



HOE LEONG CORPORATION LTD.

(Registration No. 199408433W)

Full-year financial statements and related announcement for the financial year ended 31 December 2014

The Board of Directors of Hoe Leong Corporation Ltd. (the "Company") is pleased to announce the consolidated results for the financial year ended 31 December 2014. The figures presented below have not been audited or reviewed by the auditors of the Company.

UNAUDITED FINANCIAL STATEMENTS

1(a)(i) Statement of comprehensive income (the Group)

Note	Full Year		
	2014 \$'000	2013 \$'000	Increase / (decrease) %
Revenue	66,426	70,962	(6.4)%
Cost of sales	(56,762)	(56,963)	(0.4)%
Gross profit	9,664	13,999	(31.0)%
Other income	637	3,476	(81.7)%
Profit earned from construction of property	-	152	N.M.
Distribution expenses	(5,592)	(5,385)	3.8 %
Administrative expenses	(9,094)	(7,993)	13.8 %
Other expenses	(6,621)	(7,835)	(15.5)%
Results from operating activities	(11,006)	(3,586)	206.9 %
Finance income	26	45	(42.2)%
Finance costs	1 (1,597)	(1,585)	0.8 %
Net finance costs	(1,571)	(1,540)	2.0 %
Share of results of associates and joint ventures, net of tax	(10,227)	(10,726)	(4.7)%
Loss before income tax	2 (22,804)	(15,852)	43.9 %
Income tax expense	(275)	64	(529.7)%
Loss for the year	(23,079)	(15,788)	46.2 %
Loss attributable to:			
Owners of the Company	(22,552)	(13,441)	67.8 %
Non-controlling interests	(527)	(2,347)	(77.5)%
Loss for the year	(23,079)	(15,788)	46.2 %

N.M. - Not meaningful

1(a)(i) Statement of comprehensive income (the Group) (continued)

	Full Year		
	2014	2013	Increase /
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Loss for the year	(23,079)	(15,788)	46.2 %
Other comprehensive income			
Foreign currency translation differences arising from foreign operations	735	1,449	49.3 %
Other comprehensive income, net of tax	<u>735</u>	<u>1,449</u>	49.3 %
Total comprehensive income for the year	<u>(22,344)</u>	<u>(14,339)</u>	(55.8)%
Total comprehensive income attributable to :			
Owners of the Company	(21,841)	(12,060)	(81.1)%
Non-controlling interests	(503)	(2,279)	(77.9)%
Total comprehensive income for the year	<u>(22,344)</u>	<u>(14,339)</u>	(55.8)%

N.M. - Not meaningful

1(a)(ii) Breakdown and explanatory notes to the statement of comprehensive income

Note 1 Finance costs comprise the following:

	Full Year		
	2014	2013	Increase /
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Interest paid and payable on:-			
- trust receipts	(151)	(204)	(26.0)%
- bank loans	(1,145)	(1,279)	(10.5)%
- finance leases	(16)	(13)	23.1 %
Others	(285)	(89)	220.2 %
Total	<u>(1,597)</u>	<u>(1,585)</u>	

1(a)(ii) Breakdown and explanatory notes to the statement of comprehensive income (continued)

Note 2 Loss before income tax is stated after (charging)/crediting the following:

	Full Year		
	2014	2013	Increase /
	<u>\$'000</u>	<u>\$'000</u>	<u>(decrease)</u>
			<u>%</u>
Allowance written back/(made) for slow moving inventories	1,004	(927)	(208.3)%
Inventories (written-off) / written-back	(50)	82	(161.0)%
Allowance (charged) / written-back for doubtful debts	(1,887)	284	(764.4)%
Profit earned from construction of property	-	152	N.M.
Gain on disposal of plant and equipment	41	131	(68.7)%
Property, plant and equipment written-off	(63)	(2)	N.M.
Depreciation of property, plant and equipment	(4,174)	(3,081)	35.5 %
Foreign exchange gain /(loss), net	716	(2,437)	(129.4)%
Impairment loss on assets held for sale	-	(500)	N.M.
Impairment loss on property, plant and equipment	(985)	-	N.M.
Operating lease expense	(5,718)	(5,805)	(1.5)%
Amortisation of deferred income	5,196	5,139	1.1 %
Rental income	2,547	2,200	15.8 %

N.M. - Not meaningful

1(b)(i) Statement of financial position (the Group and the Company)

