

GRP LIMITED

Half Year Financial Statements Announcement for the period ended 31/12/2013

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 31/12/2013	6 months ended 31/12/2012	
Revenue	14,287	13,518	5.7
Cost of sales	(9,031)	(8,691)	3.9
Gross profit	5,256	4,827	8.9
Other income	147	191	(23.0)
Selling and Distribution expenses	(112)	(117)	(4.3)
Administrative expenses	(2,841)	(3,046)	(6.7)
Other expenses	(61)	(4)	NM
Profit before income tax expenses	2,389	1,851	29.1
Income tax expense	(521)	(349)	49.3
Profit for the period	1,868	1,502	24.4
Other comprehensive income, net of tax:			
Items that may be reclassified subsequently to profit or loss			
- Exchange differences arising on translation of foreign operations	(91)	(70)	30.0
- Fair value adjustment loss on available-for-sale investment	-	(589)	(100.0)
Other comprehensive income for the period, net of tax:	(91)	(659)	(86.2)
Total comprehensive income for the period	1,777	843	NM
Profit/ (loss) attributable to:			
Owners of the company	1,878	1,507	24.6
Non-controlling interest	(10)	(5)	100.0
	1,868	1,502	24.4
Total comprehensive income/ (loss) attributable to:			
Owners of the company	1,787	848	NM
Non-controlling interest	(10)	(5)	100.0
	1,777	843	NM

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 31/12/2013	6 months ended 31/12/2012
Depreciation	461	271
Impairment loss on available-for-sale investment	67	-
Allowance/(write back) for inventories	437	(25)
(Gain)/loss on disposal of property, plant and equipment	(3)	2
Tax expenses		
- current period	521	349
- Adjustment for overprovision of tax in respect of prior years	-	-
Foreign exchange (gain)/loss	(6)	4
Interest income	(17)	(21)
Rental and services income	(107)	(107)
Other income	(23)	(63)

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	
	31/12/2013	30/6/2013	31/12/2013	30/6/2013
ASSETS				
Current assets				
Cash and bank balances	45,754	11,348	38,265	4,563
Trade receivables	4,483	4,882	36	5
Other receivables & prepayments	241	160	43	17
Available-for-sale investment	846	913	846	913
Amount due from subsidiaries	-	-	4,355	5,903
Inventories	7,251	8,027	-	-
Total current assets	58,575	25,330	43,545	11,401
Non-current assets				
Investment in subsidiaries	-	-	6,485	6,485
Intangible asset	25	25	25	25
Property, plant and equipment	2,702	3,192	1,765	2,084
Total non-current assets	2,727	3,217	8,275	8,594
Total assets	61,302	28,547	51,820	19,995
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	1,875	2,942	568	456
Other payables	1,564	1,476	680	856
Income tax payable	814	653	92	52
Total current liabilities	4,253	5,071	1,340	1,364
Non-current liabilities				
Deferred tax liabilities	302	302	243	243
Total non-current liabilities	302	302	243	243
Capital and reserves				
Share capital	47,580	14,390	47,580	14,390
Asset revaluation reserve	2,439	2,439	2,439	2,439
Currency translation reserve	(612)	(521)	-	-
Accumulated profits	7,592	7,108	218	1,559
Equity attributable to owners of the company	56,999	23,416	50,237	18,388
Non-controlling interests	(252)	(242)	-	-
Total equity	56,747	23,174	50,237	18,388
Total liabilities and equity	61,302	28,547	51,820	19,995

