

Full Year Financial Statement and Dividend 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 and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	FY 2015 S\$'000	FY 2014 S\$'000	Change %	Note
<b>Revenue</b>	<b>85,657</b>	<b>78,417</b>	9%	
Cost of sales	(72,077)	(64,718)	11%	a
<b>Gross profit</b>	<b>13,580</b>	<b>13,699</b>	N.M.*	
Interest income	38	34	N.M.*	
Other gains	758	249	204%	b
Distribution costs	(3,515)	(1,900)	85%	
Administrative expenses	(6,928)	(6,886)	1%	a
Interest expense	(1)	(4)	N.M.*	
Other losses	(341)	(244)	40%	c
Share of profit from equity-accounted joint venture	384	322	N.M.*	
<b>Profit before tax from continuing operations</b>	<b>3,975</b>	<b>5,270</b>	-25%	
Income tax expense	(225)	(534)	-58%	
<b>Profit from continuing operations, net of tax</b>	<b>3,750</b>	<b>4,736</b>	-21%	
Profit from discontinued operations, net of tax	-	259	N.M.*	
<b>Profit net of tax</b>	<b>3,750</b>	<b>4,995</b>	-25%	
<b><u>Other comprehensive income</u></b>				
Exchange differences on translation from functional currency to presentation currency	2,096	1,056	N.M.*	d
Share of other comprehensive loss from equity-accounted joint venture	(52)	140	N.M.*	
Fair value changes on available-for-sale assets	31	23	N.M.*	
<b>Total comprehensive income</b>	<b>5,825</b>	<b>6,214</b>	-6%	
Profit attributable to owners of the parent, net of tax	4,221	4,995	-15%	
Loss attributable to non-controlling interests, net of tax	(471)	-	N.M.*	
Profit net of tax	3,750	4,995	-25%	
Total comprehensive income attributable to owners of the parent	6,296	6,214	1%	
Loss attributable to non-controlling interests, net of tax	(471)	-	N.M.*	
Total comprehensive income	5,825	6,214	-6%	

Note:

\*N.M. : Not meaningful

## Notes to Statement of Comprehensive Income

	FY 2015 S\$'000	FY 2014 S\$'000
<b>a. Depreciation</b>		
The total depreciation expenses charged are as follows:		
Cost of sales	(330)	(387)
Administrative expenses	(815)	(706)
	<u>(1,145)</u>	<u>(1,093)</u>
<b>b. Other gains</b>		
Allowance for impairment on trade receivables - reversal	-	28
Bad debts recovered on trade receivables	-	1
Gain on disposal of plant and equipment	115	14
Gain on disposal of an associate	368	-
Government grant	133	122
Other Income	142	84
	<u>758</u>	<u>249</u>
<b>c. Other losses</b>		
Allowance for impairment on other receivables	(55)	-
Bad debts written off trade receivables	-	(85)
Foreign exchange adjustments losses	(283)	(159)
Plant and equipment written-off	(1)	-
Other expenses	(2)	-
	<u>(341)</u>	<u>(244)</u>
<b>d. Exchange differences</b>		
Exchange differences arose mainly from the translation of foreign currency assets and liabilities of the financial statements in functional currency to presentation currency (i.e. Singapore dollars) at the exchange rate at the end of the financial 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 immediately preceding financial year.**

