



HOE LEONG CORPORATION LTD.
(Registration No. 199408433W)

**Full-year financial statements and related announcement
for the financial year ended 31 December 2015**

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 2015. 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		
	2015 \$'000	2014 \$'000	Increase / (decrease) %
Revenue	74,383	66,426	12.0 %
Cost of sales	(54,976)	(56,762)	(3.1)%
Gross profit	19,407	9,664	100.8 %
Other income	3,642	637	471.7 %
Distribution expenses	(5,231)	(5,592)	(6.5)%
Administrative expenses	(7,817)	(7,194)	8.7 %
Other expenses	(5,151)	(6,621)	(22.2)%
Results from operating activities	4,850	(9,106)	153.3 %
Finance income	1,604	26	N.M.
Finance costs	(2,448)	(1,597)	53.3 %
Net finance costs	(844)	(1,571)	(46.3)%
Share of results of associates and joint ventures, net of tax	-	(12,382)	N.M.
Profit / (Loss) before income tax	4,006	(23,059)	117.4 %
Income tax expense	(300)	(275)	9.1 %
Profit / (Loss) for the year	3,706	(23,334)	115.9 %
Profit / (Loss) attributable to:			
Owners of the Company	3,718	(22,807)	116.3 %
Non-controlling interests	(12)	(527)	(97.7)%
Profit / (Loss) for the year	3,706	(23,334)	115.9 %

N.M. - Not meaningful

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

	Full Year		
	2015 \$'000	2014 \$'000	Increase / (decrease) %
Profit / (Loss) for the year	3,706	(23,334)	115.9 %
Other comprehensive income			
Foreign currency translation differences arising from foreign operations	2,004	735	172.7 %
Other comprehensive income, net of tax	2,004	735	172.7 %
Total comprehensive income for the year	5,710	(22,599)	125.3 %
Total comprehensive income attributable to :			
Owners of the Company	5,288	(22,096)	123.9 %
Non-controlling interests	422	(503)	183.9 %
Total comprehensive income for the year	5,710	(22,599)	125.3 %

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

Note 1 Finance income comprise the following:

	Full Year		
	2015 \$'000	2014 \$'000	Increase / (decrease) %
Interest received and receivable on:-			
- loans to associate	1,513	-	N.M.
- bank deposits	91	26	250.0 %
Total	1,604	26	

N.M. - Not meaningful

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

Note 2 Finance costs comprise the following:

	Full Year		
	2015	2014	Increase / (decrease)
	\$'000	\$'000	%
Interest paid and payable on:-			
- trust receipts	(235)	(151)	55.6 %
- bank loans	(1,963)	(1,145)	71.4 %
- finance leases	(17)	(16)	6.3 %
Others	(233)	(285)	(18.2)%
Total	(2,448)	(1,597)	

Note 3 Profit / (Loss) before income tax is stated after (charging) / crediting the following:

	Full Year		
	2015	2014	Increase / (decrease)
	\$'000	\$'000	%
Allowance written back for slow moving inventories	1,242	1,004	23.7 %
Inventories written-back / (written-off)	53	(50)	206.0 %
Allowance written-back / (charged) for doubtful debts	7	(13)	153.8 %
Gain on disposal of plant and equipment	19	41	(53.7)%
Property, plant and equipment written-off	(1)	(64)	(98.4)%
Depreciation of property, plant and equipment	(6,047)	(4,174)	44.9 %
Impairment loss on property, plant and equipment	(2,000)	(985)	103.0 %
Foreign exchange gain, net	302	716	(57.8)%
Operating lease expense	(5,796)	(5,718)	1.4 %
Amortisation of deferred income	5,196	5,197	(0.0)%
Rental income	2,057	2,547	(19.2)%
Cost-sharing of marketing expenses with key suppliers	1,404	-	N.M.

