RAFFLES UNITED HOLDINGS LTD
Co. Reg No. 197302030N
Unaudited Full Year Financial Statement Announcement for the year ended 31 December 2016

Part 1 - 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

(i) **Consolidated Statement of Profit or Loss**

		Group		
		S$'000		%
		2016	2015	Change
Revenue	Note 1	71,441	76,370	(6)
Other income including interest income		90	75	20
Changes in inventories	Note 1	(24,252)	(5,314)	356
Raw materials and consumables used	Note 1	(34,165)	(54,538)	(37)
Staff costs	Note 2	(7,694)	(9,147)	(16)
Depreciation of property, plant and equipment	Note 3	(867)	(948)	(9)
Foreign exchange loss, net	Note 4	(128)	(278)	(54)
Provision for trade doubtful debts, net	Note 5	(212)	(17)	NM
(Provision)/Write-back for slow-moving inventories	Note 6	(4,187)	45	NM
Provision for doubtful debts, associate	Note 7	(400)	-	NM
(Loss)/Gain on changes in fair value of investment properties	Note 8	(73)	441	NM
Gain on disposal of plant and equipment / Plant and equipment written off, net		-	45	NM
Gain from bargain purchase on acquisition of a subsidiary		-	103	NM
Loss on disposal of a subsidiary	Note 9	(1,302)	(241)	NM
Non-controlling interest share on waiver of intercompany debts on disposal of a subsidiary	Note 10	(147)	(839)	(82)
Other operating expenses	Note 11	(3,670)	(3,854)	(5)
Finance costs	Note 12	(1,321)	(1,117)	18
Share of results of associates	Note 13	308	3	NM
(Loss)/Profit before tax		(6,579)	789	(934)
Income tax expense	Note 14	(163)	(434)	(62)
(Loss)/Profit for the year		(6,742)	355	NM
(Loss)/Profit attributable to:				
Owners of the Company		(6,989)	307	NM
Non-controlling interests		247	48	415
		(6,742)	355	NM

(ii) **Consolidated Statement of Comprehensive Income**

		Group		
		S$'000		%
		2016	2015	Change
(Loss)/Profit for the year		(6,742)	355	NM
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	Note 15	473	463	2
		473	463	2
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	Note 16	(493)	(2,021)	(76)
		(493)	(2,021)	(76)
Other comprehensive loss for the year, net of tax		(20)	(1,558)	(99)
Total comprehensive loss for the year		(6,762)	(1,203)	462
Total comprehensive loss attributable to:				
Owners of the Company		(7,042)	(1,303)	440
Non-controlling interests		280	100	180
		(6,762)	(1,203)	462

NM - Not meaningful

Notes to the Income Statement

1 Group revenue declined 6% from $76.4 million to $71.4 million in FY16 primarily due to:
- stiff price competition in the dealers' markets in ASEAN and Western countries and subdued global demand;
- the disposal of its Taiwan subsidiary in 2H16;
- lower business activities in the Singapore and Malaysia domestic Maintenance, Repair and Overhaul ("MRO") market; and
- currency translation effects arising from the weakening MYR against the SGD currency.

This was partially mitigated by:
- upswing of Original Equipment Manufacturer ("OEM") market particularly in the 4th quarter of 2016; and
- active inventory promotion to generate positive cashflow in view of the uncertain and challenging global market conditions during the year.

The Group also generated higher rental income from the Property division, following its acquisition of 51% of the issued and paid-up share capital of Raffles Capital Enterprise Pte Ltd ("RCE") in 2H15.

Gross profit margin declined to 18% (FY15: 22%) mainly due to active inventory promotion at reduced prices during the year. The decline was partially mitigated by higher revenue contribution from the Property division.

2 Staff costs dropped by 16% primarily due to:
- the Group's prudent approach towards headcount management, including natural staff attrition as well as the optimisation of operations;
- lower variable incentives in line with lower sales; and
- the cessation of operations of the Group's Australia subsidiary in 2H15.

3 The decline in depreciation charges was mainly attributable to:
- certain office equipment and motor vehicle being fully depreciated FY16; and
- the disposal of the Group's Guangzhou subsidiary in 2H15.

4 Group foreign exchange loss was mainly due to the strengthening of the USD and weakening of RMB against the SGD during the year.

5 Provision for trade doubtful debts was made upon internal assessment.

6 In view of the uncertain and challenging global economic conditions, the Group performed a reassessment of its inventory against current market prices and made due provisions for slow-moving inventories during the year.

