

**Dynamic Colours Limited**  
**Incorporated in the Republic of Singapore**  
**(Company registration no. 199304233Z)**  
**Full Year 2015 Financial Statement and Dividend Announcement**  
**For the year ended 31 December 2015**



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1.	<b>Unaudited Financial Statements – 31 December 2015</b>
1.(a)(i)	<b>Statement of Comprehensive Income (Group)</b> <b>(An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year)</b>

	Group		% Changes
	31-Dec-15 US\$'000	31-Dec-14 US\$'000	
<b><u>Continuing Operations</u></b>		(Restated)	
Revenue	48,152	61,817	(22.1)
Cost of sales	(41,671)	(55,837)	(25.4)
Gross profit	6,481	5,980	8.4
<b><i>Other items of income</i></b>			
Other income	5,960	485	1,128.9
<b><i>Other items of expense</i></b>			
Distribution expenses	(958)	(1,030)	(7.0)
Administrative expenses	(2,601)	(2,593)	0.3
Other operating expenses	(120)	(7)	1,614.3
Finance costs, net	(157)	(190)	(17.4)
Profit before tax from continuing operations	8,605	2,645	225.3
Income tax expense	(857)	(403)	112.7
Profit from continuing operations	7,748	2,242	245.6
<b><u>Discontinued Operations</u></b>			
(Loss)/Profit from discontinued operations	(443)	41	(1,180.5)
Profit for the financial year	7,305	2,283	220.0
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	(375)	(23)	1,530.4
Other comprehensive income for the financial year, net of income tax	(375)	(23)	1,530.4
Total comprehensive income for the financial year	6,930	2,260	206.6
<b>Profit/(Loss) attributable to:</b>			
Owners of the parent			
- Profit from continuing operations	7,748	2,242	245.6
- (Loss)/Profit from discontinued operations	(354)	33	(1,172.7)
Non-controlling interests			
- (Loss)/Profit from discontinued operations	(89)	8	(1,212.5)
	7,305	2,283	220.0
<b>Total comprehensive income attributable to:</b>			
Owners of the parent			
- Profit from continuing operations	7,373	2,219	232.3
- Loss/(Profit) from discontinued operations	(354)	33	(1,172.7)
Non-controlling interests			
- Loss/(Profit) from discontinued operations	(89)	8	(1,212.5)
	6,930	2,260	206.6

**1.(a)(ii) Notes to the Statement of Comprehensive Income (Group)**

<u>Continuing Operations</u>	Group		% Changes
	31/Dec/15 US\$'000	31/Dec/14 US\$'000	
<b>After charging and crediting :</b>	(Restated)		
Write back of inventory obsolescence	300	(43)	141.9
Depreciation of property, plant and equipment	(1,463)	(1,361)	7.5
Profit/(loss) on disposal of property, plant and equipment	5,372	(5)	1,075.4
Amortisation of intangible assets	(7)	(8)	(12.5)
Amortisation of lease prepayments	(21)	(9)	133.3
Write-off of property, plant and equipment	(224)	-	N.M.
Finance income :			
Interest income	3	155	(98.1)
	3	155	(61.3)
Finance costs :			
Term loans	(69)	(68)	1.5
Trust receipts	(59)	(116)	(49.1)
Foreign exchange loss	(32)	(161)	(44.7)
	(160)	(345)	(53.6)
Net finance costs	(157)	(190)	17.8
Income tax expense :			
Current tax expense	(435)	(146)	197.9
Deferred tax expense	(402)	(241)	66.8
(Under)/Over provision in prior years	(20)	(16)	25.0
	(857)	(403)	112.7

