RAFFLES UNITED HOLDINGS LTD
Co. Reg No. 197302030N
Unaudited Full Year Financial Statement Announcement for the year ended 31 December 2015

Part 1 - Information required for announcements of quarterly (Q1, Q2 & Q3), half-year and full year results

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

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

		Group		
		S$'000		%
		2015	2014	Change
Revenue	Note 1	76,370	82,139	(7)
Other income including interest income		75	15	400
Changes in inventories		(5,314)	(11,027)	(52)
Raw materials and consumables used		(54,538)	(56,349)	(3)
Staff costs		(9,147)	(9,200)	(1)
Depreciation of property, plant and equipment	Note 2	(948)	(1,030)	(8)
Foreign exchange (loss)/gain, net	Note 3	(278)	9	NM
Provision for trade doubtful debts, net	Note 4	(17)	(110)	(85)
Write-back/(provision) for slow moving inventories	Note 5	45	(516)	NM
Provision for doubtful debts, associate	Note 6	-	(100)	NM
Gain on changes in fair value of investment properties	Note 7	441	2,195	NM
Gain on disposal of plant and equipment / Plant and equipment written off, net		45	-	NM
Gain from bargain purchase on acquisition of a subsidiary	Note 8	103	-	NM
Loss on disposal of a subsidiary	Note 9	(241)	-	NM
Non-controlling interest share on waiver of intercompany trade debts on disposal of a subsidiary	Note 10	(839)	-	NM
Other operating expenses	Note 11	(3,854)	(4,159)	(7)
Finance costs	Note 12	(1,117)	(652)	71
Share of results of associates		3	-	NM
Profit before tax		789	1,215	(35)
Income tax expense	Note 13	(434)	(802)	(46)
Profit for the year		355	413	(14)
Profit attributable to:				
Owners of the Company		307	438	(30)
Non-controlling interests		48	(25)	(292)
		355	413	(14)

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

		Group		
		S$'000		%
		2015	2014	Change
Profit for the year		355	413	(14)
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	Note 14	463	1,407	(67)
		463	1,407	(67)
Item that may be reclassified subsequently to profit or loss				
Foreign currency translation	Note 15	(2,021)	(270)	649
		(2,021)	(270)	649
Other comprehensive (loss)/income for the year, net of tax		(1,558)	1,137	(237)
Total comprehensive (loss)/income for the year		(1,203)	1,550	(178)
Total comprehensive (loss)/income attributable to:				
Owners of the Company		(1,303)	1,600	(181)
Non-controlling interests		100	(50)	(300)
		(1,203)	1,550	(178)

NM - Not meaningful

Notes to the Income Statement

1 Group revenue declined 7% from $82.1 million to $76.4 million in FY15 mainly due to a decline of 8.7% from $81.8 million to $74.7 million in FY15 for the bearings and seals segment as a result of:
- continued challenging conditions for the dealers' markets in Greater China and ASEAN countries;
- weak domestic Singapore sales in Maintenance, Repair, and Overhaul ("MRO") market;
- a general slowdown in Original Equipment Manufacturer ("OEM") market;
- currency translation effects arising from the weakening MYR against the SGD currency; and
- weak Australia market and the subsequent cessation of bearings and seals operations there during the year.

This was partially mitigated by:
- higher rental revenue from the property division of $1.7 million (FY14: $0.4 million); and
- a slight increase in sales to Western countries.

Gross profit margin improved to 21.6% (FY14: 18%) mainly on account of higher revenue contribution from the property division and better pricing resulting from active inventory promotion during the year.

2 Depreciation charges reduced mainly due to certain plant and equipment being fully depreciated and disposals made during the year.

3 Group foreign exchange loss was mainly due to the strengthening of the USD and JPY against the SGD during the year.

4 Provision for trade doubtful debts was made on ground of prudence.

5 Net write-back of provision for slow moving inventories resulted from sales of previously provided inventories in view of sustained efforts to actively promote inventories.

The provisions for slow moving inventories were adequate as at 31 December 2015.

6 No provision for doubtful debts owing from associate was made due to repayments made during the year.

7 The gain on changes in fair value of investment properties arose from independent valuations performed during the year on the Group's investment properties in Singapore and China.

