



TYE SOON LIMITED

Company Registration No. 195700114W

Full Year Financial Statements and Dividend Announcement For The Year Ended 31 December 2015

PART 1 INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Income Statement	2015 \$'000	2014 \$'000	Increase/ (Decrease) %
Revenue	201,414	201,052	0.2
Other income	693	3,152	(78.0)
Changes in inventories of finished goods	14,023	1,907	635.3
Cost of purchases	(174,600)	(160,696)	8.7
Staff costs	(21,269)	(20,866)	1.9
Depreciation of property, plant and equipment	(678)	(631)	7.4
Other operating expenses	(16,309)	(18,172)	(10.3)
Finance costs	(2,166)	(1,721)	25.9
Share of losses of associates (net of tax)	(6)	(14)	(57.1)
Profit before tax	1,102	4,011	(72.5)
Tax expense	(571)	(1,345)	(57.5)
Profit for the year	531	2,666	(80.1)
Profit attributable to:			
Owners of the Company	458	2,621	(82.5)
Non-controlling interests	73	45	62.2
Profit for the year	531	2,666	(80.1)

Consolidated Statement of Comprehensive Income	2015 \$'000	2014 \$'000	Increase/ (Decrease) %
Profit for the year	531	2,666	(80.1)
Other comprehensive income:			
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associates	(3,188)	(950)	235.6
Other comprehensive income for the year, net of tax	(3,188)	(950)	235.6
Total comprehensive income for the year	(2,657)	1,716	nm
Total comprehensive income attributable to:			
Owners of the Company	(2,714)	1,670	nm
Non-controlling interests	57	46	23.9
Total comprehensive income for the year	(2,657)	1,716	nm

1(a)(ii) The following items (with appropriate breakdown and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

	2015 \$'000	2014 \$'000	Increase/ (Decrease) %
Analysis of operating expenses:			
Operating lease expenses	(5,359)	(6,829)	(21.5)
Transportation expenses	(3,040)	(2,880)	5.6
Allowance for impairment loss on trade receivables and bad debts written off	-	(106)	(100.0)
Allowance for inventory obsolescence	(417)	(725)	(42.5)
Loss on sale of property, plant and equipment	-	(3)	(100.0)
Foreign exchange loss	-	(149)	(100.0)
Loss on remeasurement of interest in an associate to available-for-sale financial asset	(197)	-	nm
Others	(7,296)	(7,480)	(2.5)
	(16,309)	(18,172)	(10.3)

	2015 \$'000	2014 \$'000	Increase/ (Decrease) %
Analysis of other income:			
Foreign exchange gain	20	-	nm
Rental income	112	1,226	(90.9)
Amortisation of deferred income	117	1,500	(92.2)
Finance income	31	55	(43.6)
Gain on sale of property, plant and equipment	9	-	nm
Write back of allowance for impairment on trade receivables	21	-	nm
Others	383	371	3.2
	693	3,152	(78.0)

nm denotes 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.

	Group 31 Dec 2015 \$'000	Group 31 Dec 2014 \$'000	Company 31 Dec 2015 \$'000	Company 31 Dec 2014 \$'000
Assets				
Property, plant and equipment	2,485	5,141	421	3,458
Goodwill	104	109	-	-
Subsidiaries	-	-	25,754	21,687
Associates	379	1,411	162	327
Available-for-sale financial asset	920	-	920	-
Deferred tax assets	1,152	981	16	-
Loan receivables	-	-	-	-
Non-current assets	5,040	7,642	27,273	25,472
Current tax assets	277	32	-	7
Inventories	108,052	94,030	37,079	33,690
Trade and other receivables	33,739	31,729	48,845	49,651
Cash and cash equivalents	10,005	16,333	2,898	5,690
Assets held for sale	3,002	-	3,002	-
Current assets	155,075	142,124	91,824	89,038
Total assets	160,115	149,766	119,097	114,510
Equity				
Share capital	38,057	38,057	38,057	38,057
Reserves	15,512	19,728	3,148	4,259
Equity attributable to owners of the Company	53,569	57,785	41,205	42,316
Non-controlling interests	203	146	-	-
Total equity	53,772	57,931	41,205	42,316
Liabilities				
Loans and borrowings	53	33	-	-
Employee benefits	1,410	1,159	-	-
Deferred tax liabilities	38	47	-	17
Non-current liabilities	1,501	1,239	-	17
Loans and borrowings	80,611	71,204	68,666	62,996
Trade and other payables	24,083	19,073	9,226	9,064
Deferred income	-	117	-	117
Current tax liabilities	148	202	-	-
Current liabilities	104,842	90,596	77,892	72,177
Total liabilities	106,343	91,835	77,892	72,194
Total equity and liabilities	160,115	149,766	119,097	114,510

