RAFFLES UNITED HOLDINGS LTD
Co. Reg No. 197302030N
Unaudited Full Year Financial Statement Announcement for the year ended 31 December 2014

Part 1 - Information required for announcements of quarterly (Q1, Q2 & Q3), half-year and full year results

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

(i) **Consolidated Statement of Profit or Loss**

		Group		
		S$'000		%
		2014	2013 (Reclassified)	Change
Revenue	Note 1	82,139	79,157	4
Other income including interest income		15	64	(77)
Changes in inventories		(11,027)	(6,919)	59
Raw materials and consumables used		(56,349)	(55,290)	2
Staff costs		(9,200)	(9,206)	(0)
Depreciation of property, plant and equipment		(1,030)	(1,054)	(2)
Foreign exchange gain/(loss), net	Note 2	9	(57)	NM
Provision for trade doubtful debts, net	Note 3	(110)	(105)	5
Provision for slow moving inventories	Note 4	(516)	(201)	NM
Provision for doubtful debts, associate	Note 5	(100)	-	NM
Gain on change in fair value of investment properties	Note 6	2,195	379	NM
Other operating expenses		(4,159)	(4,055)	3
Finance costs	Note 7	(652)	(1,075)	(39)
Profit before tax		1,215	1,638	(26)
Income tax expense	Note 8	(802)	(558)	44
Profit for the year		413	1,080	(62)
Profit attributable to:				
Owners of the Company		438	1,284	(66)
Non-controlling interests		(25)	(204)	(88)
		413	1,080	(62)

(ii) **Consolidated Statement of Comprehensive Income**

		Group		
		S$'000		%
		2014	2013	Change
Profit for the year		413	1,080	(62)
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	Note 9	1,407	1,725	(18)
		1,407	1,725	(18)
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	Note 10	(270)	(768)	(65)
		(270)	(768)	(65)
Other comprehensive income for the year, net of tax		1,137	957	19
Total comprehensive income for the year		1,550	2,037	(24)
Total comprehensive income attributable to:				
Owners of the Company		1,600	2,193	(27)
Non-controlling interests		(50)	(156)	(68)
		1,550	2,037	(24)

NM - Not meaningful

Notes to the Income Statement

1 Group revenue was slightly up by 4% from $79.2 million to $ 82.1 million mainly due to improvement in Original Equipment Manufacturer ("OEM") market in Malaysia and China and certain export markets in ASEAN and other Asian countries. The increase was however, offset by challenging market conditions for the dealers segments in China and Europe and weaker domestic Singapore sales to Maintenance, Repair, and Overhaul ("MRO") market. There was a reclassification of rental income in view of the expansion of the current core business of the Group to include property investment. Please refer to Item 8 for further details.

Gross profit margin declined to 18% (FY13: 21%) primarily due to intense price competition in the global dealers' markets and domestic markets in Australia, China, Vietnam and Indonesia. It was also affected by the Group's efforts to actively promote its inventories in Taiwan.

2 The foreign exchange gain was mainly due to the Group's exposure to USD and VND against SGD currency during the year.

3 Provision for trade doubtful debts was made on ground of prudence.

4 In view of sustained efforts to actively promote its inventories since 2H13, the Group performed a reassessment of its inventory against current market price and made due provisions for slow moving inventories during the year. These provisions included the effect of the continued depreciation of IDR against the SGD at its Indonesia subsidiary.

The provision for slow moving inventories were adequate as at 31 December 2014.

5 Provision for doubtful debts owing from the associate was made in view of the political issues in Thailand for the past few years and stiff price competition for the dealers' markets.

6 The gain on change in fair value of investment properties arose from independent valuations performed during the year on the Group's investment properties in Singapore and China.

The significant revaluation surplus for the:-
- China properties mainly relates to the Shanghai investment property located in the Wai Gao Qiao Free Trade Zone ("FTZ") due to a renewed emphasis of the FTZ area since September 2013 where the China (Shanghai) Pilot FTZ was established. The revaluation was based on recent transacted prices of similar properties within the vicinity.
- Singapore properties mainly relates to the investment property located at Citimac Industrial Complex based on recent transacted prices of similar properties within the vicinity.

7 Group finance costs decreased by 39% in line with repayments made during the year. Towards the end of the year, Group borrowings increased due to acquisition of investment properties.