N.M. - Not meaningful

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

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	\$'000	\$'000	\$'000	\$'000
Assets				
Property, plant and equipment	79,396	82,303	3,346	3,564
Investments in subsidiaries	-	-	35,414	26,919
Investments in associates and joint ventures	-	-	-	-
Deferred tax assets	458	578	-	-
Non-current assets	79,854	82,881	38,760	30,483
Inventories	27,834	32,113	9,297	13,411
Trade and other receivables	61,469	48,202	95,462	99,801
Cash and cash equivalents	3,128	6,043	508	1,631
Current Assets	92,431	86,358	105,267	114,843
Total assets	172,285	169,239	144,027	145,326
Equity				
Share capital	69,490	63,870	69,490	63,870
Treasury shares	(55)	(50)	(55)	(50)
Currency translation reserve	(1,821)	(3,391)	-	-
Share-based compensation reserve	345	342	345	342
Accumulated (losses) / profits	(1,234)	(4,952)	4,121	2,225
Equity attributable to owners of the Company	66,725	55,819	73,901	66,387
Non-controlling interests	(1,187)	(1,609)	-	-
Total equity	65,538	54,210	73,901	66,387
Liabilities				
Financial liabilities	23,914	9,679	10,813	100
Loans from non-controlling shareholders of subsidiaries	2,901	3,334	-	-
Deferred income	-	2,340	-	2,340
Deferred tax liabilities	655	711	20	19
Non-current liabilities	27,470	16,064	10,833	2,459
Trade and other payables	16,822	22,941	16,713	12,160
Financial liabilities	59,990	70,828	40,240	59,124
Current tax payable	125	-	-	-
Deferred income	2,340	5,196	2,340	5,196
Current liabilities	79,277	98,965	59,293	76,480
Total liabilities	106,747	115,029	70,126	78,939
Total equity and liabilities	172,285	169,239	144,027	145,326

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 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
19,794	40,196	11,803	59,025

Amount repayable after one year

As at 31 Dec 2015		As at 31 Dec 2014	
Secured	Unsecured	Secured	Unsecured
<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
13,167	10,747	9,679	-

Details of any collateral:-

Secured borrowings at 31 December 2015 are secured by:-

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

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

	Group	
	Full Year	
	2015	2014
	\$'000	\$'000
Operating activities		
Profit / (Loss) before income tax	4,006	(23,059)
Adjustments for:		
Amortisation of deferred income	(5,196)	(5,197)
Depreciation of property, plant and equipment	6,047	4,174
Property, plant and equipment written off	1	64
Gain on disposal of plant and equipment	(19)	(41)
Impairment loss on plant, property and equipment	2,000	985
Finance income	(1,604)	(26)
Finance costs	2,448	1,597
Share of results of associates and joint ventures, net of tax	-	12,382
Equity-settled share-based compensation	3	20
Operating cash flows before changes in working capital	7,686	(9,101)
Change in working capital:		
Inventories	4,279	113
Trade and other receivables	(14,419)	2,317
Trade and other payables	(6,384)	(4,336)
Cash used in operations	(8,838)	(11,007)
Income taxes paid	(47)	(396)
Cash flows used in operating activities	(8,885)	(11,403)
Investing activities		
Finance income received	91	26
Purchase of property, plant and equipment	(1,003)	(11,073)
Proceeds from disposal of plant and equipment	57	411
Cash flows used in investing activities	(855)	(10,636)
Financing activities		
Finance costs paid	(2,448)	(1,597)
Proceeds from bills payable and trust receipts	1,446	(1,207)
Proceeds from finance lease liabilities	-	192
Payment of finance lease liabilities	(129)	(123)
Proceeds from interest-bearing borrowings	29,673	45,330
Repayment of interest-bearing borrowings	(27,314)	(34,881)
Purchase of treasury shares	(5)	(10)
Proceeds from issuance of shares, net	5,620	9,973
Cash flows from financing activities	6,843	17,677
Net decrease in cash and cash equivalents	(2,897)	(4,362)
Cash and cash equivalents at beginning of the year	6,043	10,983
Effect of exchange rate fluctuations	(18)	(578)
Cash and cash equivalents at end of the year	3,128	6,043