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt 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:-

(A) the amount repayable in one year or less, or on demand;

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
41	80,570	42	71,162

(B) the amount repayable after one year;

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
53	-	33	-

(C) whether the amounts are secured or unsecured; and

As disclosed in (A) and (B) above.

(D) details of any collaterals.

Nil.

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.

	Group 2015 \$'000	Group 2014 \$'000
Cash flows from operating activities		
Profit before income tax	1,102	4,011
Adjustments for :		
Amortisation of deferred income	(117)	(1,500)
Depreciation of property, plant and equipment	678	631
Loss on remeasurement of interest in an associate to available-for-sale financial asset	197	-
(Gain)/Loss on sale of property, plant and equipment	(9)	3
Share of losses of associates (net of tax)	6	14
Finance income	(31)	(55)
Finance costs	2,166	1,721
	3,992	4,825

Changes in working capital		
Changes in inventories	(16,878)	(2,787)
Changes in trade and other receivables	(3,044)	4,202
Changes in trade and other payables	5,844	(2,253)
Changes in bills payables and trust receipts	735	1,052
Cash (used in)/from operating activities	(9,351)	5,039
Tax paid	(1,071)	(2,012)
Interest paid	(843)	(797)
Net cash (used in)/from operating activities	(11,265)	2,230
Cash flow from investing activities		
Interest received	31	55
Proceeds from sale of property, plant and equipment	11	3
Acquisition of property, plant and equipment	(1,035)	(850)
Net cash used in investing activities	(993)	(792)
Cash flows from financing activities		
Payment of finance lease liabilities	(57)	(41)
Proceeds from interest-bearing bank loans	9,186	6,633
Interest paid	(1,289)	(885)
Dividends paid	(1,502)	(1,502)
Special dividends paid	-	(1,503)
Net cash from financing activities	6,338	2,702
Net (decrease)/increase in cash and cash equivalents	(5,920)	4,140
Cash and cash equivalents at the beginning of the year	16,333	12,429
Effect of exchange rate changes on the balance of cash held in foreign currencies	(408)	(236)
Cash and cash equivalents at the end of the year	10,005	16,333

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the Company					Non-controlling interests \$'000	Total equity \$'000
	Share capital \$'000	Other capital reserves \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000		
At 1 January 2014	38,057	3,501	(2,009)	19,571	59,120	100	59,220
Total comprehensive income for the year							
Profit for the year	-	-	-	2,621	2,621	45	2,666
Other comprehensive income							
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associates	-	-	(951)	-	(951)	1	(950)
Total other comprehensive income	-	-	(951)	-	(951)	1	(950)

Total comprehensive income for the year	-	-	(951)	2,621	1,670	46	1,716
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2013	-	-	-	(751)	(751)	-	(751)
Special tax exempt (one-tier) dividend of 0.574 cents per share paid in respect of the year ended 31 December 2013	-	-	-	(1,503)	(1,503)	-	(1,503)
Interim tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2014	-	-	-	(751)	(751)	-	(751)
Total contributions by and distributions to owners of the Company	-	-	-	(3,005)	(3,005)	-	(3,005)
At 31 December 2014	38,057	3,501	(2,960)	19,187	57,785	146	57,931
At 1 January 2015	38,057	3,501	(2,960)	19,187	57,785	146	57,931
Total comprehensive income for the year							
Profit for the year	-	-	-	458	458	73	531
Other comprehensive income							
Foreign currency translation differences of net assets/liabilities of foreign branch, subsidiaries and associates	-	-	(3,172)	-	(3,172)	(16)	(3,188)
Total other comprehensive income	-	-	(3,172)	-	(3,172)	(16)	(3,188)
Total comprehensive income for the year	-	-	(3,172)	458	(2,714)	57	(2,657)
Transactions with owners, recognised directly in equity							
Contributions by and distributions to owners							
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2014	-	-	-	(751)	(751)	-	(751)
Interim tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2015	-	-	-	(751)	(751)	-	(751)
Total contributions by and distributions to owners of the Company	-	-	-	(1,502)	(1,502)	-	(1,502)
At 31 December 2015	38,057	3,501	(6,132)	18,143	53,569	203	53,772

