

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

FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014. These figures have not been audited.

Consolidated Statement of Comprehensive Income	Group		%
	S\$'000	S\$'000	
	Year ended 31/12/2014	Year ended 31/12/2013	
Continuing operations			
Revenue	72,616	77,708	(6.6)
Cost of sales	(60,223)	(64,353)	(6.4)
Gross profit	12,393	13,355	(7.2)
Other income	550	454	21.1
Selling and Distribution expenses	(3,608)	(4,100)	(12.0)
Administrative expenses	(5,792)	(5,895)	(1.7)
Other expenses	(2,066)	(2,129)	(3.0)
Finance costs	(402)	(362)	11.0
Profit before income tax	1,075	1,323	(18.7)
Income tax expense	(383)	(381)	0.5
Profit for the financial year from continuing operations	692	942	(26.5)
Discontinued operations			
Profit from discontinued operations, net of tax	-	866	NM
Profit for the financial year	692	1,808	(61.7)

NM – Not meaningful

Consolidated Statement of Comprehensive Income

	Group		
	S\$'000	S\$'000	%
	Year ended 31/12/2014	Year ended 31/12/2013	Change
Other comprehensive income for the financial year, net of tax			
Exchange differences on translating foreign operations	(73)	(129)	(43.4)
Total comprehensive income for the financial year attributable to owners of the parent	619	1,679	(63.1)
Profit attributable to owners of the parent			
Continuing operations	692	942	(26.5)
Discontinued operations	-	866	NM
	692	1,808	(61.7)
Total comprehensive income attributable to owners of the parent:			
Continuing operations	619	813	(23.9)
Discontinued operations	-	866	NM
Total	619	1,679	(63.1)

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

	Group		
	S\$'000	S\$'000	%
	Year ended 31/12/2014	Year ended 31/12/2013	Change
Depreciation of property, plant and equipment	730	824	(11.4)
Amortisation of intangible asset	59	10	490.0
Allowance for doubtful third party trade receivables	20	175	(88.6)
Allowance for doubtful third party trade receivables written back	(86)	(187)	(54.0)
Bad debts written off – trade	-	12	NM
Foreign exchange loss/ (gain) (net)	41	(36)	(213.9)
Gain on disposal of property, plant and equipment	(257)	(41)	526.8
Allowance for inventory obsolescence written back	(2)	(37)	(94.6)
Allowance for inventory obsolescence	295	219	34.7
Interest income	(5)	(3)	66.7
Interest expenses	402	365	10.1
Impairment loss on available-for-sale investment	1	5	(80.0)

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	
	As at 31/12/2014	As at 31/12/2013	As at 31/12/2014	As at 31/12/2013
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	10,922	8,543	-	-
Investments in subsidiaries	-	-	9,468	9,468
Intangible asset	190	19	-	-
Other receivables	-	-	15,000	10,052
	11,112	8,562	24,468	19,520
Current assets				
Inventories	19,239	17,582	-	-
Trade and other receivables	15,990	17,235	1,096	6,421
Financial assets at fair value through profit and loss	7	8	-	-
Derivative financial instrument	-	23	-	-
Fixed deposits	52	52	-	-
Cash and bank balances	6,675	7,263	108	65
	41,963	42,163	1,204	6,486
Less:				
Current liabilities				
Trade and other payables	8,479	6,683	180	198
Current income tax payable	102	105	20	1
Finance lease payables	47	94	-	-
Bank borrowings	13,022	14,767	-	-
	21,650	21,649	200	199
Net current assets	20,313	20,514	1,004	6,287
Less:				
Non-Current liabilities				
Finance lease payables	48	50	-	-
Bank borrowings	2,452	260	-	-
Deferred tax liabilities	427	232	-	-
Total non-current liabilities	2,927	542	-	-
Net assets	28,498	28,534	25,472	25,807
Capital and reserves				
Share capital	28,431	28,431	28,431	28,431
Treasury shares	(3,557)	(3,557)	(3,557)	(3,557)
Foreign currency translation account	(287)	(214)	-	-
Accumulated profits	3,911	3,874	598	933
Equity attributable to owners of the parent	28,498	28,534	25,472	25,807

