



## SINJIA LAND LIMITED

### HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR PERIOD ENDED 30 JUNE 2013 (UNAUDITED)

#### 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

(In \$'000)	6 months ended <u>30.06.2013</u>	6 months ended <u>30.06.2012</u>	Change
<b>Revenue</b>	<b>10,626</b>	<b>12,643</b>	<b>(16.0%)</b>
Cost of Sales	<b>(7,263)</b>	<b>(8,333)</b>	<b>(12.8%)</b>
<b>Gross Profit</b>	<b>3,363</b>	<b>4,310</b>	<b>(22.0%)</b>
<b>Other Items of Income</b>			
Interest Income	13	6	116.7%
Other Credits	198	30	560.0%
<b>Other Items of Expenses</b>			
Marketing and Distribution Costs	<b>(757)</b>	<b>(976)</b>	<b>(22.4%)</b>
Administrative Expenses	<b>(3,543)</b>	<b>(2,688)</b>	31.8%
Other Charges	<b>(156)</b>	<b>(79)</b>	97.5%
Finance Costs	<b>(17)</b>	<b>(11)</b>	54.5%
<b>(Loss)/Profit Before Income Tax from Continuing Operations</b>	<b>(899)</b>	<b>592</b>	NM
Income Tax Expense	<b>(225)</b>	<b>(576)</b>	<b>(60.9%)</b>
<b>(Loss)/Profit, Net of Tax</b>	<b>(1,124)</b>	<b>16</b>	
<b>Other Comprehensive Income/(Loss):</b>			
Exchange Differences on Translating Foreign Operations, Net of Tax	182	<b>(348)</b>	NM
<b>Other Comprehensive Income/(Loss) for the Period, Net of Tax</b>	<b>182</b>	<b>(348)</b>	NM
<b>Total Comprehensive Loss for the Period</b>	<b>(942)</b>	<b>(332)</b>	183.7%
(Loss)/Profit Attributable to Owners of the Parent, Net of Tax	<b>(1,124)</b>	16	NM
<b>(Loss)/Profit Net of Tax</b>	<b>(1,124)</b>	<b>16</b>	NM
Total Comprehensive Loss Attributable to Owners of Parent, Net of Tax	<b>(942)</b>	<b>(332)</b>	183.7%
<b>Total Comprehensive Loss for the Period</b>	<b>(942)</b>	<b>(332)</b>	183.7%
<b>Earnings Per Share</b>			
Earnings Per Share Currency Unit	Cents	Cents	
<b>Basic and Diluted</b>	<b>(0.75)</b>	0.01	NM

Refer to paragraph 8 - Review of the performance of the Group, found on pages 7 to 8 of this announcement.

**Loss/(Profit) net of income tax is arrived at after (charging)/crediting the following:**

(in \$'000)	6 months ended <u>30.06.2013</u>	6 months ended <u>30.06.2012</u>	Change	Note
Depreciation & amortisation of plant & equipment	(529)	(547)	(3.3%)	
Foreign exchange gain/(loss), net	120	(62)	NM	
Impairment charges/(reversal) on inventory allowance	(125)	5	NM	(a)
Allowance for doubtful debts	(23)	(4)	475.0%	(a)
Loss on disposal of plant & equipment	-	(13)	NM	
Plant & equipment written off	(7)	-	NM	

NM – not meaningful

(a) Allowance for slow moving & obsolete inventories and bad debts in accordance with Group accounting policy.

