



HAFARY HOLDINGS LIMITED

合發利控股有限公司

Company Registration No. 200918637C

Registered Address: 105 Eunos Avenue 3, Hafary Centre, Singapore 409836

Unaudited Financial Statements and Dividend Announcement For the 3 Months ("6Q2015") and Full Year ("18M2015") Ended 31 December 2015

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This announcement covered an 18-month period from 1 July 2014 to 31 December 2015. The Company has changed its financial year end from 30 June to 31 December (Please refer to the announcement reference no. SG150612OTHR1HMN dated 12 June 2015). The financial period for FY2015 will covers an 18-month period from 1 July 2014 to 31 December 2015.

1(a)(i) Statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			Group		
	Unaudited 6Q2015	Unaudited 6Q2014	Increase/ (Decrease)	Unaudited 18M2015	Unaudited 18M2014	Increase/ (Decrease)
	(3 months) S\$'000	(3 months) S\$'000	%	(18 months) S\$'000	(18 months) S\$'000	%
Revenue	32,390	33,526	(3.4)	183,244	153,275	19.6
<u>Other Items of Income</u>						
Dividend Income	-	-	N.M	23	-	N.M
Interest Income	14	17	(17.6)	103	56	83.9
Other Gains	387	55	603.6	499	1,637	(69.5)
<u>Other Items of Expense</u>						
Changes in Inventories of Finished Goods	(407)	623	N.M	6,788	8,510	(20.2)
Purchases and Related Expenses	(19,366)	(21,198)	(8.6)	(118,558)	(102,731)	15.4
Employee Benefits Expenses	(4,253)	(3,717)	14.4	(23,136)	(20,093)	15.1
Depreciation Expense	(845)	(790)	7.0	(4,896)	(4,214)	16.2
Impairment Losses	(484)	(585)	(17.3)	(2,207)	(1,099)	100.8
Other Losses	(475)	(363)	30.9	(1,522)	(582)	161.5
Finance Costs	(737)	(516)	42.8	(3,753)	(2,824)	32.9
Other Expenses	(2,932)	(2,543)	15.3	(16,041)	(13,881)	15.6
Share of Profit from Equity-Accounted Associate	645	637	1.3	2,110	1,493	41.3
Share of Profit from Equity-Accounted Joint Venture	110	16	587.5	174	277	(37.2)
Profit Before Tax	4,047	5,162	(21.6)	22,828	19,824	15.2
Income Tax Income (Expense)	3,273	(665)	N.M	817	(3,196)	N.M
Profit, Net of Tax	7,320	4,497	62.8	23,645	16,628	42.2
Other Comprehensive Income:						
Items that may be reclassified subsequently to Profit or Loss:						
Exchange Differences on Translating Foreign Operations, Net of Tax	(250)	264	N.M	710	502	41.4
Other Comprehensive Income for the Period, Net of Tax	(250)	264	N.M	710	502	41.4
Total Comprehensive Income	7,070	4,761	48.5	24,355	17,130	42.2
Profit, Net of Tax Attributable to:						
- Owners of the Parent	7,073	4,265	65.8	22,176	15,533	42.8
- Non-Controlling Interests	247	232	6.5	1,469	1,095	34.2
	7,320	4,497	62.8	23,645	16,628	42.2
Total Comprehensive Income Attributable to:						
- Owners of the Parent	6,823	4,529	50.7	22,886	16,035	42.7
- Non-Controlling Interests	247	232	6.5	1,469	1,095	34.2
	7,070	4,761	48.5	24,355	17,130	42.2

Notes:

- (1) N.M = Not meaningful.
- (2) 6Q2014 = Financial period of 3 months ended 31 December 2014.
- (3) 18M2014 = Financial period of 18 months ended 31 December 2014.

The 3-month period results ended 31 December 2014 are for comparative purposes only and not consolidated in the 12-month period results ended 30 June 2014. The 18-month period results ended 31 December 2014, which is computed by adding the results of the 6-month period ended 31 December 2014 (from 1 July 2014 to 31 December 2014) to that of 12-month period ended 30 June 2014, is also presented for comparative purposes.

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For the Period Ended 31 December 2015

1(a)(ii) Profit, Net of Tax and Total Comprehensive Income is arrived after crediting/ (charging) the following:

	Group			Group		
	Unaudited 6Q2015	Unaudited 6Q2014	Increase/ (Decrease)	Unaudited 18M2015	Unaudited 18M2014	Increase/ (Decrease)
	(3 months) S\$'000	(3 months) S\$'000	%	(18 months) S\$'000	(18 months) S\$'000	(18 months) %
Interest Expense on Borrowings	(737)	(516)	42.8	(3,753)	(2,824)	32.9
Interest Income on Borrowings	14	17	(17.6)	103	56	83.9
Depreciation Expense	(845)	(790)	7.0	(4,896)	(4,214)	16.2
Allowance for Impairment of Trade Receivables	(143)	(386)	(63.0)	(922)	(626)	47.3
Doubtful Debts Recovered	-	-	N.M	6	44	(86.4)
Bad Debts Recovered - Trade Receivables	18	-	N.M	28	3	N.M.
Bad Debts Written Off - Trade Receivables	(136)	(2)	N.M	(147)	(6)	N.M.
Other Assets Written Off	(1)	-	N.M	(1)	(14)	(92.9)
Allowance for Impairment of Inventories	(222)	(197)	12.7	(1,171)	(500)	134.2
Foreign Exchange Adjustment Gains (Loss)	314	(356)	N.M	(1,068)	23	N.M.
Fair Value Gain (Loss) on Derivative Financial Instruments	21	26	(19.2)	148	(294)	N.M.
Gain Arising From Derivative Financial Instruments	-	-	N.M	40	40	N.M.
Fair Value (Loss) Gain on Other Financial Asset	(454)	-	N.M	(454)	189	N.M.
Adjustment for Over (Under) Provision of Tax in respect of Prior Years	4,051	(189)	N.M	4,222	(42)	N.M.
Gain on Disposal of Development Property	-	-	N.M	-	85	N.M.
Gain on Disposal of Subsidiary	-	-	N.M	-	1,000	N.M.
(Loss) Gain on Disposal of Property, Plant and Equipment	(13)	(2)	N.M	19	(288)	N.M.
Dividend Income	-	-	N.M	23	-	N.M.