<u>Discontinued Operations</u>	Group		% Changes
	31/Dec/15 US\$'000	31/Dec/14 US\$'000	
	(Restated)		
<b>After charging and crediting :</b>			
Allowance for inventory obsolescence	-	-	N.M.
Depreciation of property, plant and equipment	-	-	N.M.
Profit/(loss) on disposal of property, plant and equipment	(428)	-	N.M.
Amortisation of intangible assets	-	-	N.M.
Amortisation of lease prepayments	-	-	N.M.
Finance income :			
Interest income	-	1	(100.0)
	-	1	(100.0)
Finance costs :			
Term loans	-	-	N.M.
Trust receipts	-	-	N.M.
Foreign exchange loss	(4)	-	N.M.
	(4)	-	N.M.
Net finance costs	(4)	1	(500.0)
Income tax expense :			
Current tax expense	-	-	N.M.
Deferred tax expense	-	-	N.M.
(Under)/Over provision in prior years	(1)	-	N.M.
	(1)	-	N.M.

N.M: Not meaningful

1.(b)(i)	<b>Statement of Financial Position (Group and Company)</b>
	<b>Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.</b>

	Group		Company	
	31-Dec-15 US\$'000	31-Dec-14 US\$'000	31-Dec-15 US\$'000	31-Dec-14 US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	17,411	17,757	-	-
Lease prepayments	288	304	-	-
Intangible assets	13	20	-	-
Investment in subsidiaries	-	-	9,534	9,630
<b>Total non-current assets</b>	<b>17,712</b>	<b>18,081</b>	<b>9,534</b>	<b>9,630</b>
<b>Current assets</b>				
Inventories	5,501	7,123	-	-
Trade and other receivables	6,795	11,622	8,198	19,756
Prepayments	340	1,529	1	4
Cash and cash equivalents	11,430	9,355	4,834	520
<b>Total current assets</b>	<b>24,066</b>	<b>29,629</b>	<b>13,033</b>	<b>20,280</b>
<b>Total assets</b>	<b>41,778</b>	<b>47,710</b>	<b>22,567</b>	<b>29,910</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	18,822	18,822	18,822	18,822
Reserves	2,877	3,252	152	152
Retained earnings	13,086	9,142	278	2,640
Equity attributable to owners of the parent	34,785	31,216	19,252	21,614
Non-controlling interests	-	130	-	-
<b>Total equity</b>	<b>34,785</b>	<b>31,346</b>	<b>19,252</b>	<b>21,614</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,030	601	-	-
<b>Current liabilities</b>				
Trade and other payables	4,573	10,670	2,346	6,285
Interest bearing financial liabilities	969	4,838	969	2,000
Derivative financial instruments	-	88	-	11
Current tax payable	421	167	-	-
<b>Total current liabilities</b>	<b>5,963</b>	<b>15,763</b>	<b>3,315</b>	<b>8,296</b>
<b>Total equity and liabilities</b>	<b>41,778</b>	<b>47,710</b>	<b>22,567</b>	<b>29,910</b>

**1.(b)(ii) Aggregate amount of Group's Borrowings and Debt Securities**

Details of Group's liabilities	As at 31 December 2015			As at 31 December 2014		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand						
Interest bearing liabilities	-	969	969	1,338	3,500	4,838
Amount repayable after one year						
Interest bearing liabilities	-	-	-	-	-	-

<b>1.(c)</b>	<b>Statement of Cash Flows (Group)</b>
	<b>Consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.</b>

