

SIN GHEE HUAT CORPORATION LTD

Company Registration No:197700475Z
Incorporated in Singapore



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 30 JUNE 2015

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

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

Consolidated Income Statement

| | Group | | | | | |
|--|----------------------|--------------|------------------------------|-----------------|---------------|------------------------------|
| | Fourth quarter ended | | Increase/ (Decrease) % | Full year ended | | Increase/ (Decrease) % |
| | 30/06/2015 | 30/06/2014 | | 30/06/2015 | 30/06/2014 | |
| S\$'000 | S\$'000 | | S\$'000 | S\$'000 | | |
| Revenue | 14,868 | 18,302 | (19) | 58,947 | 63,027 | (7) |
| Cost of sales | (12,008) | (14,436) | (17) | (46,379) | (50,336) | (8) |
| Gross profit | 2,860 | 3,866 | (26) | 12,568 | 12,691 | (1) |
| Other operating income | 24 | 83 | (71) | 813 | 172 | 373 |
| Distribution costs | (1,298) | (1,520) | (15) | (6,028) | (5,513) | 9 |
| Administrative expenses | (744) | (799) | (7) | (3,270) | (3,157) | 4 |
| Other operating expenses | (446) | (88) | 407 | (224) | (53) | 323 |
| Results from operating activities | 396 | 1,542 | (74) | 3,859 | 4,140 | (7) |
| Share of profit of joint venture | 6 | - | NA | 18 | - | NA |
| Net finance income | 69 | 86 | (20) | 257 | 287 | (10) |
| Profit before tax | 471 | 1,628 | (71) | 4,134 | 4,427 | (7) |
| Tax income/(expense) | 99 | (175) | NA | (591) | (751) | (21) |
| Net profit for the period | 570 | 1,453 | (61) | 3,543 | 3,676 | (4) |
| Earnings per share | | | | | | |
| Basic and diluted (cents) | 0.26 | 0.65 | | 1.60 | 1.66 | |

NA: not applicable

1(a)(ii) Consolidated Statement of Comprehensive Income

| | Group | | | | | |
|---|-----------------------|-----------------------|------------------------------|-----------------------|-----------------------|------------------------------|
| | Fourth quarter ended | | Increase/ (Decrease) % | Full year ended | | Increase/ (Decrease) % |
| | 30/06/2015 S\$'000 | 30/06/2014 S\$'000 | | 30/06/2015 S\$'000 | 30/06/2014 S\$'000 | |
| Net profit for the period | 570 | 1,453 | (61) | 3,543 | 3,676 | (4) |
| Other comprehensive income: | | | | | | |
| Items that will not be reclassified to profit or loss: | | | | | | |
| Revaluation gain on property, plant and equipment | 985 | - | NA | 985 | - | NA |
| Items that are or may be reclassified to profit or loss: | | | | | | |
| Foreign currency translation differences arising from consolidation, net of tax | (34) | (26) | 33 | 80 | (23) | (434) |
| Total comprehensive income for the period | 1,521 | 1,427 | 7 | 4,608 | 3,653 | 26 |
| Attributable to: | | | | | | |
| Equity holders of the Company | 1,521 | 1,427 | 7 | 4,608 | 3,653 | 26 |
| Total comprehensive income for the period | 1,521 | 1,427 | 7 | 4,608 | 3,653 | 26 |

1(a)(iii) Net profit for the period has been arrived at after crediting/(charging) the following:

| | Group | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | Fourth quarter ended | | Full year ended | |
| | 30/06/2015 S\$'000 | 30/06/2014 S\$'000 | 30/06/2015 S\$'000 | 30/06/2014 S\$'000 |
| Depreciation of property, plant and equipment | (270) | (238) | (1,047) | (922) |
| Gain/(loss) on disposal of property, plant and equipment | (1) | - | 63 | (1) |
| Foreign currency exchange gain/(loss) | (328) | (87) | 497 | (52) |
| Net finance income | 69 | 86 | 257 | 287 |
| (Allowance)/reversal for doubtful debts - trade | (91) | 5 | (203) | 5 |
| (Allowance)/reversal for inventories, net | (68) | 157 | (172) | 201 |
| Inventories written off, net | - | (17) | (37) | (17) |

