

**HOSEN GROUP LTD**  
(Incorporated in Singapore)  
(Co. Reg. No. 200403029E)

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

*This announcement has been prepared by Hosen Group Ltd (the "Company") and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Thomas Lam, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*

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

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

**Group Income Statement and Statement of Comprehensive Income for financial year ended 31 December 2015.**

	Group		%
	S\$'000	S\$'000	
	Year ended 31/12/2015	Year ended 31/12/2014	
			Change
<b>Continuing operations</b>			
Revenue	75,767	72,616	4.3
Cost of sales	(63,207)	(60,223)	5.0
<b>Gross profit</b>	<b>12,560</b>	<b>12,393</b>	<b>1.3</b>
Other income	181	550	(67.1)
Selling and distribution expenses	(4,324)	(3,608)	19.8
Administrative expenses	(5,898)	(5,792)	1.8
Other expenses	(2,885)	(2,066)	39.6
Finance costs	(350)	(402)	(12.9)
<b>(Loss)/profit before income tax</b>	<b>(716)</b>	<b>1,075</b>	<b>(166.6)</b>
Income tax expense	(230)	(383)	(39.9)
<b>(Loss)/profit for the financial year</b>	<b>(946)</b>	<b>692</b>	<b>NM</b>

NM – Not meaningful

**Consolidated Statement of Comprehensive Income**

	Group		%
	S\$'000	S\$'000	
	Year ended 31/12/2015	Year ended 31/12/2014	Change
<b>Other comprehensive income for the financial year, net of tax</b>			
Exchange differences on translating foreign operations	(248)	(73)	239.7
<b>Total comprehensive income for the financial year attributable to owners of the parent</b>	<b>(1,194)</b>	<b>619</b>	<b>NM</b>

**Operating (loss)/profit is arrived at after charging/(crediting) the following:**

	Group		%
	S\$'000	S\$'000	
	Year ended 31/12/2015	Year ended 31/12/2014	Change
Depreciation of property, plant and equipment	694	730	(4.9)
Amortisation of intangible asset	83	59	40.7
Allowance for doubtful third party trade receivables	126	20	530.0
Allowance for doubtful third party trade receivables written back	(41)	(86)	(52.3)
Bad debts written off – trade	34	-	NM
Foreign exchange loss (net)	594	41	1348.8
Gain on disposal of property, plant and equipment	(11)	(257)	(95.7)
Allowance for inventory obsolescence written back	-	(2)	NM
Allowance for inventory obsolescence	536	295	81.7
Interest income	(4)	(5)	(20.0)
Interest expenses	350	402	(12.9)
Impairment loss on available-for-sale investment	(1)	1	NM

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.**

**Statements of Financial Position**

	Group		Company	
	Year ended 31/12/2015	Year ended 31/12/2014	Year ended 31/12/2015	Year ended 31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	13,257	10,922	-	-
Investments in subsidiaries	-	-	9,836	9,468
Intangible asset	152	190	-	-
Other receivables	-	-	12,000	15,000
	13,409	11,112	21,836	24,468
<b>Current assets</b>				
Inventories	16,732	19,239	-	-
Trade and other receivables	13,054	15,990	3,484	1,096
Financial assets at fair value through profit and loss	8	7	-	-
Tax recoverable	22	-	-	-
Fixed deposits	49	52	-	-
Cash and bank balances	4,389	6,675	9	108
	34,254	41,963	3,493	1,204
<b>Less:</b>				
<b>Current liabilities</b>				
Trade and other payables	7,045	8,479	248	180
Current income tax payable	200	102	8	20
Finance lease payables	19	47	-	-
Bank borrowings	9,296	13,022	-	-
	16,560	21,650	256	200
<b>Net current assets</b>	17,694	20,313	3,237	1,004
<b>Less:</b>				
<b>Non-Current liabilities</b>				
Finance lease payables	37	48	-	-
Bank borrowings	3,662	2,452	-	-
Deferred tax liabilities	427	427	-	-
<b>Total non-current liabilities</b>	4,126	2,927	-	-
<b>Net assets</b>	26,977	28,498	25,073	25,472
<b>Capital and reserves</b>				
Share capital	28,431	28,431	28,431	28,431
Treasury shares	(3,557)	(3,557)	(3,557)	(3,557)
Foreign currency translation account	(535)	(287)	-	-
Accumulated profits	2,638	3,911	199	598
Equity attributable to owners of the parent	26,977	28,498	25,073	25,472