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1(b)(i) 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	
	Unaudited 31 Dec 2015 S\$'000	Audited 30 June 2014 S\$'000	Unaudited 31 Dec 2015 S\$'000	Audited 30 June 2014 S\$'000
ASSETS				
Non-Current Assets:				
Property, Plant and Equipment	97,871	67,239	301	402
Other Asset, Non-Current	4,950	4,771	-	-
Investments in Subsidiaries	-	-	9,239	9,239
Investment in Associate	5,384	3,496	-	-
Investment in Joint Venture	318	278	-	-
Other Financial Assets	2,971	1,247	794	1,247
Total Non-Current Assets	111,494	77,031	10,334	10,888
Current Assets:				
Inventories	46,979	41,356	-	-
Trade and Other Receivables	43,223	26,820	27,055	25,839
Derivative Financial Instruments	44	-	-	-
Other Assets, Current	3,801	4,270	9	13
Cash and Cash Equivalents	8,531	4,857	26	120
Total Current Assets	102,578	77,303	27,090	25,972
Total Assets	214,072	154,334	37,424	36,860
EQUITY AND LIABILITIES				
Equity:				
Share Capital	26,634	26,634	26,634	26,634
Retained Earnings (Accumulated Losses)	23,324	11,015	(189)	1,393
Share Option Reserves	119	-	119	-
Other Reserves	710	-	-	-
Equity, Attributable to Owners of the Parent	50,787	37,649	26,564	28,027
Non-Controlling Interests	4,011	2,635	-	-
Total Equity	54,798	40,284	26,564	28,027
Non-Current Liabilities:				
Deferred Tax Liabilities	383	449	-	-
Other Financial Liabilities	65,868	36,941	121	165
Total Non-Current Liabilities	66,251	37,390	121	165
Current Liabilities:				
Provision	525	369	-	-
Income Tax Payable	3,648	5,716	4	5
Trade and Other Payables	30,182	14,944	10,704	8,624
Other Financial Liabilities	57,773	54,701	31	39
Other Liabilities	895	826	-	-
Derivative Financial Instruments	-	104	-	-
Total Current Liabilities	93,023	76,660	10,739	8,668
Total Liabilities	159,274	114,050	10,860	8,833
Total Equity and Liabilities	214,072	154,334	37,424	36,860

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Amount repayable in one year or less, or on demand

	Group			
	Unaudited		Audited	
	As at 31 December 2015		As at 30 June 2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank Loans	29,067	-	35,557	-
Trust Receipts and Bills Payable to Banks	28,415	-	19,006	-
Finance Lease Liabilities	291	-	138	-
	57,773	-	54,701	-

Amount repayable after one year

	Group			
	Unaudited		Audited	
	As at 31 December 2015		As at 30 June 2014	
	Secured	Unsecured	Secured	Unsecured
	S\$'000	S\$'000	S\$'000	S\$'000
Bank Loans	65,545	-	36,567	-
Finance Lease Liabilities	323	-	374	-
	65,868	-	36,941	-

Details of collaterals relating to the above borrowings

Bank Loans

These are covered by:

- (a) corporate guarantees given by Hafary Holdings Limited and a subsidiary;
- (b) secured by first legal mortgage over leasehold properties; and
- (c) legal assignment of current and future rental proceeds and insurance proceeds in respect of a leasehold property.

Borrowing drawn down in relation to the acquisition and development of leasehold property at 18 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729236 is secured by first legal mortgage over the leasehold property and the proposed development to be erected thereon into a 7-storey building of a subsidiary. It is also covered by joint and several corporate guarantees from Hafary Holdings Limited and Hafary Pte Ltd (of S\$29,901,300), personal guarantees from a Non-Executive Director (of S\$12,350,500) and a substantial shareholder (of S\$16,228,200).

Trust Receipts and Bills Payable to Banks

These are covered by corporate guarantees given by Hafary Holdings Limited.