**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>Group</u>		<u>Company</u>	
	<u>30.06.2013</u>	<u>31.12.2012</u>	<u>30.06.2013</u>	<u>31.12.2012</u>
	\$'000	\$'000	\$'000	\$'000
<b><u>ASSETS</u></b>				
<b><u>Non-Current Assets</u></b>				
Plant and Equipment	4,062	4,050	386	33
Investments in Subsidiaries	-	-	11,395	11,395
Investment in Associate	61	-	61	-
<b>Total Non-Current Assets</b>	<b><u>4,123</u></b>	<b><u>4,050</u></b>	<b><u>11,842</u></b>	<b><u>11,428</u></b>
<b><u>Current Assets</u></b>				
Inventories	2,238	2,208	-	-
Trade and Other Receivables	6,536	6,533	2,746	4,916
Other Assets, Current	651	646	125	43
Cash and Cash Equivalents	10,267	12,300	4,032	4,084
	19,692	21,687	6,903	9,043
Disposal Group Classified as Held-for-Sale	12,121	12,121	12,121	12,121
<b>Total Current Assets</b>	<b><u>31,813</u></b>	<b><u>33,808</u></b>	<b><u>19,024</u></b>	<b><u>21,164</u></b>
<b>Total Assets</b>	<b><u>35,936</u></b>	<b><u>37,858</u></b>	<b><u>30,866</u></b>	<b><u>32,592</u></b>
<b><u>EQUITY AND LIABILITIES</u></b>				
<b><u>Equity Attributable to Owners of the Parent</u></b>				
Share Capital	22,403	22,403	22,403	22,403
Retained Earnings	9,418	10,843	7,355	8,871
Other Reserves	(286)	(468)	-	-
<b>Total Equity</b>	<b><u>31,535</u></b>	<b><u>32,778</u></b>	<b><u>29,758</u></b>	<b><u>31,274</u></b>
<b><u>Non-Current Liabilities</u></b>				
Deferred Tax Liabilities	305	306	-	-
Provisions	56	56	-	-
Finance Leases Liabilities	358	17	344	-
<b>Total Non-Current Liabilities</b>	<b><u>719</u></b>	<b><u>379</u></b>	<b><u>344</u></b>	<b><u>-</u></b>
<b><u>Current Liabilities</u></b>				
Income Tax Payable	(1)	279	-	-
Trade and Other Payables	3,244	4,015	731	1,318
Finance Lease Liabilities, Current	40	7	33	-
Other Financial Liabilities	399	400	-	-
<b>Total Current Liabilities</b>	<b><u>3,682</u></b>	<b><u>4,701</u></b>	<b><u>764</u></b>	<b><u>1,318</u></b>
<b>Total Liabilities</b>	<b><u>4,401</u></b>	<b><u>5,080</u></b>	<b><u>1,108</u></b>	<b><u>1,318</u></b>
<b>Total Equity and Liabilities</b>	<b><u>35,936</u></b>	<b><u>37,858</u></b>	<b><u>30,866</u></b>	<b><u>32,592</u></b>

Note: Refer to paragraph 8 - Review of the performance of the Group, found on pages 7 to 8 of this announcement.

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

### Amount repayable in one year or less, or on demand

	As at 30.06.2013		As at 31.12.2012	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Finance lease liabilities	40	-	7	-
Borrowings	399	-	400	-
Total	<u>439</u>	<u>-</u>	<u>407</u>	<u>-</u>

### Amount repayable after one year

	As at 30.06.2013		As at 31.12.2012	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Finance lease liabilities	358	-	17	-
Total	<u>358</u>	<u>-</u>	<u>17</u>	<u>-</u>

### Details of any collateral

Finance lease liabilities refer to a hire purchase for motor vehicles.

The amount payable in one year or less consisted of bank borrowing of \$399,000 (31 December 2012: \$400,000) a revolving loan by one of the subsidiaries in Malaysia, secured by Corporate Guarantee from one of our subsidiaries in Singapore.