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

	As at 31 Dec 2015		As at 31 Dec 2014	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Repayable in one year or less or on demand	298	9,017	253	12,816
Repayable after one year	3,699	-	2,500	-
<b>Total</b>	<b>3,997</b>	<b>9,017</b>	<b>2,753</b>	<b>12,816</b>

**Details of any collateral**

1. The unsecured bank loans and overdrafts of the Group amounting to S\$2.80 million (31 December 2014: S\$2.12 million) and trust receipts amounting to S\$6.22 million (31 December 2014: S\$10.69 million).
2. Term loan amounting to S\$3.94 million (As at 31 December 2014: S\$2.66 million) is secured by legal mortgage over subsidiaries' properties.
3. Finance lease payables are secured by the underlying assets acquired.
4. All the above facilities are covered by corporate guarantees.

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

<b>Consolidated Statement of Cash Flows</b>	<b>Group</b>	
	<b>Year ended 31/12/2015 S\$'000</b>	<b>Year ended 31/12/2014 S\$'000</b>
Operating activities:		
(Loss)/Profit before income tax	(716)	1,075
<b>Adjustments for :</b>		
Allowance for doubtful third party trade receivables	126	20
Allowance for doubtful trade receivables written back	(41)	(86)
Allowance for inventory obsolescence	536	295
Allowance for inventory obsolescence written back	-	(2)
Depreciation of property, plant and equipment	694	730
Amortisation of intangible asset	83	59
Interest income	(4)	(5)
Interest expenses	350	402
Gain on disposal of property, plant and equipment	(11)	(257)
Fair value loss on derivative financial instrument	-	23
Fair value (gain)/loss on financial assets at fair value through profit or loss	(1)	1
<b>Operating cash flows before working capital changes</b>	<b>1,016</b>	<b>2,255</b>
Inventories	1,971	(1,950)
Trade and other receivables	2,851	1,190
Trade and other payables	(1,434)	1,796
Cash generated from operations	4,404	3,291
Interest received	4	5
Income tax paid	(154)	(193)
<b>Net cash generated from operating activities</b>	<b>4,254</b>	<b>3,103</b>

Consolidated Statement of Cash Flows (Continued)	Group	
	Year ended 31/12/2015 S\$'000	Year ended 31/12/2014 S\$'000
<b>Investing activities</b>		
Proceeds from disposal of property, plant and equipment	11	910
Purchase of property, plant and equipment	(3,977)	(3,705)
Purchase of intangible asset	(44)	(110)
<b>Net cash used in investing activities</b>	<b>(4,010)</b>	<b>(2,905)</b>
<b>Financing activities</b>		
Repayment of finance lease payables	(39)	(107)
Dividends paid	(327)	(655)
Increase/(decrease) in pledged deposits	4	(1)
Interest paid	(350)	(402)
Proceeds from bank borrowings	35,650	39,658
Repayment of bank borrowings	(38,166)	(39,211)
<b>Net cash used in financing activities</b>	<b>(3,228)</b>	<b>(718)</b>
Net effect of exchange rate changes on consolidation	699	(69)
Net change in cash and cash equivalents	(2,285)	(589)
Cash and cash equivalents at beginning of financial year	6,695	7,284
<b>Cash and cash equivalents at end of financial year</b>	<b>4,410</b>	<b>6,695</b>
<u>Cash and cash equivalents comprise the following:</u>		
Fixed deposits	49	52
Cash and bank balances	4,389	6,675
	4,438	6,727
Fixed deposits pledged	(28)	(32)
Cash and cash equivalents at end of financial year	4,410	6,695

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 capitalization 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**

Group	Equity attributable to owners of the parent				
	Share capital	Treasury shares	Foreign currency translation account	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>(287)</b>	<b>3,911</b>	<b>28,498</b>
Loss for the financial year	-	-	-	(946)	(946)
Exchange differences on translating foreign operations	-	-	(248)	-	(248)
Total comprehensive income for the financial year	-	-	(248)	(946)	(1,194)
<b>Contributions by and distributions to owners of the parent:</b>					
Dividends	-	-	-	(327)	(327)
Total transactions with owners of the parent	-	-	-	(327)	(327)
<b>Balance at 31 Dec 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>(535)</b>	<b>2,638</b>	<b>26,977</b>