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

Statement of Financial Position

| | Group | | Company | |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 30/06/2015 | 30/06/2014 | 30/06/2015 | 30/06/2014 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Non-current assets | | | | |
| Property, plant and equipment | 8,912 | 8,274 | 8,479 | 7,924 |
| Investment in subsidiaries | – | – | 7,464 | 7,607 |
| Investment in joint venture | 68 | – | 50 | – |
| Other financial assets | 5,095 | 5,135 | 5,095 | 5,135 |
| | <u>14,075</u> | <u>13,409</u> | <u>21,088</u> | <u>20,666</u> |
| Current assets | | | | |
| Inventories | 44,749 | 38,231 | 33,922 | 34,470 |
| Trade and other receivables | 18,483 | 22,156 | 24,391 | 22,612 |
| Cash and cash equivalents | 16,870 | 18,677 | 13,957 | 15,060 |
| | <u>80,102</u> | <u>79,064</u> | <u>72,270</u> | <u>72,142</u> |
| Total assets | <u>94,177</u> | <u>92,473</u> | <u>93,358</u> | <u>92,808</u> |
| Equity | | | | |
| Share capital | 45,750 | 45,750 | 45,750 | 45,750 |
| Revaluation reserve | 2,845 | 1,860 | 2,845 | 1,860 |
| Currency translation reserve | 117 | 37 | – | – |
| Retained earnings | 40,399 | 40,186 | 41,345 | 40,777 |
| Total equity | <u>89,111</u> | <u>87,833</u> | <u>89,940</u> | <u>88,387</u> |
| Non-current liabilities | | | | |
| Deferred tax liabilities | <u>43</u> | <u>74</u> | <u>17</u> | <u>47</u> |
| Current liabilities | | | | |
| Trade and other payables | 3,742 | 3,848 | 2,682 | 3,680 |
| Trade financing | 548 | – | – | – |
| Current tax liabilities | 733 | 718 | 719 | 694 |
| | <u>5,023</u> | <u>4,566</u> | <u>3,401</u> | <u>4,374</u> |
| Total liabilities | <u>5,066</u> | <u>4,640</u> | <u>3,418</u> | <u>4,421</u> |
| Total equity and liabilities | <u>94,177</u> | <u>92,473</u> | <u>93,358</u> | <u>92,808</u> |

1(b)(ii) *Aggregate amount of group's borrowings and debt securities***Amount repayable in one year or less, or on demand (\$'000)**

| <u>As at 30 June 2015</u> | | <u>As at 30 June 2014</u> | |
|---------------------------|-----------|---------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| - | 548 | - | - |

Amount repayable after one year (\$'000)

| <u>As at 30 June 2015</u> | | <u>As at 30 June 2014</u> | |
|---------------------------|-----------|---------------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| - | - | - | - |

Details of any collateral

The unsecured group borrowings comprised trade financing facility utilised by a subsidiary arising from the ordinary course of business.

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

Consolidated Statement of Cash Flows

Group

| | Fourth quarter ended | | Full year ended | |
|---|----------------------|---------------|-----------------|---------------|
| | 30/06/2015 | 30/06/2014 | 30/06/2015 | 30/06/2014 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Profit for the period | 570 | 1,453 | 3,543 | 3,676 |
| Adjustments for : | | | | |
| Depreciation of property, plant and equipment | 270 | 238 | 1,047 | 922 |
| Loss/(Gain) on disposal of property, plant & equipment | 1 | – | (63) | 1 |
| Net finance income | (69) | (86) | (257) | (287) |
| Provision for impairment in investment in securities | 20 | – | 20 | – |
| Tax (expense)/income | (99) | 175 | 591 | 751 |
| Share of profit of joint venture | (6) | – | (18) | – |
| | 687 | 1,780 | 4,863 | 5,063 |
| Changes in: | | | | |
| Trade and other receivables | 824 | (3,055) | 3,673 | (2,531) |
| Trade and other payables | 257 | 397 | (106) | 330 |
| Inventories | (59) | 2,068 | (6,518) | (1,816) |
| Net cash from operations | 1,709 | 1,190 | 1,912 | 1,046 |
| Tax paid | – | (1) | (607) | (820) |
| Net cash from operating activities | 1,709 | 1,189 | 1,305 | 226 |
| Cash flows from investing activities | | | | |
| Proceeds from disposal of property, plant and equipment | ** | ** | 167 | ** |
| Purchase of property, plant and equipment | (51) | (482) | (804) | (921) |
| Investment in joint venture | – | – | (50) | – |
| Interest received | 74 | 92 | 277 | 343 |
| Net cash from/(used in) investing activities | 23 | (390) | (410) | (578) |
| Cash flows from financing activities | | | | |
| Dividend paid | – | – | (3,330) | (3,996) |
| Proceeds from trade financing | 548 | – | 548 | – |
| Net cash from/(used in) financing activities | 548 | – | (2,782) | (3,996) |
| Net increase/(decrease) in cash and cash equivalents | 2,280 | 799 | (1,887) | (4,348) |
| Cash and cash equivalents at beginning of the period | 14,624 | 17,904 | 18,677 | 23,048 |
| Effect of exchange rates fluctuations | (34) | (26) | 80 | (23) |
| Cash and cash equivalents at end of the period | 16,870 | 18,677 | 16,870 | 18,677 |
| Cash and cash equivalents comprise: | | | | |
| Cash and bank balances | 11,870 | 8,677 | 11,870 | 8,677 |
| Short-term bank deposits | 5,000 | 10,000 | 5,000 | 10,000 |
| | 16,870 | 18,677 | 16,870 | 18,677 |