8 Gain on acquisition of a subsidiary was recorded due to the increase in net tangible assets ("NTA") of the subsidiary at the point of completion of acquisition, compared to when the consideration paid.

9 This relates to a $0.2 million non-recurring loss due to the disposal of its Guangzhou subsidiary and retaining a minority stake at year end.

10 This relates to a $0.8 million one-off loss due to the waiver of intercompany trade debts arising from the disposal of its Guangzhou subsidiary which was attributable to non-controlling shareholders.

11 Other operating expenses declined by 7% in line with the decline in sales.

12 Group finance costs increased by 71% due to:
- new borrowings drawndown towards the end of 2014 to finance the acquisition of certain investment properties;
- consolidation RCE's borrowings into the Group's accounts following its acquisition in the second half of 2015; and
- higher cost of borrowings;

offset by repayments made during the year.

13 The effective tax rate for the Group was higher than the Singapore tax rate of 17% (2014: 17%) mainly due to:-
- higher tax rate of 25% for its Malaysia subsidiary; and
- certain non-deductible expenses of the Group for tax purposes;

offset by unutilized tax losses of the Group.

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

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

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

Statements of Financial Position

		Group		Company	
		31.12.2015 S$'000	31.12.2014 S$'000	31.12.2015 S$'000	31.12.2014 S$'000
Assets					
Non-current assets					
Property, plant and equipment	Note 1	24,015	24,471	22,809	22,972
Investment in subsidiaries	Note 2	-	-	14,952	7,112
Investment in associates	Note 3	456	-	463	10
Investment properties	Note 4	56,809	27,214	4,130	4,030
Other investments	Note 5	57	237	57	237
		81,337	51,922	42,411	34,361
Current assets					
Trade debtors	Note 6	14,953	17,790	-	2,582
Other debtors		641	215	527	8
Prepayments		196	150	28	16
Amounts due from subsidiaries	Note 2	-	-	44,122	48,242
Amounts due from an associate		985	1,208	909	1,181
Amounts due from related parties	Note 7	153	1,093	-	-
Inventories	Note 8	65,160	70,429	-	-
Fixed deposits		843	989	-	-
Cash at banks and on hand		5,099	7,525	1,707	2,889
		88,030	99,399	47,293	54,918
Total assets		169,367	151,321	89,704	89,279
Equity and liabilities					
Current liabilities					
Interest bearing loans and borrowings	Note 9	37,388	26,740	28,130	20,592
Trade creditors and accruals	Note 10	10,553	14,120	355	3,584
Other creditors		922	952	99	343
Amounts due to related parties	Note 7	6,686	7,658	-	-
Provision for taxation		220	130	-	-
		55,769	49,600	28,584	24,519
Net current assets		32,261	49,799	18,709	30,399
Non-current liabilities					
Interest bearing loans and borrowings	Note 9	24,157	21,041	3,750	8,750
Amounts due to related parties	Note 7	2,384	-	-	-
Deferred tax liabilities		2,830	2,993	2,196	2,106
		29,371	24,034	5,946	10,856
Total liabilities		85,140	73,634	34,530	35,375
Net assets		84,227	77,687	55,174	53,904
Equity attributable to owners of the Company					
Share capital		31,658	31,658	31,658	31,658
Assets revaluation reserve	Note 1	11,418	11,115	10,359	9,920
Foreign currency translation reserve		(5,637)	(3,564)	-	-
Revenue reserve		37,533	37,300	13,157	12,326
		74,972	76,509	55,174	53,904
Non-controlling interests		9,255	1,178	-	-
Total equity		84,227	77,687	55,174	53,904
Total equity and liabilities		169,367	151,321	89,704	89,279

Notes to the Statements of Financial Position

1 The decrease in property, plant and equipment at the Company and Group level was mainly attributed to the depreciation charges and disposals during the year, as well as the negative effect of the weakening of the MYR currency against the SGD on the Malaysia properties during the year.