Group	Equity attributable to owners of the parent				
	Share capital	Treasury shares	Foreign currency translation account	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2014</b>	<b>28,431</b>	<b>(3,557)</b>	<b>(214)</b>	<b>3,874</b>	<b>28,534</b>
Profit for the financial year	-	-	-	692	692
Exchange differences on translating foreign operations	-	-	(73)	-	(73)
Total comprehensive income for the financial year	-	-	(73)	692	619
<b>Contributions by and distributions to owners of the parent:</b>					
Dividends	-	-	-	(655)	(655)
Total transactions with owners of the parent	-	-	-	(655)	(655)
<b>Balance at 31 Dec 2014</b>	<b>28,431</b>	<b>(3,557)</b>	<b>(287)</b>	<b>3,911</b>	<b>28,498</b>

Company	Equity attributable to owners of the parent			
	Share capital	Treasury shares	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>598</b>	<b>25,472</b>
Loss for the financial year	-	-	(72)	(72)
Total comprehensive income for the financial year	-	-	(72)	(72)
<b>Contributions by and distributions to owners of the parent:</b>				
Dividends	-	-	(327)	(327)
Total transactions with owners of the parent	-	-	(327)	(327)
<b>Balance at 31 Dec 2015</b>	<b>28,431</b>	<b>(3,557)</b>	<b>199</b>	<b>25,073</b>



Company	Equity attributable to owners of the parent			
	Share capital	Treasury shares	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance at 1 Jan 2014</b>	<b>28,431</b>	<b>(3,557)</b>	<b>933</b>	<b>25,807</b>
Profit for the financial year	-	-	320	320
Total comprehensive income for the financial year	-	-	320	320
<b>Contributions by and distributions to owners of the parent:</b>				
Dividends	-	-	(655)	(655)
Total transactions with owners of the parent	-	-	(655)	(655)
<b>Balance at 31 Dec 2014</b>	<b>28,431</b>	<b>(3,557)</b>	<b>598</b>	<b>25,472</b>

**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.**

	As at 31 December 2015 and 30 June 2015
No of Ordinary shares	357,178,846
No of Treasury shares	29,868,000

The Company did not have any outstanding options and convertibles as at 31 December 2015 and 31 December 2014.

There are no changes in the Company's share capital since the end of the previous period reported on.

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

The total number of issued shares excluding treasury shares:

	<b>As at 31 December 2015</b>	<b>As at 31 December 2014</b>
Total number of issued shares	357,178,846	357,178,846
Less: Treasury shares	(29,868,000)	(29,868,000)
Total number of issued shares excluding treasury shares	327,310,846	327,310,846

**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. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2015.

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

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

**3. Where the figures have been audited or reviewed, the 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 adopted all the Singapore Financial Reporting Standards ("FRSs") and Interpretations of FRS ("INT FRS") that are effective for the current financial year. The adoption of new/revised FRS and INT FRS does not have any material impact on the financial statements of the Group.

Save for the abovementioned, the Group has adopted the same accounting policies and methods of computation which are consistent with those used in the most recent audited financial statements for the financial 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.**

Save as disclosed in Note 4 above, there was no other change in the accounting policies and methods of computation for the current financial year reported on.

**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 ordinary share of the Group for the period on the net profit after income tax:	Group	
	Year ended 31/12/2015	Year ended 31/12/2014
(Singapore cents)		
(a) Based on the weighted average number of shares	(0.29) cents	0.21 cents
(b) On a fully diluted basis	(0.29) cents	0.21 cents

Basic earnings per share are computed based on 327,310,846 (excluding treasury shares) at 31 December 2015 and 31 December 2014.

The basic and dilutive earnings per share are the same as there were no potentially dilutive securities at 31 December 2015 and 31 December 2014.

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

	Group		Company	
	As at 31/12/2015	As at 31/12/2014	As at 31/12/2015	As at 31/12/2014
Net asset value per ordinary share (Singapore cents) based on total number of issued shares excluding treasury shares at the end of:	8.24	8.71	7.66	7.78

Note: The net asset value per share is calculated based on the total number of issued shares excluding treasury shares of 327,310,846 as at 31 December 2015 and 31 December 2014.

