



AURIC PACIFIC GROUP LIMITED

(Company Registration No. 198802981D)

Unaudited Full Year Financial Statements and Dividend Announcement for the Year Ended 31 December 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding period.

Consolidated Statement of Comprehensive Income

	Note	GROUP					
		4th Quarter Ended 31 December			Year Ended 31 December		
		2014	2013	Change	2014	2013	Change
		S\$'000	S\$'000	+ / (-) %	S\$'000	S\$'000	+ / (-) %
Revenue		111,043	102,192	8.7	424,424	398,482	6.5
Cost of revenue		(63,291)	(58,900)	7.5	(244,180)	(227,201)	7.5
Gross profit		47,752	43,292	10.3	180,244	171,281	5.2
Other revenue		743	229	n.m.	3,265	2,301	41.9
Selling and marketing expenses		(20,724)	(18,707)	10.8	(79,295)	(71,961)	10.2
General and administration expenses		(7,121)	(8,812)	(19.2)	(30,349)	(32,390)	(6.3)
Other operating expenses		(19,437)	(18,317)	6.1	(71,793)	(69,283)	3.6
Investment related activities		(151)	5	n.m.	1,457	(727)	n.m.
Finance costs		(95)	(96)	(1.0)	(371)	(399)	(7.0)
Exceptional items		(3,285)	(21,561)	n.m.	(3,285)	(21,561)	n.m.
Share of results of an associated company		(1)	(5)	(80.0)	(4)	(5)	(20.0)
Share of results of a joint venture company		337	221	52.5	770	832	(7.5)
(Loss)/profit before taxation	1	(1,982)	(23,751)	n.m.	639	(21,912)	n.m.
Income tax credit/(expense)	2	646	1,169	n.m.	(464)	(1,332)	(65.2)
(Loss)/profit for the financial year, net of taxation		(1,336)	(22,582)	n.m.	175	(23,244)	n.m.
Other comprehensive expense:							
Foreign currency translation							
- Reclassification adjustment for gain on disposal of a foreign operation		(21)	-	n.m.	(375)	-	n.m.
- Losses arising during the year		(1,158)	(839)	38.0	(618)	(1,617)	(61.8)
Other comprehensive expense for the financial year, net of taxation		(1,179)	(839)	40.5	(993)	(1,617)	(38.6)
Total comprehensive expense for the financial year		(2,515)	(23,421)	n.m.	(818)	(24,861)	n.m.
(Loss)/profit attributable to:							
Owners of the Company		(1,255)	(22,399)	n.m.	231	(21,943)	n.m.
Non-controlling interests		(81)	(183)	(55.7)	(56)	(1,301)	n.m.
		(1,336)	(22,582)	n.m.	175	(23,244)	n.m.
Total comprehensive expense attributable to:							
Owners of the Company		(2,448)	(23,256)	n.m.	(779)	(23,759)	n.m.
Non-controlling interests		(67)	(165)	n.m.	(39)	(1,102)	n.m.
		(2,515)	(23,421)	n.m.	(818)	(24,861)	n.m.

n.m. = not meaningful

* denotes less than 0.05%

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1(a)(ii) Additional information on the Group Statement of Comprehensive Income

	GROUP					
	4th Quarter Ended 31 December			Year Ended 31 December		
	2014	2013	Change	2014	2013	Change
	S\$'000	S\$'000	+/(-)%	S\$'000	S\$'000	+/(-)%
1 (Loss)/profit before taxation						
(Loss)/profit before taxation included the following for the financial year ended 31 December:						
Amortisation of intangible assets	(700)	(700)	-	(2,800)	(2,800)	-
Impairment loss on intangible assets	(463)	(10,000)	(95.4)	(463)	(10,000)	(95.4)
Allowance for impairment on trade debtors	(604)	(638)	(5.3)	(759)	(742)	2.3
Depreciation of property, plant and equipment	(3,261)	(4,706)	(30.7)	(12,937)	(14,661)	(11.8)
Dividend income	161	294	(45.2)	300	485	(38.1)
Fair value changes of financial instruments :						
- (Loss)/gain on investment funds at fair value through profit or loss	(206)	34	n.m.	(329)	75	n.m.
- Loss on redeemable preference shares issued by a subsidiary company	-	-	n.m.	-	(814)	n.m.
Allowance for impairment on unquoted equity shares	-	(47)	n.m.	-	(47)	n.m.
Allowance for impairment on unquoted investment funds	-	(3,000)	n.m.	-	(3,000)	n.m.
Foreign exchange gain	588	477	23.3	900	1,934	(53.5)
Interest income	3	8	(62.5)	12	1,417	(99.2)
Write-back of provision for reinstatement cost	233	-	n.m.	233	-	n.m.
Gain on disposal of interest in subsidiary companies	-	-	n.m.	1,734	-	n.m.
Net (loss)/gain on disposal of property, plant and equipment	(25)	(12)	n.m.	29	(51)	n.m.
Property, plant and equipment written off	(86)	(155)	n.m.	(237)	(314)	(24.5)
(Allowance)/write back for impairment loss of property, plant and equipment	(80)	(4,511)	n.m.	175	(4,511)	n.m.
Stocks written down	(492)	(597)	(17.6)	(2,217)	(2,180)	1.7
Bad debts recovered	-	-	n.m.	-	1	n.m.
Write-off of non-trade debtors	(101)	-	n.m.	(101)	-	n.m.
2 Income tax expense						
The charge for income tax expense includes the following:						
Over provision in respect of prior year	797	767	3.9	2,512	964	n.m.