	Group	
	31-Dec-15 US\$'000	31-Dec-14 US\$'000
<b>Operating activities</b>		(Restated)
Profit before taxation from continuing operations	8,605	2,645
Profit before taxation from discontinued operations	(443)	61
Adjustments for:-		
Amortisation of intangible assets	7	8
Amortisation of lease prepayments	22	9
Depreciation of property, plant and equipment	1,463	1,361
Interest expense	128	183
Interest income	(3)	(155)
Profit from disposal of property, plant and equipment	(4,944)	5
Write-off of property, plant and equipment	224	-
Write back of inventory obsolescence	(300)	43
Net change in fair value of forward exchange contracts	-	87
<b>Operating profit before working capital changes</b>	<b>4,759</b>	<b>4,247</b>
Changes in working capital:		
Inventories	1,922	2,537
Trade and other receivables	4,827	3,627
Prepayments	1,189	(689)
Trade and other payables	(1,490)	(4,715)
Deposit pledged	(105)	(31)
<b>Cash generated from operations</b>	<b>11,102</b>	<b>4,976</b>
Income tax paid	(174)	(196)
<b>Cash flows from operating activities</b>	<b>10,928</b>	<b>4,780</b>
<b>Investing activities</b>		
Interest received	3	155
Proceeds from disposal of property, plant and equipment	7,448	144
Acquisition of property, plant and equipment	(4,072)	(3,786)
Disposal of subsidiary, net of cash disposed of	(41)	-
<b>Cash flows from investing activities</b>	<b>3,338</b>	<b>(3,487)</b>
<b>Financing activities</b>		
Dividends paid	(3,450)	(3,356)
Interest paid	(128)	(183)
Proceeds from short term loans	968	5,197
Repayment of short term loans	(4,838)	(4,247)
Repayment of trust receipts, net	(4,695)	(1,035)
<b>Cash flows from financing activities</b>	<b>(12,143)</b>	<b>(3,624)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>2,123</b>	<b>(2,331)</b>
Cash and cash equivalents at beginning of the year	9,281	11,627
Effect of exchange rate fluctuations on cash held	(153)	(15)
Cash and cash equivalents at end of the year	11,251	9,281
Cash and cash equivalents in the statement of financial position	11,430	9,355
Deposit pledged by Huiye Polymer (M) Sdn Bhd for banker's guarantee	(179)	(74)
Cash and cash equivalents in the statement of cash flows	11,251	9,281

<b>1.(d)(i)</b>	<b>Statement of Changes in Equity (Group and Company)</b>
	<b>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.</b>

<u>Group</u>	Share capital	Foreign exchange reserve	Statutory reserve	Share-based payment reserve	Retained earnings	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2014	18,822	1,443	1,680	152	10,223	32,320	122	32,442
Profit from continuing operations	-	-	-	-	2,242	2,242	-	2,242
Profit from discontinued operations	-	-	-	-	33	33	8	41
<b>Other comprehensive income:</b>								
Exchange differences arising from translation of foreign operations	-	(23)	-	-	-	(23)	-	(23)
<b>Total comprehensive income for the financial year</b>	-	(23)	-	-	2,275	2,252	8	2,260
<b>Dividends paid</b>	-	-	-	-	(3,356)	(3,356)	-	(3,356)
Balance as at 31 December 2014	18,822	1,420	1,680	152	9,142	31,216	130	31,346
<b>Group</b>								
Balance as at 1 January 2015	18,822	1,420	1,680	152	9,142	31,216	130	31,346
Profit from continuing operations	-	-	-	-	7,748	7,748	-	7,748
Loss from discontinued operations	-	-	-	-	(354)	(354)	(89)	(443)
<b>Other comprehensive income:</b>								
Exchange differences arising from translation of foreign operations	-	(375)	-	-	-	(375)	-	(375)
<b>Total comprehensive income for the financial year</b>	-	(375)	-	-	7,394	7,019	(89)	6,930
Transactions with owners								
Dividends	-	-	-	-	(3,450)	(3,450)	-	(3,450)
Discontinuation of subsidiary	-	-	-	-	-	-	(41)	(41)
Balance as at 31 December 2015	18,822	1,045	1,680	152	13,086	34,785	-	34,785