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.**

### **Consolidated Statement of Comprehensive Income**

#### **Revenue**

The Group registered higher revenue of S\$75.77 million for the financial year ended 31 December 2015 ("FY2015") as compared to S\$72.62 million for the financial year ended 31 December 2014 ("FY2014"). The increase of S\$3.15 million or 4.3% in group revenue was mainly due to higher turnover from a Singapore subsidiary and part of 2016 Chinese New Year ("CNY") sales was recorded in FY2015 while there was no 2015 CNY sales recorded in FY2014 as the 2015 CNY arrived after mid-February 2015.

#### **Gross Profit**

Gross profit increased by S\$0.17 million, or 1.3% to S\$12.56 million in FY2015 from S\$12.39 million in FY2014. The higher gross profit was a result of higher revenue, notwithstanding that the gross profit margin slipped slightly.

### ***Other Income***

Other income decreased by S\$0.37 million to S\$0.18 million in FY2015 from S\$0.55 million in FY2014, mainly due to the absence of one-off gain on disposal of a property by one of the Company's subsidiary recorded in FY2014.

### ***Selling and Distribution Expenses***

Selling and distribution expenses increased by S\$0.71 million to S\$4.32 million in FY2015 from S\$3.61 million in FY2014 mainly due higher promotion and advertisement expenses incurred and non-recurring start-up cost incurred in Malaysia by Hosen Chocolate Sdn Bhd ("**Hosen Chocolate**"), a newly incorporated subsidiary in FY2015.

### ***Administrative Expenses***

Administrative expenses increased by S\$0.11 million to S\$5.90 million in FY2015. Should the start-up cost incurred by Hosen Chocolate had been excluded, the administrative expenses would have decreased by S\$0.15 million, mainly due to the lower staff cost (including profit sharing) in FY2015.

### ***Other Expenses***

Other expenses increased by S\$0.82 million to S\$2.89 million in FY2015 from S\$2.07 million in FY2014 mainly due to foreign exchange loss due to the depreciation of Malaysia Ringgit, additional provision for inventory obsolescence on slow moving and near-to-expiry products, and start-up cost incurred in Hosen Chocolate.

### ***Finance Costs***

The lower finance costs of S\$0.35 million in FY2015, as compared to S\$0.40 million in FY2014 was mainly due to the lower bank borrowings for working capital in FY2015, partially offset by additional interest incurred due to additional bank borrowings for properties acquired in Malaysia.

### ***Loss for the Financial Year***

The Group recorded a net loss of S\$0.95 million for FY2015 as compared to profit of S\$0.69 million for FY2014. The loss was mainly attributable to the foreign exchange loss on the depreciation of Malaysia Ringgit, allowance for additional inventory obsolescence and start-up cost incurred by Hosen Chocolate.

### **Statements of Financial Position**

As at 31 December 2015, the Group's net assets were S\$26.98 million compared to S\$28.50 million as at 31 December 2014. The decrease of S\$1.52 million was due to the loss for the financial year of S\$0.95 million and exchange differences on translating foreign operations of S\$0.25 and a dividend payment of S\$0.33 million.

The other significant changes to the Statements of Financial Position were as follows:-

1. Property, plant and equipment as at 31 December 2015 was recorded at S\$13.26 million, increased from S\$10.92 million as at 31 December 2014. The increase of S\$2.34 million was mainly due to the acquisition of properties in Senai, Malaysia after deducting the depreciation charged for FY2015.
2. Inventories decreased by S\$2.51 million to S\$16.73 million as at 31 December 2015 from S\$19.24 million as at 31 December 2014 mainly due to lower inventory level.
3. Trade and other receivables decreased by S\$2.94 million to S\$13.05 million as at 31 December 2015 from S\$15.99 million as at 31 December 2014 mainly due to better collection as a result of tighter control over trade receivables.
4. Trade and other payables decreased by S\$1.44 million to S\$7.04 million as at 31 December 2015, which was in line with the lower inventory level mentioned above.
5. Bank borrowings in current liabilities decreased by S\$3.72 million to S\$9.30 million as at 31 December 2015 from S\$13.02 million as at 31 December 2014 mainly due to the repayment of trade facilities used for working capital during FY2015, which was also commensurate with the lower inventory level.
6. Bank borrowings in non-current liabilities increased by S\$1.21 million to S\$3.66 million as at 31 December 2015 from S\$2.45 million as at 31 December 2014 mainly due to the additional bank borrowings during FY2015 to finance the newly acquired properties in Senai.