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

	Group		Group	
	Unaudited 6Q2015	Unaudited 6Q2014	Unaudited 18M2015	Unaudited 18M2014
	(3 months) S\$'000	(3 months) S\$'000	(18 months) S\$'000	(18 months) S\$'000
Cash Flows From Operating Activities				
Profit Before Income Tax	4,047	5,162	22,828	19,824
Adjustment for:				
Interest Expense	737	516	3,753	2,824
Interest Income	(14)	(17)	(103)	(56)
Share of Profit from Associate	(645)	(637)	(2,110)	(1,493)
Share of Profit from Joint Venture	(110)	(16)	(174)	(277)
Share Based Payment	119	-	119	-
Depreciation of Property, Plant and Equipment	823	757	4,710	4,114
Depreciation of Other Asset, Non-Current	22	33	186	100
Gain on Disposal of Development Property	-	-	-	(85)
Loss (Gain) on Disposal of Property, Plant and Equipment	13	2	(19)	288
Gain on Disposal of Subsidiary	-	-	-	(1,000)
Fair Value Loss (Gain) on Other Financial Asset	454	-	454	(189)
Fair Value (Gain) Loss on Derivative Financial Instruments	(21)	(26)	(148)	254
Net Effect of Exchange Rate Changes in Consolidating Subsidiary	1	(42)	(242)	(99)
Operating Cash Flows Before Changes in Working Capital	5,426	5,732	29,254	24,205
Inventories	623	(427)	(5,623)	(8,010)
Trade and Other Receivables	750	(6,414)	(16,247)	(9,156)
Other Assets	(41)	(2,381)	469	(2,117)
Cash Restricted in Use	-	-	82	-
Provision	116	213	156	257
Trade and Other Payables	3,984	3,632	5,604	6,184
Other Liabilities	(858)	(86)	69	226
Net Cash Flows From Operations	10,000	269	13,764	11,589
Income Taxes Refund (Paid)	13	(471)	(1,317)	(2,166)
Net Cash Flows From (Used in) Operating Activities	10,013	(202)	12,447	9,423
Cash Flows From Investing Activities				
Purchase of Property, Plant and Equipment	(6,949)	(763)	(26,780)	(19,644)
Progress Payments Received from Sale of Development Property	-	-	-	6,528
Proceeds from Disposal of Property, Plant and Equipment	4	-	503	397
Proceeds from Disposal of Subsidiary	-	-	-	1,000
Loan to Associate	-	-	-	(1,269)
Dividend Income from Joint Venture	15	58	138	158
Dividend Income from Associate	222	-	222	-
Interest Received	1	2	88	27
Purchase of Other Asset, Non-Current	-	-	-	(4,804)
Investment in Other Financial Assets, Non-Current	-	-	(2,162)	(1,058)
Net Cash Flows Used in Investing Activities	(6,707)	(703)	(27,991)	(18,665)
Cash Flows From Financing Activities				
Dividends Paid to Equity Owners	(2,145)	(5,577)	(9,867)	(27,027)
Dividends Paid to Non-Controlling Interests	(326)	(255)	(581)	(427)
(Decrease) Increase in Trust Receipts and Bills Payable	(725)	4,954	9,409	1,578
Net Amount Due to Related Parties	1,052	-	1,943	-
Repayment of Finance Lease Liabilities	(72)	(46)	(572)	(472)
Proceeds From New Bank Loans	4,198	3,008	28,789	54,825
Repayment of Bank Loans	(722)	(1,050)	(6,304)	(20,766)
Interest Expense Paid	(697)	(487)	(3,517)	(2,794)
Net Cash Flows From Financing Activities	563	547	19,300	4,917
Net Increase (Decrease) in Cash and Cash Equivalents	3,869	(362)	3,756	(4,325)
Cash and Cash Equivalents, Beginning Balance	4,662	5,620	4,775	9,583
Cash and Cash Equivalents, Ending Balance	8,531	5,258	8,531	5,258

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For the Period Ended 31 December 2015

1(d)(i) 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.

GROUP	Total Equity S\$'000	Attributable to Parent Subtotal S\$'000	Share Capital S\$'000	Retained Earnings S\$'000	Share Option Reserves S\$'000	Other Reserve S\$'000	Non- Controlling Interests S\$'000
Current Period (Unaudited):							
Opening Balance at 1 July 2014	40,284	37,649	26,634	11,015	-	-	2,635
Total Comprehensive Income for the Period	17,285	16,063	-	15,103	-	960	1,222
Capital Contribution by Non-Controlling Interests	488	-	-	-	-	-	488
Dividends Paid ⁽¹⁾	(7,722)	(7,722)	-	(7,722)	-	-	-
Dividends Paid to Non-Controlling Interests	(255)	-	-	-	-	-	(255)
Closing Balance at 30 September 2015	50,080	45,990	26,634	18,396	-	960	4,090
Total Comprehensive Income for the Period	7,070	6,823	-	7,073	-	(250)	247
Share-Based Payments	119	119	-	-	119	-	-
Dividends Paid ⁽¹⁾	(2,145)	(2,145)	-	(2,145)	-	-	-
Dividends Paid to Non-Controlling Interests	(326)	-	-	-	-	-	(326)
Closing Balance at 31 December 2015	54,798	50,787	26,634	23,324	119	710	4,011
Previous Period (Unaudited):							
Opening Balance at 1 July 2013	46,751	44,676	26,634	18,042	-	-	2,075
Total Comprehensive Income for the Period	12,369	11,506	-	11,268	-	238	863
Dividends Paid ⁽¹⁾	(15,015)	(15,015)	-	(15,015)	-	-	-
Acquisition of a Non-Controlling Interest Without a Change in Control	-	(60)	-	(60)	-	-	60
Capital Contribution by Non-controlling Interests	488	-	-	-	-	-	488
Dividends Paid to Non-Controlling Interests	(172)	-	-	-	-	-	(172)
Closing Balance at 30 September 2014	44,421	41,107	26,634	14,235	-	238	3,314
Total Comprehensive Income for the Period	4,761	4,529	-	4,265	-	264	232
Dividends Paid ⁽¹⁾	(5,577)	(5,577)	-	(5,577)	-	-	-
Dividends Paid to Non-Controlling Interests	(255)	-	-	-	-	-	(255)
Closing Balance at 31 December 2014	43,350	40,059	26,634	12,923	-	502	3,291

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1(d)(i) 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.