The provision for slow-moving inventories was adequate as at 31 December 2016.

7 Provision for doubtful debts owing from an associate was made on ground of prudence.

8 The loss on changes in fair value of investment properties arose from the independent valuation performed on one investment property in Singapore during the year.

9 The loss on disposal of a subsidiary amounting to $1.3 million was due to the full disposal of its Taiwan subsidiary during the year.

10 In conjunction with the disposal of its Taiwan subsidiary, a $0.1 million one-off loss was recorded due to the waiver of intercompany debts arising from the disposal of the said entity which was attributable to non-controlling shareholders.

11 The decline in other operating expenses was primarily due to:
- the lower level of business activities during the year;
- the cessation of operations of the Group's Australia subsidiary in 2H15; and
- the disposal of the Group's Guangzhou subsidiary in 2H15.

12 Group finance costs increased by 18% due to:
- the consolidation of borrowing costs incurred by RCE, following its acquisition by the Group in 2H15; and
- a general increase in cost of borrowings.

This was partially offset by repayments made during the year.

13 Share of results of associates relate primarily to the Group's share of investment property revaluation gain of Poh Leng Realty Pte Ltd ("PLR").

14 The income tax expense relates to certain profitable subsidiaries in the Group.

15 The revaluation of land and buildings under property, plant and equipment was attributable to net revaluation gain arising from independent valuations performed on the Group's properties in Singapore and Malaysia during the year.

16 The loss on translation reserve was mainly due to the depreciation of the MYR against the SGD upon consolidation of the Group's overseas subsidiaries during the year.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediate preceding year.

Statements of Financial Position

		Group		Company	
		31.12.2016 S$'000	31.12.2015 S$'000	31.12.2016 S$'000	31.12.2015 S$'000
Assets					
Non-current assets					
Property, plant and equipment	Note 1	23,767	24,015	22,590	22,809
Investment in subsidiaries	Note 2	-	-	14,445	14,952
Investment in associates	Note 3	764	456	463	463
Investment properties	Note 4	56,527	56,809	4,130	4,130
Other investments		57	57	57	57
		81,115	81,337	41,685	42,411
Current assets					
Trade debtors	Note 5	14,311	14,953	-	-
Other debtors		958	641	896	527
Prepayments		124	196	3	28
Amounts due from subsidiaries	Note 2	-	-	23,914	44,122
Amounts due from an associate	Note 3	724	985	354	909
Amounts due from related parties	Note 6	-	153	-	-
Inventories	Note 7	36,721	65,160	-	-
Fixed deposits	Note 8	-	843	-	-
Cash at banks and on hand		11,414	5,099	6,197	1,707
		64,252	88,030	31,364	47,293
Total assets		145,367	169,367	73,049	89,704
Equity and liabilities					
Current liabilities					
Interest bearing loans and borrowings	Note 9	28,349	37,388	14,714	28,130
Trade creditors and accruals	Note 10	11,325	10,553	434	355
Other creditors		1,007	922	70	99
Amounts due to related parties	Note 6	2,393	6,686	-	-
Provision for taxation		53	220	-	-
		43,127	55,769	15,218	28,584
Net current assets		21,125	32,261	16,146	18,709
Non-current liabilities					
Interest bearing loans and borrowings	Note 9	23,437	24,157	-	3,750
Amounts due to related parties	Note 6	-	2,384	-	-
Deferred tax liabilities		2,750	2,830	2,267	2,196
		26,187	29,371	2,267	5,946
Total liabilities		69,314	85,140	17,485	34,530
Net assets		76,053	84,227	55,564	55,174
Equity attributable to owners of the Company					
Share capital		31,658	31,658	31,658	31,658
Assets revaluation reserve	Note 1	11,891	11,418	10,705	10,359
Foreign currency translation reserve		(6,163)	(5,637)	-	-
Revenue reserve		30,544	37,533	13,201	13,157
		67,930	74,972	55,564	55,174
Non-controlling interests		8,123	9,255	-	-
Total equity		76,053	84,227	55,564	55,174
Total equity and liabilities		145,367	169,367	73,049	89,704

Notes to the Statements of Financial Position

1 The decrease in property, plant and equipment at the Company and Group level was mainly attributed to the depreciation charges offset by $0.5m revaluation gain resulting from independent valuations performed on properties located in Singapore and Malaysia during the year.