Company	Share capital \$'000	Translation reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 January 2014	38,057	767	6,290	45,114
Total comprehensive income for the year				
Profit for the year	-	-	276	276
Other comprehensive income				
Foreign currency translation differences of net assets/liabilities of foreign branch	-	(69)	-	(69)
Total other comprehensive income	-	(69)	-	(69)
Total comprehensive income for the year	-	(69)	276	207
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2013	-	-	(751)	(751)
Special tax exempt (one-tier) dividend of 0.574 cents per share paid in respect of the year ended 31 December 2013	-	-	(1,503)	(1,503)
Interim tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2014	-	-	(751)	(751)
Total contributions by and distributions to owners of the Company	-	-	(3,005)	(3,005)
At 31 December 2014	38,057	698	3,561	42,316
At 1 January 2015	38,057	698	3,561	42,316
Total comprehensive income for the year				
Profit for the year	-	-	513	513
Other comprehensive income				
Foreign currency translation differences of net assets/liabilities of foreign branch	-	(122)	-	(122)
Total other comprehensive income	-	(122)	-	(122)
Total comprehensive income for the year	-	(122)	513	391
Transactions with owners, recognised directly in equity				
Contributions by and distributions to owners				
Final tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2014	-	-	(751)	(751)
Interim tax exempt (one-tier) dividend of 0.287 cents per share paid in respect of the year ended 31 December 2015	-	-	(751)	(751)
Total contributions by and distributions to owners of the Company	-	-	(1,502)	(1,502)
At 31 December 2015	38,057	576	2,572	41,205

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.

Not applicable.

- 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 immediate preceding year.

	Number of ordinary Shares	Share Capital \$'000
As at 31 Dec 2014	261,800,000	38,057
As at 31 Dec 2015	87,265,029	38,057

On 9 September 2015, the Company completed a share consolidation of three existing ordinary shares into one ordinary shares. Accordingly, the issued share capital of the Company comprises 87,265,029 ordinary shares, after disregarding any fractions of shares arising from the share consolidation.

- 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.

Not applicable.

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 auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting year as those applied for the 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 changed, as well as the reasons for, and the effect of the change.

The Group adopted all new or revised Singapore Financial Reporting Standards ("FRSs") which are relevant to its operations and effective for annual periods on or after 1 January 2015.

The adoption of the new and revised FRSs did not result in any adjustment to the opening balance of accumulated profits of prior and current years or to changes in comparatives.

In 4Q15, the Company carried out an assessment and concluded that it has lost its significant influence in an associate company. Accordingly, the interest in the associate company was remeasured to fair value and reclassified as an available-for-sale financial asset. The effect of the remeasurement resulted in a loss of \$197,000 recognised in the Consolidated Income Statement for the year ended 31 December 2015 and an available-for-sale financial asset of \$920,000 was recorded in the Statement of Financial Position as at 31 December 2015.

6. Earning per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

Earnings per ordinary share for the year based on profit attributable to shareholders	2015	2014 (Restated)
(a) Based on the weighted average number of ordinary shares in issue; and	0.53 cents	3.00 cents
(b) On a fully diluted basis	0.53 cents	3.00 cents

Basic earnings per share for the year ended 31 December 2015 was computed based on net profit attributable to shareholders of \$458,000 (31 December 2014: \$2,621,000) and weighted average number of ordinary shares of 87,265,029 (31 December 2014: 87,265,029 restated).

Diluted earnings per share for the year ended 31 December 2015 was computed based on net profit attributable to shareholders of \$458,000 (31 December 2014: \$2,621,000) and number of ordinary shares of 87,265,029 (31 December 2014: 87,265,029 restated).

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 2015	Group 2014 Restated	Company 2015	Company 2014 Restated
Net asset value per ordinary share based on issued share capital	61.4 cents	66.2 cents	47.2 cents	48.5 cents

Net asset value per ordinary share as at 31 December 2015 was computed after deducting non-controlling interest and based on existing ordinary shares of 87,265,029 (31 December 2014: 87,265,029 restated).