n.m. = not meaningful

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1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

	GROUP		COMPANY	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Non-current assets				
Property, plant and equipment	40,861	34,865	234	364
Intangible assets	76,590	79,901	-	-
Investments in subsidiary companies	-	-	96,199	95,197
Investments in an associated company	273	277	-	-
Investment in a joint venture company	2,002	2,067	-	-
Long-term investments	10,428	10,160	-	-
Other debtors	6,751	5,810	-	-
Prepayments and other recoverables	4,677	735	-	-
Deferred tax assets	1,092	1,158	-	-
	142,674	134,973	96,433	95,561
Current assets				
Stocks	48,875	42,318	-	-
Trade debtors	64,137	60,010	-	-
Other debtors	9,249	9,353	292	249
Prepayments and other recoverables	4,428	3,118	18	15
Amounts due from subsidiary companies	-	-	195,116	179,599
Fixed deposits (restricted)	4,004	3,856	-	-
Cash and cash equivalents	46,326	55,867	14,857	24,757
	177,019	174,522	210,283	204,620
Total assets	319,693	309,495	306,716	300,181
EQUITY AND LIABILITIES				
Current liabilities				
Trade creditors	(39,888)	(38,023)	-	-
Other creditors and accruals	(46,225)	(40,509)	(2,262)	(2,290)
Deferred income	(1,943)	(502)	-	-
Provisions	(887)	(1,046)	-	-
Amounts due to subsidiary companies	-	-	(183,258)	(175,764)
Loans and borrowings	(9,391)	(6,534)	(4,000)	-
Tax payable	(2,876)	(1,449)	-	(218)
	(101,210)	(88,063)	(189,520)	(178,272)
Net current assets	75,809	86,459	20,763	26,348
Non-current liabilities				
Deferred income	(1,047)	(433)	-	-
Provisions	(4,631)	(4,262)	(100)	(100)
Loans and borrowings	(415)	(333)	-	-
Deferred tax liabilities	(3,640)	(4,202)	(192)	(192)
	(9,733)	(9,230)	(292)	(292)
Total liabilities	(110,943)	(97,293)	(189,812)	(178,564)
Net assets	208,750	212,202	116,904	121,617

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Statements of Financial Position (continued)

	GROUP		COMPANY	
	As at 31 December 2014 S\$'000	As at 31 December 2013 S\$'000	As at 31 December 2014 S\$'000	As at 31 December 2013 S\$'000
EQUITY AND LIABILITIES (CONT'D)				
Equity attributable to owners of the Company				
Share capital	64,461	64,461	64,461	64,461
Retained earnings	145,255	147,537	43,968	48,681
Other reserves	(1,734)	(761)	-	-
Merger reserve	-	-	8,475	8,475
	207,982	211,237	116,904	121,617
Non-controlling interests	768	965	-	-
Total equity	208,750	212,202	116,904	121,617
Total equity and liabilities	319,693	309,495	333,576	300,181

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

	Note	GROUP		COMPANY	
		As at 31 December 2014 S\$'000	As at 31 December 2013 S\$'000	As at 31 December 2014 S\$'000	As at 31 December 2013 S\$'000
Repayable within one year (unsecured)		9,268	6,433	4,000	-
Repayable within one year (secured)	(i)	123	101	-	-
Repayable after one year (secured)	(i)	415	333	-	-
		9,806	6,867	4,000	-

Note (i)

As at 31 December 2014, the finance lease liability repayable within one year and after one year of \$123,000 (31 December 2013: \$101,000) and \$415,000 (31 December 2013: \$333,000) respectively was secured by the related leased assets.

