

BROADWAY INDUSTRIAL GROUP LIMITED
Company Registration No. 199405266K
Third Quarter Financial Statement Announcement For the Period Ended 30 September 2015
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a) An income statement and statement of comprehensive income or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	Group			Group		
		Third quarter ended		Increase/	Year to date		Increase/
		30-09-15	30-09-14	(Decrease)	30-09-15	30-09-14	(Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue		168,975	173,522	(2.6)	486,406	496,448	(2.0)
Cost of sales		(154,418)	(154,401)	0.0	(440,943)	(453,167)	(2.7)
Gross profit		14,557	19,121	(23.9)	45,463	43,281	5.0
Distribution expenses		(3,641)	(3,907)	(6.8)	(10,638)	(11,705)	(9.1)
Administrative, sales and marketing expenses		(11,410)	(11,039)	3.4	(33,291)	(31,157)	6.8
Other (expenses)/income	1	(4,797)	(599)	n.m.	2,150	(1,466)	n.m.
Results from operating activities		(5,291)	3,576	n.m.	3,684	(1,047)	n.m.
Finance income		230	315	(27.0)	556	631	(11.9)
Finance costs		(1,651)	(2,079)	(20.6)	(5,247)	(5,851)	(10.3)
Net finance costs		(1,421)	(1,764)	(19.4)	(4,691)	(5,220)	(10.1)
Share of profit of associates (net of tax)		97	38	155.3	368	113	n.m.
(Loss)/Profit before income tax	2	(6,615)	1,850	n.m.	(639)	(6,154)	(89.6)
Tax credit/(expense)	3	1,536	(943)	n.m.	1,262	7,682	(83.6)
(Loss)/Profit for the period		(5,079)	907	n.m.	623	1,528	(59.2)
(Loss)/Profit attributable to :							
Owners of the Company		(5,138)	914	n.m.	560	1,422	(60.6)
Non-controlling interests		59	(7)	n.m.	63	106	(40.6)
(Loss)/Profit for the period		(5,079)	907	n.m.	623	1,528	(59.2)

n.m. - not meaningful

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	Group			Group		
	Third quarter ended 30-09-15 S\$'000	30-09-14 S\$'000	Increase/ (Decrease) %	Year to date 30-09-15 S\$'000	30-09-14 S\$'000	Increase/ (Decrease) %
Statement of comprehensive income						
(Loss)/Profit for the period	(5,079)	907	n.m.	623	1,528	(59.2)
Other comprehensive income :						
Foreign currency translation differences for foreign operations	12,487	5,324	134.5	16,652	518	n.m.
Effective portion of changes in fair value of cash flow hedges	(103)	199	(151.8)	(130)	(267)	(51.3)
Total comprehensive income for the period	7,305	6,430	13.6	17,145	1,779	n.m.
Total comprehensive income attributable to :						
Owners of the Company	7,234	6,388	13.2	17,048	1,694	n.m.
Non-controlling interests	71	42	69.0	97	85	14.1
Total comprehensive income for the period	7,305	6,430	13.6	17,145	1,779	n.m.
Notes to Income Statement						
1) Other (expenses)/income						
Foreign exchange gain/(loss)	1,107	(480)	n.m.	2,371	(589)	n.m.
Fair value loss on financial derivatives	(6,575)	(457)	n.m.	(2,964)	(4,713)	(37.1)
Impairment losses on loan to investee companies	-	(127)	(100.0)	-	(222)	(100.0)
(Loss)/Gain on disposal of property, plant & equipment	(482)	(15)	n.m.	(918)	651	n.m.
Gain on disposal of an asset held for sale	-	-	n.m.	-	1,939	(100.0)
Scrap income	686	525	30.7	2,157	1,181	82.6
Others	467	(45)	n.m.	1,504	287	n.m.
	(4,797)	(599)	n.m.	2,150	(1,466)	n.m.
2) (Loss)/Profit before income tax included						
Depreciation	(11,076)	(10,168)	8.9	(32,643)	(30,171)	8.2
Redundancy costs	(180)	(526)	(65.9)	(553)	(1,957)	(71.7)
Other streamlining costs	-	(20)	(100.0)	(75)	(303)	(75.4)
3) Tax credit(expense)						
Current tax expense	(907)	(686)	32.2	(1,984)	(2,577)	(23.0)
Deferred tax expense	(581)	(247)	135.2	(796)	(1,093)	(27.2)
Over/(Under)provided in prior years	3,024	(10)	n.m.	4,042	11,352	(64.4)
	1,536	(943)	n.m.	1,262	7,682	(83.6)

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1b(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.