2 The increase in investment in subsidiaries was mainly due to the acquisition of 51% of the issued and paid-up share capital of Raffles Capital Enterprise Pte Ltd ("RCE"), a property company owned by Ms Teo Xian-Hui Amanda Marie and Mr Teo Teck Yao Glenn Ashley, the deemed controlling shareholders of the Company, upon receipt of shareholders' approval during the Extraordinary General Meeting held on 13 August 2015.

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

3 Investment in associates increased mainly due to an increase in its available-for-sale investment, Poh Leng Realty Pte Ltd ("PLR"). Upon the increase in investment, PLR became an associate of the Company.

4 Investment properties increased mainly due to the acquisition of RCE which owned certain investment properties. In addition, there was a slight upward revaluation of certain properties located in Singapore and China.

5 Other investments declined mainly due to the reclassification of PLR as an associate company following an increase in the Company's investment in PLR. This was partially offset by the reclassification of the Company's investment in its Guangzhou subsidiary to other investments upon its partial disposal at year end.

6 The decrease in Group trade debtors was in line with collections received during the year. The decrease in Company level trade debtors was due to collections received during the year and the transfer of business to its subsidiary, Kian Ho Pte Ltd ("KHPL"), in line with the Internal Group Restructuring exercise announced on 1 October 2014.

7 The current amounts due from/to related parties, who are mainly non-controlling shareholders of certain subsidiaries, were unsecured, interest-free and repayable within the next twelve months.

The non-current amount due to related party which pertains to the outstanding loan owing to the minority shareholder of RCE, was unsecured, interest-free and repayable after 31 December 2016.

8 The decrease in inventories was mainly due to tight control on purchases and promotion of inventories during the year.

9 Total bank borrowings increased at both the Group and Company levels mainly due to the consolidation of RCE's borrowings into the Group's accounts following its acquisition in the second half of 2015 offset by repayment of loans during the year.

10 Group trade creditors decreased mainly due to repayments made during the year.

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

Amount repayable in one year or less, or on demand

As at 31.12.2015		As at 31.12.2014	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**
4,290	33,098	3,943	22,797

Amount repayable after one year

As at 31.12.2015		As at 31.12.2014	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	**S$'000**	**S$'000**	**S$'000**
20,407	3,750	12,291	8,750

Details of any collaterals

The Group's borrowings were secured on certain properties, deposits and receivables of the Group.

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

Consolidated Statement of Cash Flows

	Group	
	2015	2014
	S$'000	S$'000
Operating activities		
Profit before tax	789	1,215
Adjustments for:		
Depreciation of property, plant and equipment	948	1,030
Provision for trade doubtful debts, net	17	110
(Write-back)/provision for slow moving inventories	(45)	516
Provision for doubtful debts, associate	-	100
Gain on changes in fair value of investment properties	(441)	(2,195)
Gain on disposal of plant and equipment / Plant and equipment written off, net	(45)	-
Gain from bargain purchase on acquisition of a subsidiary	(103)	-
Loss on disposal of a subsidiary	241	-
Non-controlling interest share on waiver of intercompany trade debts on disposal of a subsidiary	839	-
Share of results of associates	(3)	-
Foreign currency adjustments	(535)	(164)
Interest expense	1,117	652
Interest income	(8)	(8)
Operating cash flows before changes in working capital	2,771	1,256
Changes in working capital		
Decrease in inventories	3,848	10,803
Decrease/(increase) in trade debtors	1,904	(2,032)
Decrease in amount due from an associate	223	488
Decrease/(increase) in other debtors	97	(399)
(Decrease)/increase in trade creditors and accruals	(3,440)	4,958
(Decrease)/increase in other creditors	(289)	417
Decrease in trade amounts owing from/to related parties	(96)	(807)
Cash flows generated from operations	5,018	14,684
Income tax paid	(515)	(467)
Interest paid	(1,117)	(652)
Interest income received	8	8
Net cash flows generated from operating activities	3,394	13,573
Investing activities		
Acquisition of a subsidiary	(7,796)	-
Acquisition of an associate	(216)	-
Purchase of plant and equipment	(122)	(216)
Disposal of a subsidiary	(13)	-
Proceeds from disposal of plant and equipment	55	38
Purchase of investment properties	-	(18,295)
Net cash flows used in investing activities	(8,092)	(18,473)
Financing activities		
Proceeds from term loans from banks	23,161	37,195
Repayment of term loans from banks	(20,635)	(22,578)
Proceeds from trade financing	26,787	8,550
Repayment of trade financing	(24,698)	(12,304)
Non-trade amounts owing from/to related parties	(2,320)	(2,032)
Proceeds from loan from ultimate holding company	10,500	-
Repayment of loan from ultimate holding company	(10,500)	-
Dividend paid on ordinary shares	(234)	(468)
Dividend paid to non-controlling shareholders of a subsidiary	(55)	(52)
Net cash flows generated from financing activities	2,006	8,311
Net (decrease)/increase in cash and cash equivalents	(2,692)	3,411
Effect of exchange rate changes on cash and cash equivalents	266	(23)
Cash and cash equivalents at 1 January	7,525	4,137
Cash and cash equivalents at 31 December	5,099	7,525
Cash and cash equivalents comprise of:-		
Cash at banks and on hand	5,099	7,525