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

Consolidated Statement of Cash Flows

	GROUP			
	4th Quarter Ended 31 December		Year Ended 31 December	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash flows from operating activities				
(Loss)/profit before taxation	(1,982)	(23,751)	639	(21,912)
Adjustments for:				
Dividend income	(161)	(294)	(300)	(485)
Interest income	(3)	(8)	(12)	(1,417)
Interest expense	95	96	371	399
Share of results of associated companies	1	5	4	5
Share of results of a joint venture company	(337)	(221)	(770)	(832)
Allowance of impairment on trade debtors	604	638	759	742
Bad debts recovered	-	-	-	(1)
Write-off of non-trade debtor	101	-	101	-
Stocks written down	492	597	2,217	2,180
Amortisation of intangible assets	700	700	2,800	2,800
Impairment loss on intangible assets	463	10,000	463	10,000
Depreciation of property, plant and equipment	3,261	4,706	12,937	14,661
Fair value changes of financial instruments:				
- Loss/(gain) on investment funds at fair value through profit or loss	206	(34)	329	(75)
- Loss on redeemable preference shares issued by a subsidiary company	-	-	-	814
Allowance for impairment on unquoted equity shares	-	47	-	47
Allowance for impairment on unquoted investment funds	-	3,000	-	3,000
Property, plant and equipment written off	86	155	237	314
Allowance/(write back) for impairment on property, plant and equipment	80	4,511	(175)	4,511
Write-back of provision for reinstatement cost	(233)	-	(233)	-
Net loss/(gain) on disposal of property, plant and equipment	25	12	(29)	51
Gain on disposal of interests in subsidiary companies	-	-	(1,734)	-
Translation differences	(1,636)	(907)	(1,199)	(1,975)
Operating cash flows before working capital changes	1,762	(748)	16,405	12,827
<u>Decrease/(increase) in assets:</u>				
Stocks	250	(1,719)	(8,774)	(7,643)
Trade and other debtors	(1,987)	1,149	(9,682)	(4,696)
<u>Increase in liabilities:</u>				
Trade and other creditors	11,862	3,868	9,957	5,314
Net cash generated from operations	11,887	2,550	7,906	5,802
Tax received/(paid)	585	(437)	(1,010)	(3,451)
Interest paid	(95)	(96)	(371)	(399)
Interest received	1	8	10	3,957
Net cash flows generated from operating activities	12,378	2,025	6,535	5,909

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Consolidated Statement of Cash Flows (continued)

	GROUP			
	4th Quarter Ended 31 December		Year Ended 31 December	
	2014 S\$'000	2013 S\$'000	2014 S\$'000	2013 S\$'000
Cash flows from investing activities				
Disposal of interests of subsidiary companies	-	-	1,255	-
Dividend income received	161	294	300	485
Dividend income received from a joint venture company	-	-	835	639
Proceeds from disposal of property, plant and equipment	5	13	78	68
Proceeds from return of capital from investment funds	-	-	257	433
Purchase of property, plant and equipment	(7,782)	(3,830)	(18,380)	(12,952)
Purchase of investment funds	(400)	-	(800)	(600)
Proceeds from issuance of redeemable preference shares by a subsidiary company	-	-	-	21,073
Net cash flows (used in)/generated from investing activities	(8,016)	(3,523)	(16,455)	9,146
Cash flows from financing activities				
Acquisition of non-controlling interests	(3)	(700)	(121)	(11,342)
Repayment of obligations under finance leases	(21)	(25)	(120)	(72)
Repayment of bank borrowings	(5,153)	(6,238)	(23,369)	(24,265)
Proceeds from bank borrowings	9,632	6,475	26,305	24,659
Repayment of financing for redeemable preference shares	-	-	-	(4,436)
Decrease/(increase) in fixed deposits pledged with the banks	14	(3)	(105)	1,448
Dividend on ordinary shares	-	-	(2,513)	(3,770)
Net cash flows generated from/(used in) financing activities	4,469	(491)	77	(17,778)
Net increase/(decrease) in cash and cash equivalents	8,831	(1,989)	(9,843)	(2,723)
Cash and cash equivalents at beginning of year	37,507	57,875	55,867	58,533
Effect of exchange rate changes on cash and cash equivalent held in foreign currencies	(12)	(19)	302	57
Cash and cash equivalents at end of financial year (Note 1)	46,326	55,867	46,326	55,867

Note 1

Analysis of balances of cash and cash equivalents as shown on the balance sheets:

	GROUP	
	Year Ended 31 December	
	2014 S\$'000	2013 S\$'000
Fixed deposits (restricted)	4,004	3,856
Fixed deposits (current)	4,798	4,636
Cash and bank balances	41,528	51,231
	50,330	59,723
Fixed deposits pledged with the bank [Note (a)]	(4,004)	(3,856)
	46,326	55,867

Note (a)

This relates to:

- (i) S\$2.5 million (2013: S\$2.1 million) was pledged to banks as security for banker's guarantees issued in lieu of rental deposits;
- (ii) S\$1.1 million (2013: S\$1.4 million) banker's guarantee for issuance of utility and rental deposits; and
- (iii) S\$0.4 million (2013: S\$0.4 million) was pledged to bank as security for overdraft facility.