8 The effective tax rate for the Group was higher than the Singapore tax rate of 17% (2013: 17%) mainly due to:-
- deferred tax liability provided for the revaluation surplus on the China investment properties;
- higher tax rate of 25% for its Malaysia subsidiary; and
- certain non-deductible expenses of the Group for tax purposes.

9 The revaluation of land and buildings under property, plant and equipment was attributable to revaluation gains in respect of properties of the Group located in Singapore resulting from independent valuations performed during the year.

10 The loss on translation reserve was mainly due to the depreciation of MYR against SGD upon consolidation of overseas subsidiaries.

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

Statements of Financial Position

		Group		Company	
		31.12.2014 S$'000	31.12.2013 S$'000	31.12.2014 S$'000	31.12.2013 S$'000
Assets					
Non-current assets					
Property, plant and equipment	Note 1	24,471	24,561	22,972	22,037
Investment in subsidiaries	Note 2	-	-	7,112	13,918
Investment in an associate		-	-	10	10
Investment properties	Note 3	27,214	5,687	4,030	3,150
Other investments		237	237	237	237
		51,922	30,485	34,361	39,352
Current assets					
Trade debtors	Note 4	17,790	15,890	2,582	8,855
Other debtors		215	222	8	18
Prepayments		150	83	16	22
Amounts due from subsidiaries	Note 2	-	-	48,242	7,500
Amount due from an associate	Note 5	1,208	1,796	1,181	1,789
Amounts due from related parties	Note 6	1,093	2,719	-	893
Inventories	Note 7	70,429	81,972	-	39,156
Fixed deposits		989	649	-	-
Cash at banks and on hand		7,525	4,137	2,889	1,605
		99,399	107,468	54,918	59,838
Total assets		151,321	137,953	89,279	99,190
Equity and liabilities					
Current liabilities					
Interest bearing loans and borrowings	Note 8	26,740	30,012	20,592	23,657
Trade creditors and accruals	Note 9	14,120	9,141	3,584	5,049
Other creditors	Note 10	952	532	343	344
Amounts due to related parties	Note 6	7,658	12,232	-	108
Provision for taxation		130	114	-	56
		49,600	52,031	24,519	29,214
Net current assets		49,799	55,437	30,399	30,624
Non-current liabilities					
Interest bearing loans and borrowings	Note 8	21,041	6,893	8,750	6,500
Deferred tax liabilities		2,993	2,372	2,106	1,821
		24,034	9,265	10,856	8,321
Total liabilities		73,634	61,296	35,375	37,535
Net assets		77,687	76,657	53,904	61,655
Equity attributable to owners of the Company					
Share capital		31,658	31,658	31,658	31,658
Assets revaluation reserve	Note 1	11,115	9,716	9,920	8,617
Foreign currency translation reserve		(3,564)	(3,327)	-	-
Revenue reserve		37,300	37,470	12,326	21,380
		76,509	75,517	53,904	61,655
Non-controlling interests		1,178	1,140	-	-
Total equity		77,687	76,657	53,904	61,655
Total equity and liabilities		151,321	137,953	89,279	99,190

Notes to the Statements of Financial Position

1 The marginal decrease in property, plant and equipment at the Group level was mainly attributed to the reclassification of property in China from property, plant and equipment to investment property as well as depreciation charges during the year. It was offset by revaluation gain of $1.7 million resulting mainly from independent valuations performed on properties located in Singapore and additions of office equipment and motor vehicle during the year.

2 The decline in investment in subsidiaries was mainly due to provisions for impairment loss in line with deficit of the Company's costs of investment against the share of net assets of its China, Indonesia and Australia subsidiaries because of:-
- prolonged difficult dealers' market conditions in China;
- continual depreciation of IDR currency resulting in impairment of its inventory; and
- high operating costs in Australia.

It was reduced further by partial settlement of quasi equity loans and trade amounts owing by certain subsidiaries during the year. It was offset by investments made for the newly established subsidiaries in Singapore.

The loans were denominated in SGD, unsecured, and interest free. The settlement of these loans were neither planned nor likely to occur in the foreseeable future. The loans formed part of the Company's net investment in the subsidiary and were stated at cost net of provision for diminution in investments.