### **Consolidated Statement of Cash Flows**

Cash and cash equivalents decreased by S\$2.29 million to S\$4.41 million as at 31 December 2015. Out of the cash and cash equivalents, S\$4.25 million was generated from operating activities, which was reduced by S\$4.01 million used in investing activities and S\$3.23 million used in financing activities.

The net cash generated from operating activities was mainly due to the reduction of both inventories of S\$1.97 million and trade receivables of S\$2.85 million, offset by the decrease in trade payables.

The net cash used in investing activities was mainly attributable to the purchase of property, plant and equipment of S\$3.98 million.

The net cash used in financing activities was mainly due to net repayment of bank borrowings, interest and dividends paid in FY2015.

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

The financial results are in line with the profit guidance announcement made on 17 February 2016.

**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 FMCG industry in which the Group operates is vulnerable to the global economic outlook and the uncertain economic growth on the regional markets. Any fluctuations, especially sharp and sudden changes, in foreign currencies may also impact the Group's performance. The Group also faces challenges on increasing various kinds of operating costs. The Group remains mindful and will take appropriate actions to mitigate the impact on the Group's business.

The Group will continue to expand its distribution network, develop new products as well as chocolate products (both house brand and industrial chocolate) and explore new business opportunities to achieve growth of the core business of the Group.

Hosen Chocolate is in the process of being fully operational in the next 12 months.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

None

Name of Dividend	Not applicable.
Dividend Type	Not applicable.
Dividend Amount per Share (in cents)	Not applicable.
Tax Rate	Not applicable.

**(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	First and final 1-tier tax exempt dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.10 cent
Tax Rate	Nil

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared.

**13. Interested Persons Transactions (“IPTs”)**

The Company does not have a general mandate for IPT from shareholders.

There was no IPT with value of more than S\$100,000 entered into during the financial year.

**14. Use of Proceeds from Share Placement.**

Not applicable.



**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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 the immediately preceding year.

**OPERATING SEGMENT**

	<b>House Brands S\$'000</b>	<b>Non-House Brands S\$'000</b>	<b>Total S\$'000</b>
<b>2015</b>			
<b>Revenue</b>			
External revenue	50,864	24,903	75,767
Inter-segment revenue	3,029	1,125	4,154
<b>Total</b>	<b>53,893</b>	<b>26,028</b>	<b>79,921</b>
Interest income	3	1	4
Interest expense	(287)	(63)	(350)
Depreciation	(471)	(223)	(694)
Amortisation	(49)	(34)	(83)
Other non-cash items:			
Allowance for doubtful third party trade receivables written back	126	-	126
Allowance for doubtful third party trade receivables	(24)	(17)	(41)
Allowance for inventories obsolescence	436	100	536
<b>Segment profit</b>	<b>(471)</b>	<b>482</b>	<b>11</b>
<b>Assets</b>			
Segment assets	38,770	14,815	53,585
Capital expenditure	3,923	54	3,977
<b>Liabilities</b>			
Segment liabilities	16,326	3,720	20,046

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

<b>2015</b>	<b>Total</b>
<b>Revenues</b>	<b>S\$'000</b>
Total revenues for reportable segments	79,921
Elimination of inter-segment revenues	(4,154)
Total external revenues	<u>75,767</u>
<b>Profit or loss</b>	
Total segment profit	11
Unallocated corporate income/expenses	(377)
Other income/expenses	(350)
(Loss) before income tax expense	<u>(716)</u>
<b>Assets</b>	
Segment assets	53,585
Elimination of receivables from corporate office	(13,472)
Other unallocated amounts	7,550
Total assets	<u>47,663</u>
<b>Liabilities</b>	
Segment liabilities	46,571
Elimination of payables from corporate office	(25,885)
Total liabilities	<u>20,686</u>

	<b>House Brands S\$'000</b>	<b>Non-House Brands S\$'000</b>	<b>Total S\$'000</b>
<b>2014</b>			
<b>Revenue</b>			
External revenue	50,557	22,059	72,616
Inter-segment revenue	5,689	428	6,117
<b>Total</b>	<b>56,246</b>	<b>22,487</b>	<b>78,733</b>
Interest income	3	2	5
Interest expense	(321)	(81)	(402)
Depreciation	(507)	(223)	(730)
Amortisation	(39)	(20)	(59)
Other non-cash items:			
Allowance for doubtful third party trade receivables written back	(52)	(34)	(86)
Allowance for doubtful third party trade receivables	15	5	20
Allowance for inventories obsolescence written back	(1)	(1)	(2)
Allowance for inventories obsolescence	229	66	295
Segment profit	1,812	(17)	1,795
<b>Assets</b>			
Segment assets	41,614	13,666	55,280
Capital expenditure	3,719	45	3,764
<b>Liabilities</b>			
Segment liabilities	21,129	5,092	26,221