<u>Company</u>	Share-based		Retained earnings US\$'000	Total equity US\$'000
	Share capital US\$'000	payment reserve US\$'000		
At 1 January 2014	18,822	152	4,774	23,748
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	1,222	1,222
Total comprehensive income for the year	-	-	1,222	1,222
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
One tier final dividend of S\$0.02 per share (FY2013 final dividend)	-	-	(3,356)	(3,356)
Total transactions with owners	-	-	(3,356)	(3,356)
At 31 December 2014	18,822	152	2,640	21,614
At 1 January 2015	18,822	152	2,640	21,614
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	1,088	1,088
Total comprehensive income for the year	-	-	1,088	1,088
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by and distributions to owners</b>				
One tier final dividend of S\$0.0200 per share (FY2014 final dividend)	-	-	(2,336)	(2,336)
One tier interim dividend of S\$0.0075 per share (FY2015 interim dividend)	-	-	(1,114)	(1,114)
Total transactions with owners	-	-	(3,450)	(3,450)
At 31 December 2015	18,822	152	278	19,252

1.(d)(ii)	<b>Statement of Changes in Equity (Group and Company)</b> <b>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.</b>	
	There is no change in the Company's share capital for the financial year ended 31 December 2014 and 2015.	
1.(d)(iii)	<b>Number of Issued Shares excluding Treasury Shares</b> <b>(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.)</b>	
	Total number of issued shares as at 31 December 2015	209,971,310
	Total number of issued shares as at 31 December 2014	209,971,310
1.(d)(iv)	<b>Sales, Transfers, Disposals, Cancellations and/or use of Treasury Shares</b> <b>(A statements showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.)</b>	
	Not applicable.	
2.	<b>Audit – Whether figures have been audited or reviewed</b> <b>(Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.)</b>	
	The financial information have not been audited or reviewed by the Company's auditors.	
3.	<b>Auditors' report (if audited)</b> <b>(Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.)</b>	
	Not applicable.	
4.	<b>Accounting Policies</b> <b>(Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.)</b>	
	Other than the adoption of the new and revised Financial Reporting Standards (FRS) as mentioned in paragraph 5 below, there were no changes in accounting policies and methods of computation adopted in the financial statements for the current reporting period as compared to the most recent audited annual financial statements for the year ended 31 December 2015.	
5.	<b>Changes in accounting Policies</b> <b>(if there are any changes in the accounting policies and methods of computation, including any required by and accounting standard, what has changed</b>	
	In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective annual periods beginning on 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior periods.	

<b>6.</b>	<b>Earnings per ordinary share</b> (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.)
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	Group	
	31-Dec-15	31-Dec-14
Profit from continuing operation attributable to owners of the parent (US\$'000)	7,748	2,242
(Loss)/Profit from discontinued operation attributable to owners of the parent (US\$'000)	(354)	33
Number of ordinary shares ('000)		
As at 1 January	209,971	209,971
Issued during the year	0	0
As at 31 December	209,971	209,971
<b><u>Continuing Operations</u></b>		
Earnings per ordinary share (US\$) :		
(a) Based on actual number of ordinary shares on issue (cents)	3.69	1.07
(b) On a fully diluted basis (cents)	3.69	1.07
Note : EPS at US\$1.06 excluding capital gain on sale of Yishun factory.		
Earnings per ordinary share (S\$ equivalent) *:		
(a) Based on actual number of ordinary shares on issue (cents)	5.21	1.40
(b) On a fully diluted basis (cents)	5.21	1.40
Note : EPS at SG\$1.49 excluding capital gain on sale of Yishun factory.		
<b><u>Discontinued Operations</u></b>		
Earnings per ordinary share (US\$) :		
(a) Based on actual number of ordinary shares on issue (cents)	-0.17	0.02
(b) On a fully diluted basis (cents)	-0.17	0.02
Earnings per ordinary share (S\$ equivalent) *:		
(a) Based on actual number of ordinary shares on issue (cents)	-0.24	0.02
(b) On a fully diluted basis (cents)	-0.24	0.02
* S\$ equivalent, based on US\$1 = S\$1.411 ( 2014: US\$1 = S\$1.304)		

