



**PAN-UNITED CORPORATION LTD**

(Company Reg No: 199106524G)

**FULL YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2015**

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

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

<b>CONSOLIDATED INCOME STATEMENT</b>						
	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>+ / (-)</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Revenue</b>	202,838	201,058	1	826,945	763,197	8
Other income	1,733	773	124	4,966	3,515	41
Raw materials, subcontract cost and other direct costs	(163,184)	(159,495)	2	(660,594)	(593,027)	11
Staff costs	(10,440)	(10,753)	(3)	(39,506)	(38,156)	4
Depreciation expenses	(7,067)	(7,890)	(10)	(27,875)	(25,075)	11
Other expenses	(16,041)	(16,502)	(3)	(59,193)	(56,045)	6
Finance costs	(3,490)	(3,948)	(12)	(14,789)	(13,203)	12
	<u>4,349</u>	<u>3,243</u>		<u>29,954</u>	<u>41,206</u>	<u>(27)</u>
Share of results of associates	1,069	1,028	4	2,685	2,317	16
Profit before income tax	<u>5,418</u>	<u>4,271</u>	<u>27</u>	<u>32,639</u>	<u>43,523</u>	<u>(25)</u>
Income tax	(1,530)	344	nm	(7,733)	(7,727)	-
Profit for the period, net of tax	<u>3,888</u>	<u>4,615</u>	<u>(16)</u>	<u>24,906</u>	<u>35,796</u>	<u>(30)</u>
Profit attributable to:						
Equity holders of the Company	2,486	3,637	(32)	20,311	32,403	(37)
Non-controlling interests	1,402	978	43	4,595	3,393	35
	<u>3,888</u>	<u>4,615</u>	<u>(16)</u>	<u>24,906</u>	<u>35,796</u>	<u>(30)</u>

<b>A. Profit before income tax is arrived at after crediting/ (charging) the following:</b>	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>+ / (-)</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
Interest income	46	89	(48)	199	360	(45)
Interest expense	(3,454)	(3,910)	(12)	(14,617)	(13,016)	12
Dividend income from other investments	727	-	nm	1,437	582	147
Bad debts written off	(525)	-	nm	(1,013)	-	nm
Impairment loss on trade receivables	(498)	(1,345)	(63)	(515)	(1,353)	(62)
Foreign exchange (loss)/gain	(47)	26	nm	3	(645)	(100)
Write back of impairment in value of other investments	162	342	(53)	162	342	(53)
Fair value changes of derivatives	-	-	-	-	214	nm
Reversal of write down/(write down) of inventories	15	14	7	15	(590)	(103)
Loss on disposal of property, plant and equipment	(32)	(51)	(37)	(232)	(81)	186
Write-off of property, plant and equipment	(234)	(56)	nm	(478)	(455)	5

**B.** The Group's tax charge for the year ended 31 December 2015 included a reversal of tax provision of \$1,262,000 (year ended 31 December 2014: \$814,000) in respect of previous years.

<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>						
	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>+ / (-)</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>+ / (-)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Profit for the period, net of tax</b>	3,888	4,615	(16)	24,906	35,796	(30)
<b>Other comprehensive income:</b>						
Foreign currency translation	(264)	3,005	(109)	1,681	1,836	8
Fair value changes of derivatives	245	356	(31)	1,178	(641)	nm
<b>Other comprehensive income for the period, net of tax</b>	(19)	3,361	101	2,859	1,195	(139)
<b>Total comprehensive income for the period</b>	3,869	7,976	(51)	27,765	36,991	(25)
<b>Total comprehensive income attributable to:</b>						
Equity holders of the Company	3,060	6,299	(51)	22,602	32,898	(31)
Non-controlling interests	809	1,677	(52)	5,163	4,093	26
	3,869	7,976	(51)	27,765	36,991	(25)