Cash and cash equivalents as at 31 December 2015 excluded $843K (2014: $989K) of fixed deposits which had been pledged to banks for short term loan facilities for a certain subsidiary.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statements of Changes in Equity

	Attributable to owners of the Company				Non-controlling interests	Total equity
	Share Capital	Assets revaluation reserve	Foreign currency translation reserve	Revenue reserve		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Group						
Balance at 1 January 2014	31,658	9,716	(3,327)	37,470	1,140	76,657
Profit for the year	-	-	-	438	(25)	413
Other comprehensive income for the year	-	1,399	(237)	-	(25)	1,137
Total comprehensive income for the year	-	1,399	(237)	438	(50)	1,550
Contributions by and distributions to owners						
Dividend paid	-	-	-	(468)	-	(468)
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	(52)	(52)
Effects of acquiring part of non-controlling interests in a subsidiary	-	-	-	(140)	140	-
Total transactions with owners recognized directly in equity	-	-	-	(608)	88	(520)
Balance at 31 December 2014	31,658	11,115	(3,564)	37,300	1,178	77,687
Balance at 1 January 2015	31,658	11,115	(3,564)	37,300	1,178	77,687
Profit for the year	-	-	-	307	48	355
Other comprehensive loss for the year	-	463	(2,073)	-	52	(1,558)
Total comprehensive loss for the year	-	463	(2,073)	307	100	(1,203)
Contributions by and distributions to owners						
Dividend paid	-	-	-	(234)	-	(234)
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	(55)	(55)
Effects of acquiring non-wholly owned interests in a subsidiary	-	-	-	-	7,765	7,765
Disposal of a subsidiary	-	(160)	-	160	267	267
Total transactions with owners recognized directly in equity	-	(160)	-	(74)	7,977	7,743
Balance at 31 December 2015	31,658	11,418	(5,637)	37,533	9,255	84,227
Company						
Balance at 1 January 2014	31,658	8,617	-	21,380	-	61,655
Loss for the year	-	-	-	(8,586)	-	(8,586)
Other comprehensive income for the year	-	1,303	-	-	-	1,303
Total comprehensive loss for the year	-	1,303	-	(8,586)	-	(7,283)
Contributions by and distributions to owners						
Dividend paid	-	-	-	(468)	-	(468)
Total transactions with owners recognized directly in equity	-	-	-	(468)	-	(468)
Balance at 31 December 2014	31,658	9,920	-	12,326	-	53,904
Balance at 1 January 2015	31,658	9,920	-	12,326	-	53,904
Profit for the year	-	-	-	1,065	-	1,065
Other comprehensive income for the year	-	439	-	-	-	439
Total comprehensive income for the year	-	439	-	1,065	-	1,504
Contributions by and distributions to owners						
Dividend paid	-	-	-	(234)	-	(234)
Total transactions with owners recognized directly in equity	-	-	-	(234)	-	(234)
Balance at 31 December 2015	31,658	10,359	-	13,157	-	55,174

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no change in the Company's share capital during the financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued ordinary shares excluding treasury shares as at 31 December 2015 was 234,060,000 (2014: 234,060,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company has no treasury shares.

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

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

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter).

Not applicable.