The significant increase in amounts owing from subsidiaries was mainly due to the transfer of inventories to the newly incorporated subsidiary, Kian Ho Pte Ltd ("KHPL"), in line with the Internal Group Restructuring exercise announced on 1 October 2014 offset by provisions made on the trade amounts owing from certain subsidiaries.

3 The increase in investment properties of the Group and Company was primarily attributed to the:
- acquisition of investment properties during the year through its Singapore wholly-owned subsidiaries in view of the Group's expansion of business to include property investment;
- reclassification of a property held by the Group in China to investment property during the year; and
- gain on change in fair value of investment properties resulting from independent valuations performed on the properties located in Singapore and China during the year. Please refer to Note 6 to the income statement for further details.

4 Higher Group trade debtor balances as at 31 December 2014 reflected the increase in sales during the year. It also led to an increase in trade debtors turnover days to 76 days (FY13: 72 days).

Company level trade debtor balances dropped due to collections and transfer of business to KHPL. Please refer to Note 2 to the balance sheet for further details.

5 The amount due from an associate decreased mainly due to settlement made during the year.

6 The amounts due from/to related parties, who are mainly non-controlling shareholders of certain subsidiaries, were unsecured, interest-free and repayable within the next twelve months. The decline in these amounts were due to settlements made during the period.

7 The decline in inventory at the Group level by $11.5 million was due to:-
- stringent monitoring of purchases and continual aggressive sales promotion of existing stocks in view of continued challenging global dealers' markets, and
- provision for slow moving inventories of $0.5 million for the Group as explained in Note 4 to the income statement.

The Company level has transferred its bearings and seals business including its inventory to KHPL. Please refer to the Announcements released on 11 September 2014 and 1 October 2014.

8 Total Group bank borrowings increased mainly to finance the purchase of investment properties in Singapore mainly towards the end of the year. This is in line with the Group's strategy of expanding its current core business to include property investment.

The decline in Company level bank borrowings was mainly due to repayments made during the year.

9 Group trade creditors increased mainly due to higher purchases for its Singapore operations during the year. Trade creditors for the Company level decreased mainly due to transfer of its bearings and seals operations to KHPL during the year.

10 The increase in other creditors primarily relates to the rental deposits received by the Group's newly incorporated property investment subsidiaries in line with the expansion into property investment and also due to increase in advances received from customers.

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

Amount repayable in one year or less, or on demand

As at 31.12.2014		As at 31.12.2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**
3,943	22,797	2,662	27,350

Amount repayable after one year

As at 31.12.2014		As at 31.12.2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**
12,291	8,750	393	6,500

Details of any collaterals

The Group's borrowings were secured on certain properties, deposits and receivables of the Group.

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

Consolidated Statement of Cash Flows

	Group	
	2014	**2013**
	S$'000	**S$'000**
Operating activities		
Profit before tax	1,215	1,638
Adjustments for:		
Depreciation of property, plant and equipment	1,030	1,054
Provision for trade doubtful debts, net	110	105
Provision for slow moving inventories	516	201
Provision for doubtful debts, associate	100	-
Gain on change in fair value of investment properties	(2,195)	(379)
Foreign currency adjustments	(164)	(413)
Interest expense	652	1,075
Interest income	(8)	(10)
Operating cash flows before changes in working capital	1,256	3,271
Changes in working capital		
Increase in trade debtors	(2,032)	(1,019)
Decrease in amount due from an associate	488	1,308
(Increase)/decrease in other debtors	(399)	631
Decrease in inventories	10,803	6,893
Increase/(decrease) in trade creditors and accruals	4,958	(1,323)
Increase/(decrease) in other creditors	417	(35)
(Decrease)/increase in trade amounts owing from/to related parties	(807)	972
Cash flows generated from operations	14,684	10,698
Income tax paid	(467)	(807)
Interest paid	(652)	(1,075)
Interest income received	8	10
Net cash flows generated from operating activities	13,573	8,826
Investing activities		
Purchase of plant and equipment	(216)	(282)
Purchase of investment properties	(18,295)	-
Proceeds from sale of investment property	-	685
Proceeds from disposal of plant and equipment	38	6
Net cash flows (used in)/generated from investing activities	(18,473)	409
Financing activities		
Proceeds from term loans from banks	37,195	28,399
Repayment of term loans from banks	(22,578)	(40,777)
Proceeds from trust receipts	8,550	21,755
Repayment of trust receipts	(12,304)	(19,638)
Non-trade amounts owing from/to related parties	(2,032)	1,871
Return of capital to non-controlling shareholder of a subsidiary	-	(31)
Dividend paid on ordinary shares	(468)	(468)
Dividend paid to non-controlling shareholders of a subsidiary	(52)	(198)
Net cash flows generated from/(used) in financing activities	8,311	(9,087)
Net increase in cash and cash equivalents	3,411	148
Effect of exchange rate changes on cash and cash equivalents	(23)	(1)
Cash and cash equivalents at 1 January	4,137	3,990
Cash and cash equivalents at 31 December	7,525	4,137
Cash and cash equivalents comprise of:-		
Cash at banks and on hand	7,525	4,137