** less than \$1,000

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.*

Consolidated Statement of Changes in Equity for the Group

| | Share capital | Revaluation reserve | Translation reserve | Retained earnings | Total |
|--|---------------|---------------------|---------------------|-------------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 July 2014 | 45,750 | 1,860 | 37 | 40,186 | 87,833 |
| Total comprehensive income for nine months ended 31 March 2015 | – | – | 114 | 2,973 | 3,087 |
| Dividend paid | – | – | – | (3,330) | (3,330) |
| Balance as at 31 March 2015 | 45,750 | 1,860 | 151 | 39,829 | 87,590 |
| Total comprehensive income for the quarter ended 30 June 2015 | – | 985 | (34) | 570 | 1,521 |
| Balance as at 30 June 2015 | 45,750 | 2,845 | 117 | 40,399 | 89,111 |
| Balance as at 1 July 2013 | 45,750 | 1,860 | 60 | 40,506 | 88,176 |
| Total comprehensive income for nine months ended 31 March 2014 | – | – | 3 | 2,223 | 2,226 |
| Dividend paid | – | – | – | (3,996) | (3,996) |
| Balance as at 31 March 2014 | 45,750 | 1,860 | 63 | 38,733 | 86,406 |
| Total comprehensive income for the quarter ended 30 June 2014 | – | – | (26) | 1,453 | 1,427 |
| Balance as at 30 June 2014 | 45,750 | 1,860 | 37 | 40,186 | 87,833 |

Statement of Changes in Equity for the Company

| | Share capital | Revaluation reserve | Retained earnings | Total |
|--|---------------|---------------------|-------------------|---------------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance as at 1 July 2014 | 45,750 | 1,860 | 40,777 | 88,387 |
| Total comprehensive income for the nine months ended 31 March 2015 | – | – | 3,424 | 3,424 |
| Dividend paid | – | – | (3,330) | (3,330) |
| Balance as at 31 March 2015 | 45,750 | 1,860 | 40,871 | 88,481 |
| Total comprehensive income for the quarter ended 30 June 2015 | – | 985 | 474 | 1,459 |
| Balance as at 30 June 2015 | 45,750 | 2,845 | 41,345 | 89,940 |
| Balance as at 1 July 2013 | 45,750 | 1,860 | 40,701 | 88,311 |
| Total comprehensive income for the nine months ended 31 March 2014 | – | – | 2,435 | 2,435 |
| Dividend paid | – | – | (3,996) | (3,996) |
| Balance as at 31 March 2014 | 45,750 | 1,860 | 39,140 | 86,750 |
| Total comprehensive income for the quarter ended 30 June 2014 | – | – | 1,637 | 1,637 |
| Balance as at 30 June 2014 | 45,750 | 1,860 | 40,777 | 88,387 |

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 share capital of the Company during the period reported on.

There were no outstanding convertibles and treasury shares as at 30 June 2015 and 30 June 2014.