COMPANY	Total Equity S\$'000	Share Capital S\$'000	Retained Earnings S\$'000	Share Option Reserves S\$'000
Current Period (Unaudited):				
Opening Balance at 1 July 2014	28,027	26,634	1,393	-
Total Comprehensive Income for the Period	8,716	-	8,716	-
Dividends Paid ⁽¹⁾	(7,722)	-	(7,722)	-
Closing Balance at 30 September 2015	29,021	26,634	2,387	-
Total Comprehensive Income for the Period	(431)	-	(431)	-
Share-Based Payments	119	-	-	119
Dividends Paid ⁽¹⁾	(2,145)	-	(2,145)	-
Closing Balance at 31 December 2015	26,564	26,634	(189)	119
Previous Period (Unaudited):				
Opening Balance at 1 July 2013	37,773	26,634	11,139	-
Total Comprehensive Income for the Period	9,586	-	9,586	-
Dividends Paid ⁽¹⁾	(15,015)	-	(15,015)	-
Closing Balance at 30 September 2014	32,344	26,634	5,710	-
Total Comprehensive Income for the Period	10	-	10	-
Dividends Paid ⁽¹⁾	(5,577)	-	(5,577)	-
Closing Balance at 31 December 2014	26,777	26,634	143	-

Note:

(1) Dividends on Equity Shares	Unaudited 18M2015 S\$'000	Unaudited 18M2014 S\$'000
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Final tax exempt (1-tier) dividend paid of:

- 0.3 cent per share on total number of issued ordinary shares of 429,000,000	1,287	1,287
- 2.5 cent per share on total number of issued ordinary shares of 429,000,000	-	10,725

Interim tax exempt (1-tier) dividend paid of:

- 1.0 cent per share on total number of issued ordinary shares of 429,000,000	4,290	4,290
- 0.5 cent per share on total number of issued ordinary shares of 429,000,000	2,145	-
- 1.0 cent per share on total number of issued ordinary shares of 429,000,000	-	4,290
- 0.5 cent per share on total number of issued ordinary shares of 429,000,000	2,145	-

9,867	20,592
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- 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.**

	Company			
	Unaudited 18M2015		Audited 12M2014	
	No. of Shares	S\$'000	No. of Shares	S\$'000
Total number of shares at the beginning and end of the period	429,000,000	26,634	429,000,000	26,634

The Company has no outstanding convertibles or treasury shares as at 31 December 2015 and 30 June 2014.

On 1 August 2014, Awards under the Hafary Performance Share Plan ("Hafary PSP") comprising 1,550,000 ordinary shares were granted to certain Group Executives who are not Executive Directors or Independent Directors. This grant of Awards and the details was announced via SGXNET on 1 August 2014. The Awards will be released subject to terms and conditions of the Hafary PSP being met during the Performance Period of three years. No Award was granted or released during 18M2015 under the Hafary PSP.

- 1(d)(iii) 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.**

Company	
Unaudited 31 Dec 2015	Audited 30 June 2014
429,000,000	429,000,000

- 1(d)(iv) 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 as at 31 December 2015 and there were no sales transfers, disposal, cancellation and/or use of treasury shares during 18M2015.

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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' 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 had adopted the new and/or revised Financial Reporting Standards (the "FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2014. Changes to the Group's accounting policies have been made in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of the new and/or revised FRS and INT FRS did not result in any substantial changes or significant impact on the Group's financial statements.

Except for the above, the Group has adopted the same accounting policies and methods of computation as presented in the audited financial statements of the Group for the reporting year ended 30 June 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.

As mentioned above, changes to the Group's accounting policies have been made in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of the new and/or revised FRS and INT FRS did not result in any substantial changes or significant impact on the Group's financial statements.

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For the Period Ended 31 December 2015

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 ordinary shares ("EPS") for the period based on profit, net of tax and total comprehensive income attributable to owners of the parent:

	Group		Group	
	Unaudited 6Q2015 (3 months)	Unaudited 6Q2014 (3 months)	Unaudited 18M2015 (18 months)	Unaudited 18M2014 (18 months)
Earnings per ordinary share				
(a) Basic	1.58 cents	1.06 cents	5.33 cents	3.74 cents
Weighted average number of ordinary shares	429,000,000	429,000,000	429,000,000	429,000,000
(b) On a fully diluted basis	1.58 cents	1.06 cents	5.33 cents	3.74 cents
Weighted average number of ordinary shares	429,686,000	429,000,000	429,686,000	429,000,000

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For the Period Ended 31 December 2015

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	30 June 2014	31 Dec 2015	30 June 2014
Net asset value per ordinary share based on the total number of share in issue	11.8 cents	8.8 cents	6.2 cents	6.5 cents

Note:

Net asset value per ordinary share is calculated based on 429,000,000 ordinary shares as at 31 December 2015 and 30 June 2014.