	Note	Group		Company	
		30-09-15 S\$'000	31-12-14 S\$'000	30-09-15 S\$'000	31-12-14 S\$'000
Assets					
Property, plant and equipment		180,042	197,380	58	64
Goodwill		67,773	62,903	-	-
Subsidiaries		-	-	154,501	154,501
Associates		2,356	1,496	98	98
Other investments		1,024	1,024	852	852
Financial derivatives		-	203	-	-
Deferred tax assets		13,472	13,326	-	-
Non-current assets		264,667	276,332	155,509	155,515
Financial derivatives		972	241	-	-
Inventories		90,783	92,468	-	-
Trade and other receivables	1	149,322	158,940	1,343	1,887
Cash and cash equivalents		33,040	35,807	194	2,327
Assets held for sale	2	7,545	-	-	-
Current assets		281,662	287,456	1,537	4,214
Total assets		546,329	563,788	157,046	159,729
Equity					
Share capital		113,091	113,016	113,091	113,016
Reserves		328	(16,064)	277	373
Retained earnings		140,489	139,929	34,874	38,692
Equity attributable to owners of the Company		253,908	236,881	148,242	152,081
Non-controlling interests		1,491	1,394	-	-
Total equity		255,399	238,275	148,242	152,081
Liabilities					
Financial derivatives		-	2,343	-	-
Loans and borrowings		26,102	50,588	-	-
Deferred tax liabilities		209	226	-	-
Non-current liabilities		26,311	53,157	-	-
Financial derivatives		10,486	3,971	-	-
Loans and borrowings		112,498	87,841	2,000	2,000
Trade and other payables	3	140,667	173,717	6,799	5,643
Current tax liabilities		968	6,827	5	5
Current liabilities		264,619	272,356	8,804	7,648
Total liabilities		290,930	325,513	8,804	7,648
Total equity and liabilities		546,329	563,788	157,046	159,729

Notes to statement of financial position:-

- 1) The lower trade and other receivables as at 30 Sep 2015 was mainly due to lower revenue generated in 3Q2015.
- 2) The land and building(s) held by the Group in Chengdu were classified as assets held for sale on 30 Jun 2015.
- 3) The decrease in the Group's trade and other payables was mainly due to lower trade payables in 3Q2015.

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

Amount repayable in one year or less, or on demand

As at 30-09-15		As at 31-12-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
103,866	8,632	67,303	20,538

Amount repayable after one year

As at 30-09-15		As at 31-12-14	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
26,102	-	50,588	-

Details of any collaterals

Secured bank loans of the Group are secured by legal charges over certain land and buildings owned by the Group and/or guarantees issued by certain subsidiaries and/or the Company.

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

	Group		Group	
	Third quarter ended		Year to date	
	30-09-15	30-09-14	30-09-15	30-09-14
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
(Loss)/Profit before income tax	(6,615)	1,850	(639)	(6,154)
Adjustments for :				
Depreciation of property, plant and equipment	11,076	10,168	32,643	30,171
Equity-settled share-based payment transactions	18	42	87	35
Fair value loss on financial derivatives	6,575	457	2,964	4,713
Loss/(gain) on disposal of property, plant and equipment	482	15	918	(651)
Gain on disposal of an asset held for sale	-	-	-	(1,939)
Impairment loss on loan to investee companies	-	127	-	222
Interest expense	1,651	2,079	5,247	5,851
Interest income	(230)	(315)	(556)	(631)
Share of profit of associates, net of tax	(97)	(38)	(368)	(113)
	12,860	14,385	40,296	31,504
Change in inventories	7,390	(2,340)	8,272	1,587
Change in trade and other receivables	(5,372)	(524)	21,677	(3,947)
Change in trade and other payables	(5,233)	14,441	(42,286)	4,648
Cash generated from operating activities	9,645	25,962	27,959	33,792
Income tax paid	(713)	(1,043)	(4,070)	(3,914)
Net cash from operating activities	8,932	24,919	23,889	29,878
Cash flows from investing activities				
Acquisition of property, plant and equipment	(5,382)	(5,610)	(16,775)	(17,655)
Interest received	230	246	556	429
Proceeds from disposal of property, plant and equipment	1,487	44	1,610	930
Proceeds from disposal of the asset held for sale	-	-	-	4,109
Net cash used in investing activities	(3,665)	(5,320)	(14,609)	(12,187)
Cash flows from financing activities				
Interest paid	(1,651)	(2,079)	(5,247)	(5,851)
Proceeds from bank borrowings	30,148	15,669	100,889	42,473
Proceeds from rights issue	-	9,575	-	9,575
Repayments of bank borrowings	(25,204)	(23,538)	(110,377)	(64,764)
Repurchase of own shares	-	-	(108)	-
Net cash from/(used in) financing activities	3,293	(373)	(14,843)	(18,567)
Net increase/(decrease) in cash and cash equivalents	8,560	19,226	(5,563)	(876)
Cash and cash equivalents at beginning of period	22,358	15,734	35,802	36,166
Effect of exchange rate fluctuations on cash held	2,117	471	2,796	141
Cash and cash equivalents at end of period *	33,035	35,431	33,035	35,431