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

	As at 31 Dec 2014		As at 31 Dec 2013	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Repayable in one year or less or on demand	253	12,816	203	14,658
Repayable after one year	2,500	-	310	-
Total	2,753	12,816	513	14,658

Details of any collateral

1. The unsecured bank loans and overdrafts of the Group amounting to S\$2.1 million (31 December 2013: S\$3.5 million) and trust receipts amounting to S\$10.7 million (31 December 2013: S\$11.1 million).
2. A property loan amounting to S\$2.66 million (As at 31 December 2013: S\$339,000) is secured by legal mortgage over a subsidiary's property.
3. Finance lease payables are secured by the underlying assets acquired.
4. All the above facilities are covered by guarantees from the Company.

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

Consolidated Statement of Cash Flows	Group	
	Year ended 31/12/2014 S\$'000	Year ended 31/12/2013 S\$'000
Operating activities:		
Profit before income tax from continuing operations	1,075	1,323
Profit before income tax from discontinued operations	-	866
	1,075	2,189
Adjustments for :		
Allowance for doubtful third party trade receivables	20	175
Allowance for doubtful trade receivables written back	(86)	(187)
Allowance for inventory obsolescence	295	219
Allowance for inventory obsolescence written back	(2)	(37)
Depreciation of property, plant and equipment	730	824
Amortisation of intangible asset	59	10
Interest income	(5)	(3)
Interest expenses	402	365
Gain on disposal of property, plant and equipment	(257)	(41)
Gain on disposal of subsidiary	-	(1,214)
Loss on disposal of financial assets at fair value through profit or loss	-	11
Fair value loss/ (gain) on derivative financial instrument	23	(23)
Fair value loss on financial assets at fair value through profit or loss	1	6
Operating cash flows before working capital changes	2,255	2,294
Inventories	(1,950)	(631)
Trade and other receivables	1,190	(1,644)
Trade and other payables	1,796	1,556
Cash generated from operations	3,291	1,575
Interest received	5	3
Income tax paid	(193)	(366)
Net cash generated from operating activities	3,103	1,212

Consolidated Statement of Cash Flows (Continued)	Group	
	Year ended 31/12/2014 S\$'000	Year ended 31/12/2013 S\$'000
Investing activities		
Proceeds from disposal of property, plant and equipment	910	67
Proceeds from disposal of subsidiary**	-	1,074
Purchase of property, plant and equipment	(3,764)	(232)
Purchase of intangible asset	(110)	(1)
Net cash (used in)/ generated from investing activities	(2,964)	908
Financing activities		
Repayment of finance lease payables	(49)	(131)
Dividends paid	(655)	(327)
Increase in pledged deposits	(1)	-
Interest paid	(402)	(365)
Proceeds from bank borrowings	39,658	44,818
Repayment of bank borrowings	(39,211)	(42,003)
Net cash (used in)/ generated from financing activities	(660)	1,992
Net effect of exchange rate changes on consolidation	(68)	(129)
Net change in cash and cash equivalents	(589)	3,983
Cash and cash equivalents at beginning of financial year	7,284	3,301
Cash and cash equivalents at end of financial year	6,695	7,284

Note **

The fair value of the identifiable assets and liabilities other than cash and cash equivalents of the subsidiary as at the date of disposal were:-

	Year ended 31/12/2013 S\$'000
Non current assets	73
Current assets	436
Current liabilities	(649)
Net identifiable assets and liabilities other than cash and cash equivalents	(140)
Gain on disposal	1,214
	1,074
Sales consideration received in cash	1,000
Net borrowing classified as cash and cash equivalent disposed	74
Net cash inflow from disposal of subsidiary	1,074