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

Except as disclosed in Section 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financials for the current year as compared with the audited financial statements for the year ended 31 December 2014.

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

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

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

	Group	
	31.12.2015	**31.12.2014**
	in cents	**in cents**
Earnings per ordinary share for the year:-		
Based on existing issued share capital	0.13	0.19
On a fully diluted basis	0.13	0.19

The computation of earnings per share is based on 234,060,000 (2014: 234,060,000) weighted average number of ordinary shares in issue during the year.

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

	Group		Company	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
	in cents	in cents	in cents	in cents
Net asset value per ordinary share based on issued share capital	32.03	32.69	23.57	23.03

The above is computed based on the number of issued ordinary shares as at the respective balance sheet dates amounting to 234,060,000 (2014: 234,060,000) shares.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group revenue declined 7% from $82.1 million to $76.4 million in FY15 mainly due to a decline of 8.7% from $81.8 million to $74.7 million in FY15 for the bearings and seals segment as a result of:
- continued challenging conditions for the dealers' markets in Greater China and ASEAN countries;
- weak domestic Singapore sales in Maintenance, Repair, and Overhaul ("MRO") market;
- a general slowdown in Original Equipment Manufacturer ("OEM") market;
- currency translation effects arising from the weakening MYR against the SGD currency; and
- weak Australia market and the subsequent cessation of bearings and seals operations there during the year.

This was partially mitigated by:
- higher rental revenue from the property division of $1.7 million (FY14: $0.4 million); and
- a slight increase in sales to Western countries.

Gross profit margin improved to 21.6% (FY14: 18%) mainly on account of higher revenue contribution from the property division and better pricing resulting from active inventory promotion during the year.

The Group recorded a 35% decline in profit before taxation to $0.8 million in FY15 mainly due to:
- $1.8 million decrease in revaluation of investment properties;
- $0.8 million one-off loss due to the waiver of intercompany trade debts arising from the disposal of its Guangzhou subsidiary which was attributable to non-controlling shareholders; and
- $0.5 million increase in finance costs

offset by:
- $1.8 million increase in gross profit;
- $0.6 million decrease in provision for slow moving inventories; and
- $0.3 million decrease in other operating expenses.

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

The Group's net cash generated from operating activities was $3.4 million (FY14: $13.6 million) mainly due to active promotion of its inventories and better collections from customers during the year.

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

Not applicable.

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

In view of the depressed global market conditions, the Group expects the operating environment to remain challenging. In the face of these challenges, the Group will continue to keep tight control on its overheads and optimise the use of its resources by right-sizing its operations.

It will also keep a close watch on its bearings and seals operations locally and overseas, while being vigilant in managing its inventory mix. At the same time, it remains committed to seeking out strategic avenues for its continued growth in both the bearings and seals and the property sectors.

Barring any unforeseen circumstances, the Directors expect the Group to be profitable for the financial year 2016.

11. Dividend

(a) Current Financial Period Reported On

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

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

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

Any dividend declared for the corresponding period of the Immediately Preceding Financial Year? Yes

Name of dividend	Interim (Tax exempt One-Tier)	First and final (Tax exempt One-Tier)
Dividend Type	N.A.	Cash
Dividend amount per share (in cents)	Nil	0.1 cent

(c) Date payable

N.A.

(d) Books closure date

N.A.

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

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

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

13. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segments

	Bearings & Seals		Property		Total	
	2015 S$'000	**2014** S$'000	**2015** S$'000	**2014** S$'000	**2015** S$'000	**2014** S$'000
Segment revenue						
Revenue to external customers	74,670	81,755	1,700	384	76,370	82,139
Segment results	120	(397)	1,775	2,256	1,895	1,859
Adjustments A						
Interest income					8	8
Finance costs					(1,117)	(652)
Share of results of associates					3	-
Profit before tax per consolidated income statement					789	1,215

Other business segment information	Bearings & Seals		Property		Total	
	2015 S$'000	**2014** S$'000	**2015** S$'000	**2014** S$'000	**2015** S$'000	**2014** S$'000
Capital expenditure	122	216	-	18,295	122	18,511
Depreciation	948	1,030	-	-	948	1,030
Other non-cash (income)/expense	366	462	(441)	(2,195)	(75)	(1,733)