* A fixed deposit of \$5,000, which was pledged as security to obtain credit facilities, was excluded from the cash and cash equivalents at end of period.

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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.

	Reserves							Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Reserve for own shares	Capital reserve	Share option reserve	Asset revaluation reserve	Translation reserve	Hedging reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Group											
At 1 January 2015	113,016	(357)	2,924	730	870	(19,772)	(459)	139,929	236,881	1,394	238,275
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	5,698	5,698	4	5,702
Other comprehensive income											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(27)	-	(27)	-	(27)
Foreign currency translation differences for foreign operations	-	-	-	-	-	4,143	-	-	4,143	22	4,165
Total comprehensive income for the period	-	-	-	-	-	4,143	(27)	5,698	9,814	26	9,840
Transaction with owners of the Company, recognised directly in equity											
Contributions by owners of the Company											
Vesting of share awards	74	130	-	(204)	-	-	-	-	-	-	-
Own share acquired	-	(108)	-	-	-	-	-	-	(108)	-	(108)
Share-based payment transactions	-	-	-	69	-	-	-	-	69	-	69
Total contributions by owners of the Company	74	22	-	(135)	-	-	-	-	(39)	-	(39)
At 30 June 2015	113,090	(335)	2,924	595	870	(15,629)	(486)	145,627	246,656	1,420	248,076
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	(5,138)	(5,138)	59	(5,079)
Other comprehensive income											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(103)	-	(103)	-	(103)
Foreign currency translation differences for foreign operations	-	-	-	-	-	12,475	-	-	12,475	12	12,487
Total comprehensive income for the period	-	-	-	-	-	12,475	(103)	(5,138)	7,234	71	7,305
Transaction with owners of the Company, recognised directly in equity											
Contributions by owners of the Company											
Vesting of share awards	1	2	-	(3)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	18	-	-	-	-	18	-	18
Total contributions by owners of the Company	1	2	-	15	-	-	-	-	18	-	18
At 30 September 2015	113,091	(333)	2,924	610	870	(3,154)	(589)	140,489	253,908	1,491	255,399

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	Reserves						Retained earnings	Total attributable to owners of the Company	Non-controlling interests	Total equity	
	Share capital	Reserve for own shares	Capital reserve	Share option reserve	Asset revaluation reserve	Translation reserve					
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
The Group											
At 1 January 2014	103,448	(303)	2,924	812	870	(28,128)	-	139,756	219,379	1,632	221,011
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	508	508	113	621
Other comprehensive income											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	(466)	-	(466)	-	(466)
Foreign currency translation differences for foreign operations	-	-	-	-	-	(4,736)	-	-	(4,736)	(70)	(4,806)
Total comprehensive income for the period	-	-	-	-	-	(4,736)	(466)	508	(4,694)	43	(4,651)
Transaction with owners of the Company, recognised directly in equity											
Contributions by owners of the Company											
Vesting of share awards	(4)	136	-	(133)	-	-	-	-	(1)	-	(1)
Share-based payment transactions	-	-	-	(7)	-	-	-	-	(7)	-	(7)
Effect of liquidation of a subsidiary	-	-	-	-	-	-	-	-	-	(393)	(393)
Total contributions by owners of the Company	(4)	136	-	(140)	-	-	-	-	(8)	(393)	(401)
At 30 June 2014	103,444	(167)	2,924	672	870	(32,864)	(466)	140,264	214,677	1,282	215,959
Total comprehensive income for the period											
Profit for the period	-	-	-	-	-	-	-	914	914	(7)	907
Other comprehensive income											
Effective portion of changes in fair value of cash flow hedges	-	-	-	-	-	-	199	-	199	-	199
Foreign currency translation differences for foreign operations	-	-	-	-	-	5,275	-	-	5,275	49	5,324
Total comprehensive income for the period	-	-	-	-	-	5,275	199	914	6,388	42	6,430
Transaction with owners of the Company, recognised directly in equity											
Contributions by owners of the Company											
Vesting of share awards	(1)	3	-	(2)	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	42	-	-	-	-	42	-	42
Rights issue	9,575	-	-	-	-	-	-	-	9,575	-	9,575
Total contributions by owners of the Company	9,574	3	-	40	-	-	-	-	9,617	-	9,617
At 30 September 2014	113,018	(164)	2,924	712	870	(27,589)	(267)	141,178	230,682	1,324	232,006

