



Financial Statement for Half Year Ended 31 March 2015

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 2015	31 Mar 2014	
	S\$'000	S\$'000	+/(-)%
Revenue	11,817	15,405	(23%)
Cost of sales	(7,339)	(9,408)	(22%)
Gross profit	<u>4,478</u>	<u>5,997</u>	(25%)
Other operating income	814	704	16%
Expenses			
- Selling and distribution	(1,440)	(1,588)	(9%)
- Administrative	(4,342)	(4,312)	0.7%
- Finance	(921)	(73)	1,162%
Share of profit of associated company	1,689	1,949	(13%)
Profit before income tax	<u>278</u>	<u>2,677</u>	(90%)
Income tax expenses	(131)	(377)	(65%)
Profit after income tax	<u>147</u>	<u>2,300</u>	(94%)
Profit attributable to:			
Equity holders of the Company	1,006	2,410	
Non-controlling interests	(859)	(110)	
	<u>147</u>	<u>2,300</u>	
Profit for the period	147	2,300	
Other comprehensive (loss)/ income, net of tax			
Currency translation differences arising from consolidation	(1,980)	(768)	
Share of other comprehensive losses of associated company	-	(268)	
	<u>(1,833)</u>	<u>1,264</u>	
Total comprehensive(loss)/ income attributable to:			
Equity holders of the Company	(631)	1,374	
Non-controlling interests	(1,202)	(110)	
	<u>(1,833)</u>	<u>1,264</u>	

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

	31 Mar 2015 S\$'000	31 Mar 2014 S\$'000
Charging/ (crediting):		
Other operating income:		
- Interest income	(50)	-
- Interest swap income	(217)	-
- Rental income	(208)	(192)
- Service income	(403)	(429)
- Foreign exchange loss- net	83	55
Expenses:		
- Advertising and promotion	253	256
- Amortization and depreciation	709	296
- Allowance for impairment of trade receivables	-	325
- Employee compensation (including Directors' remuneration)	2,857	2,713
- Interest on borrowings	704	73
- Interest swap expense	217	-
- Rental expense	78	76
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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 2015	30 Sept 2014	31 Mar 2015	30 Sept 2014
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Current assets</u>				
Cash and cash equivalents	10,447	12,666	3,882	4,379
Trade and other receivables	5,639	5,474	10,600	10,787
Inventories	6,455	7,148	-	-
Development properties	59,422	59,080	-	-
Total current assets	81,963	84,368	14,482	15,166
<u>Non-current assets</u>				
Club membership	9	9	-	-
Investment in associated company	31,752	31,587	14,452	14,452
Investments in subsidiaries	-	-	12,959	12,959
Investment properties	789	789	789	789
Property, plant and equipment	26,238	26,357	-	-
Land use rights	904	843	-	-
Deferred tax assets	55	55	-	-
Derivative financial instrument	1,187	-	-	-
Total non-current assets	60,934	59,640	28,200	28,200
Total assets	142,897	144,008	42,682	43,366
<u>Liabilities and shareholder's equity</u>				
<u>Current liabilities</u>				
Trade and other payables	25,767	26,707	7,447	7,631
Borrowings	2,715	2,447	-	-
Current income tax liabilities	559	732	-	-
Provision for warranty	383	374	-	-
Total current liabilities	29,424	30,260	7,447	7,631
<u>Non-current liabilities</u>				
Borrowings	36,669	32,713	-	-
Derivative financial instrument	-	300	-	-
Total non-current liabilities	36,669	33,013	-	-
Total liabilities	66,093	63,273	7,447	7,631
Net assets	76,804	80,735	35,235	35,735
<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	(6,126)	(4,489)	-	-
Revaluation reserves	14,020	14,020	-	-
Retained profit	29,777	30,869	2,920	3,420
Equity attributable to equity holders of the company	69,986	72,715	35,235	35,735
Non-controlling interests	6,818	8,020	-	-
	76,804	80,735	35,235	35,735

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

	As at 31 Mar 2015		As at 30 Sept 2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	2,715	-	2,447	-
Amount repayable after one year	36,669	-	32,713	-

The Group's borrowings are secured by certain bank deposits, land held for property development, leasehold building, land use rights and corporate guarantees.

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

	31 Mar 2015 S\$'000	31 Mar 2014 S\$'000
Net Profit	147	2,300
Adjustment for:		
Income tax expense	131	377
Amortization and depreciation	709	296
Interest income	(50)	-
Interest expense	704	73
Share of results of associated company	(1,689)	(1,949)
Gain on disposal of property, plant and equipment	(9)	-
Loss on disposal on financial assets, at fair value through profit and loss	-	2
Unrealised currency translation (gain)/loss	-	(12)
Operating cash flows before working capital changes	(57)	1,087
Inventories	693	693
Trade and other receivables	(165)	669
Trade and other payables	(597)	(376)
Development properties	(1,871)	-
Cash generated from operations	(1,997)	2,073
Income tax paid	(303)	(366)
CASH FLOWS (USED IN)/ GENERATED FROM OPERATING ACTIVITIES	(2,300)	1,707
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of property, plant and equipment	(578)	(1,137)
Deposits for land held for property development business	-	(9,460)
Proceeds from disposal of property, plant and equipment	9	-
Proceeds from disposal of financial assets	-	80
Purchase of Investment property	-	(87)
Acquisition of shares of joint venture	-	(365)
Interest received	50	-
CASH FLOWS USED IN INVESTING ACTIVITIES	(519)	(10,969)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of borrowings	(2,498)	(2,274)
Proceeds from borrowings	6,624	5,241
Proceeds from related party's borrowings	-	1,052
Movement in bills payable	(344)	(743)
Dividends paid to shareholders	(2,098)	(2,098)
Interest paid	(1,126)	(73)
Increase in bank deposits pledged	(178)	(89)
CASH FLOWS GENERATED FROM FINANCING ACTIVITIES	380	1,016
Net change in cash and cash equivalents	(2,439)	(8,246)
Cash and cash equivalents at the beginning of the financial period	11,543	10,121
Effects of exchange rate changes on cash and cash equivalents	43	49
Cash and cash equivalents at the end of the financial period	9,147	1,924