<b>7.</b>	<b>Net asset value per ordinary share</b> (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.)
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	Group		Company	
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Net assets (US\$'000)	34,785	31,216	19,252	21,614
Number of ordinary shares ('000)	209,971	209,971	209,971	209,971
Net asset value per share :				
- in US cents	16.57	14.87	9.17	10.29
- in Singapore cents *	23.38	19.39	12.94	13.42
* S\$ equivalent, based on US\$1 = S\$1.411 ( 2014: US\$1 = S\$1.304)				

<b>8.</b>	<b>Review of performance of the Group</b> 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.)
	Year ended 31 December 2015 ("FY2015") compared to the year ended 31 December 2014 ("FY2014") (all figures are in US\$)

	<b>Overview of Group's business</b>
	<p>The core businesses of Dynamic Colours Group ("the Group") are resin compounding and polyethylene packaging. Currently, our resin compounding ("RC") segment comprises our wholly owned subsidiaries in Suzhou, Vietnam and Malaysia, namely, Suzhou Huiye Plastic Industry Co., Ltd ("SHP"), Suzhou Huiye Chemical &amp; Light Industry Co., Ltd ("SHC"), Huiye Vietnam Plastic Co., Ltd ("HVP") and Huiye Polymer (M) Sdn Bhd ("HPM"). Our polyethylene packaging ("PP") segment is represented by SL Packaging Industries Pte Ltd ("SLP") in Singapore and HPM in Malaysia. The Group's injection moulding ("IM") business in Vietnam ceased operations in July 2015.</p> <p>In FY2015, our RC segment accounted for 56.5% of the total Group revenue (FY2014: 59.6%) and 39.9% (FY2014: 33.1%) was contributed by the PP segment. The discontinued IM business contributed 3.6% of Group revenue during the year (FY2014: 7.3%). On a continued operations basis, the RC segment accounted for 58.6% (FY2014: 64.3%) of Group revenue and the PP segment contributed 41.4% (FY2014: 35.7%).</p>

**Statement of Comprehensive Income**

Group revenue decreased by US\$13.665 million or 22.11% from US\$61.817 million in FY2014 to US\$48.152 million in FY2015. Revenue for RC segment declined by 28.9%, from US\$39.752 million to US\$28.234 million. The lower revenue is due to a decrease in RC production tonnage by 16.1% and average selling price by 15.3%.

The PP segment revenue decreased by 9.7% from US\$22.065 million to US\$19.918 million despite an increase in production tonnage of 3.2%. The reduction was mainly due to lower average selling price, down by 12.5%.

The IM segment revenue decreased by 63.5% and ceased operations in July 2015.

Cost of sales fell 25.4% to US\$41.671 million in FY2015 from US\$55,837 million in FY2014, with a gross profit margin of 13.5% in FY2015 versus 9.7% in FY2014.

Other income increased from US\$485K in FY2014 to US\$5.960 million in FY2015. The US\$5.960 million comprises :

- (a) A capital gain of US\$5.520 million on the sale of the Yishun polyethylene packaging factory for S\$9.8 million by subsidiary, SL Packaging. The sale was completed on 30 July 2015; and
- (b) Rental income US\$440K for FY2015, a decrease of US\$45K from FY2014 due to declined rental income at SL Packaging.

Distribution expenses decreased by 7.1% from US\$1.031 million to US\$0.958 million mainly due to lower manpower and freight costs in China as a result of RC's lower sales volume.

Administrative expenses increased from US\$2.593 million in FY2014 to US\$2.601 million in FY2015. This was due to increase in staff cost off-set by reduction in professional fees.

Other operating expenses increased by US\$113K from US\$7k in FY2014 to US\$120k mainly due to the reclassification of the expenses of the Vietnam injection moulding segment as profit/(loss) from discontinued operations in the Income Statement.