	Group			Company		
	31-12-15 S\$'000	31-12-14 S\$'000	% Change	31-12-15 S\$'000	31-12-14 S\$'000	% Change
<u>Non-current assets</u>						
Property, plant and equipment	4,259	3,591	19%	1,355	877	55%
Goodwill	409	409	N.M.*	-	-	N.M.*
Investments in subsidiaries	-	-	N.M.*	16,867	5,430	N.M.*
Investments in joint venture	2,081	1,583	31%	223	-	N.M.*
Deferred tax assets	35	36	-3%	-	-	N.M.*
Other assets	661	619	7%	-	-	N.M.*
Other financial assets	848	776	9%	848	776	9%
Total non-current assets	8,293	7,014	18%	19,293	7,083	172%
<u>Current assets</u>						
Assets and disposal group held for sale under FRS 105	-	1,627	N.M.*	-	-	N.M.*
Inventories	6,974	6,041	15%	-	4,562	N.M.*
Trade and other receivables	15,881	8,147	95%	6,748	5,770	17%
Other assets	405	1,157	-65%	50	1,076	-95%
Cash and cash equivalents	31,215	31,303	N.M.*	11,810	17,488	-32%
Total current assets	54,475	48,275	13%	18,608	28,896	-36%
Total assets	62,768	55,289	14%	37,901	35,979	5%
<u>Equity and liabilities</u>						
<u>Equity attributable to owners of the parent</u>						
Share capital	6,606	6,606	N.M.*	6,606	6,606	N.M.*
Retained earnings	39,091	39,693	-2%	21,745	19,098	14%
Other reserves, total	6,122	47	N.M.*	405	(1,343)	N.M.*
Equity attributable to owners of the parent	51,819	46,346	12%	28,756	24,361	18%
Non-controlling interests	79	-	N.M.*	-	-	N.M.*
Total equity	51,898	46,346	12%	28,756	24,361	18%
<u>Non-current liabilities</u>						
Deferred tax liabilities	271	243	12%	63	73	-14%
Other financial liabilities	10	21	N.M.*	-	-	N.M.*
Total non-current liabilities	281	264	6%	63	73	-14%
<u>Current liabilities</u>						
Income tax payable	397	741	-46%	6	170	N.M.*
Trade and other payables	10,180	7,926	28%	9,076	11,375	-20%
Other financial liabilities	12	12	N.M.*	-	-	N.M.*
Total current liabilities	10,589	8,679	22%	9,082	11,545	-21%
Total liabilities	10,870	8,943	22%	9,145	11,618	-21%
Total equity and liabilities	62,768	55,289	14%	37,901	35,979	5%

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

Amount repayable in one year or less, or on demand (S\$'000)

31-12-15		31-12-14	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
12	-	12	-

Amount repayable after one year (S\$'000)

31-12-15		31-12-14	
S\$'000	S\$'000	S\$'000	S\$'000
Secured	Unsecured	Secured	Unsecured
10	-	21	-

**Details of any collaterals**

Secured borrowings as at 31 December 2015 and 31 December 2014 refer to obligations under finance leases that are secured by plant and equipment purchased under finance leases.

**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.**

	<b>FY 2015</b>	<b>FY 2014</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>Cash flows from operating activities</u></b>		
Profit from continuing operations	3,750	4,736
Profit from discontinued operation	-	259
Profit before tax	<u>3,750</u>	<u>4,995</u>
Adjustments for:		
Income tax expense recognised in profit or loss	225	534
Interest income	(38)	(34)
Interest expense	1	4
Insurance premium charged to profit or loss	14	5
Depreciation of property, plant and equipment	1,145	1,093
Share of profit from equity-accounted associate	-	(259)
Share of profit from equity-accounted joint venture	(384)	(322)
Gain on disposal of assets and disposal group held for sale under FRS 105	(368)	-
Gain on disposal of property, plant and equipment	<u>(115)</u>	<u>(14)</u>
Operating cash flows before changes in working capital	4,230	6,002
Inventories	(310)	1,944
Trade and other receivables	(4,002)	195
Other assets	88	(229)
Trade and other payables	1,210	(991)
Net cash flows from operations activities	<u>1,216</u>	<u>6,921</u>
Net income tax paid	<u>(570)</u>	<u>(465)</u>
Net cash flows from operating activities	<u>646</u>	<u>6,456</u>
<b><u>Cash flows from investing activities</u></b>		
Disposal of property, plant and equipment	128	34
Acquisition of a subsidiary, net of cash acquired (Note A below)	1,545	-
Advance payment made for acquisition of subsidiary (Note A below)	-	(743)
Purchase of property, plant and equipment	(1,713)	(753)
Investment in joint-venture	(223)	-
Disposal of assets and disposal group held for sale under FRS 105	1,995	-
Dividend from joint-venture	138	135
Interest received	38	34
Net cash flows from/(used in) investing activities	<u>1,908</u>	<u>(1,293)</u>
<b><u>Cash flows from financing activities</u></b>		
Cash restricted in use	(554)	-
Dividends paid to equity owners	(823)	(823)
Repayment of bank borrowings	(3,115)	-
Repayment of finance leases	(11)	(2)
Interest paid	(1)	(4)
Net cash flows used in financing activities	<u>(4,504)</u>	<u>(829)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,950)</b>	<b>4,334</b>
Cash and cash equivalents, statement of cash flow, beginning balance	31,303	26,211
Net effect of exchange rate changes on cash and cash equivalents	1,308	758
<b>Cash and cash equivalents, statement of cash flow, ending balance</b>	<b><u>30,661</u></b>	<b><u>31,303</u></b>