nm : Not meaningful

**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.**

BALANCE SHEETS	Group		Company	
	31-Dec-15 \$'000	31-Dec-14 \$'000	31-Dec-15 \$'000	31-Dec-14 \$'000
<b>Non-current assets</b>				
Vessels, property, plant and equipment	479,494	449,398	122	322
Subsidiaries	-	-	207,291	206,220
Associates	5,761	5,254	-	-
Other investments	2,204	1,903	560	-
Other receivables	504	90	-	-
Goodwill	25,572	23,974	-	-
Derivatives	537	-	537	-
Deferred tax assets	1,062	1,218	-	-
	<u>515,134</u>	<u>481,837</u>	<u>208,510</u>	<u>206,542</u>
<b>Current assets</b>				
Cash and short-term deposits	43,686	53,888	19,570	20,362
Trade and other receivables	166,286	169,526	2,577	1,523
Prepayments	2,305	3,280	163	165
Work-in-progress	987	1,002	-	-
Inventories	28,679	33,011	-	-
Other assets	3,812	-	-	-
	<u>245,755</u>	<u>260,707</u>	<u>22,310</u>	<u>22,050</u>
<b>Current liabilities</b>				
Bank loans	62,104	25,520	5,000	-
Payables and accruals	128,165	136,840	1,293	1,754
Deferred income	3,631	3,937	-	-
Provisions	1,612	1,272	-	-
Income tax payable	2,848	5,792	4	12
	<u>198,360</u>	<u>173,361</u>	<u>6,297</u>	<u>1,766</u>
<b>Net current assets</b>	<u>47,395</u>	<u>87,346</u>	<u>16,013</u>	<u>20,284</u>
<b>Non-current liabilities</b>				
Bank loans	232,274	242,495	70,000	75,000
Deferred tax liabilities	9,497	7,983	-	-
Deferred income	1,133	1,299	-	-
Other liabilities	574	564	-	-
Provisions	3,400	3,550	-	-
Derivatives	-	641	-	641
	<u>246,878</u>	<u>256,532</u>	<u>70,000</u>	<u>75,641</u>
<b>Net assets</b>	<u><b>315,651</b></u>	<u><b>312,651</b></u>	<u><b>154,523</b></u>	<u><b>151,185</b></u>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	92,052	92,052	92,052	92,052
Treasury shares	(1,759)	(1,860)	(1,759)	(1,860)
Reserves	190,701	191,624	64,230	60,993
	<u>280,994</u>	<u>281,816</u>	<u>154,523</u>	<u>151,185</u>
Non-controlling interests	34,657	30,835	-	-
<b>Total equity</b>	<u><b>315,651</b></u>	<u><b>312,651</b></u>	<u><b>154,523</b></u>	<u><b>151,185</b></u>

## **Explanatory Notes to Balance Sheets**

The increase in vessels, property, plant and equipment is mainly from capital expenditure of the Basic Building Resources Division.

The lower trade and other receivables is the result of shorter trade receivable turnover days.

The increase in bank loans is mainly for working capital and capital expenditure.

The decrease in cash and short term deposits is mainly for capital expenditure, settlement of accounts payables and payment of dividends.

**1(b)(ii) In relation to the aggregate amount of group's borrowings and debts securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

	As of 31 Dec 2015		As at 31 Dec 2014	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
<b>Amount repayable in one year or less, or on demand</b>	14,729	47,375	19,769	5,751
<b>Amount repayable after one year</b>	159,004	73,270	122,339	120,156

### **Details of any collateral**

The secured short and long-term bank loans are backed by mortgages over certain assets of foreign subsidiaries.

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.

