The increase was mainly due to (i) consolidation of administrative expenses incurred by Uno Casa SARL of S\$0.2 million (ii) reversal of part of inventory write down made of S\$0.3 million in First Half FY 2013 (iii) corporate and statutory expenses of S\$0.3 million incurred for 2 newly incorporated subsidiaries in Malaysia.

Share of Result from Associates

Share of result of associates increased by S\$0.4 million or 21.4%, from S\$1.6 million to S\$2.0 million in First Half of FY 2014. The increase was mainly due to increase in contribution from its property development business.

Overview

Overall the Group's Half Year Total Profit decreased by S\$0.3 million or 10.33%, from S\$2.6 million to S\$2.3 million in First Half FY2014.

Balance Sheet

Cash and cash equivalents

Cash and cash equivalents decreased by S\$8.1 million or 78.8% from S\$10.3 million to S\$2.2 million in the First Half of FY 2014. The decrease was mainly due to amount of S\$9.5 million was paid as deposits for land held for property development business in Iskandar Malaysia.

Trade and Other Receivables

Trade and other receivables increased by S\$9.2 million or 73.3%, from S\$14.3 million to S\$24.5 million in the First Half FY 2014. The increase was mainly due to additional land deposit of S\$9.5 million prepaid for land held for property development business. The acquisition was subsequently completed on 9 April 2014. For further details, please refer to our Circular dated 8 January 2014 on the Proposed Acquisition of the Land as a major transaction.

Goodwill

Goodwill of S\$1.2 million arised in First Half FY 2014 when the Group acquired the remaining 50% shares in Uno Casa S.A.R.L., Morocco during the same financial year.

Property, plant and equipment

Property, plant & equipment increased by S\$3.6 million or 31.2% from S\$11.4 million to S\$15.0 million in the First Half FY2014. The increase was mainly due to consolidation of showroom cost of Uno Casa SARL of S\$1.3 million, construction cost of office and sales gallery in Iskandar Malaysia of S\$1.0 million as well as capilisation of stamp duty and registration fees of S\$1.4 million incurred in relation to the land purchased for property development business in Iskandar Malaysia.

Bill Payables

Bill payables decreased by S\$0.7 million or 28.4%, from S\$2.6 million to S\$1.9 million in the First Half FY2014. The decrease was due to payment of bill payables.

Bank borrowings

Total bank borrowings increased by S\$3.0 million or 131.9%, from S\$2.2 million to S\$5.2 million in the First Half FY 2014. The increase was due to term loan of S\$2.0 million secured to finance land purchased (for own use) in Johor and short term borrowing of S\$1.0 million for working capital requirement.

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

No.

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.

As we enter the first half of FY2014, we face stiff product competitions and volatile consolidations of our European suppliers' market. As a result, business visibility is clouded which make short-term forecasting and business planning disrupted.

Nonetheless, the Group remain focus on its long term vision to concentrate on strengthening its presences in the highly competitive market by expanding its products range and developing new products while cautiously explore new markets to enlarge the Group's product coverage.

On the property development business, while we are facing the uncertainty in regulatory changes in the industry and stiff competitions from the big developers, the Group is planning to officially launch the sales of the residential service apartment in Iskandar Malaysia during the last quarter of FY 2014.

11. Dividend

(a) Current Financial Period Reported On

No dividend was declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the immediately Preceding Financial Year.

(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 was declared / recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii).

If no IPT mandate has been obtained, please make a statement to that effect.

The Group has not obtained any IPT mandate during FY2014.

14. Confirmation Pursuant to the Rule 705(5) Of the Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the board directors which may render the interim financial results to be false or misleading, in any material aspect.

On Behalf of the board of directors

Lim Soo Chong
Chief Executive Officer

Hu Zhong Huai
Director

15 May 2014