Finance income represented by fixed deposit interest income decline from US\$155K to US\$3K. Finance cost saw a decline from USD\$345K to USD\$160K due to lower interest expense on decreased trade financing for imports as well as much reduced net foreign exchange loss.

As a result of the above, the Group's profit for the year increased by 220.0% from US\$2.283 million in FY2014 to US\$7.305 million in FY2015. Excluding the capital gain on sale of the Yishun property, the Group's profit for the year would have been US\$2.188 million. No loss in revenue has resulted from the closure of the Yishun plant as the Singapore production activities have been transferred to the more cost efficient plant at Senai, Malaysia in Q1 2015.

**Statement of Financial Position**

The slight decrease in property, plant and equipment from US\$17.757 million to US\$17.411 million was mainly due to the disposal of property in Singapore, the depreciation charge for the year and offset by the acquisition of machineries in Malaysia.

The value of inventories decreased by US\$1.622 million owing to the lower value of raw material purchases based on both price and future usage considerations.

	<p>The decrease in trade and other receivables by US\$4.827 million was in line with lower sales recorded towards the end of FY2015 as well as a further reduction in days receivable. The decrease in trade and other payables by US\$6.337 million was largely in line with the decline in raw material inventories and the faster payment of trust receipts.</p> <p>Interest bearing liabilities decreased from US\$4.838 million to US\$0.969 million due to a decrease in bridging loans for working capital purposes as well as the repayment of loans for capital equipment for PP plant in Malaysia.</p>
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	<p><b>Statement of Cash Flows</b></p> <p>Cash and cash equivalents increased by US\$2.075 million, from US\$9.355 million to US\$11.430 million.</p> <p>The Group achieved a positive cash flow from its operating activities of US\$10.928 million compared with a net profit of US\$7.305 million. The excess of cash over profit was caused mainly by the decrease in inventories and receivables and prepayments.</p> <p>There was net cash inflow of US\$3.338 million from investing activities, largely as a result of the proceeds from the disposal of property in Singapore and partially off-set by payments relating to the acquisition of machineries in Malaysia.</p> <p>The net cash outflow of US\$12.143 million in financing activities was the result of dividend payments and repayments of short term loans and trust receipts, offset marginally by proceeds from short term loans.</p>
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	<p><b>Liquidity and Capital Resources</b></p> <p>As at 31 December 2015, the Group's net current assets was US\$18.103 million (31 December 2014: US\$13.866 million), with a current ratio of 4.04 as compared to 1.88 as at 31 December 2014.</p> <p>The net working capital cycle increased to 63 days as at 31 December 2015 from 49 days as at 31 December 2014 due to the following factors:</p> <p>(i) Inventories, in terms of stock turnover days, decreased to 46 days (31 December 2014 : 43 days) and</p> <p>(ii) Trade receivables, in terms of debtors turnover days, decreased to 48 days (31 December 2014: 63 days).</p> <p>And offset by</p> <p>(iii) Trade payables, in terms of creditors turnover days, decreased to 31 days (31 December 2013: 57 days).</p>
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9.	<p><b>Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.</b></p>
	<p>No forecast or prospect statement has been previously disclosed to shareholders.</p>

<b>10.</b>	<b>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 in the next 12 months.</b>
	The overall business conditions remain challenging with uncertainties and volatility persistence in the crude oil and currency markets. RC and PP segments of the Group are likely to remain highly competitive amidst the continuing economic slowdown. The Management will continue to remain vigilant and monitor the operations closely.

<b>11.</b>	<b>Dividends</b>
	<b>(a) Current Financial Period Reported on?</b>
	Any dividend declared for the current financial period reported on?

