



SMARTFLEX HOLDINGS LIMITED
(Company Registration No: 201003501R)

**UNAUDITED FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
FOR YEAR ENDED 31 DECEMBER 2015**

*This announcement and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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SMARTFLEX HOLDINGS LIMITED
(Company Registration No: 201003501R)

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	Financial year ended		Increase /
	31 Dec 2015	31 Dec 2014	(Decrease)
	US\$'000	US\$'000	%
Revenue	27,521	25,427	8.2
Cost of sales	(19,655)	(19,284)	1.9
Gross profit	7,866	6,143	28.0
Other income	2,800	473	492.0
Selling and distribution expenses	(65)	(76)	(14.5)
Administrative expenses	(5,085)	(4,611)	10.3
Finance costs	(56)	(43)	30.2
Share of results of joint venture	(359)	(359)	-
Profit before tax	5,101	1,527	234.1
Income tax credit/(expense)	125	(317)	N.M.
Profit, net of tax	5,226	1,210	331.9
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income attributable to equity holders of the Company	5,226	1,210	331.9
Earnings per share (US cents)			
Basic	4.13	1.20	
Diluted	4.13	1.20	

N.M. denotes Not Meaningful

1(a)(ii) Notes to consolidated statement of comprehensive income

The Group's profit before tax is arrived at after charging/(crediting):

	Group		Increase/ (Decrease)	Note
	Financial year ended	Financial year ended		
	31 Dec 2015	31 Dec 2014		
	US\$'000	US\$'000	%	
Depreciation of plant and equipment	1,894	1,712	10.6	(1)
Gain on investment	2,341	-	N.M.	(2)
Interest income	(128)	(153)	(16.3)	(3)
Management income	(58)	-	N.M.	(4)
Rental income	-	(26)	(100.0)	(4)
Interest expense	56	43	30.2	(5)
Foreign exchange gain	(187)	(250)	(25.2)	(6)
Inventories written off	-	51	(100.0)	

Notes:

- (1) The increase in depreciation was mainly due to additional equipment purchased during the financial year.
- (2) During the financial year, the Group acquired the remaining 30% equity interest in the joint venture (Smartflex Innovation Pte Ltd ("Smartflex Innovation")) from the joint venture partner and it became a wholly-owned subsidiary. This gain on investment represented a re-measurement gain of US\$2.34 million in the Group's investment in Smartflex Innovation on acquisition.
- (3) Interest income came mainly from the interest earned on advances to the joint venture company and joint venture partner. Following the acquisition of Smartflex Innovation from a joint venture to a subsidiary, all outstanding advance balance with the joint venture partner was settled at acquisition date. Accordingly, the interest income decreased from US\$153,000 to US\$128,000.
- (4) Management income was charged to the joint venture with effective from 1 January 2015. This amount included rental occupied by the joint venture which was previously charged under rental income, as well as other administrative fees.
- (5) Higher interest expense in FY2015 mainly due to drawdown of loan, partially offset by lower interest rates in FY2015.
- (6) A foreign exchange gain was recorded in FY2015 due to appreciation of United States Dollars against the other operating currencies of the Group during the financial year under review. The smaller foreign exchange gain year-on-year was mainly due to the appreciation of Europe Dollar ("EUR") towards the financial year end on the EUR denominated liabilities.