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

**Cash and cash equivalents comprise:**

	FY 2015 S\$'000	FY 2014 S\$'000
Not restricted in use	30,661	31,303
Cash pledged for bank facilities	554	-
Cash at end of the year	<u>31,215</u>	<u>31,303</u>

**Note A: Acquisition of a subsidiary**

On 1 January 2015, the Group acquired a 60% equity interest in Heptalink Chemicals Pte Ltd ("Heptalink"). The principal activities of Heptalink relate to trading and distribution of chemicals.

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(i) Purchase consideration

	S\$'000
Cash paid	825
<b>Consideration transferred for the business</b>	<u>825</u>

(ii) Effect on cash flow of the Group

	S\$'000
Cash paid (as above)	825
Less: cash and cash equivalents in subsidiary acquired	(1,627)
Less: advance payment made in previous reporting year	(743)
<b>Cash inflow on acquisition</b>	<u>(1,545)</u>

(iii) Identifiable assets acquired and liabilities assumed

	At fair value S\$'000
Inventories	212
Trade receivables	3,173
Other receivables	5
Cash and cash equivalents	1,627
<b>Total assets</b>	<u>5,017</u>
Trade payables	407
Other payables	97
Bank borrowings	3,115
Income tax payable	23
<b>Total liabilities</b>	<u>3,642</u>
<b>Total identifiable net assets</b>	1,375
Less: Non-controlling interest at fair value	(550)
<b>Consideration transferred for the business</b>	<u>825</u>

**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**

	Total Equity S\$'000	Attributable to Parent Sub-total S\$'000	Share Capital S\$'000	Retained Earning S\$'000	Currency Translation Reserve S\$'000	Other Reserve S\$'000	Non- Controlling Interests S\$'000
<b>Group</b>							
<b>Current period:</b>							
Opening balance at 1.1.15	46,346	46,346	6,606	39,693	(1,147)	1,194	-
<b>Movements in equity:</b>							
Total comprehensive income for the year	5,825	6,296	-	4,221	2,044	31	(471)
Acquisition of a subsidiary	550	-	-	-	-	-	550
Dividends paid	(823)	(823)	-	(823)	-	-	-
Capitalisation of retained earnings by way of bonus issue of shares of a subsidiary	-	-	-	(4,000)	-	4,000	-
Closing balance at 31.12.15	51,898	51,819	6,606	39,091	897	5,225	79
<b>Previous period:</b>							
Opening balance at 1.1.14	40,955	40,955	6,606	35,521	(2,343)	1,171	-
<b>Movements in equity:</b>							
Total comprehensive income for the year	6,214	6,214	-	4,995	1,196	23	-
Dividends paid	(823)	(823)	-	(823)	-	-	-
Closing balance at 31.12.14	46,346	46,346	6,606	39,693	(1,147)	1,194	-
<b>Company</b>							
<b>Current period:</b>							
Opening balance at 1.1.15	24,361	24,361	6,606	19,098	(1,307)	(36)	
<b>Movements in equity:</b>							
Total comprehensive income for the year	5,218	5,218	-	3,470	1,717	31	
Dividends paid	(823)	(823)	-	(823)	-	-	
Closing balance at 31.12.15	28,756	28,756	6,606	21,745	410	(5)	
<b>Previous period:</b>							
Opening balance at 1.1.14	20,887	20,887	6,606	15,980	(1,640)	(59)	
<b>Movements in equity:</b>							
Total comprehensive income for the year	4,297	4,297	-	3,941	333	23	
Dividends paid	(823)	(823)	-	(823)	-	-	
Closing balance at 31.12.14	24,361	24,361	6,606	19,098	(1,307)	(36)	

**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 at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 31 December 2015, there was no movement in the company's share capital and no share options were issued.