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 Performance

The Group managed to retain some stability and maintained its level of business in a challenging year, registering a slight increase in turnover of \$0.4m to \$201.4 million.

FY15 was a challenging year for the export-based business in Singapore as turnover nudged down 3.4%. Exports to many markets were subdued as weak business sentiment prevailed in many of the Group's export markets. Sales to Malaysia, a major export market for the Group, was affected by the implementation of the goods and services tax on 1 April 2015.

The Group continued to build its overseas operations in Malaysia, Thailand, Hong Kong/China, South Korea and Australia. Turnover generated from overseas operations as a proportion of the Group's total exceeded half for the first time in FY14. This momentum followed through into FY15 with turnover reaching \$105.3 million or 52.3% of the Group total. This level represented a growth of 3.6% in SGD terms over the previous year but this growth would have been 10.9% had exchange rates between the relevant currencies and the SGD remained the same. Volatility on currency pairs relevant to the Group was especially strong in FY15. The MYR and AUD, for instance, depreciated by 12.9% and 4.6% respectively during the year against the SGD.

Of the Group's larger overseas operations, Malaysia and South Korea continued to grow well during the year but Australia's growth trend was interrupted. Aside from Australia, turnover from the Group's overseas operations increased by 19.9% in SGD terms with good growth levels generated in South Korea and Malaysia. This growth would have been 25.0% had exchange rates between the relevant currencies and the SGD remained the same.

The growth trend sustained over the past 15 years since the establishment of the business in Australia was interrupted and experienced a decline in turnover in FY15, adversely affected by a number of issues relating to a change in logistical flow of goods within Australia as well as a change in the IT platform for the Group's subsidiaries in Australia. The logistics issues mainly stemmed from the relocation of the distribution centre in New South Wales and the establishment of a new distribution centre in Queensland. The Group's legacy IT platform was replaced by a new ERP software in 1Q15 to support further business growth based on a multi-nodal distribution network. The close scheduling in the implementation of the various projects just mentioned led to unforeseen issues including the ability to meet incoming sales enquiries and orders, as well as the procurement process. Sales during the year was adversely affected as a result and the targeted growth in turnover did not materialise. Initiatives have been put

in place to increase sales and the rate of turnover has since recovered to a large degree by the end of FY15.

Total margins decreased by \$1.1 million as the increase in margins from the slightly higher turnover was offset by a decline in the gross margin rate.

Overall operating expenses decreased by \$1.2 million during the year. A significant reduction in operating lease expenses amounting to \$1.5 million lowered expenses but this was partially offset by increases in other costs, notably an increase of \$0.4 million in staff costs and an increase of \$0.3 million in office expenses.

Although higher operating lease expenses were incurred for the rental of additional warehousing space to support business growth across various parts of the Group's overseas operations, operating lease expenses in Singapore decreased substantially by \$1.9 million after the Group decided to retain a smaller area of space at the Group's premises in Jurong East in Singapore upon the expiry of the leaseback period on 30 January 2015.

Staff costs have historically been the most prominent cost component for the Group's operating expenses. The increase of \$0.4 million reported for the year was a lower magnitude in comparison with the increases in recent reporting periods as the stronger SGD against the AUD and MYR meant that the increases in staff costs in Australia and Malaysia were negated. The increase in office expenses came mainly from the fitting out of new premises and the incurrence of higher IT maintenance costs.

Included in operating expenses was an amount of \$0.2 million as a result of the Group's remeasurement of an interest in an associated company to an available-for-sale financial asset.

Other income decreased substantially by \$2.4 million. As announced previously, the Group had entered into a sale and leaseback arrangement for the property in Jurong East in Singapore in FY12. The leaseback period ended earlier this year on 30 January 2015. The sale and leaseback transaction involved a deferred income of \$4.5 million to be amortised over a three-year leaseback period. The amortisation at the rate of \$1.5 million per year ended on 30 January 2015. The amount of deferred income recognised in FY15 was therefore \$1.4 million less than in FY14. As the Group decided not to remain as the master lessee for the premises, the Group's rental income from sub-lessees ceased. In comparison with FY14, rental income decreased by \$1.1 million in FY15.

Depreciation increased by \$0.1 million to \$0.7 million.

Profit from operations (PBIT) decreased from \$5.7 million to \$3.3 million. As finance costs increased by \$0.4 million, profit before tax decreased from \$4.0 million to \$1.1 million. Profit after tax decreased from \$2.7 million to \$0.5 million.