	Group		Company	
	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
	\$'000	\$'000	\$'000	\$'000
Assets				
Property, plant and equipment	82,303	45,585	3,564	3,822
Investments in subsidiaries	-	-	26,919	35,374
Investments in associates and joint ventures	2,155	12,549	721	721
Deferred tax assets	578	624	-	-
Non-current assets	85,036	58,758	31,204	39,917
Non-current assets held for sale	-	21,291	-	20,088
Inventories	32,113	32,226	13,411	17,090
Trade and other receivables	46,246	50,534	99,054	77,495
Cash and cash equivalents	6,043	10,983	1,631	6,445
Current Assets	84,402	115,034	114,096	121,118
Total assets	169,438	173,792	145,300	161,035
Equity				
Share capital	63,870	53,897	63,870	53,897
Treasury shares	(50)	(40)	(50)	(40)
Currency translation reserve	(3,391)	(4,102)	-	-
Share-based compensation reserve	342	322	342	322
Accumulated (losses) profits	(4,697)	17,855	2,225	16,426
Equity attributable to owners of the Company	56,074	67,932	66,387	70,605
Non-controlling interests	(1,609)	(1,106)	-	-
Total equity	54,465	66,826	66,387	70,605
Liabilities				
Financial liabilities	9,679	21,187	100	18,446
Loans from non-controlling shareholders of subsidiaries	3,334	3,397	-	-
Deferred income	2,340	7,537	2,339	7,537
Deferred tax liabilities	711	774	20	20
Non-current liabilities	16,064	32,895	2,459	26,003
Trade and other payables	22,941	20,749	12,160	16,063
Financial liabilities	70,828	48,136	59,124	43,194
Current tax payable	(56)	(10)	(26)	(26)
Deferred income	5,196	5,196	5,196	5,196
Current liabilities	98,909	74,071	76,454	64,427
Total liabilities	114,973	106,966	78,913	90,430
Total equity and liabilities	169,438	173,792	145,300	161,035

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 Dec 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
11,803	59,025	5,042	43,094

Amount repayable after one year

As at 31 Dec 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
9,679	-	2,941	18,246

Details of any collateral:-

Secured borrowings at 31 December 2014 are secured by:-

- A first legal mortgage over the barge and vessel of two subsidiaries and corporate guarantees provided by the Company and the non-controlling shareholder of the subsidiaries;
- A first legal mortgage over the freehold land and building, and certain plant and equipment of a subsidiary; and
- Motor vehicles under finance leases.

As a result of the losses, the Group has breached the Gearing Ratio covenant under certain banking facility agreements. The Gearing Ratio is the relationship between i) Net Debts and ii) its shareholders' equity, and the covenant under the banking facility agreements is to remain less than 2.00 : 1.

The Group is in discussion with its financiers to seek a waiver or variation of the Gearing ratio covenant.

1(c) Statement of cash flows (the Group)

Group	
Full Year	
2014	2013
\$'000	\$'000
Operating activities	
Loss before income tax	(22,804) (15,852)
Adjustments for:	
Amortisation of deferred income	(5,196) (5,139)
Depreciation of property, plant and equipment	4,174 3,081
Finance income	(26) (45)
Finance costs	1,597 1,585
Share of results of associates and joint ventures, net of tax	10,227 10,726
Property, plant and equipment written off	63 2
Profit earned from construction of property	- (152)
Gain on disposal of plant and equipment	(41) (131)
Equity-settled share-based compensation	20 62
Impairment loss on investment in joint ventures	- 500
Impairment loss on plant, property and equipment	985 -
Others	- 25
Operating cash flows before changes in working capital	(11,001) (5,338)
Change in working capital:	
Inventories	113 7,082
Trade and other receivables	4,217 51
Trade and other payables	(4,336) 8,047
Cash generated from operations	(11,007) 9,842
Income taxes paid	(396) (306)
Cash flows from operating activities	(11,403) 9,536
Investing activities	
Acquisition of interests in associates and joint ventures	- (721)
Finance income received	26 45
Purchase of property, plant and equipment	(11,073) (4,231)
Proceeds from sale of leasehold property	- 21,028
Proceeds from disposal of other plant and equipment	411 291
Loans to associates and joint ventures	- (10,528)
Cash flows from investing activities	(10,636) 5,884
Financing activities	
Finance costs paid	(1,597) (1,585)
Proceeds from bills payable and trust receipts	(1,207) (1,609)
Proceeds from finance lease liabilities	192 -
Payment of finance lease liabilities	(123) (116)
Proceeds from interest-bearing borrowings	45,330 42,455
Repayment of interest-bearing borrowings	(34,881) (49,518)
Purchase of treasury shares	(10) (40)
Proceeds from issuance of shares	9,973 -
Acquisition of non-controlling interest in a subsidiary	- (6,203)
Cash flows from financing activities	17,677 (16,616)