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 31/12/2013	6 months ended 31/12/2012
Operating activities:		
Profit before income tax	2,389	1,851
Adjustments for:		
Depreciation of property, plant and equipment	461	271
Impairment loss on available-for-sale investment	67	-
Allowance/(Write back) for inventories	437	(25)
Gain on disposal of property, plant and equipment	(3)	2
Interest income	(17)	(21)
Operating cash flows before movements in working capital	3,334	2,078
Trade receivables	398	144
Other receivables & prepayments	(80)	(103)
Inventories	344	(1,964)
Trade payables	(1,067)	204
Other payables	90	397
Cash generated from operating activities	3,019	756
Income taxes paid	(360)	(426)
Net cash from operating activities	2,659	330
Investing activities:		
Proceeds from disposal of property, plant and equipment	33	-
Purchase of property, plant and equipment	(18)	(137)
Purchase of available-for-sale investment	-	(2,264)
Interest received	17	21
Net cash from/(used in) investing activities	32	(2,380)
Financing activities:		
Net proceeds from issue of shares	33,190	-
Dividends paid	(1,394)	(1,394)
Net cash from/(used in) financing activities	31,796	(1,394)
Net increase/(decrease) in cash and cash equivalents	34,487	(3,444)
Cash and cash equivalents at beginning of year	11,348	17,043
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	(81)	(70)
Cash and cash equivalents at end of year (Note 1)	45,754	13,529

Note 1 - Cash and cash equivalents is derived from:

Cash and bank balances
Less : Pledged cash placed with bank

	The Group	
	\$'000	
	6 months ended 31/12/2013	6 months ended 31/12/2012
	45,754	13,895
	-	(366)
	45,754	13,529

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	Fair value adjustment reserve	Currency translation reserve	Accumulated profits	Attributable to equity holders of the company	Non-controlling interest	Total
\$'000								
Latest Period								
Balance at 30/06/2013	14,390	2,439	-	(521)	7,108	23,416	(242)	23,174
Total comprehensive income for the year	-	-	-	(91)	1,878	1,787	(10)	1,777
Transactions with owners, recognised directly in equity								
- Dividends paid	-	-	-	-	(1,394)	(1,394)	-	(1,394)
- Issue of shares	33,190	-	-	-	-	33,190	-	33,190
Balance at 31/12/2013	47,580	2,439	-	(612)	7,592	56,999	(252)	56,747
Previous Corresponding Period								
Balance at 30/06/2012	14,390	1,705	-	(519)	12,608	28,184	(198)	27,986
Total comprehensive income for the year	-	-	(589)	(70)	1,507	848	(5)	843
Transactions with owners, recognised directly in equity								
- Dividends paid	-	-	-	-	(1,394)	(1,394)	-	(1,394)
Balance at 31/12/2012	14,390	1,705	(589)	(589)	12,721	27,638	(203)	27,435
The Company								
	Share capital	Asset revaluation reserve	Fair value adjustment reserve		Accumulated profits			Total
\$'000								
Latest Period								
Balance at 30/06/2013	14,390	2,439	-	1,559	18,388			
Total comprehensive income for the year	-	-	-	53	53			
Transactions with owners, recognised directly in equity								
- 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			
Previous Corresponding Period								
Balance at 30/06/2012	14,390	1,705	-	3,314	19,409			
Total comprehensive income for the year	-	-	(589)	(57)	(646)			
Transactions with owners, recognised directly in equity								
- Dividends paid	-	-	-	(1,394)	(1,394)			
Balance at 31/12/2012	14,390	1,705	(589)	1,863	17,369			

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 31/12/2013	6 months ended 31/12/2012	6 months ended 31/12/2013 S\$'000	6 months ended 31/12/2012 S\$'000
	No of ordinary shares			
Issued and paid up:				
At 1 July	139,407,200	139,407,200	14,390	14,390
Issue of rights shares	418,221,600	-	33,458	-
Rights issue expenses	-	-	(282)	-
Exercise of warrants	178,000	-	14	-
At 31 December	557,806,800	139,407,200	47,580	14,390

Warrants	6 months ended 31/12/2013	6 months ended 31/12/2012
	No of warrants	
At 1 July	-	-
Issue of warrants	418,221,600	-
Exercise of warrants	(178,000)	-
At 31 December	418,043,600	-

During the period under review, the Company allotted 418,221,600 rights shares with 418,221,600 warrants at an issue price of S\$0.08 for each rights share, on the basis of three rights shares with three warrants for each existing share. Each warrant entitles the warrant holder to subscribe for one new ordinary share of the Company at an exercise price of S\$0.08 per share. The warrants have an exercise period of 2 years, expiring on 27 November 2015. During the half year ended 31 December 2013, 178,000 new ordinary shares were issued from the exercise of warrants. As at 31 December 2013, the outstanding number of warrants is 418,043,600.