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:*

| | As at 31/06/2015 | As at 30/06/2014 |
|---------------------------|-------------------------|-------------------------|
| Number of shares in issue | 222,000,000 | 222,000,000 |

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 report 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 a matter).*

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those of the audited financial statements for the financial year ended 30 June 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.*

Not applicable.

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

Earnings per Share

| | Group | | Group | |
|---|----------------------|-------------|-----------------|-------------|
| | Fourth quarter ended | | Full year ended | |
| | 30/06/2015 | 30/06/2014 | 30/06/2015 | 30/06/2014 |
| Earnings per share (cents) | | | | |
| (a) based on weighted average number of shares in issue | 0.26 | 0.65 | 1.60 | 1.66 |
| (b) on a fully diluted basis | 0.26 | 0.65 | 1.60 | 1.66 |
| Weighted average number of shares in issue | 222,000,000 | 222,000,000 | 222,000,000 | 222,000,000 |

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.

Net Asset Value per Share

| | Group | | Company | |
|---|-------------|-------------|-------------|-------------|
| | 30/06/2015 | 30/06/2014 | 30/06/2015 | 30/06/2014 |
| Net asset value per share based on issued share capital (cents) | 40.1 | 39.6 | 40.5 | 39.8 |
| Number of shares on issue | 222,000,000 | 222,000,000 | 222,000,000 | 222,000,000 |

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 and liabilities of the group during the current financial period reported on.

REVIEW OF PERFORMANCE

Consolidated Income Statement for the fourth quarter ended 30 June 2015

The Group posted a revenue of \$14.87 million for the fourth quarter ended 30 June 2015 ("4Q2015"), 19% lower than the \$18.30 million recorded in 4Q2014, the corresponding quarter of the previous financial year. The reduction in revenue reflected a weaker demand for stainless steel products amid economic slowdown affected by the slump in oil prices. This also pulled down the gross profit achieved for the quarter.

Distribution costs and administrative expenses were lower in 4Q2015 versus 4Q2014 mainly due to lower sales revenue and write-back of provision for bonus.

Depreciation in 4Q2015 was higher at \$270,000 (4Q2014: \$238,000) mainly because certain old vehicles were already fully depreciated at the commencement of FY2014. These were replaced during the first quarter of FY2015 and the new vehicles were depreciated accordingly.

Other operating income for 4Q2015 was lower at \$24,000 (4Q2014: \$83,000) largely because there was a write-back of provision for value-added tax in 4Q2014 in respect of inventories purchased in prior years for the Suzhou subsidiary whereas no similar write-back was recorded in the quarter under review.

Other operating expenses for 4Q2015 were higher at \$446,000 (4Q2014: \$88,000) mainly due to foreign currency exchange loss of \$328,000 (4Q2014: \$87,000) and provision for doubtful debts of \$91,000 (4Q2014: reversal of \$5,000).

Net finance income for the quarter was lower largely because interest-bearing assets decreased as more cash resources were utilized for purchase of inventories.

The above resulted in a decrease in profit before tax as well as net profit for the quarter. Tax Income for 4Q2015 arose from an over-provision of tax expense pertaining to prior years.

Consolidated Income Statement for the full year ended 30 June 2015

Revenue for the full year ended 30 June 2015 ("FY2015") was \$58.95 million, 7% lower than the \$63.03 million recorded in the preceding year ended 30 June 2014 ("FY2014"). This was largely attributed to the economy slowdown affected by the falling crude oil prices.

In terms of the industries in which the Group's customers operate, the marine and shipbuilding industry was hit the hardest. The industry registered a 21% decline in revenue to \$9.03 million (FY2014: \$11.39 million). The customers in the marine and shipbuilding industry are mainly based in Singapore, and so revenue from the Singapore segment for FY2015 declined significantly to \$33.66 million (FY2014: 37.43 million).

Distribution costs and administrative expenses for FY2015 were higher mainly due to increase in manpower and facilities costs, including those attributed to SG Specialty Metals Pte Ltd which commenced operations in 4Q2014.

Depreciation in FY2015 was higher at \$1.05 million (FY2014: \$922,000) largely due to the reasons outlined in the preceding section for the fourth quarter results.