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

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	31 Dec 15	31 Dec 14	31 Dec 15	31 Dec 14
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Plant and equipment	10,108	6,357	-	-
Investment in subsidiary	-	-	8,292	7,197
Investment in joint venture	-	359	-	1,095
Provisional goodwill	254	-	-	-
Intellectual property	4,200	-	-	-
	<u>14,562</u>	<u>6,716</u>	<u>8,292</u>	<u>8,292</u>
Current assets				
Inventories	2,523	3,366	-	-
Trade and other receivables	5,106	3,144	-	-
Amount due from subsidiary	-	-	-	4,765
Amount due from joint venture	-	2,069	-	-
Amount due from related party	-	929	-	-
Prepayments	133	554	4	5
Cash and cash equivalents	9,985	6,560	4,811	11
	<u>17,747</u>	<u>16,622</u>	<u>4,815</u>	<u>4,781</u>
Total assets	<u>32,309</u>	<u>23,338</u>	<u>13,107</u>	<u>13,073</u>
LIABILITIES				
Current liabilities				
Trade payables	3,722	1,789	-	-
Other payables and accruals	1,541	1,018	105	73
Loans and borrowings	4,475	2,318	-	-
Tax payable	53	234	-	-
	<u>9,791</u>	<u>5,359</u>	<u>105</u>	<u>73</u>
Net current assets	<u>7,956</u>	<u>11,263</u>	<u>105</u>	<u>4,708</u>
Non-current liabilities				
Loans and borrowings	1,286	1,115	-	-
Deferred tax liabilities	1,077	840	-	-
Provision for reinstatement	252	252	-	-
	<u>2,615</u>	<u>2,207</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>12,406</u>	<u>7,566</u>	<u>105</u>	<u>73</u>
NET ASSETS	<u>19,903</u>	<u>15,772</u>	<u>13,002</u>	<u>13,000</u>
EQUITY				
Share capital	12,914	12,914	12,914	12,914
Revenue reserve	11,977	7,846	88	86
Merger reserve	(4,988)	(4,988)	-	-
Total equity attributable to owners of the Company	<u>19,903</u>	<u>15,772</u>	<u>13,002</u>	<u>13,000</u>

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 US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
1,176	3,299	684	1,634

Amount repayable after one year

As at 31 Dec 2015		As at 31 Dec 2014	
Secured US\$'000	Unsecured US\$'000	Secured US\$'000	Unsecured US\$'000
1,286	-	1,115	-

Note:

The banking facilities of the Group are free of any guarantees or collaterals except that the term loans of an aggregate outstanding principal amount of US\$2.46 million (31 December 2014: US\$1.80 million) are secured by a pledge over certain equipment of the subsidiaries of the Group.

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

STATEMENT OF CASH FLOWS

	Group	
	Financial year ended	
	31 Dec 2015	31 Dec 2014
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	5,101	1,527
Adjustments for:-		
Depreciation of plant and equipment	1,894	1,712
Gain on investment	(2,341)	-
Inventories written off	-	51
Interest income	(128)	(153)
Interest expense	56	43
Share of results of joint venture	359	359
Operating cash flows before working capital changes	4,941	3,539
(Increase)/decrease in trade and other receivables	(1,911)	337
Decrease/(increase) in prepayments	439	(458)
Decrease in inventories	931	232
Increase/(decrease) in trade and other payables	2,169	(1,524)
Cash flows generated from operations	6,569	2,126
Interest received	15	1
Interest paid	(50)	(41)
Income tax paid	(111)	(2)
Net cash flows generated from operating activities	6,423	2,084
Cash flows from investing activities		
Purchase of plant and equipment	(2,503)	(1,494)
Loan to joint venture	(1,073)	(1,081)
Loan to related party	-	(180)
Acquisition of subsidiary, net of cash	206	-
Net cash flows used in investing activities	(3,370)	(2,755)
Cash flows from financing activities		
Proceeds from issuance of shares	-	2,678
Net (repayments)/proceeds of term loans	(197)	1,335
Net proceeds/(repayments) of trade finance facilities	1,664	(314)
Dividends paid	(1,095)	(387)
Net cash flows generated from financing activities	372	3,312
Net increase in cash and cash equivalents	3,425	2,641
Cash and cash equivalents at beginning of the year	6,560	3,919
Cash and cash equivalents at end of the year	9,985	6,560

For the purpose of the consolidated cash flow statements, cash and cash equivalents comprise the following:

	Group	
	Financial year ended	
	31 Dec 2015	31 Dec 2014
	US\$'000	US\$'000
Cash and bank balances	9,985	5,046
Fixed deposits with bank	-	1,514
Cash and cash equivalents at end of the year	9,985	6,560

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.

	Share capital US\$'000	Revenue reserves US\$'000	Merger reserve US\$'000	Total US\$'000
<u>Group</u>				
Balance as at 1 January 2015	12,914	7,846	(4,988)	15,772
Total comprehensive income for the financial year	-	5,226	-	5,226
Dividends paid (Note 1)	-	(1,095)	-	(1,095)
Balance as at 31 December 2015	12,914	11,977	(4,988)	19,903
Balance as at 1 January 2014	10,236	7,023	(4,988)	12,271
Total comprehensive income for the financial year	-	1,210	-	1,210
Issuance of new shares	2,678	-	-	2,678
Dividends paid	-	(387)	-	(387)
Balance as at 31 December 2014	12,914	7,846	(4,988)	15,772
<u>Company</u>				
Balance as at 1 January 2015	12,914	86	-	13,000
Total comprehensive income for the financial year	-	1,097	-	1,097
Dividends paid (Note 1)	-	(1,095)	-	(1,095)
Balance as at 31 December 2015	12,914	88	-	13,002
Balance as at 1 January 2014	10,236	(488)	-	9,748
Total comprehensive income for the financial year	-	961	-	961
Issuance of new shares	2,678	-	-	2,678
Dividends paid	-	(387)	-	(387)
Balance as at 31 December 2014	12,914	86	-	13,000