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
Balance at 1 Jan 2014	28,431	(3,557)	(214)	3,874	28,534
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
Contributions by and distributions to owners of the parent:					
Dividends	-	-	-	(655)	(655)
Total transactions with owners of the parent	-	-	-	(655)	(655)
Balance at 31 Dec 2014	28,431	(3,557)	(287)	3,911	28,498

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
Balance at 1 Jan 2013	28,431	(3,557)	(85)	2,393	27,182
Profit for the financial year				1,808	1,808
Exchange differences on translating foreign operations	-	-	(129)	-	(129)
Total comprehensive income for the financial year	-	-	(129)	1,808	1,679
Contributions by and distributions to owners of the parent:					
Dividends	-	-	-	(327)	(327)
Total transactions with owners of the parent	-	-	-	(327)	(327)
Balance at 31 Dec 2013	28,431	(3,557)	(214)	3,874	28,534

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

Company	Equity attributable to owners of the parent			
	Share capital	Treasury shares	Accumulated profits	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2013	28,431	(3,557)	465	25,339
Profit for the financial year	-	-	795	795
Total comprehensive income for the financial year	-	-	795	795
Contributions by and distributions to owners of the parent:				
Dividends	-	-	(327)	(327)
Total transactions with owners of the parent			(327)	(327)
Balance at 31 Dec 2013	28,431	(3,557)	933	25,807

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 2014	As at 31 December 2013
No of Ordinary shares	357,178,846	357,178,846
No of Treasury shares	29,868,000	29,868,000

The Company did not have any outstanding options and convertibles as at 31 December 2014 and 31 December 2013.

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 :

	As at 31 December 2014	As at 31 December 2013
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.

The Company held 29,868,000 treasury shares as at the financial year ended 31 December 2014. There was no sale, transfer, disposal, cancellation and/or use of treasury shares for the financial year ended 31 December 2014.

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 ("FRS") 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 2013.

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 31/12/2014	Year ended 31/12/2013
From continuing operations		
(a) Based on the weighted average number of shares	0.21 cents	0.29 cents
(b) On a fully diluted basis	0.21 cents	0.29 cents
From discontinued operations		
(c) Based on the weighted average number of shares	-	0.26 cents
(d) On a fully diluted basis	-	0.26 cents

Basic earnings per share are computed based on 327,310,846 (excluding treasury shares) at 31 December 2014 and 31 December 2013.

The basic and dilutive earnings per share are the same as there was no potentially dilutive security at 31 December 2014 and 31 December 2013.

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 31/12/2014	As at 31/12/2013	As at 31/12/2014	As at 31/12/2013
Net asset value per ordinary share (cents) based on total number of issued shares excluding treasury shares at the end of:	8.71	8.72	7.78	7.88

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 2014 and 31 December 2013.

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 a lower revenue of S\$72.62 million for the financial year ended 31 December 2014 ("FY2014") compared to S\$77.71 million for the financial year ended 31 December 2013 ("FY2013"). The drop of S\$5.09 million or 6.6% in Group Revenue mainly due to the Group had not recorded its Chinese New Year ("CNY") sales in December 2014, as the 2015 CNY arrived after mid-February 2015 while part of 2014 CNY sales had been recorded in December 2013, and the keen competition in FMCG industry.

Gross Profit

Gross profit decreased by S\$0.96 million, or 7.2% to S\$12.39 million in FY2014 from S\$13.35 million in FY2013. The lower gross profit was a result of lower revenue and marginal reduction in the profit margin.

Other Income

Other income increased by S\$0.10 million to S\$0.55 million in FY2014 mainly due to gain on disposal of a property by one of the Company's subsidiary, which was partially offset by the decrease in written-back of allowance for doubtful trade receivables.

Selling and Distribution Expenses

Selling and distribution expenses decreased by S\$0.49 million to S\$3.61 million in FY2014 from S\$4.10 million in FY2013 mainly due to lower promotion and advertisement expenses incurred in FY2014.

Administrative Expenses

Administrative expenses decreased by S\$0.10 million to S\$5.79 million in FY2014 mainly due to the lower staff cost (including profit sharing) in FY2014, which was commensurate with the drop in the Group's performance in FY2014.