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For the Period Ended 31 December 2015

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business., including 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.

8(a) Material factors that affected turnover, costs and earnings

Revenue

For 6Q2015, the Group registered a revenue of S\$32.4 million compared to S\$33.5 million during 6Q2014. For 18M2015, the Group registered a higher revenue of S\$183.2 million compared to S\$153.3 million during 18M2014.

General segment

For 3 months ended, revenue from the general segment (where customers include home-owners, architecture, interior design and renovation firms) was S\$16.1 million during 6Q2014 and 6Q2015. For 18 months ended, revenue from general segment increased by S\$8.6 million or 10.7% from S\$80.2 million during 18M2014 to S\$88.8 million during 18M2015.

Project segment

For 3 months ended, revenue from the project segment (where customers include architecture firms, property developers and construction companies) decreased by S\$1.2 million or 7.1% from S\$16.9 million during 6Q2014 to S\$15.7 million during 6Q2015. For 18 months ended, revenue from project segment increased by S\$19.8 million or 27.9% from S\$71.0 million during 15M2014 to S\$90.8 million during 18M2015. The Group supplied tiles and building materials for several development projects during 18M2015, for example Sengkang Square, Capitol Building and Sky Habitat.

Interest Income

Interest income is mainly arising from loan to associate, Viet Ceramics International Joint Stock Company ('VCI'), to finance VCI's expansion in Vietnam.

Other Gains

For the 3 months ended 31 December 2015, other gains comprised mainly of foreign exchange adjustment gains of S\$0.3 million. Other gains during 18M2015 mainly comprised of government grant income of S\$0.2 million and fair value gains on derivative financial instruments of S\$0.2 million.

Other gains during 18M2014 comprised mainly of a one-time gain of disposal of a loss-making subsidiary amounting to S\$1.0 million, fair value gain on other financial asset of S\$0.2 million, government grant income of S\$0.2 million, sponsorship received of S\$0.1 million and gain on disposal of development property of S\$0.1 million.

Cost of Sales

Cost of sales is computed based on purchases and related expenses net of changes in inventories of finished goods for the respective financial years.

For 3 months ended, cost of sales decreased by S\$0.8 million or 3.6% from S\$20.6 million during 6Q2014 to S\$19.8 million during 6Q2015. For 18 months ended, cost of sales increased by S\$17.6 million or 18.7% from S\$94.2 million during 18M2014 to S\$111.8 million in 18M2015.

The gross profit margin (based on revenue from sale of goods (excluding rental and other income), purchase cost of goods and related costs, without taking into account labour costs and overheads) of 38.9% for 6Q2015 (18M2015: 39.0%) was comparable to 38.6% for 6Q2014 (18M2014: 38.5%).

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

8(a) Material factors that affected turnover, costs and earnings (Continued)

Employee Benefits Expenses

For 3 months ended, employee benefits expenses increased by S\$0.6 million or 14.4% from S\$3.7 million during 6Q2014 to S\$4.3 million during 6Q2015. For 18 months ended, employee benefits expenses increased by S\$3.0 million or 15.2% from S\$20.1 million during 18M2014 to S\$23.1 million during 18M2015.

The increase was mainly due to annual salary increment with effect from July 2014 and July 2015, overtime expenses incurred and increase in headcount to cope with the increased volume of business of the Group.

As at the end of 6Q2015, the Group had 280 employees (including directors) (End of 6Q2014: 241).

Depreciation Expense

For 3 months ended, depreciation expense increased by S\$0.1 million or 7.0% from S\$0.8 million during 6Q2014 to S\$0.9 million during 6Q2015. For 18 months ended, depreciation expense increased by S\$0.7 million or 16.2% from S\$4.2 million during 18M2014 to S\$4.9 during 18M2015. The increase was due to increase in property, plant and equipment held by the Group during 18M2015.

Impairment Losses

For 3 months ended, impairment losses decreased by \$0.1 million or 17.3% from S\$0.6 million during 6Q2014 to S\$0.5 million during 6Q2015. For 18 months ended, impairment losses increased by S\$1.1 million or 100.8% from S\$1.1 million during 18M2014 to S\$2.2 million during 18M2015.

The increase was mainly due to increase in allowance for impairment of inventories and trade receivables.

Other Losses

For 3 months ended 31 December 2015, other losses mainly comprise of fair value loss on financial asset amounting to S\$0.5 million. Other losses during 18M2015 mainly comprise mainly of foreign currency adjustment losses of S\$1.0 million and fair value loss on financial asset of S\$0.5 million.

For 3 months ended 31 December 2014, other losses mainly comprise of foreign currency adjustment losses of S\$0.4 million. Other losses during 18M2014 mainly comprise loss on disposal of plant and equipment of S\$0.3 million and net fair value losses on derivative financial instruments of S\$0.2 million.

Finance Costs

For 3 months ended, finance costs increased by S\$0.2 million or 42.8% from S\$0.5 million during 6Q2014 to S\$0.7 million during 6Q2015. For 18 months ended, finance costs increased by S\$1.0 million or 32.9% from S\$2.8 million during 18M2014 to S\$3.8 million during 18M2015.