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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 period.

Statements of changes in equity

Group

	Attributable to owners of the Company						Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Share capital	Retained earnings	Other reserves, total	Foreign currency translation reserve	Discount on acquisition of non-controlling interests	Gain on purchase of treasury shares by a subsidiary company			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2014									
Balance at 1 January 2014	64,461	147,537	(761)	(7,357)	6,078	518	211,237	965	212,202
Profit for the financial year	-	231	-	-	-	-	231	(56)	175
<u>Other comprehensive (expense)/income</u>									
Foreign currency translation	-	-	(1,010)	(1,010)	-	-	(1,010)	17	(993)
Other comprehensive (expense)/income for the financial year, net of tax	-	-	(1,010)	(1,010)	-	-	(1,010)	17	(993)
Total comprehensive (expense)/income for the financial year	-	231	(1,010)	(1,010)	-	-	(779)	(39)	(818)
<u>Contributions by and distributions to owners</u>									
Dividend on ordinary shares	-	(2,513)	-	-	-	-	(2,513)	-	(2,513)
Total contributions by and distributions to owners	-	(2,513)	-	-	-	-	(2,513)	-	(2,513)
<u>Changes in ownership interest in subsidiaries</u>									
Acquisition of non-controlling interest	-	-	37	-	37	-	37	(158)	(121)
Total changes in ownership interest in subsidiaries	-	-	37	-	37	-	37	(158)	(121)
Total transactions with owners in their capital as owners	-	(2,513)	37	-	37	-	(2,476)	(158)	(2,634)
Balance at 31 December 2014	64,461	145,255	(1,734)	(8,367)	6,115	518	207,982	768	208,750
2013									
Balance at 1 January 2013	64,461	173,250	(3,019)	(5,541)	2,004	518	234,692	17,483	252,175
Loss for the financial year	-	(21,943)	-	-	-	-	(21,943)	(1,301)	(23,244)
<u>Other comprehensive (expense)/income</u>									
Foreign currency translation	-	-	(1,816)	(1,816)	-	-	(1,816)	199	(1,617)
Other comprehensive (expense)/income for the financial year, net of tax	-	-	(1,816)	(1,816)	-	-	(1,816)	199	(1,617)
Total comprehensive expense for the financial year	-	(21,943)	(1,816)	(1,816)	-	-	(23,759)	(1,102)	(24,861)
<u>Contributions by and distributions to owners</u>									
Purchase of treasury shares by a subsidiary company	-	-	-	-	-	-	-	-	-
Dividend on ordinary shares	-	(3,770)	-	-	-	-	(3,770)	-	(3,770)
Dividends paid to non-controlling interests of a subsidiary company	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	-	(3,770)	-	-	-	-	(3,770)	-	(3,770)
<u>Changes in ownership interest in subsidiaries</u>									
Acquisition of non-controlling interest	-	-	4,074	-	4,074	-	4,074	(15,416)	(11,342)
Total changes in ownership interest in subsidiaries	-	-	4,074	-	4,074	-	4,074	(15,416)	(11,342)
Total transactions with owners in their capital as owners	-	(3,770)	4,074	-	4,074	-	304	(15,416)	(15,112)
Balance at 31 December 2013	64,461	147,537	(761)	(7,357)	6,078	518	211,237	965	212,202

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Statements of changes in equity (continued)

Company

	Attributable to owners of the Company			
	Share capital S\$'000	Retained earnings* S\$'000	Merger reserve S\$'000	Total equity S\$'000
2014				
Balance at 1 January 2014	64,461	48,681	8,475	121,617
Loss for the financial year	-	(2,200)	-	(2,200)
Total comprehensive expenses for the financial year	-	(2,200)	-	(2,200)
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares	-	(2,513)	-	(2,513)
Total contributions by and distributions to owners	-	(2,513)	-	(2,513)
Balance at 31 December 2014	64,461	43,968	8,475	116,904
2013				
Balance at 1 January 2013	64,461	51,286	8,475	124,222
Profit for the financial year	-	1,165	-	1,165
Other comprehensive expenses for the financial year, net of tax	-	-	-	-
Total comprehensive expenses for the financial year	-	1,165	-	1,165
<u>Contributions by and distributions to owners</u>				
Dividend on ordinary shares	-	(3,770)	-	(3,770)
Total contributions by and distributions to owners	-	(3,770)	-	(3,770)
Balance at 31 December 2013	64,461	48,681	8,475	121,617

* Retained earnings included a non-distributable amount of \$32,617,000 (2013: \$32,617,000) which relates to the gain resulting from an internal restructuring of certain subsidiary companies in 1999.