Cash and cash equivalents as at 31 December 2014 excluded $989K (2013: $649K) of fixed deposits which had been pledged to banks for short term loan facilities and bank guarantee for certain subsidiaries.

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.

Statements of Changes in Equity

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share Capital	Assets revaluation reserve	Foreign currency translation reserve	Revenue reserve		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance at 1 January 2013	31,658	7,994	(2,514)	36,654	1,525	75,317
Profit for the year	-	-	-	1,284	(204)	1,080
Other comprehensive income for the year	-	1,722	(813)	-	48	957
Total comprehensive income for the year	-	1,722	(813)	1,284	(156)	2,037
Contributions by and distributions to owners						
Dividend paid	-	-	-	(468)	-	(468)
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	(198)	(198)
Return of capital to non-controlling shareholder of a subsidiary	-	-	-	-	(31)	(31)
Total transactions with owners recognized directly in equity	-	-	-	(468)	(229)	(697)
Balance at 31 December 2013	31,658	9,716	(3,327)	37,470	1,140	76,657
Balance at 1 January 2014	31,658	9,716	(3,327)	37,470	1,140	76,657
Profit for the year	-	-	-	438	(25)	413
Other comprehensive income for the year	-	1,399	(237)	-	(25)	1,137
Total comprehensive income for the year	-	1,399	(237)	438	(50)	1,550
Contributions by and distributions to owners						
Dividend paid	-	-	-	(468)	-	(468)
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	(52)	(52)
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	-	(140)	140	-
Total transactions with owners recognized directly in equity	-	-	-	(608)	88	(520)
Balance at 31 December 2014	31,658	11,115	(3,564)	37,300	1,178	77,687
Company						
Balance at 1 January 2013	31,658	7,010	-	20,831	-	59,499
Profit for the year	-	-	-	1,017	-	1,017
Other comprehensive income for the year	-	1,607	-	-	-	1,607
Total comprehensive income for the year	-	1,607	-	1,017	-	2,624
Contributions by and distributions to owners						
Dividend paid	-	-	-	(468)	-	(468)
Total transactions with owners recognized directly in equity	-	-	-	(468)	-	(468)
Balance at 31 December 2013	31,658	8,617	-	21,380	-	61,655
Balance at 1 January 2014	31,658	8,617	-	21,380	-	61,655
Loss for the year	-	-	-	(8,586)	-	(8,586)
Other comprehensive income for the year	-	1,303	-	-	-	1,303
Total comprehensive income for the year	-	1,303	-	(8,586)	-	(7,283)
Contributions by and distributions to owners						
Dividend paid	-	-	-	(468)	-	(468)
Total transactions with owners recognized directly in equity	-	-	-	(468)	-	(468)
Balance at 31 December 2014	31,658	9,920	-	12,326	-	53,904

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 the financial year.

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 ordinary shares excluding treasury shares as at 31 December 2014 was 234,060,000 (2013: 234,060,000).

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.

The Company has no treasury shares.

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

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

3. Where the figures have been audited or reviewed, the auditor's 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.

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financials for the current year as compared with the audited financial statements for the year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has been changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2014 as detailed below:

FRS 112 Disclosure of Interests in Other Entities

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries and associates.

Other than the additional disclosures, the application of FRS 112 has not had any material impact on the amounts recognised in the consolidated financial statements.

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.