	Bearings & Seals		Property		Total	
	2015 S$'000	**2014 S$'000**	**2015 S$'000**	**2014 S$'000**	**2015 S$'000**	**2014 S$'000**
Segment assets	111,358	123,409	57,496	27,675	168,854	151,084
Adjustments B						
Investment in associates					456	-
Other investments					57	237
Per consolidated statement of financial position					169,367	151,321
Segment liabilities	59,832	56,665	22,258	13,846	82,090	70,511
Adjustments C						
Provision for taxation					220	130
Deferred tax liabilities					2,830	2,993
Per consolidated statement of financial position					85,140	73,634

Adjustment A
These items are added to/(deducted from) segment profit to arrive at 'profit before tax' presented in the consolidated income statement.

Adjustments B and C
These items are added to segment assets/liabilities to arrive at total assets/liabilities reported in the consolidated statement of financial position.

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

Geographical information

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

	Revenue			Non- current assets		
	2015 S$'000	**2014** S$'000	**Change** %	**2015** S$'000	**2014** S$'000	**Change** %
Singapore	17,382	16,964	2	75,266	45,295	66
Other ASEAN countries	25,869	27,304	(5)	1,075	1,318	(18)
Other Asian countries	25,268	30,006	(16)	4,483	5,070	(12)
Western countries	6,491	5,805	12	-	-	NM
Others	1,360	2,060	(34)	-	2	(100)
	76,370	82,139	(7)	80,824	51,685	56

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

Information about major customers

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

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

Group turnover by geographical segment was down mainly due to:
a) Other ASEAN countries:
- Indonesia weak market; and
- Malaysia due to the negative effect on the weakening of MYR currency.

b) Other Asian countries:
- Greater China resulting from challenging market conditions.

c) Others:
- Australia weak market and the cessation of bearings operations during the year.

This was offset by a slight increase in sales to western countries and rental income of Singapore properties during the year.

15. A breakdown of revenue

	Group		
	S$'000		%
	2015	2014	Change
Revenue reported for first half year	39,754	41,910	(5)
Operating profit after tax before deducting non-controlling interests reported for first half year	1,108	58	1,810
Revenue reported for second half year	36,616	40,229	(9)
Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(753)	355	NM

Group operating loss after tax for the second half of 2015 was mainly due to:
- $0.8 million one-off loss due to the waiver of intercompany trade debts arising from the disposal of its Guangzhou subsidiary which was attributable to non-controlling shareholders;
- $0.2 million non-recurring loss from its Australia subsidiary in 2H15 and $0.4 million in FY15 for which the Group had ceased bearings operations during the year.
- $0.1 million non-recurring loss from its Guangzhou subsidiary in 2H15 and $0.2 million loss in FY15.
- The Company had disposed of shares in its Guangzhou subsidiary at a loss of $0.2 million at year end.

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

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

	2015	2014
	S$'000	S$'000
Ordinary	234	468
Preference	-	-
Total:	234	468

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

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

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Kwek San San, Susanna	45	Daughter of Kwek Che Yong (Deemed Substantial Shareholder)	Head, Purchasing of Kian Ho Pte Ltd since August 2015. Duties: Oversees the Purchasing department.	Promotion during the year
Koh Hai Yang	46	Son-in-law of Kwek Che Yong (Deemed Substantial Shareholder)	Head, Bearings and Seals division of the Group and Chief Executive Officer of Kian Ho Pte Ltd since August 2015. Duties: Responsible for Group bearings and seals operations.	Promotion during the year
Teo Xian-Hui, Amanda Marie	33	Daughter of Teo Teng Beng (Managing Director)	Executive Secretariat of Raffles United Holdings Ltd since 2014. Duties: Oversees property investment division including bank financing issues and corporate issues for the Group.	N/A
Teo Teck Yao, Glenn Ashley	30	Son of Teo Teng Beng (Managing Director)	Corporate Planner of Raffles United Holdings Ltd since 2014. Duties: Involved in management meetings, corporate planning and strategy formulation for the Group.	N/A

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

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

BY ORDER OF THE BOARD

Teo Teng Beng
Managing Director

23 February 2016