CONSOLIDATED CASH FLOW STATEMENTS	4Q 2015	4Q 2014	FY 2015	FY 2014
	\$'000	\$'000	\$'000	\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	5,418	4,271	32,639	43,523
Adjustments for				
Depreciation expenses	7,067	7,890	27,875	25,075
Dividend income from other investments	(727)	-	(1,437)	(582)
Interest income	(46)	(89)	(199)	(360)
Interest expense	3,454	3,910	14,617	13,016
Loss on disposal of other investments	(29)	-	(29)	1
Loss on disposal of property, plant and equipment	32	51	232	81
Bad debts written off	525	-	1,013	-
Impairment loss on trade receivables	498	1,345	515	1,353
(Reversal of write down)/write down of inventories	(15)	(14)	(15)	590
Write-back of impairment in value of other investments	(162)	(342)	(162)	(342)
Reversal of provisions	(78)	-	(78)	-
Write-off of property, plant and equipment	234	56	478	455
Fair value changes of derivatives	-	-	-	(214)
Share-based payment expenses	75	110	301	366
Share of results of associates	(1,069)	(1,028)	(2,685)	(2,317)
Foreign exchange differences	346	(1,612)	(1,243)	(2,487)
Operating cash flows before working capital changes	15,523	14,548	71,822	78,158
Decrease/(Increase) in:				
Trade and other receivables	14,903	(2,645)	1,298	(8,743)
Prepayments	493	(53)	975	(160)
Inventories and work-in-progress	1,135	(4,702)	4,362	(9,740)
Other assets	(489)	-	(3,812)	-
Increase (Decrease) in				
Payables, accruals and provisions	5,203	(423)	(8,675)	(12,392)
Deferred income	(2,170)	(5,414)	(472)	76
Cash flow from operations	34,598	1,311	65,498	47,199
Interest paid	(3,454)	(3,910)	(14,617)	(13,016)
Income tax paid	(2,041)	(471)	(9,007)	(9,611)
Interest received	46	89	199	360
Net cash flows from/(used in) operating activities	29,149	(2,981)	42,073	24,932
<b>Cash flows from investing activities</b>				
Acquisition of vessels, property, plant and equipment	(24,356)	(3,982)	(53,935)	(28,579)
Net cash outflow on acquisition of a subsidiary	-	-	-	(47,364)
(Purchase of)/capital refund from other investments	(430)	331	(430)	331
Proceeds from disposal of property, plant and equipment	134	29	297	116
Proceeds from disposal of other investments	341	-	341	460
Dividend income from associates	-	-	2,310	2,194
Dividend income from other investments	727	-	1,437	582
Net cash flows used in investing activities	(23,584)	(3,622)	(49,980)	(72,260)
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	109,883	(10,708)	221,961	128,918
Repayment of bank borrowings	(108,312)	3,192	(200,171)	(83,289)
Proceeds from issuance of share capital	-	-	-	1,216
Proceeds from reissuance of treasury shares	-	388	64	388
Purchase of treasury shares	-	(2,447)	-	(2,447)
Dividends paid to shareholders	-	-	(23,789)	(23,877)
Dividends paid to non-controlling interests	(692)	(83)	(1,341)	(611)
Net cash from/(used in) financing activities	879	(9,658)	(3,276)	20,298
<b>Net increase/(decrease) in cash and cash equivalents</b>	6,444	(16,261)	(11,183)	(27,030)
<b>Cash and cash equivalents as at beginning of period/year</b>	37,431	68,360	53,888	79,183
<b>Effects of exchange rate changes on opening cash</b>	(189)	1,789	981	1,735
<b>Cash and cash equivalents as at end of period/year</b>	43,686	53,888	43,686	53,888

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.