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	Currency translation reserve	Revaluation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
The Group							
Balance as at 1 Oct 2014	32,315	(4,489)	14,020	30,869	72,715	8,020	80,735
Total comprehensive (loss)/income for the financial period	-	(1,637)	-	1,006	(631)	(1,202)	(1,833)
Dividend relating to 2014 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2015	32,315	(6,126)	14,020	29,777	69,986	6,818	76,804

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 period	-	(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

	Attributable to equity holders of the Company					Non-controlling interests S\$'000	Total equity S\$'000
	Share capital	Currency translation reserve	Revaluation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
The Company							
Balance as at 1 Oct 2014	32,315	-	-	3,420	35,735	-	35,735
Total comprehensive income for the financial period	-	-	-	1,598	1,598	-	1,598
Dividend relating to 2014 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2015	32,315	-	-	2,920	35,235	-	35,235

The Company							
Balance as at 1 Oct 2013	32,315	-	-	2,614	34,929	-	34,929
Total comprehensive income for the financial period	-	-	-	1,824	1,824	-	1,824
Dividend relating to 2013 paid	-	-	-	(2,098)	(2,098)	-	(2,098)
Balance as at 31 Mar 2014	32,315	-	-	2,340	34,655	-	34,655

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

The total number of issued shares of the Company was 209,826,140 as at 31 March 2015, (30 September 2014: 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).

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.

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 2014.

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	<u>31 Mar 2015</u>	<u>31 Mar 2014</u>
<u>Amounts in cents</u>		
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	0.48	1.15
(ii) Based on a fully diluted basis	0.48	1.15

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 2015</u>	<u>30 Sep 2014</u>	<u>31 Mar 2015</u>	<u>30 Sep 2014</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	33.35	34.65	16.79	17.03

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**

Review of Performance

The Group reported revenue of S\$11.8 million in the half year ended 31 March 2015 ("HY2015") as compared to S\$15.4 million in the half year ended 31 March 2014 ("HY 2014"), a decrease of S\$3.6 million or 23%. The decrease is mainly due to decrease in sales of home appliances as a result of the return of the Ariston distributorship to its principal and reduction in project sales.

Following the decrease in revenue, cost of sales and gross profit decreased by 22% and 25% respectively. However, gross profit margin of 38% in HY2015 remains comparable to gross profit margin of 39% in HY2014.

Amortization and depreciation increased from S\$296,000 in HY2014 to S\$709,000 in HY2015. The increase is mainly due to additional depreciation accounted for on revalued assets and sales office.

Finance expenses increased from S\$73,000 in HY2014 to S\$921,000 in HY2015. The increase is mainly due to increase in financing for property development business.

Share of results of associated company decreased by S\$0.3 million or 13%, from S\$1.9 million in HY2014 to S\$1.6 million in HY2015. The decrease is mainly due to decrease in contribution from its property development business.

As a result of the above, the Group reported profit before tax of S\$278,000 in HY2015 as compared to S\$2.7 million in HY2014. After taking into account income tax expense of S\$131,000 and non-controlling interest loss of S\$859,000, the Group reported net profit attributable to equity holders of the Company of S\$1 million in HY2015 as compared to S\$2.4 million in HY2014.

Balance Sheet

Cash and cash equivalents

Cash and cash equivalents decreased mainly due to payment of dividend relating to financial year 2014 made to shareholders.

Trade and other receivables

Trade and other receivables increased mainly due to a slow down in sales collection from project customers.

Inventories

Inventories decreased mainly due to reduction in purchases.

Derivative financial instrument

Cross currency interest rate swap ("CCIRS) is transacted to hedge the Group's foreign currency borrowing. The derivative financial instrument asset/liability represents the fair value gain/loss made on the CCIRS.

Trade and other payables

Trade and other payables decreased mainly due to payment made and in line with reduction in purchases.

Bank borrowings

Bank borrowings increased mainly due to the financing of the property development business.

Review of cashflow

The Group reported that a net decrease in cash and cash equivalents is mainly due to funds generated from financing activities offset with net cash outflow from operating and investing activities. The net cash outflow from operating activities is mainly due to cash used in property development business.

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

There was no forecast or prospect statement disclosed to the shareholders in the previous 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 global economic outlook has softened in recent months, at the same time, the external outlook remains clouded with significant downside risks and uncertainties. Amidst this challenging global economic environment, we expect our trading segment performance for the next reporting period to remain challenging. However, the Group will remain focused on its long term vision to increase its products range, develop new products and cautiously explore new markets .

Despite the recent negative reports on property in Iskandar from the media, due to the specific location of our property project, the Group believes that the project remains promising in future and will launch its project at an appropriate time.

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/recommended, 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 the period.

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

11 May 2015