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	Share capital S\$'000	Reserve for own shares S\$'000	Share option reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
The Company					
At 1 January 2015	113,016	(357)	730	38,692	152,081
Total comprehensive income for the period					
Loss for the period	-	-	-	(2,666)	(2,666)
Total comprehensive income for the period	-	-	-	(2,666)	(2,666)
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Vesting of share awards	74	130	(204)	-	-
Own share acquired	-	(108)	-	-	(108)
Share-based payment transactions	-	-	69	-	69
Total contributions by owners of the Company	74	22	(135)	-	(39)
At 30 June 2015	113,090	(335)	595	36,026	149,376
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,152)	(1,152)
Total comprehensive income for the period	-	-	-	(1,152)	(1,152)
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Vesting of share awards	1	2	(3)	-	-
Share-based payment transactions	-	-	18	-	18
Total contributions by owners of the Company	1	2	15	-	18
At 30 September 2015	113,091	(333)	610	34,874	148,242
At 1 January 2014					
Total comprehensive income for the period	103,448	(303)	812	42,457	146,414
Loss for the period	-	-	-	(542)	(542)
Total comprehensive income for the period	-	-	-	(542)	(542)
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Vesting of share awards	(4)	136	(133)	-	(1)
Share-based payment transactions	-	-	(7)	-	(7)
Total contributions by owners of the Company	(4)	136	(140)	-	(8)
At 30 June 2014	103,444	(167)	672	41,915	145,864
Total comprehensive income for the period					
Loss for the period	-	-	-	(1,164)	(1,164)
Total comprehensive income for the period	-	-	-	(1,164)	(1,164)
Transaction with owners of the Company, recognised directly in equity					
Contributions by owners of the Company					
Vesting of share awards	(1)	3	(2)	-	-
Share-based payment transactions	-	-	42	-	42
Rights issue	9,575	-	-	-	9,575
Total contributions by owners of the Company	9,574	3	40	-	9,617
At 30 September 2014	113,018	(164)	712	40,751	154,317

- 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.

During the quarter, 7,500 treasury shares were issued to our employees pursuant to the BIGL Share Plan. There was no change in outstanding share options under the BIGL Share Option Scheme 2001 during the period from 30 Jun 2015 to 30 Sep 2015.

As at 30 Sep 2015, there were 1,536,000 (30 Sep 2014 : 1,756,000) outstanding share options under the BIGL Share Option Scheme 2001.

As at 30 Sep 2015, there were 1,382,500 (30 Sep 2014 : 1,500,500) outstanding shares under the BIGL Share Plan.

As at 30 Sep 2015, there were 1,445,150 shares (30 Sep 2014 : 398,500) held as treasury shares.

Total number of issued shares excluding treasury shares as at 30 Sep 2015 was 470,469,461 (30 Sep 2014 : 471,516,111).

- 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.

Total number of issued shares excluding treasury shares as at 30 Sep 2015 was 470,469,461 (31 Dec 2014 : 470,565,111).

- 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.

From 1 Jan 2015 to 30 Sep 2015, 529,250 treasury shares were issued to our employees pursuant to the BIGL Share Plan.

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

The figures have not been audited or reviewed by the Company's 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.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the year ended 31 December 2014.

- 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 Group has adopted the new or revised FRS that have become effective for the financial year beginning 1 January 2015.

Presently, the Group does not expect the adoption of the new or revised FRS to have any material impact on the financial statements.

- 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.

Earnings per ordinary share	Third quarter		Year to date	
	30-09-15	30-09-14	30-09-15	30-09-14
Based on weighted average number of ordinary shares in issue (cents)	(1.09)	0.22	0.12	0.34
On a fully diluted basis (cents)	(1.09)	0.22	0.12	0.34

a) Earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 470,459,025 ordinary shares (30 Sep 2014 : 419,686,798 ordinary shares).

b) Diluted earnings per ordinary share is calculated based on weighted average number of ordinary shares (excluding treasury shares) of 471,878,825 ordinary shares (30 Sep 2014 : 421,354,107 ordinary shares).