STATEMENT OF CHANGES IN EQUITY	Attributable to equity holders of the Company							Non-controlling interests	Total Equity
	Share capital	Treasury shares	Capital reserve	Foreign	Accumulated profits	Other reserves	Total reserves		
				currency translation					
GROUP	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 January 2015	92,052	(1,860)	3,000	(3,441)	262,628	(70,563)	191,624	30,835	312,651
Total comprehensive income for the period	-	-	-	786	17,825	-	18,611	4,354	22,965
Cost of share-based payment (share options)	-	-	-	-	-	225	225	-	225
Reissuance of treasury shares	-	101	-	-	-	(37)	(37)	-	64
Fair value changes of derivatives	-	-	-	-	-	933	933	-	933
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(649)	(649)
Dividends on ordinary shares	-	-	-	-	(23,789)	-	(23,789)	-	(23,789)
<b>Balance at 30 September 2015</b>	<b>92,052</b>	<b>(1,759)</b>	<b>3,000</b>	<b>(2,655)</b>	<b>256,664</b>	<b>(69,442)</b>	<b>187,567</b>	<b>34,540</b>	<b>312,400</b>
Total comprehensive income for the period	-	-	-	327	2,486	-	2,813	809	3,622
Cost of share-based payment (share options)	-	-	-	-	-	76	76	-	76
Fair value changes of derivatives	-	-	-	-	-	245	245	-	245
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(692)	(692)
<b>Balance at 31 December 2015</b>	<b>92,052</b>	<b>(1,759)</b>	<b>3,000</b>	<b>(2,328)</b>	<b>259,150</b>	<b>(69,121)</b>	<b>190,701</b>	<b>34,657</b>	<b>315,651</b>
Balance at 1 January 2014	90,630	-	3,000	(4,577)	254,102	(69,883)	182,642	19,907	293,179
Total comprehensive income for the period	-	-	-	(1,170)	28,766	-	27,596	2,416	30,012
Acquisition of a subsidiary	-	-	-	-	-	-	-	7,410	7,410
Cost of share-based payment (share options)	-	-	-	-	-	256	256	-	256
Issuance of shares under share option plan	1,422	-	-	-	-	(206)	(206)	-	1,216
Fair value changes of derivatives	-	-	-	-	-	(997)	(997)	-	(997)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(528)	(528)
Dividends on ordinary shares	-	-	-	-	(23,877)	-	(23,877)	-	(23,877)
<b>Balance at 30 September 2014</b>	<b>92,052</b>	<b>-</b>	<b>3,000</b>	<b>(5,747)</b>	<b>258,991</b>	<b>(70,830)</b>	<b>185,414</b>	<b>29,205</b>	<b>306,671</b>
Total comprehensive income for the period	-	-	-	2,306	3,637	-	5,943	1,677	7,620
Adjustment on acquisition of a subsidiary	-	-	-	-	-	-	-	36	36
Cost of share-based payment (share options)	-	-	-	-	-	110	110	-	110
Purchase of treasury shares	-	(2,447)	-	-	-	-	-	-	(2,447)
Reissuance of treasury shares	-	587	-	-	-	(199)	(199)	-	388
Fair value changes of derivatives	-	-	-	-	-	356	356	-	356
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(83)	(83)
<b>Balance at 31 December 2014</b>	<b>92,052</b>	<b>(1,860)</b>	<b>3,000</b>	<b>(3,441)</b>	<b>262,628</b>	<b>(70,563)</b>	<b>191,624</b>	<b>30,835</b>	<b>312,651</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>COMPANY</u>	Share capital	Treasury shares	Accumulated profits	Other reserves	Total reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2015	92,052	(1,860)	60,668	325	60,993	151,185
Total comprehensive income for the period	-	-	951	-	951	951
Cost of share-based payment (share options)	-	-	-	225	225	225
Reissuance of treasury shares	-	101	-	(37)	(37)	64
Fair value changes of derivatives	-	-	-	933	933	933
Dividends on ordinary shares	-	-	(23,789)	-	(23,789)	(23,789)
<b>Balance at 30 September 2015</b>	<b>92,052</b>	<b>(1,759)</b>	<b>37,830</b>	<b>1,446</b>	<b>39,276</b>	<b>129,569</b>
Total comprehensive income for the period	-	-	24,633	-	24,633	24,633
Cost of share-based payment (share options)	-	-	-	76	76	76
Reissuance of treasury shares	-	-	-	-	-	-
Fair value changes of derivatives	-	-	-	245	245	245
<b>Balance at 31 December 2015</b>	<b>92,052</b>	<b>(1,759)</b>	<b>62,463</b>	<b>1,767</b>	<b>64,230</b>	<b>154,523</b>
Balance at 1 January 2014	90,630	-	78,692	1,005	79,697	170,327
Total comprehensive income for the period	-	-	160	-	160	160
Cost of share-based payment (share options)	-	-	-	256	256	256
Issuance of shares under share option plan	1,422	-	-	(206)	(206)	1,216
Fair value changes of derivatives	-	-	-	(997)	(997)	(997)
Dividends on ordinary shares	-	-	(23,877)	-	(23,877)	(23,877)
<b>Balance at 30 September 2014</b>	<b>92,052</b>	<b>-</b>	<b>54,975</b>	<b>58</b>	<b>55,033</b>	<b>147,085</b>
Total comprehensive income for the period	-	-	5,693	-	5,693	5,693
Cost of share-based payment (share options)	-	-	-	110	110	110
Purchase of treasury shares	-	(2,447)	-	-	-	(2,447)
Reissuance of treasury shares	-	587	-	(199)	(199)	388
Fair value changes of derivatives	-	-	-	356	356	356
<b>Balance at 31 December 2014</b>	<b>92,052</b>	<b>(1,860)</b>	<b>60,668</b>	<b>325</b>	<b>60,993</b>	<b>151,185</b>

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, shares buy-backs, exercise of shares 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 corresponding period of the immediately preceding financial year.