The increase was mainly attributable to interest expense on increased bank borrowings to cope with the increased business of the Group and increase in interest rates during year 2015.

Other Expenses

For 3 months ended, other expenses increased by S\$0.4 million or 15.2% from S\$2.5 million during 6Q2014 to S\$2.9 million during 6Q2015. For 18 months ended, other expenses increased by S\$2.1 million or 15.5% from S\$13.9 million during 18M2014 to S\$16.0 million during 18M2015.

For 3 months ended, the increase in other expenses were mainly attributable to an increase in rental and entertainment expenses due to the increased business of the Group.

For 18 months ended, the increase in other expenses were mainly attributable to:

- a) Increase in rental expenses, hire of motor vehicles and machinery, professional fees, entertainment expenses and compensation expenses due to the increased business of the Group; and
- b) Increase in property tax relating to leasehold properties at 105 Eunos Avenue 3 and 3 Changi North Street 1 following revision of property tax after redevelopment of the leasehold properties were completed.

HAFARY HOLDINGS LIMITEDFor the Period Ended 31 December 2015

8(a) Material factors that affected turnover, costs and earnings (Continued)**Share of Profit from Equity-Accounted Associate**

For 6Q2015, share of profit from associate, VCI, amounted to S\$0.6 million (6Q2014: share of profit of S\$0.6 million). For 18M2015, share of profit from associate amounted to S\$2.1 million (18M2014: S\$1.5 million).

Share of Profit from Equity-Accounted Joint Venture

Share of profit from joint venture, Melmer Stoneworks Pte. Ltd. ("MSPL"), amounted to S\$0.1 million during 6Q2015 (6Q2014: Share of profit of S\$16,000). For 18M2015 and 18M2014, share of profit from MSPL was S\$0.2 million and S\$0.3 million respectively.

Profit Before Income Tax

For 3 months ended, profit before income tax decreased by S\$1.1 million or 21.2% from S\$5.2 million during 6Q2014 to S\$4.1 million during 6Q2015. For 18 months ended, profit before income tax increased by S\$3.0 million or 15.2% from S\$19.8 million during 18M2014 to S\$22.8 million during 18M2015.

The lower profit before income tax for 6Q2015 was largely due to increase in employee benefits expenses, finance costs and other expenses. Excluding share of profits from associate and joint venture amounting to S\$0.8 million (6Q2014: share of profits of S\$0.6 million) and fair value loss on other financial asset amounting to S\$0.5 million (6Q2014: Nil), profit before income tax generated from recurring activities was S\$3.8 million for 6Q2015 (6Q2014: S\$4.5 million).

The higher profit before income tax for 18M2015 was largely due to the improved sales during the period and higher share of profits from associate, VCI. Excluding gain on disposal of a subsidiary and share of profits from associate and joint venture amounting to S\$2.3 million (18M2014: S\$2.8 million) and fair value loss on other financial asset amounting to S\$0.5 million (18M2014: Fair value gain of S\$0.2 million), profit before income tax generated from recurring activities was S\$21.0 million for 18M2015 (18M2014: S\$16.9 million).

Other Comprehensive Income

This pertained to foreign exchange difference on translating foreign operations.

Income Tax Income (Expense)

The income tax income for 6Q2015 and 18M2015 were mainly due to the finalisation of tax submission for certain years of assessments. The effective tax rate (excluding deferred tax, share of results from equity-accounted associate and joint venture) for 6Q2014 and 18M2014 were 14.8% and 17.7% respectively.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

8(b) Material factors that affected cash flow, working capital, assets or liabilities

Non-Current Assets

Non-current assets increased by S\$34.6 million or 44.8% from S\$77.0 million as at 30 June 2014 to S\$111.6 million as at 31 December 2015.

Property, plant and equipment increased by S\$30.6 million from S\$67.2 million as at 30 June 2014 to S\$97.8 million as at 31 December 2015. The increase was mainly due to:

- a) Capitalisation of differential premium, development costs, land rents, construction cost, property tax and borrowing costs during redevelopment to leasehold property at 18 Sungei Kadut Street 2 amounting to S\$31.9 million;
- b) Refurbishment of leasehold warehouse at 18C Sungei Kadut Street 4 and Foshan (China) amounting to S\$1.2 million;
- c) Addition of plant and equipment amounting to S\$1.1 million;
- d) Addition of motor vehicles amounting to S\$1.1 million; and
- e) Foreign exchange adjustments amounting to S\$0.4 million.

The above increase in property, plant and equipment was partially offset by depreciation expense amounting to S\$4.7 million and disposal of motor vehicle amounting to S\$0.4 million.

The increase in other asset (Land use rights relating to leasehold land in Foshan, China) amounting to S\$0.2 million was due to foreign exchange adjustment.

The increase in investment in associate (VCI) amounting to S\$1.9 million pertained to share of profits from VCI during 18M2015 net of dividends received by HVPL, a wholly-owned subsidiary of HHL, amounting to S\$0.2 million. The increase in investment in joint venture (Melmer Stoneworks Pte Ltd) amounting to S\$40,000 pertained to share of profits net of dividends received by Hafary Pte Ltd (wholly-owned subsidiary of Hafary Holdings Limited).