Other operating income for FY2015 was higher at \$813,000 (FY2014: \$172,000) largely due to foreign currency exchange gain of \$497,000 (FY2014: exchange loss of \$52,000), gain on disposal of plant and equipment of \$63,000 (FY2014: loss of \$1,000) as well as grants and subsidies received from the government.

Other operating expenses for FY2015 were higher at \$224,000 (FY2014: \$53,000) mainly due to provision for doubtful debts of \$203,000 (FY2014: write-back of \$5,000).

Net finance income for FY2015 was lower largely because interest-bearing assets decreased as more cash resources were utilized for purchase of inventories.

Financial Position and Cash Flows

Inventories increased to \$44.75 million (FY2014: \$38.23 million) by \$6.52 million during FY2015 mainly due to specialty metal products purchased for SG Specialty Metals Pte Ltd, our subsidiary company established in FY2014.

Trade and other receivables were lower at \$18.48 million (FY2014: \$22.16 million) mainly due to lower revenue.

Net cash from operating activities for 4Q2015 was higher at \$1.71 million (4Q2014: \$1.19 million) mainly due to higher collection of trade receivables including those which were delayed as of the end of FY2014, as offset by an increase in cash outflow for the purchase of inventories. By the same token, net cash from operating activities for FY2015 increased to \$1.31 million (FY2014: \$226,000).

Net cash generated from investing activities for 4Q2015 increased to \$23,000 compared with a net cash outflow of \$390,000 used in investing activities in 4Q2014 mainly due to lower expenditure incurred on plant and equipment in 4Q2015.

Short-term trade financing of \$548,000 (4Q2014: nil) was obtained for a subsidiary during 4Q2015 for certain purchase of inventories.

Cash and cash equivalents decreased to \$16.87 million (FY2014: \$18.68 million) largely due to increased utilization of cash resources for inventory purchases.

Revaluation reserve increased to \$2.85 million (FY2014: \$1.86 million) arising from revaluation of the freehold premises located at 32 Penhas Road, Singapore.

The Group's net asset value stood at \$89.11 million (FY2014: \$87.83 million) representing 40.1 cents (FY2014: 39.6 cents) per share.

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

The financial year ended 30 June 2015 has remained profitable as expected.

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.*

Oil price has slumped and is expected to stay at a low level due to oversupply and weak demand which has led to a cutback in all oil related activities and work. This has resulted in reduced customer demand for our materials.

Nickel price remains low. But we are unable to benefit from it as demand for our materials is generally weak when the economy remains sluggish.

We will continue to be financially prudent and control our costs whilst expecting challenging times ahead.

11. *Dividend*

(a) Current Financial Period Reported On

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

The Directors recommend a Final tax-exempt dividend of 1.5 cents per share based on 222,000,000 shares in issue as at 30 June 2015 for shareholders' approval at the forthcoming Annual General Meeting of the Company.

| | |
|---------------------------|---------------------|
| Name of dividend | Final |
| Dividend type | Cash |
| Dividend amount per share | 1.5 cents |
| Tax rate | 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 | Final |
| Dividend type | Cash |
| Dividend amount per share | 1.5 cents |
| Tax rate | One-tier tax exempt |

(c) Date payable

To be advised at later date.

(d) Books closure date

To be advised at a later date.

(e) The date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined:

To be advised 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 does not have any general mandate from shareholders pursuant to Rule 920.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**14. *Revenue and Results by Business Segments***

The Group has essentially one business or operating segment, which is the trading and sales of stainless steel products, as the risks and returns of the products are substantially similar. These products comprise mainly bars, plates, pipes, tubes, flanges and fittings which are stainless steel materials of varying grades and specifications for use in the respective industries to which the Group sells its products. The Group's resource allocation is market-oriented with focus on the respective industries.