2 The decrease in investment in subsidiaries was mainly due to the disposal of the Group's Taiwan subsidiary offset by reversal of provisions for impairment loss following quasi equity loan partial repayments and positive results from its Indonesia subsidiary during the year.

The decline in the amounts due from subsidiaries was due to partial settlements made during the year by certain subsidiaries.

3 The increase in investment in associates was mainly due to the share of results from the Group's associate company, PLR.

The decline in amount owing from associates was primarily due to provisions made during the year as explained in Note 7 to the income statement.

4 Investment properties decreased primarily due to:
- the effects of the weaker RMB against the SGD currency on the revaluation of the Group's investment properties in China at year-end; and
- a slight downward revaluation of an investment property in Singapore.

5 The decline in Group trade debtors was primarily due to the disposal of the Group's Taiwan subsidiary in 2H16 and collections received during the year. This was partially offset by higher sales to OEM customers in the 4th quarter of 2016.

6 The amount due from related parties in the prior year relates to the amount payable to the non-controlling shareholders of its Taiwan subsidiary which has been fully disposed in 2H16.

There was a reclassification of amount due to related party from non-current to current during the year, which pertains to the outstanding loan owing to the minority shareholder of RCE and deemed controlling shareholder of the Company, being repayable within a year.

7 The decrease in inventories was mainly due to:
- the disposal of the Group's Taiwan subsidiary in 2H16;
- a continued tight control on purchases;
- active inventory promotion at reduced prices to generate positive cashflow in view of the uncertain and challenging global market conditions during the year; and
- provision for slow-moving inventories of $4.2 million for the Group as explained in Note 6 to the income statement.

8 There were no more fixed deposits as at year-end following disposal of the Group's Taiwan subsidiary in 2H16.

9 Bank borrowings by both the Group and the Company declined primarily due to disposal of the Group's Taiwan subsidiary and repayments made during the year.

10 Group trade creditors had increased in line with higher purchases meant for the OEM sector following higher revenue generated in the last quarter of 2016 as compared to the same period last year. This was partially offset by disposal of the Group's Taiwan subsidiary in 2H16.

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

Amount repayable in one year or less, or on demand

As at 31.12.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
1,017	27,332	4,290	33,098

Amount repayable after one year

As at 31.12.2016		As at 31.12.2015	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
23,437	-	20,407	3,750

Details of any collaterals

The Group's borrowings were secured on certain properties of the Group.

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

Consolidated Statement of Cash Flows

	Group	
	2016	**2015**
	S$'000	**S$'000**
Operating activities		
(Loss)/Profit before tax	(6,579)	789
Adjustments for:		
Depreciation of property, plant and equipment	867	948
Provision for trade doubtful debts, net	212	17
Provision/(Write-back) for slow-moving inventories	4,187	(45)
Provision for doubtful debts, associate	400	-
Loss/(Gain) on changes in fair value of investment properties	73	(441)
Gain on disposal of plant and equipment / Plant and equipment written off, net	-	(45)
Gain from bargain purchase on acquisition of a subsidiary	-	(103)
Loss on disposal of a subsidiary	1,302	241
Non-controlling interest share on waiver of intercompany debts on disposal of a subsidiary	147	839
Share of results of associates	(308)	(3)
Foreign currency adjustments	(2)	(535)
Interest expense	1,321	1,117
Interest income	(13)	(8)
Operating cash flows before changes in working capital	1,607	2,771
Changes in working capital		
Decrease in inventories	13,535	3,848
(Increase)/Decrease in trade debtors	(1,053)	1,904
(Increase)/Decrease in amount due from an associate	(139)	223
Decrease in other debtors	334	97
Increase/(Decrease) in trade creditors and accruals	1,618	(3,440)
Increase/(Decrease) in other creditors	90	(289)
Decrease in trade amounts owing from/to related parties	(264)	(96)
Cash flows generated from operations	15,728	5,018
Income tax paid	(547)	(515)
Interest paid	(1,321)	(1,117)
Interest income received	13	8
Net cash flows generated from operating activities	13,873	3,394
Investing activities		
Purchase of plant and equipment	(129)	(122)
Disposal of a subsidiary	(107)	(13)
Acquisition of a subsidiary	-	(7,796)
Acquisition of an associate	-	(216)
Proceeds from disposal of plant and equipment	-	55
Net cash flows used in investing activities	(236)	(8,092)
Financing activities		
Proceeds from term loans from banks	35,429	23,161
Repayment of term loans from banks	(38,111)	(20,635)
Proceeds from trade financing	9,635	26,787
Repayment of trade financing	(13,985)	(24,698)
Non-trade amounts owing from/to related parties	(321)	(2,320)
Proceeds from loan from immediate and ultimate holding company	2,250	10,500
Repayment of loan from immediate and ultimate holding company	(2,250)	(10,500)
Dividend paid on ordinary shares	-	(234)
Dividend paid to non-controlling shareholders of a subsidiary	-	(55)
Net cash flows (used in)/generated from financing activities	(7,353)	2,006
Net increase/(decrease) in cash and cash equivalents	6,284	(2,692)
Effect of exchange rate changes on cash and cash equivalents	31	266
Cash and cash equivalents at 1 January	5,099	7,525
Cash and cash equivalents at 31 December	11,414	5,099
Cash and cash equivalents comprise of:-		
Cash at banks and on hand	11,414	5,099