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

Group	Share capital	Treasury shares	Share-based compensation reserve	Currency translation reserve	Accumulated profits / (losses)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2015								
At 1 January 2015	63,870	(50)	342	(3,391)	(4,952)	55,819	(1,609)	54,210
Total comprehensive income for the year								
Profit / (Loss) for the year	-	-	-	-	3,718	3,718	(12)	3,706
Other comprehensive income								
Foreign currency translation differences arising from foreign operations	-	-	-	1,570	-	1,570	434	2,004
Total comprehensive income for the year	-	-	-	1,570	3,718	5,288	422	5,710
Transactions with owners, recorded directly in equity								
Issue of ordinary shares	5,620	-	-	-	-	5,620	-	5,620
Own shares acquired	-	(5)	-	-	-	(5)	-	(5)
Share-based compensation expense	-	-	3	-	-	3	-	3
Total transactions with owners	5,620	(5)	3	-	-	5,618	-	5,618
At 31 December 2015	69,490	(55)	345	(1,821)	(1,234)	66,725	(1,187)	65,538

Group	Share capital	Treasury shares	Share-based compensation reserve	Currency translation reserve	Accumulated profits / (losses)	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	-	-	-	-	(22,807)	(22,807)	(527)	(23,334)
Other comprehensive income								
Foreign currency translation differences arising from foreign operations	-	-	-	711	-	711	24	735
Total comprehensive income for the year	-	-	-	711	(22,807)	(22,096)	(503)	(22,599)
Transactions with owners, recorded directly in equity								
Issue of ordinary shares	9,973	-	-	-	-	9,973	-	9,973
Own shares acquired	-	(10)	-	-	-	(10)	-	(10)
Share-based compensation expense	-	-	20	-	-	20	-	20
Total transactions with owners	9,973	(10)	20	-	-	9,983	-	9,983
At 31 December 2014	63,870	(50)	342	(3,391)	(4,952)	55,819	(1,609)	54,210

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
2015					
At 1 January 2015	63,870	(50)	342	2,225	66,387
Total comprehensive income for the year					
Profit for the year	-	-	-	1,896	1,896
Total comprehensive income for the year	-	-	-	1,896	1,896
Transactions with owners, recorded directly in equity					
Issue of ordinary shares	5,620	-	-	-	5,620
Own shares acquired	-	(5)	-	-	(5)
Share-based compensation expense	-	-	3	-	3
Total transactions with owners	5,620	(5)	3	-	5,618
At 31 December 2015	69,490	(55)	345	4,121	73,901
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 shares	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

- 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

In the first quarter of 2015, the Company allotted and issued 57,000,000 new shares of S\$0.046 each pursuant to a placement. In respect of a placement, the Company announced on 4th March 2015, 30th March 2015 and 2nd April 2015 that the amount of net proceeds is S\$2,620,000.

In the third quarter of 2015, the Company allotted and issued 60,000,000 new shares of S\$0.05 each pursuant to a placement. In respect of a placement, the Company announced on 2nd September 2015 and 8th September 2015 that the amount of net proceeds is S\$3,000,000.

The Company has utilised its net proceeds in full for working capital and the utilisation of the net proceeds is consistent with the intended use of the proceeds disclosed in the placement announcement.

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-15	31-Dec-14
13 April 2010	12 April 2015	S\$ 0.42	-	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
			1,011,000	1,161,000

Total number of 150,000 options granted to non-executive directors has been cancelled upon expiry and expired on 12 April 2015.

Treasury shares

Total numbers held as Treasury shares as at 31 December 2015 is 470,000 shares (31 December 2014: 360,000 shares).

In the third quarter of 2015, the Company carried out a share buy-back exercise on 27 August 2015 for the purchase of 110,000 shares.

- 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 2014	506,150,724
Total number of shares held as treasury	(470,000)
Total ordinary shares issued during the period	117,000,000
Issued and paid-up share capital as at 31 December 2015 net of treasury shares	622,680,724

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.

Please refer to note 1(d)(ii).

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 2014.

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

The effect of the adoption of the new/revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS that are effective for annual periods beginning on or after 1 January 2015 has no material impact.