Finance Costs

The higher finance costs of S\$0.40 million in FY2014, as compared to S\$0.36 million in FY2013 was mainly due to the additional bank borrowings during FY2014 to finance the property in Malaysia.

Profit for the financial period – Continuing Operations

Profit from continuing operations was S\$0.69 million in FY2014 as compared to S\$0.94 million in FY2013, representing a decrease of S\$0.25 million or 26.5%. The decrease was mainly due to lower revenue and gross profit, which was partially offset by lower selling and distribution expenses.

Statements of Financial Position

As at 31 December 2014, the Group's net assets were S\$28.50 million compared to S\$28.53 million as at 31 December 2013. The decrease of S\$0.03 million was due to total comprehensive income of S\$0.62 million in FY2014 offset by dividend payment of S\$0.65 million.

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

- 1) Property, plant and equipment as at 31 December 2014 was recorded at S\$10.92 million, increased from S\$8.54 million as at 31 December 2013. The increase of S\$2.38 million was mainly due to the purchase of a property in Malaysia after offsetting the disposal of property, plant and equipment and depreciation charged for the year.
- 2) Intangible assets increased to S\$0.19 million as at 31 December 2014 from S\$0.02 million as at 31 December 2013 mainly due to the purchase of new computer software in FY2014.

- 3) Inventories increased by S\$1.66 million to S\$19.24 million as at 31 December 2014 from S\$17.58 million as at 31 December 2013 mainly due to the higher stock holding level for the CNY sales in early FY2015.
- 4) Trade and other receivables decreased by S\$1.25 million to S\$15.99 million as at 31 December 2014 from S\$17.24 million as at 31 December 2013 mainly due to the higher festive sales towards the end of FY2013.
- 5) Trade and other payables increased by S\$1.80 million to S\$8.48 million as at 31 December 2014 mainly due to more purchases to cater for CNY sales, which was in line with the higher inventories level mentioned above.
- 6) Bank borrowings in non-current liabilities increased by S\$2.19 million to S\$2.45 million as at 31 December 2014 mainly due to the additional bank borrowings during FY2014 to finance a property in Malaysia.

Consolidated Statement of Cash Flows

Cash and cash equivalents decreased by S\$0.59 million to S\$6.70 million as at 31 December 2014. Out of the cash and cash equivalents, S\$3.10 million was generated from operating activities, which was offset by S\$2.96 million used in investing activities and S\$0.66 million used in financing activities.

The net cash generated from operating activities was a result of the increase in both trade payables and inventories and the reduction of trade receivables.

The net cash used in investing activities was mainly due to the purchase of property, plant and equipment of S\$3.76 million which was partially offset by sale proceeds of S\$0.91 million from the disposal of the same.

The net cash used in financing activities was mainly due to the dividends paid.

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 Group's discussion presented under Note 10 of the Company's half year unaudited financial results announcement for the half year ended 30 June 2014.

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.

Barring unforeseen circumstances, which may include foreign currency fluctuations, higher operating costs, as well as the restriction on foreign labour, the Group will remain cautiously optimistic on the outlook of the business.

The Group has on 5 February 2015 announced that it established a wholly-owned subsidiary in Malaysia, Hosen Chocolate Sdn. Bhd and is in the process of sourcing for opportunities to expand its operations in Malaysia. The subsidiary was established to develop, process, trade and distribute house brand and new chocolate products.

The Group will continue to leverage on the strength of its well-recognised house brands, develop new products, consolidate its internal resources and explore new business opportunities to achieve growth of the core business of the Group.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? 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

(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)	0.20 cent
Tax Rate	Nil

(c) Date payable

The proposed first and final dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 22 May 2015.

(d) Books closure date

Books closure date will be on 12 May 2015.

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

Not applicable.