Other financial asset increased by S\$1.7 million from S\$1.2 million as at 30 June 2014 to S\$2.9 million as at 30 December 2015. The increase was due to an investment in shares of a tile wholesaling company in China amounting to S\$2.2 million, it was partially offset by fair value loss on investment in quoted shares of S\$0.5 million.

Current Assets

Current assets increased by S\$25.3 million or 32.6% from S\$77.3 million as at 30 June 2014 to S\$102.6 million as at 31 December 2015.

The increase was mainly attributable to increase in inventories by S\$5.6 million, increase in trade and other receivables by S\$16.5 million and increase in cash and cash equivalents by S\$3.7 million. The increase in current assets was partially offset by decrease in other asset amounting to S\$0.5 million.

The increase in trade receivables was in line with the revenue growth during 18M2015. Trade receivables turnover of 97 days as at 31 December 2015 is comparable to 93 days as at 30 June 2014.

The increase of inventories was in response to the increase in sales volume during 18M2015. Inventory turnover of 228 days as at 31 December 2015 had improved as compared to 251 days as at 30 June 2014.

The decrease in other assets from S\$4.3 million as at 30 June 2014 to S\$3.8 million as at 31 December 2015 is mainly due to decrease in advance payment to suppliers.

Non-Current Liabilities

Non-current liabilities increased by S\$28.9 million or 77.3% from S\$37.4 million as at 30 June 2014 to S\$66.3 million as at 31 December 2015.

Other financial liabilities (non-current) increased by S\$28.9 million mainly due to proceeds from drawdown of loans pertaining to development of World Furnishing Hub by subsidiary, World Furnishing Hub Pte Ltd. A short-term loan was converted to term loan during 6Q2015 and loan amount of S\$14.0 million was reclassified from current portion to non-current portion. The above increase was partially offset by repayment amounting to S\$1.9 million during 18M2015.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

8(b) Material factors that affected cash flow, working capital, assets or liabilities (Continued)

Current Liabilities

Current liabilities increased by S\$16.3 million or 21.3% from S\$76.7 million as at 30 June 2014 to S\$93.0 million as at 31 December 2015.

The increase was mainly attributable to increase in other financial liabilities by S\$3.1 million, trade and other payables by S\$15.2 million and provision by S\$0.1 million. The increase was partially offset by decrease in income tax payable by S\$2.1 million.

Total amount of trade payables and trust receipts and bills payable to banks was S\$53.0 million (30 June 2014: S\$31.4 million). The turnover of the aforesaid items (based on cost of sales) is 205 days as at 31 December 2015 (30 June 2014: 215 days).

The increase in other financial liabilities was mainly due to increase in trust receipts and bills payable to banks by S\$9.4 million and net drawdown of loan amounting to S\$7.7 million. The increase was partially offset by reclassification of loan amounting to S\$14 million to non-current portion.

Share Option Reserve

Employee benefits expenses relating to Awards under Hafary PSP granted to certain Group Executives was recognised during the financial year.

Other Reserves

This pertained to foreign exchange difference on translating foreign operations.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

8(b) Material factors that affected cash flow, working capital, assets or liabilities (Continued)

Cash Flows Review

18M2015

Net cash flows from operating activities was S\$12.4 million due to operating cash flows before working capital changes of S\$29.2 million, net cash flows from working capital of S\$15.5 million and income taxes paid of S\$1.3 million. The net cash used in working capital of S\$15.5 million was mainly attributable to an increase in inventories of S\$5.6 million and trade and other receivables of S\$16.2 million. This was partially offset by increase in trade and other payables of S\$5.6 million, decrease in other assets of S\$0.5 million, decrease in cash restricted in use of S\$0.1 million, increase in provision and other liabilities of S\$0.1 million.

Net cash flows used in investing activities amounting to S\$28.0 million for 18M2015 was mainly attributable to cash outflows of S\$26.8 million for purchase of property, plant and equipment and cash outflows of S\$2.2 million for investment in shares of a tile wholesaling company in China. This was partially offset by cash inflow of S\$0.5 million from disposal of motor vehicles, receipt of dividend from associate, joint venture and interest income of S\$0.5 million.

Net cash flows generated from financing activities amounting to S\$19.3 million for 18M2015 was attributable to increase in trust receipts and bills payable of S\$9.4 million, net amount due to related parties of S\$1.9 million and proceeds from bank loans of S\$28.8 million. This was offset by the following:

- a) Dividend paid of S\$10.4 million;
- b) Repayment of bank loans of S\$6.3 million;
- c) Interest expenses paid of S\$3.5 million; and
- d) Repayment of finance lease liabilities of S\$0.6 million.

As a result of the above, there was a net increase of S\$3.7 million in cash and cash equivalents for 18M2015. Cash and cash equivalents as at 31 December 2015 was S\$8.5 million.

6Q2015

Net cash flows from operating activities was S\$10.0 million due to operating cash flows before working capital changes of S\$5.4 million and net cash flows from working capital of S\$4.6 million. The net cash flows from working capital of S\$4.6 million was mainly attributable to a decrease in inventories of S\$0.6 million, trade and other receivables of S\$0.8 million, increase in trade and other payables of S\$4.0 million and increase in provision of S\$0.1 million. This was partially offset by a decrease in other liabilities of S\$0.9 million.