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	
	2015	2014
(a) Profit / (Loss) attributable to owners of the Company (S\$'000)	3,718	(22,807)
Weighted average number of ordinary shares ('000)	567,467	305,445
Basic earnings per share (cents)	0.66	(7.47)
(b) Profit / (Loss) attributable to owners of the Company (S\$'000)	3,718	(22,807)
Adjusted weighted average number of ordinary shares ('000)	567,467	305,445
Diluted earnings per share (cents)	0.66	(7.47)

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 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net assets (S\$'000)	66,725	55,819	73,901	66,387
Number of ordinary shares ('000)	622,681	505,791	622,681	505,791
Net asset value per ordinary share (cents)	10.7	11.0	11.9	13.1

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 FY2015:

The Group reported profit after tax of S\$3.7 million for the year ended 31 December 2015 ("FY2015") as compared to loss after tax of S\$23.3 million for the year ended 31 December 2014 ("FY2014") due to the following factors:

Total revenue increased by S\$8.0 million, or 12.0%, to S\$74.4 million in FY2015 as compared to S\$66.4 million in FY2014. The increase in total revenue was due to increase in revenue from the Group's Vessel Chartering segment of S\$9.0 million and partially offset by the decrease in revenue of S\$1.0 million from the Group's Equipment segment.

Charter revenue from the Vessel Chartering segment increased by S\$9.0 million, or 109.0%, to S\$17.2 million in FY2015 as compared to S\$8.2 million in FY2014. The increase in charter revenue was mainly due to higher utilisation rate for our Arkstar fleet.

Sales revenue from the Equipment segment decreased by S\$1.0 million, or 1.7%, to S\$57.2 million in FY2015 as compared to S\$58.2 million in FY2014 mainly due to lower sales of equipment parts to our customers.

Total cost of sales decreased by S\$1.8 million, or 3.1%, to S\$55.0 million in FY2015 as compared to S\$56.8 million in FY2014 mainly due to decrease in cost of sales of equipment parts by S\$4.1 million or 12.0% in FY2015, partially offset by the increase in cost of sales of the Vessel Chartering segment by S\$2.4 million or 23.7% in FY2015. The decrease in cost of sales of equipment parts was mainly due to the decrease in sales of Equipment segment. The increase in cost of sales of the Vessel Chartering segment was mainly due to increase in vessel operating costs.

Overall gross profit margin increased to 26.1% in FY2015 as compared to 14.5% in FY2014. The gross profit contribution from the Equipment segment and Vessel Chartering segment increased by S\$3.2 million and S\$6.6 million respectively in FY2015.

Other income increased by S\$3.0 million, or 471.7%, to S\$3.6 million in FY2015 mainly due to cost-sharing of marketing expenses with key suppliers.

Distribution expenses decreased by S\$0.4 million, or 6.5%, to S\$5.2 million in FY2015 mainly due to decrease in packing and delivery expenses.

Administrative expenses increased by S\$0.6 million, or 8.6% to S\$7.8 million for FY2015 mainly due to increase in SGX listing compliance fees and staff welfare costs.

Other expenses decreased by S\$1.5 million, or 22.2%, to S\$5.2 million in FY2015 due mainly to (i) the Group has incurred loss of disposal of joint venture of S\$1.3 million in FY2014 ii) and increase in reversal of provision of slow moving stock of S\$0.2 million in FY2015.

Net finance costs decreased by S\$0.7 million, or 46.3%, to S\$0.8 million in FY2015 mainly due to the increase in interest income of S\$1.5 million from loans to associate, which is partially offset by increase in interest expense of S\$0.8 million due to higher bank borrowings.

The Group shared neither profit nor losses of its associate, Semua International Sdn Bhd and its subsidiaries ("Semua Group") as compared to S\$12.4 million losses in FY2014. This is because the Group has fully impaired its equity investment.

Other comprehensive income for FY2015:

Foreign currency translation gain of S\$2.0 million arising from foreign operations in FY2015 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 FY2015.

Statement of Financial Position

Property, plant and equipment decreased by S\$2.9 million, or 3.5%, to S\$79.4 million as at 31 December 2015 mainly due to the depreciation expenses charged for FY2015. This was partially offset by 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 FY2015.

Inventories decreased by S\$4.3 million, or 13.3%, to S\$27.8 million as at 31 December 2015 mainly due to the decline in sales of the Equipment segments.

Trade and other receivables increased by S\$13.3 million, or 27.5%, to S\$61.5 million at 31 December 2015 mainly due to increase in sales turnover and extended credit terms to customers.