After accounting for foreign currency translation differences of net assets at overseas subsidiaries and branch, total comprehensive income of \$1.7 million recorded in FY14 turned into a loss amounting to \$2.7 million in FY15.

Balance Sheet Review

The lower balance for property, plant and equipment as at 31 December 2015 was a result of the accounting treatment applied relating to the proposed sale of the Group's properties at Waterloo Centre in Singapore. The net book value of the said properties is now part of current assets under assets classified as held for sale.

The Group reclassified its interest in an associated company, Gold Choice Food Industries Sdn Bhd ("GC"), to an available-for-sale financial asset. GC is involved in a business not related to the Group's automotive parts business. The result of this reclassification is a lower balance for associates and the inclusion of an available-for-sale financial asset on the balance sheet as at 31 December 2015.

Group inventory levels were at 8.1 months as at 31 December 2015 compared to 7.1 months as at 31 December 2014. Inventory levels increased by \$14.0 million during the year with the operations in Australia accounting for \$11.7 million of the increase. The surge in stock levels was triggered by a combination of an over-procurement for the expanded distribution centre in New South Wales and the new distribution centre in Queensland, as well as the slower than anticipated recovery in sales in 2H15. Initiatives have been put in place to reduce stock levels to be more optimally aligned with the monthly turnover rate. The current assessment is that stock levels will peak at the end of February 2016 and trend back to more optimally aligned levels in subsequent months.

Group receivable levels were at 1.8 months as at 31 December 2015 and 1.7 months as at 31 December 2014. Trade and other receivables increased by \$2.0 million, from \$31.7 million as at 31 December 2014 to \$33.7 million as at 31 December 2015.

Assets classified as held for sale as at 31 December 2015 referred to the Group's properties at Waterloo Centre in Singapore, the proposed sale of which was originally announced on 17 March 2015. Completion of the sale is expected to take place on 1 March 2016. Please refer to the announcement on 30 September 2015 for the latest update on the transaction.

Reserves fell from \$19.7 million as at 31 December 2014 to \$15.5 million as at 31 December 2015 due to foreign currency translation differences on different balance sheet dates mainly arising from the depreciation of the MYR and AUD against the SGD, the reporting currency for the financial statements.

Group payable levels increased by \$5.0 million, from \$19.1 million as at 31 December 2014 to \$24.1 million mainly due to the higher level of purchases during 4Q15 as well as stocks-in-transit as at the year-end.

Financial liabilities increased by \$9.4 million, from \$71.2 million as at 31 December 2014 to \$80.6 million as at 31 December 2015, largely reflecting both the increase in inventory and the increase in trade receivables.

Cash balances decreased by \$6.3 million, from \$16.3 million as at 31 December 2014 to \$10.0 million as at 31 December 2015, largely reflecting the increases in working capital assets mentioned above.

The Group's Current Ratio was as 1.48 times as at 31 December 2015, compared with 1.57 times as at 31 December 2014.

The Group's net gearing level increased to 1.31 times as at 31 December 2015 in comparison with 0.95 times as at 31 December 2014. This largely reflects the increase in working capital assets and the decline in reserves due to the foreign currency translation differences.

Cash Flow Statement Review

Cash generated from operations before accounting for changes in working capital amounted to \$4.0 million for the year. After accounting for changes in working capital, cash flows used in operating activities amounted to \$9.4 million mainly due to the increase in inventories. Cash flows used in operating activities after accounting for tax and net interest paid amounted to \$11.3 million. Net cash used for investing activities amounted to \$1.0 million, mainly for information technology upgrades, and warehousing fittings and equipment. Net cash from financing activities amounted to \$6.3 million as bank facilities were utilised to finance the increase in working capital. Cash balances as at 31 December 2015 amounted to \$10.0 million.

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

In the announcement dated 12 August 2015, the Directors stated "In the immediate term, barring any further significant foreign exchange loss, the Group's operational profit for the current year is expected to be positive but lower than the level achieved last year."

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 broader economic outlook does not appear helpful as the IMF has recently announced yet another downgrade to global growth. Despite this backdrop, the Group is confident that its business will remain resilient as the wide overseas distribution network built over the years provides a robust platform from which to build itself from the current level. The Group's operational performance in the current year will largely ride on the continuing performance in Malaysia and South Korea, as well as depend on the recoveries in Singapore and Australia.