1(c) Statement of cash flows (the Group) (continued)

	Group	
	Full Year	
	2014	2013
	<u>\$'000</u>	<u>\$'000</u>
Net decrease in cash and cash equivalents	(4,362)	(1,196)
Cash and cash equivalents at beginning of the year	10,983	11,192
Effect of exchange rates fluctuations	(578)	987
Cash and cash equivalents at end of the year	<u>6,043</u>	<u>10,983</u>

1(d)(i) Statement of changes in equity (the Group and the Company)

Group	Share capital \$'000	Treasury shares \$'000	Share-based compensation reserve \$'000	Currency translation reserve \$'000	Accumulated profits \$'000	Equity attributable to owners of the Company \$'000	Non- controlling interests \$'000	Total equity \$'000
2014								
At 1 January 2014	53,897	(40)	322	(4,102)	17,855	67,932	(1,106)	66,826
Total comprehensive income for the year								
Loss for the year	-	-	-	-	(22,552)	(22,552)	(527)	(23,079)
Other comprehensive income								
Foreign currency translation differences arising from foreign operations	-	-	-	711	-	711	24	735
Total comprehensive income for the year	-	-	-	711	(22,552)	(21,841)	(503)	(22,344)
Transactions with owners, recorded directly in equity								
Issue of ordinary share	9,973	-	-	-	-	9,973	-	9,973
Own shares acquired	-	(10)	-	-	-	(10)	-	(10)
Share-based compensation expense	-	-	20	-	-	20	-	20
Dividend paid in respect of year ended 31 December 2013	-	-	-	-	-	-	-	-
Total transactions with owners	9,973	(10)	20	-	-	9,983	-	9,983
At 31 December 2014	63,870	(50)	342	(3,391)	(4,697)	56,074	(1,609)	54,465
2013								
At 1 January 2013	53,897	-	260	(5,483)	29,894	78,568	5,297	83,865
Total comprehensive income for the year								
Profit for the year	-	-	-	-	(13,441)	(13,441)	(2,347)	(15,788)
Other comprehensive income								
Foreign currency translation differences arising from foreign operations	-	-	-	1,381	-	1,381	68	1,449
Total comprehensive income for the year	-	-	-	1,381	(13,441)	(12,060)	(2,279)	(14,339)
Transactions with owners, recorded directly in equity								
Own shares acquired	-	(40)	-	-	-	(40)	-	(40)
Share-based compensation expense	-	-	62	-	-	62	-	62
Total transactions with owners	-	(40)	62	-	-	22	-	22
Changes in ownership interests in subsidiaries								
Acquisition of non-controlling interests without a change in control	-	-	-	-	1,402	1,402	(4,124)	(2,722)
Total changes in ownership interests in subsidiaries	-	-	-	-	1,402	1,402	(4,124)	(2,722)
At 31 December 2013	53,897	(40)	322	(4,102)	17,855	67,932	(1,106)	66,826

1(d)(i) Statement of changes in equity (the Group and the Company) (continued)

Company	Share capital \$'000	Treasury Shares \$'000	Share-based compensation reserve \$'000	Accumulated profits \$'000	Total equity \$'000
2014					
At 1 January 2014	53,897	(40)	322	16,426	70,605
Total comprehensive income for the year					
Loss for the year	-	-	-	(14,201)	(14,201)
Total comprehensive income for the year	-	-	-	(14,201)	(14,201)
Transactions with owners, recorded directly in equity					
Issue of ordinary share	9,973	-	-	-	9,973
Own shares acquired	-	(10)	-	-	(10)
Share-based compensation expense	-	-	20	-	20
Total transactions with owners	9,973	(10)	20	-	9,983
At 31 December 2014	63,870	(50)	342	2,225	66,387
2013					
At 1 January 2013	53,897	-	260	11,469	65,626
Total comprehensive income for the year		-			
Profit for the year	-	-	-	4,957	4,957
Total comprehensive income for the year	-	-	-	4,957	4,957
Transactions with owners, recorded directly in equity					
Own shares acquired		(40)			(40)
Share-based compensation expense	-	-	62	-	62
Total transactions with owners	-	(40)	62	-	22
At 31 December 2013	53,897	(40)	322	16,426	70,605

- 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**

Share Capital

The Company issued 216,767,453 new shares from right issue.