Note 1:

A final tax exempt (one-tier) dividend of S\$0.0035 per ordinary share in respect of the previous financial year was paid on 19 May 2015 and a first interim tax exempt (one-tier) dividend of S\$0.0085 per ordinary share in respect of FY2015 was paid on 8 September 2015.

Save for the foregoing, there are no other (i) changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders.

- 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.**

The Company has no shares that may be issued on conversion of outstanding convertibles or treasury shares as at the end of the current financial year reported on and as at the end of the corresponding period of the immediately preceding 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.**

	As at 31 Dec 2015	As at 31 Dec 2014
Total number of issued shares	126,440,002	126,440,002
Treasury shares	Nil	Nil

- 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.**

Not applicable.

- 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 independent auditor.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

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

The Group and the Company have applied the same accounting policies and methods of computation in the unaudited financial statements for the financial year ended 31 December 2015 as in the Group's most recent 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.**

There are no changes in the accounting policies and methods of computation including any required by an accounting standard.

- 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 ("EPS")

	Group	
	Financial year ended	
	31 Dec 2015	31 Dec 2014
Earnings attributable to equity holders of the Company (US\$'000)	5,226	1,210
Basic EPS attributable to equity holders of the Company (US cents)	4.13	1.20
Fully diluted EPS (US cents)	4.13	1.20
Weighted average number of shares used in computation of basic and diluted EPS	126,440,002	100,549,591

Basic EPS is computed by dividing the earnings attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding as at the end of the respective financial year.

Fully diluted EPS for FY2015 and FY2014 are the same as the basic EPS as the Company does not have any outstanding instruments convertible into, rights to subscribe for and options in respect of its ordinary shares during the respective financial years.

- 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.

Net Asset Value ("NAV")

	Group		Company	
	As at 31 Dec 2015	As at 31 Dec 2014	As at 31 Dec 2015	As at 31 Dec 2014
NAV per ordinary share (US cents)	15.74	12.47	10.28	10.28
Number of shares used in computation of NAV per share	126,440,002	126,440,002	126,440,002	126,440,002

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.

Revenue

The Group's revenue in FY2015 was US\$27.52 million, a growth of US\$2.09 million or 8.2%. This was mainly due to growth in customers' demand and securing more orders in the Banking products segment.

Gross profit and Gross margin

Gross profit increased by approximately US\$1.72 million or 28.0% from US\$6.14 million in FY2014 to US\$7.87 million in FY2015 mainly due to a more favorable sales mix. As a result, gross margin improved to 28.6% in FY2015 from 24.2% in FY2014.

Other income

Other income increased by approximately US\$2.33 million or 492.0% from US\$0.47 million in FY2014 to US\$2.80 million in FY2015. This was mainly attributable to a re-measurement gain of US\$2.34 million in the Group's investment in Smartflex Innovation, arising from the acquisition of the remaining 30% equity interest from its joint venture partner on 30 September 2015. Following this acquisition, Smartflex Innovation is now a wholly-owned subsidiary of the Group. In addition, increase in government grants in FY2015 was partially offset by lower interest income and foreign exchange gain during the financial year.

Selling and distribution expenses and Administrative expenses ("Operating expenses")

Operating expenses increased by approximately US\$0.46 million or 9.9% from US\$4.69 million in FY2014 to US\$5.15 million in FY2015. The higher expenses mainly came from increased staff costs.

Finance costs

Finance expense increased by US\$13,000 or 30.2% from US\$43,000 in FY2014 to US\$56,000 in FY2015 due mainly to drawdown of new loan partially offset by lower interest rates in FY2015.

Income tax credit/(expense)

The Group's income tax credit of US\$0.13 million as compared to a tax expense of US\$0.32 million in FY2014 arose from the utilization of Productivity and Innovation Credit.