A substantial level of resources has been committed to build and operate the distribution network. The Group is conscious of the need to balance its profitability objectives against continuing development, which invariably involves start-up costs to some extent. The Group will review its cost base and various aspects of its business to achieve a higher level of operational efficiency, trimming and containing costs wherever feasible.

It was first announced on 17 March 2015 that the Group had entered into a put and call option agreement to sell its properties at Waterloo Centre in Singapore. The call option was exercised by the purchaser on 30 September 2015. Completion of the sale, which will yield a gain of \$7.9 million, is expected to take place on 1 March 2016. Based on this gain as well as the expected improvement in operational profit, the Group's profitability is expected to improve.

11. If a decision regarding dividend has been made:-
- (a) Whether an interim/final ordinary dividend has been declared (recommended); and
- Yes
- (b) (i) Amounts per share.
- A final tax exempt (one-tier) dividend of 0.287 cents per ordinary share has been recommended for the financial year reported on.
- An interim tax exempt (one-tier) dividend of 0.287 cents per ordinary share has been paid for the financial year reported on.
- (b) (ii) Previous corresponding period
- A final tax exempt (one-tier) dividend of 0.287 cents per ordinary share has been paid for the financial year reported on.
- A special tax exempt (one-tier) dividend of 0.574 cents per ordinary share has been paid for the financial year reported on.
- An interim tax exempt (one-tier) dividend of 0.287 cents per ordinary share has been paid for the financial year reported on.
- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived.
- Tax exempt (one-tier).
- (d) The date the dividend is payable
- To be announced at a later date

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

To be announced at a later date.

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 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 an IPT mandate.

14. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

In view of the latest guideline from the Exchange in relation to Rule 720(1) of the SGX-ST Listing Manual, the Company will procure signed undertakings from all its directors and executive officers based on the latest revised form of Appendix 7.7 of the SGX-ST Listing Manual on or before 30 April 2016, which will replace and supersede the undertakings previously signed by the directors and executive officers.

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. 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.

The Group is principally engaged in the distribution of automotive parts. The Group has only one reportable business segment.

Geographical information of the Group

In presenting the information on the basis of geographical segment, segment revenue is based on geographical location of the customers which the sales are made to regardless of where the sales originate. Segment assets are based on the geographical location of the assets.

2015	Singapore	Malaysia	Australia	Thailand	North Asia	Other Countries	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	21,568	47,269	44,082	23,594	31,253	33,648	201,414
Non-current assets	1,727	307	1,261	3	572	18	3,888

2014	Singapore	Malaysia	Australia	Thailand	North Asia	Other Countries	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Total revenue from external customers	24,136	49,570	49,738	22,982	23,281	31,345	201,052
Non-current assets	4,882	369	1,028	3	375	4	6,661

North Asia includes Hong Kong/China, Taiwan and South Korea.

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

Please refer to paragraph 8.

18. A breakdown of sales as follows:-

	Group 2015 \$'000	Group 2014 \$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	100,071	98,203	1.9
(b) Operating profit after tax before deducting non-controlling interest for first half year	323	1,748	(81.5)
(c) Sales reported for second half year	101,343	102,849	(1.5)
(d) Operating profit after tax before deducting non-controlling interest for second half year	208	918	(77.3)

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

	Latest Full Year (S\$'000)	Previous Full Year (S\$'000)
Ordinary	1,502	1,502
Preference	-	-
Special	-	1,503
Total	1,502	3,005

20. 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. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with a director or chief executive officer 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
Ong Hock Siang @ Ong Huat Seong	81	Brother to Ong Huat Yew Peter (Executive Director / President)	Executive Chairman since 1966.	N.A.
Ong Huat Yew Peter	68	Brother to Ong Hock Siang @ Ong Huat Seong (Executive Director / Chairman) and Father to Kelvin Ong Eng Chian (Executive Director / Deputy Managing Director)	President since 2014, involved in the overall management of the Group.	N.A.
Kelvin Ong Eng Chian	40	Son to Ong Huat Yew Peter (Executive Director / President)	Deputy Managing Director since 2014, involved in the overall management of the Group.	N.A.

BY ORDER OF THE BOARD

David Chong Tek Yew
 Managing Director
 19 February 2016