Final dividends FY 2015 (Recommended)	
Name of Dividend	Final Dividend 2015
Dividend Type	Ordinary
Dividend Amount per Share	S\$0.0075 per share
Par Value of Shares	N.A.
Tax Rate	Tax exempt (1 tier)
Date Declared/Announced	24/2/16
Books Closure Date	3/5/16
Date to be paid	13/5/16
Amount to be paid in Singapore dollars	S\$1.57 million
Amount in US\$ (for accounting purposes)	It will be confirmed only at payment date

Final dividends FY 2015 (Recommended)	
Name of Dividend	Special Dividend 2015
Dividend Type	Ordinary
Dividend Amount per Share	S\$0.025 per share
Par Value of Shares	N.A.
Tax Rate	Tax exempt (1 tier)
Date Declared/Announced	24/2/16
Books Closure Date	3/5/16
Date to be paid	13/5/16
Amount to be paid in Singapore dollars	S\$5.25 million
Amount in US\$ (for accounting purposes)	It will be confirmed only at payment date

Interim dividends FY 2015 (Paid)	
Name of Dividend	Interim Dividend 2015
Dividend Type	Ordinary
Dividend Amount per Share	S\$0.0075 per share
Par Value of Shares	N.A.
Tax Rate	Tax exempt (1 tier)
Date Declared/Announced	Announced on 12 Aug 2015
Books Closure Date	15/Sep/15
Date to be paid	25/Sep/15
Amount to be paid in Singapore dollars	S\$1.57 million
Amount in US\$ (for accounting purposes)	US\$1.12 million

**(b) Corresponding period of the immediately Preceding Financial Year**

Final dividends FY 2014 (Paid)	
Name of Dividend	Final Dividend 2014
Dividend Type	Ordinary
Dividend Amount per Share	S\$0.0150 per share
Par Value of Shares	N.A.
Tax Rate	Tax exempt (1 tier)
Date Declared/Announced	Announced on 25 Feb 2015
Books Closure Date	09/Jun/15
Date to be paid	19/Jun/15
Amount to be paid in Singapore dollars	S\$3.15 million
Amount in US\$ (for accounting purposes)	US\$2.34 million

**(c) Date payable**

13 May 2016.

**(d) Books closure date**

3 May 2016.

<b>12.</b>	<b>If no dividend has been declared/recommended, a statement to that effect.</b>
	Not applicable.

<b>13.</b>	<b>Interested Person Transactions</b> <b>(If the Group has obtained a general mandate from shareholders for the 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.)</b>
	There is no general mandate from shareholders. The value of IPT is below the threshold prescribed under Part III of Chapter 9 of Listing Manual.
	Pursuant to Listing Rule 720(1), the Company has received revised Letter of Undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 of the SGX-ST Listing Manual.



<b>14.</b>	<b>Segment 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.</b>
	Segment information is prepared in respect of the Group's operating and geographical segments. The operating segments are based on the Group's management and internal reporting structures.
	Inter-segment pricing is determined on mutually agreed terms.
	Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.
	Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.
<b>(a)</b>	<b>Operating segment</b>
	The group comprises the following main operating segments:
	Resin compounding (RC): Manufacture and sale of compounded resins and toll compounding services.
	Polyethylene packaging (PP): Manufacture and sale of polyethylene packaging materials.
	Injection moulding (IM): Manufacture and sales of plastic molded products. The segment ceased operations in July 2015.

	Resin compounding		Polyethylene packaging		Injection Moulding		Consolidated *	
	(Continuing Operations)		(Continuing Operations)		(Discontinued Operations)			
	31-Dec-15 US\$'000	31-Dec-14 US\$'000	31-Dec-15 US\$'000	31-Dec-14 US\$'000	31-Dec-15 US\$'000	31-Dec-14 US\$'000	31-Dec-15 US\$'000	31-Dec-14 US\$'000
Segment revenue	28,234	39,700	19,918	22,117	1,778	4,875	49,930	66,692
Segment results	1,498	924	1,744	1,911	(438)	60	2,804	2,895
Net finance income/(costs)	(185)	(131)	28	(59)	(4)	-	(161)	(190)
Income tax expense	(327)	(159)	(530)	(244)	(1)	(19)	(858)	(422)
Profit before disposal	986	634	1,242	1,608	(443)	41	1,785	2,283
Profit on disposal (N1)	-	-	5,520	-	-	-	5,520	-
Profit for the year	986	634	6,762	1,608	(443)	41	7,305	2,283
(N1 : Profit from disposal of property.)								
Assets and liabilities								
Segment assets	24,389	25,958	17,389	19,527	-	2,225	41,778	47,710
Segment liabilities	(4,151)	(1,220)	11,144	16,009	-	1,575	6,993	16,364
Other material items								
Capital expenditure	692	322	3,300	3,270	80	194	4,072	3,786
Depreciation of property, plant and equipment	306	471	1,107	769	50	121	1,463	1,361