Share Options

Outstanding share options to subscribe for ordinary shares are as follows:

Grant date	Expiry date	Exercise price	Number outstanding as at	
			31-Dec-14	31-Dec-13
13 April 2010	12 April 2015	S\$ 0.42	150,000	150,000
13 April 2010	12 April 2020	S\$ 0.34	250,000	250,000
27 April 2010	26 April 2020	S\$ 0.39	350,000	350,000
27 April 2010	26 April 2020	S\$ 0.31	130,000	130,000
5 May 2011	4 May 2021	S\$ 0.23	50,000	50,000
31 May 2012	30 May 2022	S\$ 0.15	231,000	231,000
			1,161,000	1,161,000

- 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.**

Issued Share Capital

	Number of shares
Issued and paid-up share capital as at 31 December 2013	289,383,271
Total number of shares held as treasury	(360,000)
Total ordinary shares issued during the year	216,767,453
Issued and paid-up share capital as at 31 December 2014	505,790,724

Treasury Shares

	Group and Company
	Number of shares
As at 1 January 2014	278,000
Purchase of treasury shares	82,000
As at 31 December 2014	360,000

- 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.**

None.

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

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

- 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**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as compared with the Group's 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**

The Group adopted the new/revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or before 1 January 2014. The adoption of these new/revised FRSs and INT FRSs did not result in any change to the Group's accounting policies or have any significant effect on the financial statements of the Group.

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

Earnings per share of the Group:	Group	
	Full Year	
	2014	2013
(a) Loss attributable to owners of the Company (S\$'000)	(22,552)	(13,441)
Weighted average number of ordinary shares ('000)	305,445	289,106
Basic earnings per share (cents)	(7.38)	(4.65)
(b) Loss attributable to owners of the Company (S\$'000)	(22,552)	(13,441)
Adjusted weighted average number of ordinary shares ('000)	305,445	289,106
Diluted earnings per share (cents)	(7.38)	(4.65)

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 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Net assets (S\$'000)	54,465	66,826	66,387	70,605
Number of ordinary shares ('000)	505,790	289,383	505,790	289,383
Net asset value per ordinary share (cents)	10.8	23.1	13.1	24.4

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

Statement of Comprehensive Income

Results for FY2014:

The Group reported loss after tax of S\$23.1 million for the year ended 31 December 2014 ("FY2014") as compared to loss after tax of S\$15.7 million for the year ended 31 December 2013 ("FY2013") due to the following factors:

Total revenue decreased by S\$4.5 million, or 6.4%, to S\$66.4 million in FY2014 as compared to S\$70.9 million in FY2013. The decline in total revenue was due to decline in revenue from the Group's Design and Manufacture segment of S\$2.6 million and Trading and Distribution segment of S\$4.4 million respectively, partially offset by the rise in revenue from Vessel Chartering segment of S\$2.5 million.

Sales revenue from the Design and Manufacture segment decreased by S\$2.6 million, or 6.5%, to S\$38.3 million in FY2014 as compared to S\$40.9 million in FY2013 due mainly to lower sales of our in-house brands of equipment parts to our customers.

Sales revenue from Trading and Distribution segment decreased by S\$4.4 million, or 18.1%, to S\$19.9 million in FY2014 as compared to S\$24.3 million in FY2013 due to lower sales of third party brands of equipment parts to our customers.

Charter revenue from the Vessel Chartering segment increased by S\$2.5 million, or 44.7%, to S\$8.1 million in FY2014 as compared to S\$5.6 million in FY2013. The increase in charter revenue was due mainly to (a) charter revenue for our vessel "Arkstar Voyager" (b) charter revenue for our newly acquired vessel "Arkstar Unicorn".

Total cost of sales decreased by S\$0.2 million, or 0.4%, to S\$56.7 million in FY2014 as compared to S\$56.9 million in FY2013 due mainly to decrease in cost of sales of equipment parts by S\$5.2 million or 10.1% in FY2014, partially offset by the increase in cost of sales of the Vessel Chartering segment by S\$5.0 million or 74% in FY2014. The decrease in cost of sales of equipment parts was due mainly to the decrease in sales of Trading and Distribution segment. The increase in cost of sales of the Vessel Chartering segment was due mainly to increase in vessel operating costs.