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

The total number of issued shares was 164,531,172 as at 31.12.2015 and 31.12.2014.

**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.

**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.**

Yes.

**5. If there were 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 adoption of new and revised Financial Reporting Standards (FRSs) and Interpretations to FRSs (INT FRSs) effective for the current reporting period have no material impact on the financial statements of the Group.

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

	Group Continuing operations		Group Discontinued operations	
	31-12-15	31-12-14	31-12-15	31-12-14
	Singapore Cents	Singapore Cents	Singapore Cents	Singapore Cents
(i) Based on number of ordinary shares in issue of 164,531,172 (31.12.2014: 164,531,172 shares)	2.57	2.88	-	0.16
(ii) On a fully diluted basis of 164,531,172 ordinary shares (31.12.2014: 164,531,172 shares)	2.57	2.88	-	0.16

Note:

The total earnings per ordinary share from continuing and discontinued operations were calculated based on the number of ordinary shares in issue of 164,531,172 as at 31.12.2015 and 31.12.2014.



**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current period reported on; and  
(b) immediately preceding financial year**

	31-12-15	31-12-14
	Singapore Cents	Singapore Cents
Net asset value per ordinary shares in issue of 164,531,172 (31.12.14 : 164,531,172)		
Group	31.50	28.17
Company	17.48	14.81

Note:

Net asset value per ordinary share was calculated based on the number of ordinary shares in issue of 164,531,172 as at 31.12.2015 and 31.12.2014.

**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 period reported on.**

**Income Statement and Statement of Comprehensive Income**

- (i) Total revenue increased by 9% to S\$85.7 million due mainly to higher trading volume during the year.
- (ii) The cost of sales went up by 11% in line with the increased trading activities. Higher proportion of trading activities with relatively low profit compressed the overall gross profit margin.
- (iii) The profit before tax and net profit after tax reduced by 28% and 25% to S\$4.0 million and S\$3.8 million, respectively. The reduction in profits was mainly caused by the loss incurred at our newly acquired petrochemicals business.
- (iv) Distribution cost increased by 85% due largely to higher trading volume giving rise to increase in shipping costs and storage tank rental incurred by Heptalink.
- (v) Majority of the entities within the Group adopts US dollars as functional currency while the financial presentation here is in Singapore dollars. Exchange difference arose mainly from the translation of foreign currency assets and liabilities of the financial statements in functional currency to Singapore dollars with the exchange rate at the end of the year. The income and expenses were converted at the average rate of exchange for the year.

### **Statement of Financial Position**

- (i) Plant and equipment increased by 19% due to purchases of new motor vehicles.
- (ii) Inventories increased by 15% due to consolidation of inventory of Heptalink.
- (iii) Trade and other receivables rose by 95%. This was the result of higher sales toward the end of the year and consolidation of Heptalink accounts.
- (iv) Other assets, current portion reduced by 65% due mainly to consideration paid in advance for acquisition of Heptalink in FY2014.
- (v) Trade and other payables rose by 28% because of higher purchases toward the end of the year and consolidation of Heptalink accounts.

### **Statement of Cash Flow**

Operational cash flow decreased by 90% or S\$5.8 million. This was largely due to increase in trade receivables from higher sales in 4Q 2015 as compared to 4Q 2014.

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

There is no significant variance between the previous disclosures and the actual results.