\* Consolidated data consisted of continuing and discontinued operations.

**(b) Geographical segments**

In presenting information on the basis of geographical segments, segment revenue and assets are based on the geographical location of the business activities.

The Group's three operating segments operate in four main geographical areas:

- Singapore – The Company is the holding company of the subsidiaries and is involved in the sale of plastic resins and polyethylene packaging materials.
- People's Republic of China – The operations are principally the manufacture and sale of compounded resins and toll compounding services;
- Vietnam – The operations are principally the manufacture and sale of compounded resins, toll compounding services and injection moulding. The injection moulding activity ceased operations in July 2015.
- Malaysia – The operations are principally the manufacture and sale of compounded resins, toll compounding services and manufactures and sale of polyethylene packaging material.

	Sales		Non-current assets	
	31-Dec-15 US\$'000	31-Dec-14 US\$'000	31-Dec-15 US\$'000	31-Dec-14 US\$'000
<b><u>Continuing Operations:</u></b>				
China	19,300	28,790	2,476	2,837
Singapore	19,794	22,108	3,296	5,127
Vietnam	3,466	5,210	1,002	1,187
Malaysia	5,592	5,709	10,938	8,930
	48,152	61,817	17,712	18,081
<b><u>Discontinued Operations:</u></b>				
Vietnam	1,778	4,875	-	-
	1,778	4,875	-	-

<b>15.</b>	<b>In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.</b>
	The factors leading to the material changes in contributions to revenue and earnings by business or geographical segments are stated in paragraph 8.

<b>16.</b>	<b>Breakdown of sales.</b>
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	Group		% Change
	31-Dec-15 US\$'000	31-Dec-14 US\$'000	
<b><u>Continuing Operations:</u></b>			
Revenue reported for first half year	25,816	30,952	(16.6)
Revenue reported for second half year	22,336	30,865	(27.6)
Total revenue reported for the year	48,152	61,817	(22.1)
Operating profit after tax reported for first half year	1,235	1,107	11.6
Operating profit after tax reported for second half year	6,513	1,135	473.8
Total operating profit after tax reported for the year	7,748	2,242	245.6
<b><u>Discontinued Operations:</u></b>			
Revenue reported for first half year	1,778	2,491	(28.6)
Revenue reported for second half year	-	2,384	(100.0)
Total revenue reported for the year	1,778	4,875	(63.5)
Operating profit after tax reported for first half year	(27)	30	(190.0)
Operating profit after tax reported for second half year	(416)	11	(3,881.8)
Total operating profit after tax reported for the year	(443)	41	(1,180.5)

17.	<b>Breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.</b>
	Please refer to paragraph 11 Dividends above.

18.	<b>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 he is no such persons, the issuer must make an appropriate negative statement.</b>
	Ms Grace Yeo Jia Lin, the daughter of Mr. Yeo Hock Leng and Mdm. Goh Seok Eng, is holding the position of Assistant Technical and Production Manager in the company. She holds a Master in Polymer Science, awarded by the Loughborough University of the United Kingdom.

	BY ORDER OF THE BOARD
	Yeo Hock Leng Executive Chairman and Group Managing Director  24 February 2016