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- 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 of the issuer, if any, against the total number of issued shares held as 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 were no changes in the Company's issued share capital since the end of the previous period reported on.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding financial year.**

There are no treasury shares issued by the Company. Total number of issued shares as at 31 December 2014 and 31 December 2013 was 125,667,324.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at 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 in the announcement have not been audited or reviewed by the 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.**

The accounting policies and methods of computation adopted in the financial statements for the current reporting period are consistent with those disclosed in the audited financial statements as at 31 December 2013.

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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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP			
	4th Quarter Ended 31		Year Ended 31 December	
	2014	2013	2014	2013
	cents	cents	cents	cents
(i) Basic EPS based on the weighted average number of ordinary shares on issue	(1.00)	(17.82)	0.18	(17.46)
(ii) Diluted EPS based on weighted average number of ordinary shares	(1.00)	(17.82)	0.18	(17.46)

Note:

Basic and diluted earnings per share were computed on the basis of the weighted average number of ordinary shares issued, which was 125,667,324 (31 December 2013: 125,667,324) during the financial period. There were no outstanding share options during the current reporting period.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued share capital of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

	GROUP		Company	
	As at 31 December 2014	As at 31 December 2013	As at 31 December 2014	As at 31 December 2013
	\$	\$	\$	\$
Net asset value per ordinary share	1.66	1.68	0.93	0.97

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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.

Review of Income Statement

Revenue

The breakdown of revenue by business segments is shown in the table below.

		Revenue							
Note	4th Quarter Ended 31 December				Financial Year Ended 31 December				
	2014	2013	Variance		2014	2013	Variance		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	
<u>Food Group</u>									
Wholesale & distribution	(i)	61,616	54,535	7,081	13.0	238,723	216,963	21,760	10.0
Manufacturing	(iii)	11,978	11,057	921	8.3	46,831	43,082	3,749	8.7
<u>Food Retail Group</u>									
Edmonton Group	(ii)	20,651	19,392	1,259	6.5	76,471	71,678	4,793	6.7
Food Junction Group	(iv)	16,634	16,911	(277)	(1.6)	62,088	64,503	(2,415)	(3.7)
Other investments	(v)	164	297	(133)	(44.8)	311	2,256	(1,945)	(86.2)
		111,043	102,192	8,851	8.7	424,424	398,482	25,942	6.5

n.m. = not meaningful

In 2014, the Group achieved total revenue of S\$424.4 million, an improvement of S\$25.9 million compared to last year. The analysis on the sales performance by business segments is as follows:

- (i) Higher revenue from wholesale & distribution segment was attributed to higher sales from Food Service contributed by new agencies, new house brands and new market penetration into restaurants, as well as higher retail sales which was brought about by general trade and key accounts;
- (ii) Higher revenue from Edmonton Group was due mainly to increase in retail sales generated by outlets in Delifrance Hong Kong as a result of effective marketing campaigns that brought about extra traffic and increase in awareness in the new outlets;
- (iii) Manufacturing segment recorded higher revenue in 2014 due to the increase in sales by Sunshine range of products under the bread category. The growth was also contributed by successful launch of new products;

Offset by:

- (iv) Lower revenue from Food Junction Group segment was due mainly to discontinuation of management and operator services of ME@OUE, the closure of The Boxing Crab and lower contribution from other restaurants. This was partially offset by higher sales from food courts and newly renovated restaurant in Hong Kong. Newly opened Eggs & Berries @ Westgate & Jurong Point and MEDZS @ Clifford Centre also contributed to the increase in revenue; and
- (v) Lower revenue from other investments was primarily due to the lack of interest income from mezzanine loan after the disposal of the Redeemable Preference Shares in May 2013.

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Review of Income Statement (cont'd)

Profit before taxation

The Group reported a profit before taxation of S\$0.6 million in 2014 as opposed to a loss before tax of S\$21.9 million last year. The swing around of S\$22.5 million was primarily attributable to the exceptional items of S\$21.6 million recognised in 2013 by the Group to streamline the non-performing businesses and to re-align the focus on building sustainable business growth and profit generation.