	Group	
	31.12.2014	**31.12.2013**
	in cents	**in cents**
Earnings per ordinary share for the year:-		
Based on existing issued share capital	0.19	0.55
On a fully diluted basis	0.19	0.55

The computation of earnings per share is based on 234,060,000 (2013: 234,060,000) weighted average number of ordinary shares in issue during the year.

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		Company	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	in cents	in cents	in cents	in cents
Net asset value per ordinary share based on issued share capital	32.69	32.26	23.03	26.34

The above is computed based on the number of issued ordinary shares as at the respective balance sheet dates amounting to 234,060,000 (2013: 234,060,000) 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.

Group revenue was slightly up by 4% from $79.2 million to $ 82.1 million mainly due to improvement in OEM market in Malaysia and China and certain export markets in ASEAN and other Asian countries. The increase was however, offset by challenging market conditions for the dealers segments in China and Europe and weaker domestic Singapore sales to MRO market. There was a reclassification of rental income in view of the expansion of the current core business of the Group to include property investment, as previously approved in the Extraordinary General Meeting held on 8 December 2014. This also resulted in revenue of $403K being reclassified from other income for the financial year ended 31 December 2013 for comparative purposes.

Despite the increase in Group revenue, profit before taxation declined by 26% mainly due to:
- lower gross profit margin
- provision for slow moving inventories
- increase in other operating expenses primarily relating to the mandatory takeover announced on 18 July 2014, expansion of business, change of Company name and change of the Company's Articles of Association announced on 8 December 2014

offset by:
- gain on revaluation of investment properties during the year.

Please refer to notes to the income statement for further details.

The Group's net cash generated from operating activities improved to a positive $13.6 million (FY13: $8.8 million) mainly due to continual stringent control over inventory purchases and aggressive promotion of its inventories during the year. Please refer to notes to the balance sheet for further details.

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

Not applicable.

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 Group expects the global operating environment to remain challenging for the bearings and seals business. It will thus continue to diligently monitor market demand and manage its inventory mix efficiently, particularly in the OEM and MRO segments in the countries in which it operates.

Since the receipt of shareholders' approval for its expansion into property investment and property development, the Group has successfully completed its acquisition of 10 shop units at 1 Sophia Road to be held as investment properties. The Group expects these properties to contribute positively to the profits of the Group in the form of recurring rental income going forward. The Group will continue to explore suitable investment opportunities and undertake such transactions after careful assessment and evaluation.

Barring any unforeseen circumstances, the Directors expect the performance of the Group for the financial year 2015 to remain profitable.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial year reported on? Yes

Name of dividend	Interim (Tax exempt One-Tier)	First and final (Tax exempt One-Tier)
Dividend Type	N.A.	Cash
Dividend amount per share (in cents)	Nil	0.1 cent

(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 (Tax exempt One-Tier)	First and final (Tax exempt One-Tier)
Dividend Type	N.A.	Cash
Dividend amount per share (in cents)	Nil	0.2 cent

(c) Date payable

19 May 2015

(d) Books closure date

7 May 2015

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

NA

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results.)

13. Segmental 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.

Business Segments

	Bearings & Seals		Property		Total	
	2014 S$'000	**2013** S$'000 (Restated)	**2014** S$'000	**2013** S$'000 (Restated)	**2014** S$'000	**2013** S$'000 (Restated)
Segment revenue						
Revenue to external customers	81,755	78,754	384	403	82,139	79,157
Segment results	119	2,153	61	372	180	2,525
Gain on change in fair value of investment properties	-	-	2,195	379	2,195	379
Provision for slow moving inventories	(516)	(201)	-	-	(516)	(201)
Finance costs	(625)	(1,075)	(27)	-	(652)	(1,075)
Adjustments A						
Interest income					8	10
Profit before tax per consolidated income statement					1,215	1,638
Income tax expense					(802)	(558)
Profit for the year					413	1,080
Other comprehensive income for the year, net of tax	1,137	957	-	-	1,137	957
Total comprehensive income for the year	115	1,834	2,229	751	1,550	2,037

Other business segment information	Bearings & Seals		Property		Total	
	2014 S$'000	**2013** S$'000 (Restated)	**2014** S$'000	**2013** S$'000 (Restated)	**2014** S$'000	**2013** S$'000 (Restated)
Capital expenditure	216	282	18,295	-	18,511	282
Depreciation	1,030	1,054	-	-	1,030	1,054
Other non-cash expense/(income)	462	(107)	(2,195)	(379)	(1,733)	(486)