Overall gross profit margin decreased to 14.5% in FY2014 as compared to 19.7% in FY2013. The gross profit contribution from the Design and Manufacture, and Trading and Distribution segment decreased by S\$5.8 million in FY2014. The gross profit contributions from the Vessel Chartering segment increased by S\$1.5 million in FY2014.

Other income decreased by S\$2.8 million, or 81.7%, to S\$0.6 million in FY2014 due mainly to decrease in interest income from associate.

Distribution expenses increased by S\$0.2 million, or 3.8%, to S\$5.6 million in FY2014 due mainly to higher travelling expenses, packing and delivery costs incurred in FY2014.

Administrative expenses increased by S\$1.0 million, or 13.8% to S\$9.0 million for FY2014.

Other expenses decreased by S\$1.2 million, or 15.5%, to S\$6.6 million in FY2014 due mainly to (i) the impairment loss on assets of S\$3.0 million in FY2014; (ii) foreign exchange gain of S\$0.7 million; and (iii) provision of slow moving stock write back of S\$1.0 million.

Share of losses of associates and joint ventures of S\$10.2 million in FY2014 is attributed to the Group's associated company-Semua International Sdn Bhd and its subsidiaries ("Semua Group").

Other comprehensive income for FY2014:

Foreign currency translation gain of S\$0.7 million arising from foreign operations in FY2014 relate mainly to the Group's net investment in foreign operations which are denominated in United States Dollar ("USD"), as the USD appreciated against the Singapore Dollar ("SGD") in FY 2014.

Statement of Financial Position

Property, plant and equipment increased by S\$36.7 million, or 80.5%, to S\$82.3 million at 31 December 2014 due mainly to (a) acquisition of new vessel "Arkstar Unicorn" and the addition of two other vessels, which were previously included as non-current assets held for sales; and (b) foreign currency translation gain arising from the translation of USD denominated property, plant and equipment of certain subsidiaries into SGD as a result of the appreciation of the USD against the SGD in FY2014. This was partially offset by the additional depreciation charged for FY2014.

Investments in associates decreased by S\$10.4 million, or 82.8%, to S\$2.1 million at 31 December 2014 due mainly to the share of losses of associates and joint ventures in FY2014.

Assets held for sales relates to two vessels which were transferred to Property, Plant and Equipment during the year upon restructuring of Aries Group.

Trade and other receivables decreased by S\$4.3 million, or 84.8%, to S\$46.2 million at 31 December 2014 due mainly to impairment on advances granted to Semua Group in FY2014.

Financial liabilities increased by S\$11.2 million, or 16.1%, to S\$80.5 million at 31 December 2014 due mainly to additional bank borrowings.

Deferred income resulted from the sale and leaseback of the Company's leasehold property and A&A Extension, which was completed on 13 June 2011 and 9 January 2013 respectively. Deferred income, being the excess of the sale consideration over its fair value, is a portion of the total gain on sale of the property and A&A Extension, which is deferred and amortized on a straight-line basis over the applicable non-cancellable lease term. Deferred income decreased by S\$5.2 million, or 40.9%, to S\$7.5 million at 31 December 2014 due to the recognition of additional deferred income on the A&A Extension, partially offset by the amortization of deferred income in FY2014.

Trade and other payables increased by S\$2.2 million, or 10.6%, to S\$22.9 million at 31 December 2014 due mainly to increase in trade and other payables of S\$7.1 million in FY2014 and partially offset by the repayment to the immediate and ultimate holding company of S\$4.9 million.

Statement of Cash Flows

For FY2014, the Group generated net cash outflows of S\$4.4 million, comprising net cash outflows from operating activities of S\$11.4 million, and investing activities of S\$10.6 million respectively, partially offset by net cash inflows from financing activities of S\$17.6 million.

At 31 December 2014, the Group's cash and cash equivalents amounted to S\$6.0 million (31 December 2013: S\$10.9 million).

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

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 global macroeconomic environment remains challenging. The Group remains cautious with regards to market conditions and will continue to be vigilant in managing costs and improving operational efficiencies going forward.

The Group continues to focus on the vessel chartering division as the Group continues to grow its fleet both in size and capabilities.

For the heavy equipment parts division, the Group will continue to streamline its manufacturing capabilities to improve operating efficiency. Demand for parts has been stagnant due to persistent weakness in the global economy. Going forward, the Group expects its key markets to remain challenging and competitive.