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

<b>2014</b>	<b>Total</b>
<b>Revenues</b>	<b>S\$'000</b>
Total revenues for reportable segments	78,733
Elimination of inter-segment revenues	(6,117)
Total external revenues	<u>72,616</u>
<b>Profit or loss</b>	
Total segment profit	1,795
Unallocated corporate income/expenses	(81)
Other income/expenses	(639)
Profit before income tax expense	<u>1,075</u>
<b>Assets</b>	
Segment assets	55,280
Elimination of receivables from corporate office	25,125
Other unallocated amounts	(27,330)
Total assets	<u>53,075</u>
<b>Liabilities</b>	
Segment liabilities	26,221
Elimination of payables from corporate office	(1,644)
Total liabilities	<u>24,577</u>

## GEOGRAPHICAL SEGMENT

	Total	
	2015	2014
	S\$'000	S\$'000
<b>Revenue</b>		
Singapore	32,337	33,681
Malaysia	19,957	19,946
Others <sup>(Note)</sup>	23,473	18,989
	<u>75,767</u>	<u>72,616</u>
<b>Non-current assets</b>		
Singapore	7,056	7,497
Malaysia	6,351	3,613
Others <sup>(Note)</sup>	2	2
	<u>13,409</u>	<u>11,112</u>

Note: Including countries other than Singapore and Malaysia.

**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.**

Revenue from House Brands decreased by S\$0.30 million to S\$50.86 million in FY2015 from S\$50.56 million in FY2014 and revenue from Non-House Brands increased by S\$2.84 million to S\$24.90 million in FY2015 from S\$22.06 million in FY2014. The increased in overall revenue was mainly due to increase in revenue from Singapore and Malaysia subsidiaries.

**17. A breakdown of sales.**

	Group		
	Year ended 31/12/2015	Year ended 31/12/2014	Change
	S\$'000	S\$'000	%
<b>First Half</b>			
Sales reported for the first half year	37,778	33,679	12.2
Operating profit after income tax reported for first half year	17	417	(95.9)
<b>Second Half</b>			
Sales reported for the second half year	37,989	38,937	(2.4)
Operating profit after income tax reported for second half year	(963)	275	(450.2)

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

	FY2015	FY2014
	S\$'000	S\$'000
<b>Ordinary</b>	Nil	327
<b>Preference</b>	Nil	Nil
<b>Total:</b>	Nil	327

**19. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

**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(10) 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 Chief Executive Officer and/or Substantial Shareholder</b>	<b>Current position and duties, and the year position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lim Hai Cheok	67	Spouse of Chong Poh Soon, Director and Substantial Shareholder.  Father of Lim Hock Chye Daniel, Director.  Brother of Lim Kim Eng, Director and Substantial Shareholder.	Director, since March 2004.  Chairman and Chief Executive Officer, since July 2004.	Nil
Chong Poh Soon	67	Spouse of Lim Hai Cheok, Chairman, Chief Executive Officer, Director and Substantial Shareholder.  Mother of Lim Hock Chye Daniel, Director.  Sister-in-law of Lim Kim Eng, Director and Substantial Shareholder.	Director, since July 2004.	Nil
Lim Kim Eng	63	Sister of Lim Hai Cheok, Chairman, Chief Executive Officer, Director and Substantial Shareholder.  Sister-in-law of Chong Poh Soon, Director and Substantial Shareholder.  Aunt of Lim Hock Chye Daniel, Director.	Director, since July 2004.	Nil
Lim Hock Chye Daniel	42	Son of Lim Hai Cheok, Chairman, Chief Executive Officer, Director and Substantial Shareholder; and Chong Poh Soon, Director and Substantial Shareholder.  Nephew of Lim Kim Eng, Director and Substantial Shareholder.	Director, since March 2004.	Nil

BY ORDER OF THE BOARD

Lim Hai Cheok  
Chief Executive Officer  
29 February 2016