Excluding the exceptional items recognised in 2013 and 2014, the Group showed an improvement in profit of S\$4.4 million, this was attributed mainly to:

- (i) Operating profit from manufacturing segment increased from S\$7.3 million in 2013 to S\$10.0 million in 2014. The growth in operating profit by S\$2.7 million was largely driven by manufacturing in Singapore due to higher gross profit from growth in sales generated by existing and new products. The reversal of accrual for a regulatory claim after finalization of tax reviewed by the Malaysia custom also contributed to the growth in profit. This was partially offset by higher sales & marketing expenses incurred by Singapore business in line with the increase in sales, as well as higher cost of raw materials from Malaysia business.
- (ii) Food Junction Group's operating performance improved in 2014 over 2013 by S\$3.7 million was attributable to improvement in profitability from food courts and restaurant in Hong Kong and closure of non-performing restaurants. In 2014, due to the challenging and intense competition in overseas food and beverage industry, the Group has also recognised a one-off losses of S\$3.3 million arising from discontinuation of a loss-making restaurant in China, which helped in the stemming of the loss in the Food Retail business.
- (iii) Edmontor Group reported an operating loss of S\$6.9 million in 2014, this represents an improvement of S\$0.9 million, excluding the exceptional items of S\$10.7 million recognised in 2013 for impairment of intangible assets and other closure costs, Edmontor Group operating loss in 2013 was S\$7.8 million. The improved performance was largely contributed by Delifrance Singapore and Hong Kong.

Delifrance Singapore and Hong Kong reported lower operating loss, mainly driven by higher sales arising from intensive promotional activities, offset by higher labour costs, rental, marketing and semi-variable costs.

- (iv) Other investments operating loss in 2014 was S\$2.9 million lower than the operating loss in the previous year, largely brought about by the gain on disposal of interests in subsidiary companies and the absence of allowance for impairment loss on an unquoted investment of S\$3 million; and

Offset by:

- (v) Wholesale and distribution segment's operating profit for 2014 was S\$2.0 million lower than the operating profit reported in 2013. The unfavourable variance was attributed mainly to weaker performance in Malaysia. The operations in Malaysia reported a S\$1.7 million lower operating profit due mainly to higher selling & marketing expenses, admin expenses and higher staff cost.

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Review of Financial Position

As at 31 December 2014, the Group's total equity stood at S\$208.8 million. This was S\$3.4 million lower than the position as at 31 December 2013. The decrease was contributed largely by the dividend payment of S\$2.5 million.

There are no other significant changes to the Statement of Financial Position except for the following:

- (i) Higher property, plant and equipment primarily due to new assets purchased for renovating new and existing restaurants, food courts and cafés in Singapore and Hong Kong, offset by depreciation, disposal and write-off of assets;
- (ii) Higher stocks attributed to stock built-up for certain products to cater to expected increase in demand and for the upcoming Chinese New Year festival;
- (iii) Higher trade debtors mainly resulted from an increase in sales generated during the year and slower collection from key customers;
- (iv) Higher prepayment and other recoverables mainly due to an increase in the Group's rental deposits paid for its retail outlets and deposit paid for renovation work of new restaurant. There was also an increase in renovation costs recoverable from tenants, following the renovation carried out at the Bugis Junction, One KM, Eastpoint, NEX and Harbourfront food courts;
- (v) Higher trade creditors mainly due to increase in purchases and partially offset by settlement of suppliers' invoices;
- (vi) Higher other creditors and accruals due mainly to provision for discontinuation costs of restaurant in China; and
- (vii) Higher loans and borrowings due mainly to short-term borrowing to fund the working capital of food retail business.

Cash Flow Review

The Group's cash and cash equivalents decreased by S\$9.6 million from S\$55.9 million as at 31 December 2013 to S\$46.3 million as at 31 December 2014. The net cash decrease was mainly due to capital expenditure and dividends paid, partially offset by the cash generated from operating activities and the proceeds from disposal of Auric Pacific Dairy Group.

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

No forecast was previously disclosed on the Group's results for full year 2014.

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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 Singapore economy grew by 2.1% on a year-on-year basis in the fourth quarter of 2014, compared to 2.8% growth in the preceding quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded at a faster pace of 4.9%, compared to 2.6% in the previous quarter. For the whole of 2014, the Singapore economy expanded by 2.9%, slower than the 4.4% in 2013.

The Group will remain focussed on its core business in food distribution, manufacturing and retailing. To remain resilient against the challenges arising from the global conditions and stiff competition, the Group will continue to review its business strategies to strengthen the fundamentals of the businesses and to optimize the use of its resources. At the same time, the Group will refresh the F&B offerings such as the introduction of new products and concepts, and innovative marketing and sales promotions to cater to changing consumer needs. As the Group strives to sustain and improve its profitability on its core businesses, it will also continue to evaluate and consider new business ventures when opportunities arise.