Financial year ended 30 June 2015

| | Marine and shipbuilding | Oil & gas and petrochemical | Building and construction | Machining and processing | Trading and others | Total |
|---|-------------------------------|-----------------------------------|---------------------------------|--------------------------------|--------------------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 9,032 | 6,480 | 2,341 | 17,801 | 23,293 | 58,947 |
| Gross profit | 1,152 | 1,420 | 526 | 2,489 | 6,981 | 12,568 |
| Unallocated costs | | | | | | (9,522) |
| | | | | | | 3,046 |
| Other operating income and net finance income | | | | | | 1,070 |
| Share of profit of joint venture | | | | | | 18 |
| Profit before tax | | | | | | 4,134 |
| Tax expense | | | | | | (591) |
| Net profit for the year | | | | | | 3,543 |
| Assets: | | | | | | |
| Trade receivables | 2,460 | 1,755 | 613 | 5,697 | 5,252 | 15,777 |
| Others - unallocated | | | | | | 78,400 |
| | | | | | | 94,177 |
| Liabilities - unallocated | | | | | | 5,066 |
| Capital expenditure - unallocated | | | | | | 804 |
| Depreciation of property, plant and equipment - unallocated | | | | | | 1,047 |

Financial year ended 30 June 2014

| | Marine and shipbuilding | Oil & gas and petrochemical | Building and construction | Machining and processing | Trading and others | Total |
|---|-------------------------------|-----------------------------------|---------------------------------|--------------------------------|--------------------------|---------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Revenue | 11,391 | 6,080 | 2,816 | 17,178 | 25,562 | 63,027 |
| Gross profit | 1,740 | 1,028 | 677 | 2,751 | 6,495 | 12,691 |
| Unallocated costs | | | | | | (8,723) |
| | | | | | | 3,968 |
| Other operating income and net finance income | | | | | | 459 |
| Profit before tax | | | | | | 4,427 |
| Tax expense | | | | | | (751) |
| Net profit for the year | | | | | | 3,676 |
| Assets: | | | | | | |
| Trade receivables | 3,749 | 2,428 | 798 | 5,036 | 7,397 | 19,408 |
| Others - unallocated | | | | | | 73,065 |
| | | | | | | 92,473 |
| Liabilities - unallocated | | | | | | 4,640 |
| Capital expenditure - unallocated | | | | | | 921 |
| Depreciation of property, plant and equipment - unallocated | | | | | | 922 |

Information on income, expenses, assets and liabilities, other than as identified and allocated to the respective segments, is not provided by segment as it is neither meaningful nor practicable to allocate these items by segment.

Revenue by Geographical Segments

Distribution of revenue based on the geographical location of customers:

| | FY2015 | FY2014 |
|-----------|----------------|----------------|
| | S\$'000 | S\$'000 |
| Singapore | 33,664 | 37,428 |
| ASEAN | 20,431 | 21,406 |
| Others | 4,852 | 4,193 |
| | <u>58,947</u> | <u>63,027</u> |

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

Please refer to paragraph 8.

16. *Breakdown of Revenue*

| | FY2015 | FY2014 | Increase/ (Decrease) |
|--|----------------|----------------|---------------------------------|
| | S\$'000 | S\$'000 | % |
| (a) Revenue reported for first half year | 29,965 | 31,104 | (4) |
| (b) Profit after tax reported for first half year | 1,935 | 1,637 | 18 |
| (c) Revenue reported for second half year | 28,982 | 31,923 | (9) |
| (d) Profit after tax reported for second half year | 1,608 | 2,039 | (21) |

17. *Breakdown of Total Annual Dividend (in dollar value) for the issuer's latest full year and its previous full year.*

| | FY2015 | FY2014 |
|----------------|----------------|----------------|
| | S\$'000 | S\$'000 |
| Final dividend | 3,330 | 3,330 |

18. *Aggregate value of interested person transactions entered into by the Company and/or its subsidiaries during the year*

There were no interested person transactions during the year under review.

19. *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 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 |
|--------------|------------|---|--|--|
| Kua Chee Kok | 54 | Brother of Kua Chee Seng; uncle of Kua Ghim Siong and Kua Peng Chuan; cousin of Kua Eng Bee, Kua Eng Watt, and Kua Chee Hong; and cousin-in-law of Ler Bee Chin | Senior Manager (Warehouse). Manages warehouse operations; First held position in October 2006. | N.A. |
| Kua Eng Bee | 63 | Cousin of Kua Chee Seng and Kua Chee Hong; uncle of Kua Ghim Siong and Kua Peng Chuan; sibling of Kua Eng Watt; and cousin-in-law of Ler Bee Chin | Senior Manager (Sales & Marketing). Manages local sales operations. First held position in October 2006. | N.A. |

BY ORDER OF THE BOARD

Kua Ghim Siong
Director / Chief Executive Officer

19 August 2015