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.

Statements of Changes in Equity

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share Capital	Assets revaluation reserve	Foreign currency translation reserve	Revenue reserve		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance at 1 January 2015	31,658	11,115	(3,564)	37,300	1,178	77,687
Profit for the year	-	-	-	307	48	355
Other comprehensive loss for the year	-	463	(2,073)	-	52	(1,558)
Total comprehensive loss for the year	-	463	(2,073)	307	100	(1,203)
Contributions by and distributions to owners						
Dividend paid	-	-	-	(234)	-	(234)
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	(55)	(55)
Effects of acquiring non-wholly owned interests in a subsidiary	-	-	-	-	7,765	7,765
Disposal of a subsidiary		(160)		160	267	267
Total transactions with owners recognized directly in equity	-	(160)	-	(74)	7,977	7,743
Balance at 31 December 2015	31,658	11,418	(5,637)	37,533	9,255	84,227
Balance at 1 January 2016	31,658	11,418	(5,637)	37,533	9,255	84,227
Loss for the year	-	-	-	(6,989)	247	(6,742)
Other comprehensive loss for the year	-	473	(526)	-	33	(20)
Total comprehensive loss for the year	-	473	(526)	(6,989)	280	(6,762)
Contributions by and distributions to owners						
Disposal of a subsidiary	-	-	-	-	(1,412)	(1,412)
Total transactions with owners recognized directly in equity	-	-	-	-	(1,412)	(1,412)
Balance at 31 December 2016	31,658	11,891	(6,163)	30,544	8,123	76,053
Company						
Balance at 1 January 2015	31,658	9,920	-	12,326	-	53,904
Profit for the year	-	-	-	1,065	-	1,065
Other comprehensive income for the year	-	439	-	-	-	439
Total comprehensive income for the year	-	439	-	1,065	-	1,504
Contributions by and distributions to owners						
Dividend paid	-	-	-	(234)	-	(234)
Total transactions with owners recognized directly in equity	-	-	-	(234)	-	(234)
Balance at 31 December 2015	31,658	10,359	-	13,157	-	55,174
Balance at 1 January 2016	31,658	10,359	-	13,157	-	55,174
Profit for the year	-	-	-	44	-	44
Other comprehensive income for the year	-	346	-	-	-	346
Total comprehensive income for the year	-	346	-	44	-	390
Balance at 31 December 2016	31,658	10,705	-	13,201	-	55,564

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 Company's share capital during the financial year.

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 ordinary shares excluding treasury shares as at 31 December 2016 was 234,060,000 (2015: 234,060,000).

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 reported on.

The Company has no treasury shares.

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 auditor's report (including any qualifications or emphasis of matter).

Not applicable.

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

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financials for the current year as compared with the audited financial statements for the year ended 31 December 2015.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2016. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

	Group	
	31.12.2016	**31.12.2015**
	in cents	**in cents**
(Loss)/Earnings per ordinary share for the year:-		
Based on existing issued share capital	(2.99)	0.13
On a fully diluted basis	(2.99)	0.13

The computation of (loss)/earnings per share is based on 234,060,000 (2015: 234,060,000) weighted average number of ordinary shares in issue during the year.

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

	Group		Company	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	in cents	in cents	in cents	in cents
Net asset value per ordinary share based on issued share capital	29.02	32.03	23.74	23.57

The above is computed based on the number of issued ordinary shares as at the respective balance sheet dates amounting to 234,060,000 (2015: 234,060,000) shares.