11. **Dividend**

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

Any dividend declared for the current financial period reported on?

Yes. The Directors of the Company have proposed an exempt (one-tier) final dividend of 2 cents per ordinary share for 2014.

Name of Dividend	Final
Dividend Type	Cash
Dividend Per Share (cents)	2 cents
Tax Rate	Tax exempt (One-tier)

(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	Final
Dividend Type	Cash
Dividend Per Share (cents)	2 cents
Tax Rate	Tax exempt (One-tier)

(c) **Date payable**

To be announced at a later date.

(d) **Books closure date**

To be announced at a later date.

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- 12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

- 13. If the Group has obtained a general mandate from shareholders for Interested Persons Transactions ("IPT"), 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 mandate has been obtained.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Please refer to next page for the segmental results.

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Business Segment

For the financial year ended 31 December 2014

	Wholesale & Distribution \$'000	Manufacturing \$'000	Food Retail \$'000	Food Court \$'000	Securities Investment \$'000	Investment Holding \$'000	Fund Investment \$'000	Property Investment \$'000	Adjustments and Eliminations \$'000	Notes	Per Consolidated Financial Statements \$'000
Revenue:											
- External customers	238,723	46,831	76,471	62,088	300	11	-	-	0		424,424
- Inter-segment	28,136	14,234	2,322	35	-	-	-	-	(44,727)	(i)	-
Total revenue	266,859	61,065	78,793	62,123	300	11	-	-	(44,727)		424,424
Results:											
Interest income	-	-	-	-	1	11	-	-	-		12
Dividend income	-	-	-	-	300	-	-	-	-		300
Fair value gain on investment funds at fair value through profit or loss	-	-	-	-	(329)	-	-	-	-		(329)
Stocks written down	(2,078)	(139)	-	-	-	-	-	-	-		(2,217)
Allowance for impairment on trade debtors	(827)	41	29	(2)	-	-	-	-	-		(759)
Depreciation and amortisation	(730)	(1,729)	(7,130)	(5,975)	-	(173)	-	-	-		(15,737)
Property, plant and equipment written off	-	(122)	(119)	4	-	-	-	-	-		(237)
Allowance for impairment on property, plant and equipment	-	81	94	-	-	-	-	-	-		175
Write-back of provision for reinstatement cost	-	-	-	233	-	-	-	-	-		233
Net gain/(loss) on disposal of property, plant and equipment	13	(27)	20	22	-	-	-	-	-		29
Share of results of associated company and joint venture company	770	-	-	-	(4)	-	-	-	-		766
Segment profit/(loss)	9,534	9,996	(6,866)	(5,280)	-	(7,138)	(1)	(1)	395	(ii)	639
Assets:											
Investments in associated company and joint venture company	2,002	-	-	-	273	-	-	-	-		2,275
Additions to non-current assets	902	1,517	6,158	10,287	-	46	-	-	-		18,910
Segment assets	116,141	19,891	71,666	69,642	7,509	7,676	888	2,500	23,780	(iii)	319,693
Segment liabilities	(36,594)	(7,913)	(16,378)	(31,273)	(41)	(2,410)	(8)	(4)	(16,322)	(iv)	(110,943)

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Business Segment (cont'd)