Net profit

For the reasons mentioned above, the Group achieved a net profit attributable to equity holders of the Company of US\$5.23 million as compared with US\$1.21 million in FY2014.

REVIEW OF FINANCIAL POSITION

Non-current assets

Plant and equipment increased by approximately US\$3.75 million or 59.0% from the preceding financial year end after netting depreciation charge of US\$1.89 million. This was mainly due to inclusion of fixed assets (US\$3.14 million) of Smartflex Innovation, which is now a wholly-owned subsidiary (previously a joint venture). Additional purchase of plant and equipment of US\$2.50 million was also made to increase capacity and enhance production capabilities to support business growth in Banking products.

Joint venture at Group level as at 31 December 2014 has been consolidated as a subsidiary of the Group as at 31 December 2015 following the acquisition of the remaining 30% equity interest of Smartflex Innovation from the joint venture partner during the year. The advances made to the joint venture partner had also been settled. This acquisition resulted in a provisional goodwill of US\$0.25 million and an intellectual property of US\$4.2 million. Provisional goodwill represents the excess of purchase consideration over the fair value of the net identifiable assets of Smartflex Innovation acquired. Under FRS 103 Business Combinations, the Group has up to 1 year (from date of acquisition, i.e. 30

September 2015) to adjust the provisional amounts recognised for the acquisition of Smartflex Innovation.

Current assets

Current assets increased by US\$1.13 million to US\$17.75 million as at 31 December 2015. This increase was mainly attributable to higher operating cash inflow and higher trade receivables due to increase in sales in the last quarter of 2015 compared to the corresponding quarter in the previous financial year. These increases were partially offset by decrease in inventories and prepayments.

Current liabilities

Current liabilities increased by US\$4.43 million to US\$9.79 million as at 31 December 2015. This increase was mainly attributable to the increase in payables and financing for purchase of equipment and consolidation of Smartflex Innovation. This was partially offset by lower tax provision due to the utilization of Productivity and Innovation Credit.

Non-current liabilities

Non-current liabilities increased by US\$0.41 million to US\$2.62 million as at 31 December 2015, mainly as a result of draw down of new loan during the financial year for the acquisition of plant and equipment and increased deferred tax liability arising from the intellectual property acquired from Smartflex Innovation.

REVIEW OF CASH FLOW STATEMENT

Net cash of US\$6.42 million was generated from operating activities in FY2015, up US\$4.34 million from the preceding year. This was mainly attributable to higher pre-tax operating profit of US\$2.76 million excluding the gain on investment of Smartflex Innovation of US\$2.34 million, as well as better working capital management in FY2015.

Net cash used in investing activities was US\$3.37 million, up US\$0.62 million from the preceding year. These funds were employed towards US\$2.50 million of capital expenditures and advances to Smartflex Innovation of US\$1.07 million for its operations while it was a joint venture. During the year, the Company acquired the remaining 30% equity interest of Smartflex Innovation from the other joint venture partner for a purchase consideration of US\$1.19 million. This was offset against total advances previously made to the other joint venture partner.

Net cash generated from financing activities was US\$0.37 million as compared to US\$3.31 million in the preceding year. These came from net proceeds from trade finance facilities of US\$1.66 million and drawdown of new loan of US\$0.72 million for purchase of plant and equipment, partially offset by repayments of term loans of US\$0.92 million and dividend payments of US\$1.1 million.

Consequently, the resultant effect was an increase in cash and cash equivalents of US\$3.43 million, bringing the balance to US\$9.99 million as at 31 December 2015.

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

The results are in line with previous commentaries made.

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.

Market demand for Banking products is expected to continue to grow, along with the migration from magnetic stripe bank cards to secure chip cards from high market growth countries such as China, India, and America, but price competition is expected to intensify.

The Telecom products segment remains challenging, as declining demand and price erosion are expected to continue.

Going forward, the Group continues to focus on increasing business in banking sector. We also continue to develop new strategies and capitalize on developing our proprietary solutions to increase our margin and competitiveness.

Despite the uncertainties in global outlook for 2016, the Group remains cautiously optimistic on its earnings due to our focus on better margin Banking products.