### **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.**

- (i) The plummet of crude oil prices has aggravated the already murky global economy and the overall business environment is expected to be extremely challenging in 2016.
- (ii) Upon establishment of our subsidiary in Shanghai and joint-venture in Chongqing in 2015. The Group is looking into developing the China market as part of our plan for long term growth.
- (iii) With timely measures and strategies in place to tackle the new challenges brought about by the economic slowdown, we believe that the businesses of most of our major subsidiaries and joint-ventures are to remain resilient.
- (iv) Barring any unforeseen circumstances, the management is confident of the overall performance of the Group in FY2016.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes, an interim exempt (one-tier) dividend of 0.50 cent in cash per ordinary share.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Yes, an interim exempt (one-tier) dividend of 0.50 cent in cash per ordinary share.

**(c) Date payable**

23 March 2016.

**(d) Books closure date**

8 March 2016.

**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 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 does not have a general mandate from shareholders for interested person transactions.

**14. Confirmation of undertakings from directors and executive officers.**

The company has procured undertaking from all its directors and executive officers under Rule 720(1) of the listing manual.

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

	Manufacturing		Trading		Franchising*		Unallocated		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Continuing Operations</b>										
<b>Revenue by segment</b>										
Total revenue by segment	40,495	57,555	31,334	19,557	20,818	19,115	-	-	92,647	96,227
Inter-segment sales	(4,692)	(17,610)	(2,298)	(200)	-	-	-	-	(6,990)	(17,810)
External revenue	35,803	39,945	29,036	19,357	20,818	19,115	-	-	85,657	78,417
Operating profit	10,007	10,016	1,417	1,563	2,156	2,120	-	-	13,580	13,699
Interest income							38	34	38	34
Other gains							758	249	758	249
Finance costs							(1)	(4)	(1)	(4)
Other losses							(341)	(244)	(341)	(244)
Unallocated expense							(10,443)	(8,786)	(10,443)	(8,786)
Share of profit of joint venture							384	322	384	322
Profit before tax									3,975	5,270
Income tax expense									(225)	(534)
Profit from continuing operations									3,750	4,736
Profit from discontinuing operations									-	259
Profit net of tax									3,750	4,995
<b>Assets and reconciliations</b>										
Total assets for reportable segments	13,594	13,144	5,591	2,972	7,520	888	36,063	38,285	62,768	55,289
<b>Liabilities and reconciliations</b>										
Total liabilities for reportable segments	4,640	4,555	2,939	1,173	1,808	1,098	1,483	2,117	10,870	8,943
<b>Othe material items and reconciliations</b>										
Depreciation expense	414	485	330	351	-	-	401	257	1,145	1,093
Capital expenditure	262	340	311	317	-	-	1,140	131	1,713	788

\* The franchising segment includes trades in raw materials for products under our brand names.

**Geographical Information**

Country	Revenue			Non-Current Asset		
	2015 S\$'000	2014 S\$'000	% Change	2015 S\$'000	2014 S\$'000	% Change
Singapore	39,480	40,538	-3%	7,597	6,359	19%
Bangladesh	9,546	9,030	6%	-	-	N.M.
Indonesia	2,376	2,595	-8%	-	-	N.M.
Myanmar	3,065	3,357	-9%	-	-	N.M.
Philippines	3,491	3,025	15%	-	-	N.M.
Vietnam	12,011	14,088	-15%	661	619	N.M.
Other countries	15,688	5,784	171%	-	-	N.M.
Total	85,657	78,417		8,258	6,978	

**Information about major customers**

3 customers (FY 2014: 2 customers) contributed more than 10% each of the Group's total revenues. The total sale to these 3 customers (FY 2014: 2 customers) was approximately S\$36 million (FY 2014: S\$33 million).

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

Total revenue increased by 9% to S\$85.7 million due mainly to higher trading and franchising activities during the year.

**17. A breakdown of sales and profit**

	Group		
	2015 \$'000	2014 \$'000	% Change
Revenue for first half year	39,097	40,691	-4%
Operating profit for first half year	2,583	2,985	-13%
Revenue for second half year	46,560	37,726	23%
Operating profit for second half year	1,167	2,010	-42%

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

	2015 \$'000	2014 \$'000
Ordinary	823	823
Preference	-	-
Total:	823	823

**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(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Ho Chee Hon  
Group Chief Executive Officer  
23 February 2016