For the financial year ended 31 December 2013

	Wholesale & Distribution \$'000	Manufacturing \$'000	Food Retail \$'000	Food Court \$'000	Securities Investment \$'000	Investment Holding \$'000	Fund Investment \$'000	Property Investment \$'000	Adjustments and Eliminations \$'000	Notes	Per Consolidated Financial Statements \$'000
Revenue:											
- External customers	216,964	43,082	71,678	64,503	485	24	1,746	-	-		398,482
- Inter-segment	26,810	11,845	1,698	-	-	-	-	-	(40,353)	(i)	-
Total revenue	243,774	54,927	73,376	64,503	485	24	1,746	-	(40,353)		398,482
Results:											
Interest income	-	-	-	19	-	24	1,374	-	-		1,417
Dividend income	-	-	-	-	485	-	-	-	-		485
Fair value gain on investment funds at fair value through profit or loss	-	-	-	-	75	-	-	-	-		75
Fair value loss on redeemable preference shares issued by a subsidiary company	-	-	-	-	-	-	(814)	-	-		(814)
Allowance for impairment on unquoted equity shares	-	-	-	-	(47)	(3,000)	-	-	-		(3,047)
Stocks written down	(2,081)	(99)	-	-	-	-	-	-	-		(2,180)
Allowance for impairment on trade debtors	(583)	(41)	(118)	-	-	-	-	-	-		(742)
Depreciation and amortisation	(667)	(1,564)	(6,343)	(8,630)	-	(256)	(1)	-	-		(17,461)
Property, plant and equipment written off	(1)	(47)	(49)	(217)	-	-	-	-	-		(314)
Allowance for impairment on property, plant and equipment	-	(81)	(532)	(3,898)	-	-	-	-	-		(4,511)
Net (loss)/gain on disposal of property, plant and equipment	-	(5)	(50)	4	-	-	-	-	-		(51)
Impairment loss on intangible assets	-	-	(10,000)	-	-	-	-	-	-		(10,000)
Share of results of associated company and joint venture company	832	-	-	-	(5)	-	-	-	-		827
Segment profit/(loss)	11,514	7,276	(18,488)	(12,646)	503	(12,111)	1,678	(66)	428	(ii)	(21,912)
Assets:											
Investments in associated company and joint venture company	2,067	-	-	-	277	-	-	-	-		2,344
Additions to non-current assets	518	1,416	7,516	4,557	-	131	-	-	(25)		14,113
Segment assets	110,246	19,281	75,575	53,855	6,910	17,781	898	2,500	22,449	(iii)	309,495
Segment liabilities	(35,845)	(6,721)	(17,778)	(21,885)	(42)	(2,476)	(19)	(9)	(12,518)	(iv)	(97,293)

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Business Segment (Continued)

Notes

- (i) Inter-segment revenues are eliminated on consolidation.
- (ii) The following items are added to/(deducted from) segment profit to arrive at "Profit before taxation" presented in the consolidated statement of comprehensive income:

	2014 \$'000	2013 \$'000
Finance costs	(371)	(399)
Share of results of associated company and joint venture company	766	827
	<u>395</u>	<u>428</u>

- (iii) The following items are added to/(deducted from) segment assets to arrive at total assets reported in the statement of financial position:

	2014 \$'000	2013 \$'000
Investments in associated company and joint venture company	2,275	2,344
Goodwill on consolidation	18,058	18,107
Deferred tax assets	1,092	1,158
Tax recoverable	2,355	840
	<u>23,780</u>	<u>22,449</u>

- (iv) The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the statement of financial position:

	2014 \$'000	2013 \$'000
Deferred tax liabilities	3,640	4,202
Tax payable	2,876	1,449
Loans and borrowings	9,268	6,433
Obligations under finance leases	538	434
	<u>16,322</u>	<u>12,518</u>

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

The factors leading to material changes in contributions to turnover and earnings by business segments have been discussed in Note 8.

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16. A breakdown of sales as follows:

	2014 S\$'000	2013 S\$'000	Change +/(-) %
Sales reported for first half year	207,833	194,620	6.8
Sales reported for second half year	216,591	203,862	6.2
Full Year Revenue	424,424	398,482	6.5

	2014 S\$'000	2013 S\$'000	Change +/(-) %
Profit after tax before deducting NCI reported for first half year	1,481	2,976	(50.2)
Profit after tax before deducting NCI reported for second half year	(1,306)	(26,220)	(95.0)
Full Year Profit After Tax	175	(23,244)	(100.8)

n.m. = not meaningful

NCI = Non-Controlling Interest

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	2014 S\$'000	2013 S\$'000
Ordinary		
- Final	2,513 *	3,770
Total	2,513	3,770

* Relates to the final dividends declared for the financial year ended 31 December 2013 and 31 December 2012 which were paid in 2014 and 2013 respectively.

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18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Dr Stephen Riady	54	A younger brother of Mr James Tjahaja Riady, a substantial shareholder of the Company	Executive Director , appointed w.e.f. 23/02/2006. Duties: to provide corporate strategic and business development direction on business and investment opportunities in the region and merger and acquisition activities of the Company and the Group.	No changes in duties and position held during the financial year ended 31 December 2014.
Dr Andy Adhiwana	30	Son-in-law of Dr Stephen Riady, an executive director on the Board	Business Development Manager , appointed w.e.f. 02/12/2013 to 31/10/2014. Executive Director , appointed w.e.f. 01/11/2014. Duties: to provide the Board in its strategic decisions, corporate governance and risk management oversight relating to Auric Pacific Group Limited and its subsidiaries.	Involved in various projects as a business development manager since December 2013. Changes in duties and position held as an Executive Director during the financial year ended 31 December 2014.

BY ORDER OF THE BOARD

Tan T'eng Ta' Benedict
Company Secretary
27 February 2015