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 ("FRS"s) and interpretation of FRSs ("INT FRS"s) that are relevant to its operation and effective for the annual periods beginning on or after July 1, 2013. 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 31/12/2013	6 months ended 31/12/2012 Restated *
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)	0.51	0.92
(ii) On a fully diluted basis (Cents)	0.42	0.92
Computed based on the following weighted average number of shares		
(i) Basic	369,040,512	164,008,470
(ii) Diluted	448,025,709	164,008,470

Note:

* Restated as a result of rights issue shares issued during half year ended 31 December 2013.

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

	31/12/2013	30/6/2013
	Cents	
The Group	10.22	16.80
The Company	9.01	13.19

Net asset value per share attributable to the owners of the company is calculated based on 557,806,800 (30 June 2013 : 139,407,200) 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\$14.3 mil for the half year ended 31 December 2013 ("HY2014"). This is 5.7% higher than previous corresponding half year ended 31 December 2012 ("HY2013"). All the 3 business divisions registered improvement in revenue in the period under review, with Hose & Marine division registering a S\$0.6 mil improvement and uPVC fittings segment showing a S\$0.2 mil increase in revenue.

The improvement in revenue from Hose & Marine division is mainly due to strong demand in this sector. The increase in uPVC revenue is due to ramp up in orders from a Middle East customer.

The Group's gross profit increased by 8.9% from S\$4.8 mil in HY2013 to S\$5.3 mil in HY2014. This is in line with the improved revenue in HY2014 as compared to HY2013.

Administrative expenses decreased by 6.7% from S\$3 mil in HY2013 to S\$2.8 mil in HY2014. Included in HY2013 was a non-recurring legal fee provision of about S\$0.2 mil, pertaining to 2 legal cases.

Statement of comprehensive income (cont'd)

Consequently, Profit before tax for HY2014 improved by 29.1% from S\$1.9 mil in HY2013 to S\$2.4 mil in HY2014.

In HY2013, there was a fair value adjustment loss on available-for-sale investment, amounted to S\$0.6 mil, which was recognised in other comprehensive income. For HY2014, the impairment loss on this investment, amounted to S\$0.07 mil was recognised directly in profit and loss.

Statement of financial position and Statement of cashflows

As at 31 December 2013, the Group had cash and bank balances totaling S\$45.8 mil. This is an increase of S\$34.4 mil as compared to 30 June 2013. The increase is largely brought about by the issue of shares during the period under review. The Group's financial position remains sound with current ratio of around 13.8 times at the end of December 2013 as compared to 5 times at the end of June 2013 ("FY2013")

Non-current assets reduced by S\$0.5 mil or 15.2% from S\$3.2 mil in FY2013 to S\$2.7 mil in HY2014. This is due to depreciation charge on property, plant and equipment.

Current liabilities decreased by S\$0.8 mil or 16.1% from S\$5.1 mil in FY2013 to S\$4.3 mil in HY2014. This is mainly due to the decrease in trade payable.

Share capital increased by S\$33.2 mil from S\$14.4 mil in FY2013 to S\$47.6 mil in HY2014. This is a result of rights issue and exercise of warrants during the period under review. The Company issued 418,221,600 shares through rights issue and 178,000 warrants were exercised during HY2014.

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.

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? Yes

Name of Dividend	Interim one-tier tax exempt
Dividend Type	Cash and paid
Dividend Rate	1 cent per ordinary share

Name of Dividend	Special one-tier tax exempt
Dividend Type	Cash and paid
Dividend Rate	4 cents per ordinary share

(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").

There was no 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 period ended 31 December 2013.

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	(1,287)	26,713
General working capital	5,000	-	5,000
Total	33,000	(1,287)	31,713

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 2013 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Kwan Chee Seng
Executive Director
7 February 2014