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.

Group revenue declined 6% from $76.4 million to $71.4 million in FY16 primarily due to:
- stiff price competition in the dealers' markets in ASEAN and Western countries and subdued global demand;
- the disposal of its Taiwan subsidiary in 2H16;
- lower business activities in the Singapore and Malaysia domestic MRO market; and
- currency translation effects arising from the weakening MYR against the SGD currency.

This was partially mitigated by:
- upswing of OEM market particularly in the 4th quarter of 2016; and
- active inventory promotion to generate positive cashflow in view of the uncertain and challenging global market conditions during the year.

The Group also generated higher rental income from the Property division, following its acquisition of 51% of the issued and paid-up share capital of RCE in 2H15.

Gross profit margin declined to 18% (FY15: 22%) mainly due to active inventory promotion at reduced prices during the year. The decline was partially mitigated by higher revenue contribution from the Property division.

The Group registered a net loss before taxation of $6.6 million for FY16 compared to $0.8 million net profit before taxation in FY15. The shift to loss position was mainly attributed by:
- $4.2 million provision for slow-moving inventories
- $3.5 million decrease in gross profit mainly due to active inventory promotion at reduced prices during the year;
- $0.5 million decrease in gain on changes in fair value of investment properties;
- $0.4 million provision for doubtful debts, associate;
- $0.2 million increase in provision for trade doubtful debts; and
- $0.2 million increase in finance costs

which were partially mitigated by the:
- $1.5 million decrease in staff costs; and
- $0.3 million share of results of associates.

Please refer to notes to the income statement for further details.

The Group's net cash generated from operating activities was $13.9 million (FY15: $3.4 million) mainly due to active promotion of its inventories at reduced prices during the year. This was in line with the Group's strategy to generate positive operating cashflow in the midst of the uncertain and challenging global market conditions to pay off its term loans due in 4th quarter of 2016 and 1st quarter of 2017.

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

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group expects the business environment for the bearings and seals industry to remain challenging. Competition in this industry is expected to be intense in the face of subdued demand amidst weak global market conditions. In the current year, the Group has strengthened its balance sheet in terms of improved gearing, liquidity and inventory turnover ratios, and continues to exercise prudence in the management of its cash and inventory to ensure that it is able to navigate the challenges going forward. At the same time, it will keep a close watch on the market and tap on any growth opportunities that may arise. Meanwhile, the property business is expected to remain relatively stable and contribute positively to the Group.

For the financial year 2017, the Group will continue to focus on generating positive cashflow amidst the uncertain and challenging business environment.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial year reported on? No

Name of dividend	Interim (Tax exempt One-Tier)	First and final (Tax exempt One-Tier)
Dividend Type	N.A.	N.A.
Dividend amount per share (in cents)	Nil	Nil

(b) Corresponding period of the Immediately Preceding Financial Year?

Any dividend declared for the corresponding period of the Immediately Preceding Financial Year? No

Name of dividend	Interim (Tax exempt One-Tier)	First and final (Tax exempt One-Tier)
Dividend Type	N.A.	N.A.
Dividend amount per share (in cents)	Nil	Nil

(c) Date payable

N.A.

(d) Books closure date

N.A.

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

The Group is in a loss position in the current year. In anticipation of the challenging times, the Group is keenly aware of the need to be prudent and conserve its resources. It has thus not declared any dividend for the current financial year reported on.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results.)

13. Segmental 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.

Business Segments

	Bearings & Seals		Property		Total	
	2016 S$'000	**2015** S$'000	**2016** S$'000	**2015** S$'000	**2016** S$'000	**2015** S$'000
Segment revenue						
Revenue to external customers	69,358	74,670	2,083	1,700	71,441	76,370
Segment results	(7,279)	120	1,700	1,775	(5,579)	1,895
Adjustments A						
Interest income					13	8
Finance costs					(1,321)	(1,117)
Share of results of associates					308	3
(Loss)/Profit before tax per consolidated income statement					(6,579)	789

Other business segment information	Bearings & Seals		Property		Total	
	2016 S$'000	**2015** S$'000	**2016** S$'000	**2015** S$'000	**2016** S$'000	**2015** S$'000
Capital expenditure	129	122	-	-	129	122
Depreciation	867	948	-	-	867	948
Other non-cash expense/(income)	5,938	366	73	(441)	6,011	(75)