	4Q 2015 ended 31 Dec 2015	4Q 2014 ended 31 Dec 2014
<b>Issued share capital</b>		
Issued and fully paid ordinary shares: As at beginning and end of period	561,818,660	561,818,660
<b>Treasury shares</b>		
As at beginning of period	2,041,000	-
Purchase of treasury shares	-	2,840,000
Less: Transfer of treasury shares to employees to fulfill obligations under the Pan-United Share Option Scheme	-	(681,000)
As at end of period	2,041,000	2,159,000
<b>Total number of issued shares excluding treasury shares</b>	<b>559,777,660</b>	<b>561,818,660</b>

There were no share buyback and no new shares issued during the quarter ended 31 December 2015.

	As at 31-Dec-15	As at 31-Dec-14
The number of shares that may be issued on exercise of share options outstanding at the end of the period	8,335,500	6,113,500

1(d)(iii) To show the 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 year.

	As at 31-Dec-15	As at 31-Dec-14
Total number of issued shares	561,818,660	561,818,660
Treasury shares	2,041,000	2,159,000
Total number of issued shares excluding treasury shares	559,777,660	559,659,660

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.

There were no sales, transfers, disposals, cancellations and/or use of treasury shares for the quarter ended 31 December 2015.



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

The figure have not been audited or reviewed by our auditors, Messrs Ernst & Young LLP.

**3 Where the figures have been audited or reviewed, the auditor's report (including any qualification of emphasis of matter).**

Not applicable.

**4 Where the same accounting policies and methods of computation as in the issuers' most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements as at 31 December 2014, except as disclosed in note 5 below.

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

The Group has adopted all the applicable new/revised Financial Reporting Standards (FRS) that become effective for accounting periods beginning 1 January 2015. The adoption of these new/revised FRS does not have any material impact to the Group's 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 the preference dividends.**

Earnings per ordinary share for the period based on equity holders of the company	Quarter ended 31 December			Year to date ended 31 December		
	<u>2015</u>	<u>2014</u>	<u>Change</u>	<u>2015</u>	<u>2014</u>	<u>Change</u>
Based on weighted average number of ordinary shares in issue (in cents)	0.4	0.6	-33%	3.6	5.8	-38%
On a fully diluted basis (in cents)	0.4	0.6	-33%	3.6	5.8	-38%

**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 (b) immediately preceding financial year.**

	<u>Group</u>	<u>Company</u>
Net asset value per ordinary share based on Issued share capital at 31 December 2015 (In cents)	50.2	27.6
Net asset value per ordinary share based on Issued share capital at 31 December 2014 (In cents)	50.4	27.0

- 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 Full Year 2015 Performance**

Group revenue rose 8% year-on-year (yoy) to \$827.0 million, driven primarily by higher sales volume of ready-mixed concrete (RMC) and cement in the Basic Building Resources (BBR) division, as well as strong cargo throughput growth in the Port division.

The BBR division held up well in FY2015. Revenue grew 9% yoy and the division remained profitable despite the still keen pricing for projects in Singapore, and the strengthening of the US dollar against the Singapore dollar. The latter resulted in higher raw material costs for the BBR division. The Group booked record volumes for RMC and cement sold, maintaining its market lead for these basic building materials in Singapore.

Despite China's slower economic growth, the Xinghua Port Group reported improved earnings on a 13% rise in cargo throughput, mainly from steel, logs, pulp & paper and equipment & machinery - a testament of the management's ability to integrate the operations well. Both Ports saw cargo volume growth during the year and also added new customers, diversifying its cargo base further.

The higher operating overheads and depreciation were mainly attributable to CCIP as well as capacity expansions in the BBR operations in Singapore and Indonesia. The acquisition of CCIP on 24 March 2014 also resulted in higher interest expenses.

The Group reported a 30% yoy decline in its net profit after tax to \$24.9 million.

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

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 medium term outlook for construction demand in Singapore remains positive. The Building and Construction Authority of Singapore (BCA) has forecast construction demand of \$27-34 billion for 2016, \$26-35 billion per annum in 2017 and 2018, and \$26-37 billion per annum in 2019 and 2020.

The Group expects to benefit from Singapore's firm construction demand, given its strong position in the local BBR market.

However, the outlook for RMC and cement remains challenging in 2016. The BCA has forecast Singapore's RMC demand to moderate to 13-15 million m<sup>3</sup> this year, after reaching 16.1 million m<sup>3</sup> in 2015. Singapore's construction demand in 2016 will be largely driven by civil engineering works which are projected to rise to \$10.7-12.9 billion from \$5.4 billion in 2015, supported by major infrastructure projects such as the Thomson-East Coast MRT Line (remaining contracts) and the 3-Runway System for Changi Airport.