11 Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

13

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

Business Segments

Information about reportable segments

	Design and manufacture		Trading and distribution		Vessel chartering		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	38,300	40,973	19,903	24,310	8,223	5,679	66,426	70,962
Finance income	12	(522)	14	(272)	-	839	26	45
Finance costs	(1,027)	(1,007)	(415)	(456)	(155)	(122)	(1,597)	(1,585)
Depreciation	(1,270)	(1,162)	(375)	(294)	(2,529)	(1,625)	(4,174)	(3,081)
Reportable segment profit before income tax	206	(2,498)	(1,556)	(981)	(19,296)	(11,996)	(20,646)	(15,475)
Profit earned from construction of property							-	152
Unallocated income							2,725	2,182
Unallocated expenses							(4,883)	(2,711)
Profit before income tax							(22,804)	(15,852)
Other material non-cash items:-								
Inventories obsolescence	642	(406)	312	(439)	-	-	954	(845)
Write back of doubtful debts	13	142	-	143	-	-	13	284
Share of results of associates and joint ventures, net of tax	-	-	-	-	(10,227)	(10,726)	(10,227)	(10,726)
Capital expenditure:-								
Purchase of property, plant and equipment	(894)	(1,170)	(429)	(1,063)	(16,762)	(1,998)	(18,085)	(4,231)
Acquisition of interests in associates and joint ventures	-	-	-	-	-	(721)	-	(721)

Business Segments (cont'd)

Assets and liabilities

	Design and manufacture		Trading and distribution		Vessel chartering		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	37,768	41,867	19,742	18,530	77,478	69,032	134,988	129,429
Unallocated assets							34,450	44,363
Total assets							169,438	173,792
Reportable segment liabilities	12,611	18,893	4,238	10,302	48,035	39,641	64,884	68,836
Unallocated liabilities								
- Interest-bearing borrowings							32,433	20,140
- Others							17,656	17,990
Total liabilities							114,973	106,966

Geographical Segments

Geographical information

	Revenue		Non-current assets (excluding financial instruments and deferred tax assets)	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Singapore	1,408	2,345	69,749	32,738
Other ASEAN countries	24,167	32,283	10,531	13,197
Other Asian countries	13,861	8,793	9,694	10,059
Others	26,990	27,541	1,984	2,140
	66,426	70,962	91,958	58,134

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

Please refer to paragraph 8 above.

15 Breakdown of sales

	Group		
	2014	2013	Increase /
	<u>\$'000</u>	<u>\$'000</u>	<u>(decrease)</u> <u>%</u>
(a) Sales reported for first half year	30,557	35,034	(12.8)%
(b) Operating loss after tax before deducting non-controlling interests reported for the first half year	(5,011)	(1,420)	N.M.
(c) Sales reported for second half year	35,869	35,928	(0.2)%
(d) Operating loss after tax before deducting non-controlling interests reported for the second half year	(18,068)	(14,368)	25.8 %

N.M. – Not Meaningful

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

None

17 Interested Person Transactions

Name of interested person

Hoe Leong Plastic Industry (China) Ltd
- Rental expense
Hoe Leong Co. (Pte) Ltd
- interest payable on shareholder's loan

Year ended 31 December 2014	
Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual (excluding transactions less than \$100,000)
<u>\$'000</u>	<u>\$'000</u>
261	
183	-

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

18 List of persons occupying managerial positions of the Company or any of its principal subsidiaries who are related to a Director, Chief Executive Officer or Substantial Shareholder of the Company

Financial year ended 31 December 2014

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mdm Kuah Geok Khim	62	Sister of Messrs Kuah Geok Lin, Kuah Geok Khim, and Quah Yoke Hwee, Executive Directors of the Company	Operations Manager, 01/04/1975 Her duties include general office administration, maintenance and procurement of office equipment and computerisation, inventory management and management information system. Her scope also includes sales and purchases cum import and export functions.	N/A
Raymond Quah Eng Kiat	37	Son of Mr Quah Yoke Hwee - Executive Director of the Company	Sales and Marketing Manager, 01/04/2010 His duties include sales and marketing activities for overseas market.	N/A
Alvin Kuah Han Zhou	35	Son of Mr Kuah Geok Lin - Chairman & CEO of the Company	Business Development Manager, 01/04/2010 His duties include all business development activities of the equipment parts and vessel chartering businesses.	N/A
Kuah Zhichao Kelvin	33	Son of Mr Kuah Geok Khim - Executive Director of the Company	Business Development Manager, 10/10/2011 His duties include assisting in the regional sales and marketing for overseas market.	N/A

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and CEO

27 February 2015