**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**

(In \$'000)

	<b>6 months ended 30.6.2013</b>	<b>6 months ended 30.6.2012</b>
<b><u>Cash Flows From Operating Activities</u></b>		
(Loss)/Profit Before Income Tax	<b>(899)</b>	<b>592</b>
Adjustments for :		
Interest Income	(13)	(6)
Interest Expense	17	11
Depreciation & Amortisation of Plant and Equipment	529	547
Loss on Disposal of Plant and Equipment	-	13
Plant and Equipment Written-off	7	-
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	34	(52)
<b>Operating Cash Flows Before Changes in Working Capital</b>	<b>(325)</b>	<b>1,105</b>
Inventories	(30)	(245)
Trade and Other Receivables	(3)	2,664
Other Assets	(5)	204
Trade and Other Payables and Provisions	(771)	(442)
<b>Net Cash Flows (Used in)/From Operations</b>	<b>(1,134)</b>	<b>3,286</b>
Income Taxes Paid	(509)	(353)
<b>Net Cash Flows (Used in)/From Operating Activities</b>	<b>(1,643)</b>	<b>2,933</b>
<b><u>Cash Flows From Investing Activities</u></b>		
Purchase of Plant and Equipment	(105)	(149)
Disposal of Plant and Equipment	-	24
Investment in Associate	(61)	-
Interest Received	13	6
<b>Net Cash Flows Used in Investing Activities</b>	<b>(153)</b>	<b>(119)</b>
<b><u>Cash Flows From Financing Activities</u></b>		
Cash Restricted in Use	-	(260)
Release of Cash Restricted in Use	255	-
Interest Paid	(17)	(11)
Finance Lease Repayments	(4)	(4)
Dividends Paid to Equity Owners	(301)	-
<b>Net Cash Flows Used in Financing Activities</b>	<b>(67)</b>	<b>(275)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(1,863)</b>	<b>2,539</b>
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	11,790	7,703
Effects of Currency Translation on Cash & Cash Equivalents	73	(115)
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance</b>	<b>10,000</b>	<b>10,127</b>
<b>Balance as in Statement of Financial Position</b>	<b>10,267</b>	<b>11,022</b>
Cash Restricted in Use	(267)	(895)
<b>Cash and Cash Equivalent as in Consolidated Statement of Cash Flows</b>	<b>10,000</b>	<b>10,127</b>

**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**

<u>Group</u>	Attributable to Parent				
	Total Equity \$'000	Subtotal \$'000	Shares Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000
<b>Current Year:</b>					
Opening Balance at 1 January 2013	32,778	32,778	22,403	10,843	(468)
Total Comprehensive (Loss)/Income for the Period	(942)	(942)	-	(1,124)	182
<u>Other Movements in Equity:</u>					
Dividends paid	(301)	(301)	-	(301)	-
	(301)	(301)	-	(301)	-
Closing Balance at 30 June 2013	31,535	31,535	22,403	9,418	(286)
<b>Previous Year:</b>					
Opening Balance at 1 January 2012	32,462	32,462	22,403	10,061	(2)
Total Comprehensive Loss/(Income) for the Period	(332)	(332)	-	16	(348)
Closing Balance at 30 June 2012	32,130	32,130	22,403	10,077	(350)

<u>Company</u>	Total Equity \$'000	Shares Capital \$'000	Retained Earnings \$'000
<b>Current Year:</b>			
Opening Balance at 1 January 2013	31,274	22,403	8,871
Total Comprehensive Loss for the Period	(1,215)	-	(1,215)
<u>Other Movements in Equity:</u>			
Dividends paid	(301)	-	(301)
	(301)	-	(301)
Closing Balance at 30 June 2013	29,758	22,403	7,355
<b>Previous Year:</b>			
Opening Balance at 1 January 2012	27,338	22,403	4,935
Total Comprehensive Income for the Period	1,561	-	1,561
Closing Balance at 30 June 2012	28,899	22,403	6,496

**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**

There was no change in the Company's share capital during 6 months ended 30 June 2013.

As at 30 June 2013, there were 5,365,000 shares held as Treasury Shares (30 June 2012: 5,365,000 shares).

**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**

<u>As at 30.06.2013</u>	<u>As at 31.12.2012</u>
150,272,920	150,272,920

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury share as at the end of current financial period reported on**

There was no change in the Company's share capital for the period ended 30 June 2013.