Basic building material prices will remain competitive this year and the strong US dollar (relative to the Singapore dollar) will keep raw material costs high. However, our emphasis on high service levels and consistent product quality, as well as the ongoing investments in product development and upstream operations, are expected to enhance the Group's overall competitive edge.

Xinghua Port Group is strategically sited at the gateway of the Yangtze River Delta which serves a diversified and highly industrialised region. In addition, the Port handles mainly cargoes driven by China's domestic demand. We are therefore cautiously optimistic about prospects for the Port as China's still growing economy will continue to support the increase of our key steel, logs and pulp & paper cargoes whilst enabling us to ramp up equipment & machinery throughput. The Port division continues to enjoy operational synergies from the successful integration of CCIP.

The Shipping division is expected to face continued weak demand due to surplus capacity in the bulk shipping market. However, it remains focused on improving vessel utilization by working closely with customers and being more cost-competitive.

## 11 **If a decision regarding dividend has been made:**

Any dividend recommended for the current financial period reported on? Yes.

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

The Board proposes a final dividend of 2.75 cents per ordinary share in respect of the financial year ended 31 December 2015.

Name of dividend:	Interim, paid	Final, proposed
Dividend type:	Cash	Cash
Dividend rate:	S\$ 0.015 per ordinary share (One-tier tax exempt)	S\$0.0275 per ordinary share (One-tier tax exempt)

### **(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, paid	Final, paid
Dividend type:	Cash	Cash
Dividend rate:	S\$ 0.015 per ordinary share (One-tier tax exempt)	S\$ 0.0275 per ordinary share (One-tier tax exempt)

### **(c) Date payable:**

The final dividend, if approved at the forthcoming Annual General Meeting, will be paid on 26 May 2016.

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

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2016 at 5.00 p.m. for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 by 5.00 p.m. on 6 May 2016 will be registered before entitlements to the proposed final dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 6 May 2016 will be entitled to the proposed final dividend.

**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 person 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.**

The Group does not have a general mandate from shareholders for interested person transactions.

**14 Confirmation that the issuer has procured undertakings from all its directors and executive officers pursuant to Rule 720(1) of the SGX Listing Manual.**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720 (1) of the SGX Listing Manual.

**Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS (Q1, Q2 & Q3) or HALF-YEAR AND FULL YEAR RESULTS**

**15 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 immediately preceding period.**

12 Months ended 31 December 2015  
Business Segments

	<b>Basic Building Resources \$'000</b>	<b>Shipping \$'000</b>	<b>Port \$'000</b>	<b>Others \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>						
External sales	668,421	62,330	96,194	-	-	826,945
Inter-segment sales	6	8,607	-	-	(8,613)	-
Total revenue	<u>668,427</u>	<u>70,937</u>	<u>96,194</u>	<u>-</u>	<u>(8,613)</u>	<u>826,945</u>
<b>Results</b>						
Segment results	25,149	4,855	46,003	(3,760)	-	72,247
Interest income	40	-	131	28	-	199
Depreciation expenses	(11,640)	(5,384)	(10,658)	(193)	-	(27,875)
Interest expense	(367)	-	(11,859)	(2,391)	-	(14,617)
Share of results of associates	-	-	2,685	-	-	2,685
Profit/(loss) before income tax	<u>13,182</u>	<u>(529)</u>	<u>26,302</u>	<u>(6,316)</u>	<u>-</u>	<u>32,639</u>
Income tax	(323)	(462)	(6,911)	(37)	-	(7,733)
Profit/(loss) for the year	<u>12,859</u>	<u>(991)</u>	<u>19,391</u>	<u>(6,353)</u>	<u>-</u>	<u>24,906</u>
<b>Attributable to:</b>						
Equity holders of the Company	12,289	(2,012)	16,387	(6,353)	-	20,311
Non-controlling interests	570	1,021	3,004	-	-	4,595
	<u>12,859</u>	<u>(991)</u>	<u>19,391</u>	<u>(6,353)</u>	<u>-</u>	<u>24,906</u>
<b>Balance Sheet</b>						
Investments in associates	-	-	5,761	-	-	5,761
Additions to non-current assets	45,711	151	8,056	17	-	53,935
Segment assets	<u>330,619</u>	<u>43,943</u>	<u>357,650</u>	<u>28,677</u>	<u>-</u>	<u>760,889</u>
Segment liabilities	<u>147,103</u>	<u>7,437</u>	<u>214,363</u>	<u>76,335</u>	<u>-</u>	<u>445,238</u>

**Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS (Q1, Q2 & Q3) or HALF-YEAR AND FULL YEAR RESULTS**

**15 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 immediately preceding period. (continued)**

12 Months ended 31 December 2014  
Business Segments

	<b>Basic Building Resources \$'000</b>	<b>Shipping \$'000</b>	<b>Port \$'000</b>	<b>Others \$'000</b>	<b>Eliminations \$'000</b>	<b>Total \$'000</b>
<b>Revenue</b>						
External sales	612,057	70,201	80,939	-	-	763,197
Inter-segment sales	-	10,291	-	-	(10,291)	-
Total revenue	612,057	80,492	80,939	-	(10,291)	763,197
<b>Results</b>						
Segment results	37,769	7,624	37,019	(3,475)	-	78,937
Interest income	83	4	218	55	-	360
Depreciation expenses	(10,010)	(5,788)	(9,019)	(258)	-	(25,075)
Interest expense	(200)	-	(11,560)	(1,256)	-	(13,016)
Share of results of associates	-	-	2,317	-	-	2,317
Profit/(loss) before income tax	27,642	1,840	18,975	(4,934)	-	43,523
Income tax	(3,423)	(366)	(3,926)	(12)	-	(7,727)
Profit/(loss) for the year	24,219	1,474	15,049	(4,946)	-	35,796
<b>Attributable to:</b>						
Equity holders of the Company	24,185	566	12,598	(4,946)	-	32,403
Non-controlling interests	34	908	2,451	-	-	3,393
	24,219	1,474	15,049	(4,946)	-	35,796
<b>Balance Sheet</b>						
Investments in associates	-	-	5,254	-	-	5,254
Additions to non-current assets	24,634	2,171	1,553	221	-	28,579
Segment assets	302,883	51,326	359,434	28,901	-	742,544
Segment liabilities	102,703	9,433	241,144	76,613	-	429,893

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

None.

**17 A breakdown of sales.**

Sales breakdown as follows:-

	Group	
	2015 \$'000	2014 \$'000
Sales reported for first half year	414,677	366,431
Operating profit after tax before deducting non-controlling interests reported for first half year	13,901	21,824
Sales reported for second half year	412,268	396,766
Operating profit after tax before deducting non-controlling interests reported for second half year	11,005	13,972

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

	Group	
	2015 \$'000	2014 \$'000
Ordinary - Interim	8,397	8,427
Ordinary - final	15,394	15,392
Total	23,791	23,819

The final ordinary dividend for FY2015 is estimated basing on the latest issued share capital less treasury shares comprising 559,777,660 shares.

**19 Disclosure of persons 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. If there are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family Relationship with any director, and/ or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Patrick Ng Bee Soon	52	Brother of: Henry Ng Han Whatt (substantial shareholder); Ng Bee Bee, (Chief Executive Officer and substantial shareholder); and Jane Kimberly Ng Bee Kiok (Executive Director and substantial shareholder).	Deputy Chairman (Appointed on 1 March 2011)  Duties: To focus on the Group's overall growth strategy.	N.A.
Ng Bee Bee	48	Sister of: Henry Ng Han Whatt (substantial shareholder); Patrick Ng Bee Soon (Deputy Chairman and substantial shareholder); and Jane Kimberly Ng Bee Kiok (Executive Director and substantial shareholder).	Chief Executive Officer (Appointed on 1 March 2011)  Duties: Overall management of the Group.	N.A.
Jane Kimberly Ng Bee Kiok	54	Sister of: Henry Ng Han Whatt (substantial shareholder); Patrick Ng Bee Soon (Deputy Chairman and substantial shareholder); and Ng Bee Bee (Chief Executive Officer and substantial shareholder).	Executive Director (Appointed on 12 April 2009)  Duties: Oversees the area of administration, finance, legal and human resource.	N.A.

BY ORDER OF THE BOARD

Lynn Wan Tiew Leng  
Joint Company Secretary  
25 February 2016