Financial liabilities increased by S\$3.4 million, or 4.2%, to S\$83.9 million at 31 December 2015 mainly due 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 amortised on a straight-line basis over the applicable non-cancellable lease term. Deferred income decreased by S\$5.2 million, or 68.9%, to S\$2.3 million at 31 December 2015 due to the recognition of additional deferred income on the A&A Extension, partially offset by the amortisation of deferred income in FY2015.

Trade and other payables decreased by S\$6.1 million, or 26.7%, to S\$16.8 million at 31 December 2015 mainly due to decrease in trade and other payables of S\$7.6 million in FY2015 and partially offset by the increase in amount due to the immediate and ultimate holding company of S\$1.5 million.

Statement of Cash Flows

For FY2015, the Group generated net cash outflows of S\$2.9 million, comprising net cash outflows from operating activities of S\$8.8 million, and investing activities of S\$0.9 million respectively, partially offset by net cash inflows from financing activities of S\$6.8 million.

At 31 December 2015, the Group's cash and cash equivalents amounted to S\$3.1 million (31 December 2014: S\$6.0 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 has become more 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.

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	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
External revenue	40,806	38,300	16,394	19,903	17,183	8,223	74,383	66,426
Finance income	36	12	54	14	1	-	91	26
Finance costs	(1,404)	(1,027)	(423)	(415)	(621)	(155)	(2,448)	(1,597)
Depreciation	(1,320)	(1,270)	(337)	(375)	(4,390)	(2,529)	(6,047)	(4,174)
Reportable segment profit before income tax	1,200	206	1,047	(1,556)	119	(19,296)	2,366	(20,646)
Unallocated income							5,036	2,725
Unallocated expenses							(3,396)	(5,138)
Profit before income tax							4,006	(23,059)
Other material non-cash items:-								
Allowance for slow moving inventories and inventories written back	970	642	325	312	-	-	1,295	954
Allowance written back / (charged) for doubtful debts	7	(13)	-	-	-	-	7	(13)
Share of results of associates and joint ventures, net of tax	-	-	-	-	-	(12,382)	-	(12,382)
Capital expenditure:-								
Purchase of property, plant and equipment	(867)	(874)	(136)	(429)	-	(9,770)	(1,003)	(11,073)

Business Segments (cont'd)

Assets and liabilities

	Design and manufacture		Trading and distribution		Vessel chartering		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reportable segment assets	44,484	37,768	13,986	19,742	81,687	77,478	140,157	134,988
Unallocated assets							32,128	34,251
Total assets							172,285	169,239
Reportable segment liabilities	12,751	12,611	3,489	4,238	41,966	48,035	58,206	64,884
Unallocated liabilities								
- Interest-bearing borrowings							33,806	32,433
- Others							14,735	17,712
Total liabilities							106,747	115,029

Geographical Segments

Geographical information

	Revenue		Non-current assets (excluding financial instruments and deferred tax assets)	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Singapore	1,638	1,408	67,337	69,749
Australia	11,734	11,688	1,774	1,984
United States	9,011	5,389	-	-
Other ASEAN countries	21,545	24,167	841	876
Other Asian countries	18,608	13,861	9,444	9,694
Others	11,847	9,913	-	-
	74,383	66,426	79,396	82,303

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		
	2015	2014	Increase / (decrease)
	\$'000	\$'000	%
(a) Sales reported for first half year	37,902	30,557	24.0 %
(b) Operating profit / (loss) after tax before deducting non-controlling interests reported for the first half year	3,157	(5,011)	N.M.
(c) Sales reported for second half year	36,481	35,869	1.7 %
(d) Operating profit / (loss) after tax before deducting non-controlling interests reported for the second half year	549	(18,323)	N.M.

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

Year ended 31 December 2015	
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>
<u>Name of interested person</u> Hoe Leong Plastic Industry (China) Ltd - Rental expense	317
Hoe Leong Co. (Pte) Ltd - Interest payable on shareholder's loan	105
	-
	-

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 2015

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	63	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	38	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.	Duties expanded to include the management of the vessel business.
Alvin Kuah Han Zhou	36	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	34	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 for spare parts business	N/A

BY ORDER OF THE BOARD

Kuah Geok Lin
Chairman and CEO
25 February 2016