Further, in reference to our announcement on 29 January 2016, the Company has entered into a non-binding term sheet with Novo Tellus PE Fund 1, L.P. and/or its affiliates in respect of the disposal of the entire issued share capital of Smartflex Technology Pte Ltd and Smartflex Innovation held by the Company (the "Disposal"), for a consideration of up to S\$26,080,000, subject to the entry into a sale and purchase agreement. The Company will release further announcements to inform shareholders of the Company when there are material developments in respect of the Disposal.

11 Dividend

(a) Current financial period reported on
Any dividend declared for the current financial period reported on?

Yes.

Name of dividend	Final dividend
Dividend type	Cash
Dividend amount per ordinary share	S\$0.0085
Tax rate	Tax-exempt (one-tier)

(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	Final dividend
Dividend type	Cash
Dividend amount per ordinary share	S\$0.0035
Tax rate	Tax-exempt (one-tier)

(c) Date payable

19 May 2016.

(d) Books closure date

The Share Transfer Books and Register of Members the Company will be closed on 5 May 2016 for the purpose of determining the entitlements of the Company's shareholders ("Shareholders") to a final tax exempt (one-tier) dividend of 0.85 Singapore cents per ordinary share.

For the avoidance of doubt, in the case where the registered Shareholder is the Central Depository (Pte) Limited ("CDP"), the dividend warrants shall be issued to the CDP and credited to the depositors' securities accounts with the CDP in proportion to the number of shares of the Company standing to the credit of each depositor's securities account with the CDP as at 5.00 pm (Singapore time) on 5 May 2016.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 5 May 2016 will be registered to determine entitlements to the said dividend.

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

Not applicable.

13 If the group has obtained a general mandate from shareholders for Interested Person Transactions ("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 from shareholders for IPTs and there were no IPTs in FY2015.

14 Negative confirmation pursuant to Rule 705(5) (Not required for announcement on full year results.)

Not applicable

Part II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (this part is not applicable to Q1,Q2,Q3 or half annual financial statements, with comparative information for the immediately preceding year)

15 Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediate preceding year.

Segmental reporting:

(a) Business segments

For management purposes, the Group is organised as a single operating segment entity as it is principally engaged in the fabrication and packaging of smart card chip modules. The management of the Group regularly reviews the segment performance and adequacy of resources.

(b) Geographical segments

(i) Revenue

Revenue based on geographical locations of customers for the years ended 31 December 2015 and 2014 are as follows:

Geographical information	2015		2014	
	US\$'000	%	US\$'000	%
Europe	6,337	23	7,252	29
East Asia	4,362	16	3,937	15
South Asia	16,451	60	13,901	55
Others	371	1	337	1
Total	27,521	100	25,427	100

(ii) Non-current assets

Non-current assets of US\$14.56 million (FY2014: US\$6.72 million) consist of property, plant and equipment (US\$10.11 million) and intangibles comprised of goodwill (US\$0.25 million) and intellectual property (US\$4.20 million), all of which are located solely in Singapore. The decrease in investment of joint venture was due to the de-recognition of the joint venture, following the acquisition of its remaining 30% equity interest and the entity is now a wholly-owned subsidiary.

(iii) **Information about major customers**

Revenue from top ten customers of the Group's single segment represents 92.0% (2014: 93.0%) of the Group's total revenue.

16 In the review of performance, the factors leading to any material changes in the contributions to turnover and earnings by the operating segments.

Please refer to paragraph 8.

17 A breakdown of sales as follows:

	Group		
	2015 US\$'000	2014 US\$'000	Increase/ (Decrease) %
(a) Sales reported for first half year	13,258	14,513	(8.6)
(b) Operating profit after tax before deducting minority interests reported for first half year	1,280	744	72.0
(c) Sales reported for second half year	14,263	10,914	30.7
(d) Operating profit after tax before deducting minority interests reported for second half year	3,946	466	746.8

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

	2015 US\$	2014 US\$
Ordinary (net of tax)		
- Interim	760,745	386,515
- Final (proposed) #	760,373	334,958
Total annual dividend	1,521,118	721,473

FY2015 final dividend is computed based on number of ordinary shares outstanding as at the end of the financial year and translated at exchange rate of US\$1:S\$1.413437 as at 31 December 2015.

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

There was no person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10).

- 20 Confirmation pursuant to Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its Directors and Executive Officers in accordance with Rule 720(1).

BY ORDER OF THE BOARD

Tan Tong Guan
Executive Chairman

26 February 2016