**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 external auditors.

**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**

As disclosed in Note 5 below, the Group had applied the same accounting policies and methods of computation in the financial statements for the current period as those for the audited financial statements for the year ended 31 December 2012.

**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**

In the current period, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2013.

- Amendments to FRS 1 Presentation of Items of Other Comprehensive Income
- FRS 19 (revised 2011) Employee Benefits
- Amendments to FRS 107 Disclosures – Offsetting Financial Assets and Financial Liabilities
- FRS 113 Fair Value Measurements

The adoption of the above did not result in any material change to the Group's accounting policies nor have any significant 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 share based on (loss)/profit attributable to shareholders (in cent):	6 months ended 30.06.2013	6 months ended 30.06.2012
Basic and Diluted	(0.75)	0.01

The basic earnings per share and fully diluted earnings per share above have been calculated based on net loss attributable to shareholders of \$1,124,000 (1H2012: profit \$16,000) and the weighted average number of ordinary shares during the period was 150,272,920 (1H2012: 150,272,920).

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

	Group	Group	Company	Company
As at	30.06.2013	31.12.2012	30.06.2013	31.12.2012
Net Asset Value per ordinary share (cents)	20.99	21.81	19.80	20.81

The net asset value per share of the Group has been calculated based on shareholders' equity of \$31,535,000 (31 December 2012: \$32,778,000) and 150,272,920 shares (31 December 2012: 150,272,920 shares).

The net asset value per share of the Company has been calculated based on shareholders' equity of \$29,758,000 (31 December 2012: \$31,274,000) and issued share capital of 150,272,920 shares (31 December 2012: 150,272,920 shares).

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**

The principal historical activities of our Group involve the manufacture and sale of a wide range of customised precision elastomeric and polymeric components which are used in a variety of industries principally in office automation, lifestyle products, industrial application, consumer electronics and automotive industries.

Our elastomeric and polymeric component production capabilities range from material formulation and compounding as well as molding to secondary process including polymeric die-cutting, precision turning and precision machining of metallic components. Our production facilities and sales offices are located in Singapore, Johor, Malaysia, Batam, Indonesia, and Suzhou, PRC. Our customers include multinational corporations with presence in South East Asia, North and East Asia, the USA and Europe.

### **Income Statement**

The revenue of the Group for 1H2013 of \$10.63 million was 16.0% lower than \$12.64 million in 1H2012. Revenue for a subsidiary in Malaysia recorded a substantial decrease in revenue due to the decline in demand of its key customers.

Gross profit declined by \$0.95 million or 22.0% to \$3.36 million in 1H2013 from \$4.31 million in 1H2012. The overall gross profit margin for 1H2013 was 31.6% compared to 34.1% for 1H2012. The lower margin in 1H2013 was mainly due to rising cost for materials and labour cost of the two business units due to the hike in minimum wages in PRC, Indonesia and Malaysia.

Distribution costs and administrative expenses increased by 17.4% in 1H2013 to \$4.30 million from \$3.67 million in 1H2012 due to increase in legal fees by \$0.22 million, staff cost by \$0.40 million and software maintenance by \$0.04 million. Finance costs increased by \$6,000 to \$17,000 in 1H2013 mainly for the interest incurred for the revolving credit facilities of a subsidiary in Malaysia and the hire purchase interest for motor vehicles.

The Group recorded the other charges of \$0.16 million in 1H2013. It comprised of the \$0.13 million stock obsolescence, \$0.02 million provision for doubtful debts and \$7,000 plant and equipment written off.

Other credits in 1H2013 amounted to \$0.20 million compared to \$0.03 million in 1H2012 was mainly due to foreign exchange gain of \$0.12 million, Government Incentive and SME Cash Grant of \$0.07 million. The foreign exchange gain was due to the appreciation of US Dollar against the Singapore Dollar in 1H2013.

For the first half of 2013, the Group registered a loss before income tax of \$0.90 million compared to the profit before income tax of \$0.59 million in 1H2012. The Group recorded a loss after tax of \$1.12 million in 1H2013 compared to a net profit of \$16,000 in 1H2012.