- 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 period reported on; and
(b) immediately preceding financial year.

Net asset value per ordinary share	30-09-15	31-12-14
Group (cents)	53.97	50.34
Company (cents)	31.51	32.32

Net asset value per ordinary share is calculated based on number of ordinary shares (excluding treasury shares) at 30 Sep 2015 of 470,469,461 ordinary shares (31 Dec 2014 : 470,565,111 ordinary shares).

The NAV per share increased mainly due to the appreciation of the USD vs SGD which resulted in translation gain in the value of our USD denominated assets.

- 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.

Revenue and Gross Profit

The Group's revenue decreased by 2.6% for the financial quarter ended 30 September 2015 ("3Q2015") year on year ("yoy") to S\$169 million mainly due to the decrease in orders from the Chinese market in the Foam Plastics Division.

Gross profit margin decreased to 8.6% in 3Q2015 as compared to 11.0% in 3Q2014.

Operating Expenses

Distribution expenses decreased by 6.8% yoy to S\$3.6 million in 3Q2015 due to improved logistics management.

Other expenses, mainly attributed to unrealised mark-to-market fair value losses from forward and derivative contracts previously entered into by the Group to manage its net currency exposure, increased to S\$4.8 million net in 3Q2015 from S\$0.6 million in 3Q2014 due to the People's Bank of China changing its daily fixing mechanism on 11 August 2015, which led to a significant devaluation of the Renminbi against the US Dollar.

Tax Credit / (Expense)

The Group recorded a tax credit of S\$1.5 million for 3Q2015 as compared to a tax expense of S\$0.9 million in 3Q2014 mainly due to reversal of overprovision of income tax for prior years no longer required.

Net Profit

Due to the above factors, the Group recorded a loss after tax and minority interest of S\$5.1 million as compared to a profit of S\$0.9 million in 3Q2014.

Balance Sheet

The Net Asset Value (NAV) per share of the Group increased to 53.97 cents as at 30 September 2015 from 50.34 cents as at 31 December 2014.

The NAV per share increased mainly due to the appreciation of the USD vs SGD which resulted in translation gain in the value of our USD denominated assets.

Cash Flow

The Group recorded net cash from operating activities of S\$8.9 million in 3Q2015 compared to S\$24.9 million in 3Q2014 mainly due to changes in working capital.

Net cash from financing activities was S\$3.3 million in 3Q2015 as compared to net cash used in financing activities of S\$0.4 million in 3Q2014 mainly due to the rights issue in 3Q2014.

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

The results are in line with our announcement on 20 October 2015.

- 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.

Per Trendfocus' 30 October 2015 report on the Q3 results of the HDD industry, HDD volume increased by 7.4% as compared to 2Q2015. The outlook for 4Q2015 is expected to remain within the range of 3Q2015. We will continue our efforts to monitor the HDD market conditions and manage our costs accordingly.

The most recent edition of the SEMI World Fab Forecast Report (August 2015), which tracks semiconductor front end fab equipment spending, reported that equipment spending had slowed down but remains positive in 2015 and 2016. This report indicated that semiconductor front end fab equipment spending (including new, used, and in-house) is projected to increase 5% in 2015 and another 6.6% in 2016. Based on this report, the Group maintains a positive outlook for our PES business.

The Foam Plastics Division will continue to be affected by the performance of China's economy in 2015.

Our Group's performance will continue to be affected by any fluctuations in, and the volatility of, the foreign exchange market.

In view of the continuing uncertainty in our business environment, the Group remains cautiously optimistic on its prospects for FY2015.

- 11 Dividend
(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on : None

Name of Dividend	NIL
Dividend Type	NIL
Dividend per share	NIL
Tax Rate	NIL
Date of payment	NIL

- (b) Corresponding Period of the Immediately Preceding Financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?

None

Name of Dividend	NIL
Dividend Type	NIL
Dividend amount per share (in cents)	NIL
Tax Rate	NIL
Date of payment	NIL

- (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 or recommended by the Company.
- 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, a statement to that effect.

There is no IPT mandate.
- 14 **NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)**

The Directors confirm 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 unaudited financial results of the Group for the financial period ended 30 September 2015, to be false or misleading in any material aspect.

By Order of the Board

Lew Syn Pau

Chairman

5 Nov 2015