13. Interested Persons Transactions

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

	House Brands S\$'000	Non-House Brands S\$'000	Total S\$'000
2014			
Revenue			
External revenue	50,557	22,059	72,616
Inter-segment revenue	5,689	428	6,117
Total	56,246	22,487	78,733
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
Assets			
Segment assets	41,614	13,666	55,280
Capital expenditure	3,719	45	3,764
Liabilities			
Segment liabilities	21,129	5,092	26,221

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

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

	House Brands	Non-House Brands	Total Continuing Operations	Discontinued Operations House Brands	Total
2013	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External revenue	52,659	25,049	77,708	112	77,820
Inter-segment revenue	7,494	570	8,064	4	8,068
Total	60,153	25,619	85,772	116	85,888
Interest income	3	-	3	-	3
Interest expense	(289)	(73)	(362)	(3)	(365)
Depreciation	(490)	(330)	(820)	(4)	(824)
Amortisation	(8)	(2)	(10)	-	(10)
Other non-cash items:					
Allowance for doubtful third party trade receivables written back	(129)	(58)	(187)	-	(187)
Allowance for doubtful third party trade receivables	112	63	175	-	175
Allowance for inventories obsolescence	149	70	219	-	219
Allowance for inventory obsolescence written back	-	(37)	(37)	-	(37)
Segment profit	1,538	180	1,718	(70)	1,648
Assets					
Segment assets	35,772	13,034	48,806	-	48,806
Capital expenditure	142	90	232	-	232
Liabilities					
Segment liabilities	19,534	3,685	23,219	-	23,219

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

2013		Total
Revenues		S\$'000
Total revenues for reportable segments from continuing operations		85,772
Total revenues for reportable segments from discontinued operations		116
Elimination of inter-segment revenues		(8,064)
Total external revenues		<u>77,824</u>
Profit or loss		
Total segment profit from continuing operations		1,718
Total segment loss from discontinued operations		(70)
Unallocated corporate income/expenses		(105)
Other income/expenses		646
Profit before income tax expense		<u>2,189</u>
Assets		
Segment assets		48,806
Elimination of receivables from corporate office		(21,889)
Other unallocated amounts		23,808
Total assets		<u>50,725</u>
Liabilities		
Segment liabilities		23,219
Elimination of payables from corporate office		(1,028)
Total liabilities		<u>22,191</u>

GEOGRAPHICAL SEGMENT

	Continuing operations		Discontinued operations		Total	
	2014	2013	2014	2013	2014	2013
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
Singapore	33,681	38,734	-	116	33,681	38,850
Malaysia	19,946	20,783	-	-	19,946	20,783
Others ^(Note)	18,989	18,191	-	-	18,989	18,191
	<u>72,616</u>	<u>77,708</u>	<u>-</u>	<u>116</u>	<u>72,616</u>	<u>77,824</u>
Non-current assets						
Singapore	7,497	8,521	-	-	7,497	8,521
Malaysia	3,613	31	-	-	3,613	31
Others ^(Note)	2	10	-	-	2	10
	<u>11,112</u>	<u>8,562</u>	<u>-</u>	<u>-</u>	<u>11,112</u>	<u>8,562</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\$2.10 million to S\$50.56 million in FY2014 from S\$52.66 million in FY2013 and revenue from Non-House Brands decreased by S\$2.99 million to S\$22.06 million in FY2014 from S\$25.05 million in FY2013. The drop in revenue was mainly due to the festive sales effect and the competition in FMCG industry.

17. A breakdown of sales.

	Group		
	Year ended 31/12/2014	Year ended 31/12/2013	Change
	S\$'000	S\$'000	%
First Half			
Sales reported for the first half year	33,679	35,227	(4.4)
Operating profit after income tax reported for first half year	417	1,474	(71.7)
Second Half			
Sales reported for the second half year	38,937	42,481	(8.3)
Operating profit after income tax reported for second half year	275	334	(17.7)

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

	FY2014	FY2013
	S\$'000	S\$'000
Ordinary	327	655
Preference	Nil	Nil
Total:	327	655

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
Lim Hai Cheok	66	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	66	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	62	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	41	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
25 February 2015