### **Financial Position**

#### **Non-current Assets**

The Group's non-current assets increased by \$0.07 million to \$4.12 million as at 30 June 2013 compared to non-current assets of \$4.05 million as at 31 December 2012, due to the addition of new plant and equipment of \$0.48 million and the foreign currency translation gain in overseas operations of \$0.06 million offset by depreciation and amortisation of plant and equipment of \$0.53 million.

On 29 January 2013, the Group subscribed for 150,000 shares at an aggregate subscription price of MYR0.15 million for the acquisition of a 30% shareholding interest in a Malaysian developer.

#### **Current Assets**

The Group's current assets amounted to \$31.81 million as at 30 June 2013, a decrease of \$2.0 million compared to 31 December 2012.

Inventories and trade receivables remained relative stable at \$2.24 million and \$6.54 million respectively. Cash and cash equivalents decreased by \$2.03 million mainly due to the payment for income tax of \$0.51 million, staff cost comprised mainly of bonus, directors' fees and the payment of the FY2012 final dividend of \$0.3 million in 1H2013.

#### **Total Liabilities**

Total liabilities as at 30 June 2013 was \$4.40 million, a decline of \$0.68 million from \$5.08 million as at 31 December 2012.

Trade and related payables declined by \$0.77 million due to the decrease of purchase orders for operational usage. The lower income tax recorded as at 30 June 2013 was due to over payment by a subsidiary in Malaysia.

Approximately \$0.66 million under non-current liabilities was for deferred tax and the financial lease liabilities which comprised of the outstanding amount from the hire purchase of motor vehicles as at 30 June 2013.

#### **Total Equity**

The equity decreased by \$1.24 million to \$31.54 million as at 30 June 2013 from \$32.78 million as at 31 December 2012. The Group recorded lower foreign currency translation reserve loss due to the appreciation of the USD and RMB against SGD.

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

In the SGXNET announcement for FY2012 results released on 27 February 2013, the Directors referred to the disposal of its investment in Greatly Holdings Investment Limited (which has 30% interest in investment in associate - Tianjin Swan Lake Real Estate Development Co., Limited), the Company has not received the final amount of \$12.1 million or RMB64 million on completion date. The Company is consulting its professional advisers regarding its next course of action and will provide updates on the specific course of action including its progress.

As the proposed disposal has not been completed, the Company has not received the balance consideration amount of \$12.1 million or RMB64 million. As a result, this may affect the Company's plans to re-organise its existing business and pursue viable business opportunities as described in the Circular.



**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 manufacturing business units continue to face rising cost pressure mainly due to the hike in minimum wages in the respective countries of operation in PRC, Indonesia and Malaysia. In addition, the recent downward trend in business activities is likely going to continue when the manufacturing partners of a few key customers of the elastomeric and polymeric group move businesses away from its subsidiaries in Batam and PRC. To mitigate the risk of further decline, the group is concentrating on diversification away from its traditional businesses to other industries.

The Company's will continue to focus on the property development business and it is in discussions with various parties to collaborate on projects in Malaysia and Australia.

Meanwhile, the Group will continue to explore other properties related opportunities which can enhance long term shareholder value. These include geographical expansion, mergers and acquisitions, divestment and partnering with long term strategic investor(s) who can add depth and breadth to the Group's existing business portfolio.

**11. Dividend**

***(a) Current Financial Period Reported On***

Any dividend declared for the current financial period reported on?

No dividend has been declared for this period.

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend was declared for previous period.

***(c) Date payable***

No applicable.

***(d) Books closure date***

No applicable.

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

No dividend has been 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, a statement to that effect.,**

No IPT general mandate has been obtained from the shareholders. There was no interested person transaction exceeding \$100,000 as at 30 June 2013.

**14. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5)**

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and Company for the 6 months ended on 30 June 2013 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Ng Khoon Seng  
Executive Director  
14 August 2013