	Bearings & Seals		Property		Total	
	2014 S$'000	**2013 S$'000**	**2014 S$'000**	**2013 S$'000**	**2014 S$'000**	**2013 S$'000**
Segment assets	123,409	131,658	27,675	6,058	151,084	137,716
Adjustment B						
Other investments					237	237
Per consolidated statement of financial position					151,321	137,953
Segment liabilities	56,665	58,810	13,846	-	70,511	58,810
Adjustments C						
Provision for taxation					130	114
Deferred tax liabilities					2,993	2,372
Per consolidated statement of financial position					73,634	61,296

Adjustment A
These items are added to/(deducted from) segment profit to arrive at 'profit before tax' presented in the consolidated income statement.
Adjustments B and C
These items are added to segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated statement of financial position.

Non-cash income information presented above consists of foreign currency adjustments, gain/loss on disposal of plant and equipment/plant and equipment written off, gain on change in fair value of investment properties, provision for trade doubtful debts, and provision for slow moving inventories as presented in the consolidated statement of cash flows.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue			Non- current assets		
	2014 S$'000	**2013** S$'000 (Restated)	**Change** %	**2014** S$'000	**2013** S$'000	**Change** %
Singapore	16,964	18,690	(9)	45,295	25,187	80
Other ASEAN countries	27,304	23,541	16	1,318	1,373	(4)
Other Asian countries	30,006	27,362	10	5,070	3,665	38
Western countries	5,805	7,470	(22)	-	-	NM
Others	2,060	2,094	(2)	2	23	(91)
	82,139	79,157	4	51,685	30,248	71

Non-current assets information presented above consist of property, plant and equipment, and investment properties as presented in the consolidated statement of financial position.

Information about major customers

The Group is not significantly reliant on revenue derived from any major customers or group of customers.

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

With effect from 8 December 2014, the Group realigned and expanded its organisational structure to include property investment and property development in its current core business.

As of year-end, the Group had two main business units – Bearings and Seals and Property. Hence, the segmental information has been prepared based on the new organisational structure and the comparative information has been restated.

15. A breakdown of revenue

	Group		
	S$'000		%
	2014	2013 (Reclassified)	Change
Revenue reported for first half year	41,910	40,096	5
Operating profit after tax before deducting non-controlling interests reported for first half year	58	1,052	(94)
Revenue reported for second half year	40,229	39,061	3
Operating profit after tax before deducting non-controlling interests reported for second half year	355	28	NM

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

	2014	2013
	S$'000	S$'000
Ordinary	468	468
Preference	-	-
Total:	468	468

17. 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.

The Group has not obtained a general mandate for Interested Person Transactions from the shareholders.

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)

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
Kwek San San, Susanna	44	Daughter of Kwek Che Yong (Deputy Chairman and Deemed Substantial Shareholder)	Purchasing Manager of Kian Ho Pte Ltd following the transfer of bearings and seals operations from the Company to Kian Ho Pte Ltd. Purchasing Manager of Raffles United Holdings Ltd ("RUH") since 2007. Duties: Responsible for requisition of goods.	N/A
Koh Hai Yang	45	Son-in-law of Kwek Che Yong (Deputy Chairman and Deemed Substantial Shareholder)	Head, Subsidiaries of RUH and Head, Business Development of Kian Ho Pte Ltd ("KHPL") following the transfer of bearings and seals operations from the Company to KHPL. Head, Business Development and Subsidiaries of RUH since 2013. Duties: Responsible for Subsidiaries Operations, as well as business development and expansion for the Group.	N/A
Teo Xian-Hui, Amanda Marie	32	Daughter of Teo Teng Beng (Managing Director)	Executive Secretariat of Raffles United Holdings Ltd since 2014. Duties: Assists in property investment division including bank financing issues and corporate issues for the Group.	New appointment during the year
Teo Teck Yao, Glenn Ashley	29	Son of Teo Teng Beng (Managing Director)	Corporate Planner of Raffles United Holdings Ltd since 2014. Duties: Involved in management meetings, corporate planning and strategy formulation for the Group.	New appointment during the year

BY ORDER OF THE BOARD

Teo Teng Beng
Managing Director

25 February 2015