	Bearings & Seals		Property		Total	
	2016 S$'000	**2015 S$'000**	**2016 S$'000**	**2015 S$'000**	**2016 S$'000**	**2015 S$'000**
Segment assets	87,532	111,358	57,014	57,496	144,546	168,854
Adjustments B						
Investment in associates					764	456
Other investments					57	57
Per consolidated statement of financial position					145,367	169,367
Segment liabilities	39,204	59,832	27,307	22,258	66,511	82,090
Adjustments C						
Provision for taxation					53	220
Deferred tax liabilities					2,750	2,830
Per consolidated statement of financial position					69,314	85,140

Adjustment A
These items are added to/(deducted from) segment profit to arrive at 'profit before tax' presented in the consolidated income statement.
Adjustments B and C
These items are added to segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated statement of financial position.

Non-cash expense/(income) information presented above consists of foreign currency adjustments, gain/loss on disposal of plant and equipment/plant and equipment written off, (loss)/gain on change in fair value of investment properties, provision for trade doubtful debts, provision for doubtful debts (associate), (write-back)/provision for slow-moving inventories, gain from bargain purchase on acquisition of a subsidiary, loss on disposal of a subsidiary, non-controlling interest share on waiver of intercompany debts on disposal of a subsidiary, and share of results of associates as presented in the consolidated statement of cash flows.

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue			Non- current assets		
	2016 S$'000	**2015** S$'000	**Change** %	**2016** S$'000	**2015** S$'000	**Change** %
Singapore	12,084	17,382	(30)	74,975	75,266	(0)
Other ASEAN countries	26,425	25,869	2	1,101	1,075	2
Other Asian countries	27,774	25,268	10	4,218	4,483	(6)
Western countries	4,797	6,491	(26)	-	-	NM
Others	361	1,360	(73)	-	-	NM
	71,441	76,370	(6)	80,294	80,824	(1)

Non-current assets information presented above consist of property, plant and equipment, and investment properties as presented in the consolidated statement of financial position.

Information about major customers
The Group is not significantly reliant on revenue derived from any major customers or group of customers.

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

Group turnover by geographical segment was down mainly due to:
a) Singapore:
- weak domestic MRO market in view of negative business sentiment

b) Western countries
- weak export dealer's market in Europe and South America

c) Others:
- cessation of bearings operations in its Australia subsidiary in 2H15.

This was partially offset by increase in sales to other ASEAN and Asian countries during the year.

15. A breakdown of revenue

	Group		
	S$'000		**%**
	2016	2015	Change
Revenue reported for first half year	37,732	39,754	(5)
Operating profit after tax before deducting non-controlling interests reported for first half year	125	1,108	(89)
Revenue reported for second half year	33,709	36,616	(8)
Operating loss after tax before deducting non-controlling interests reported for second half year	(6,867)	(753)	NM

Group operating loss after tax for the second half of 2016 was mainly due to:
- The Company had fully disposed its shares in its Taiwan subsidiary at a loss of $1.3 million on 30 Nov 2016;
- $0.1 million one-off loss due to the waiver of intercompany debts arising from the disposal of its Taiwan subsidiary which was attributable to non-controlling shareholders;
- $4.2 million provision for slow-moving inventories;
- active inventory promotion at reduced prices; and
- $0.4 million provision for doubtful debts, associate.

Please refer to notes to the income statement for further details.

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

	2016	2015
	S$'000	S$'000
Ordinary	-	234
Preference	-	-
Total:	-	234

17. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for Interested Person Transactions from the shareholders.

18. 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)

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
Kwek San San, Susanna	46	Daughter of Kwek Che Yong (Deemed Substantial Shareholder)	Head, Purchasing of Kian Ho Pte Ltd since August 2015. Duties: Oversees the Purchasing department.	N/A
Koh Hai Yang	47	Son-in-law of Kwek Che Yong (Deemed Substantial Shareholder)	Head, Bearings and Seals division of the Group and Chief Executive Officer of Kian Ho Pte Ltd since August 2015. Duties: Responsible for Group bearings and seals operations.	N/A
Teo Teck Yao, Glenn Ashley	31	Son of Teo Teng Beng (Managing Director)	Corporate Planner of Raffles United Holdings Ltd since 2014. Duties: Involved in certain management meetings and discussions for the Group.	On unpaid study leave during the year.

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

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Teo Teng Beng
Managing Director

21 February 2017