Net cash flows used in investing activities amounting to S\$6.7 million for 6Q2015 was attributable to cash outflows of S\$6.9 million for purchase of property, plant and equipment and this was partially offset by dividend income from associate of S\$0.2 million.

Net cash flows used in financing activities amounting to S\$0.6 million for 6Q2015 was mainly attributable by the proceeds from new bank loans of S\$4.2 million and amount due to related parties of S\$1.1 million.

This was partially offset by the followings:

- a) Dividend paid of S\$2.5 million;
- b) Decrease in trust receipt and bills payables of S\$0.7 million;
- c) Repayment of finance lease liabilities of S\$0.1 million;
- d) Repayment of bank loans of S\$0.7 million; and
- e) Interest expenses paid of S\$0.7 million.

As a result of the above, there was a net increase of S\$3.9 million in cash and cash equivalents for 6Q2015. Cash and cash equivalents as at 31 December 2015 was S\$8.5 million.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

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

There is no material variance between the information previously disclosed in Paragraph 10 of the results announcement for the year ended 30 June 2014 and the actual results for the year ended 31 December 2015.

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 Building and Construction Authority of Singapore (BCA) projected construction demand of between S\$27 billion and S\$34 billion for year 2016, with about 65% driven by public sector demand. Key projects in year 2016 include the ramp-up in the Home Improvement Programme for Housing Development Board (HDB) flats, the construction of the new National Cancer Centre, State Courts' new building at Havelock Square and remaining contracts for the Thomson-East Coast MRT line. For 2017 to 2020, BCA expects construction demand to range between S\$26 billion and S\$37 billion each year, with 60% from building projects and the remaining from civil engineering projects.

The Group remains vigilant to market changes and alert to take on any opportunities locally and overseas to grow our business.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

11 Dividend**(a) Dividend declared for the current financial period**

	31 December 2015	
	Final Exempt (1-tier)	Interim Exempt (1-tier)
Name of Dividend	31 October 2014	6 November 2014
Date of declaration or approval (where applicable)	Cash	Cash
Type of Dividend	429,000	429,000
Total number of issued ordinary shares ('000)	0.3 cent	1.0 cent
Dividend per share		

	31 December 2015	
	Interim Exempt (1-tier)	Interim Exempt (1-tier)
Name of Dividend	5 May 2015	3 November 2015
Date of declaration or approval (where applicable)	Cash	Cash
Type of Dividend	429,000	429,000
Total number of issued ordinary shares ('000)	0.5 cent	0.5 cent
Dividend per share		

(b) Dividend declared for the corresponding period of the immediately preceding financial year

	31 December 2014	
	Final Exempt (1-tier)	Interim Exempt (1-tier)
Name of Dividend	10 October 2013	25 April 2014
Date of declaration or approval (where applicable)	Cash	Cash
Type of Dividend	429,000	429,000
Total number of issued ordinary shares ('000)	2.5 cent	1.0 cent
Dividend per share		

	31 December 2014	
	Final Exempt (1-tier)	Interim Exempt (1-tier)
Name of Dividend	31 October 2014	6 November 2014
Date of declaration or approval (where applicable)	Cash	Cash
Type of Dividend	429,000	429,000
Total number of issued ordinary shares ('000)	0.3 cent	1.0 cent
Dividend per share		

(c) Date Payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/ recommended for 6Q2015.

13 Interested Person Transactions ("IPTs")

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000)	
	Not conducted under shareholders' mandate pursuant to Rule 920	Conducted under shareholders' mandate pursuant to Rule 920
	18M2015	18M2015
	S\$'000	S\$'000
Capitalization of other payables from World Furnishing Hub Pte. Ltd. ("WFHPL"), a subsidiary of the Company, into share capital of WFHPL:-		
- Mr. Low See Ching (Non-Executive Director and substantial shareholder)	211	-
- Mr. Ching Chiat Kwong (Substantial shareholder)	278	-
Sales to Oxley Construction Pte. Ltd.	233	69
Purchase from MML Marketing Pte Ltd	1,372	-
Purchase from Malaysian Mosaics Sdn Bhd	505	-

No IPT mandate has been renewed or obtained in the last Annual General Meeting held on 31 October 2014.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

- 14 **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.**

(a) By Business Segments**18M2015**

	General S\$'000	Project S\$'000	Others ⁽¹⁾ S\$'000	Unallocated S\$'000	Group S\$'000
Revenue by segment					
Total revenue by segment	124,193	135,112	6,975	295	266,575
Inter-segment sales	(35,346)	(44,288)	(3,697)	-	(83,331)
Total revenue	88,847	90,824	3,278	295	183,244
Recurring EBITDA*					
	12,172	14,356	2,370	295	29,193
Non-recurring EBITDA					
Finance costs	(3,321)	(432)	-	-	(3,753)
Depreciation expense	(3,363)	(1,533)	-	-	(4,896)
Share of profit from equity-accounted associate	-	-	2,110	-	2,110
Share of profit from equity-accounted joint venture	-	-	174	-	174
ORBIT**	5,488	12,391	4,654	295	22,828
Income tax expense					817
Profit, net of tax					23,645
For year ended 31 December 2015					
Assets and Reconciliations					
Segment assets	144,222	64,148	5,702	-	214,072
Liabilities and Reconciliations					
Segment liabilities	118,530	36,713	-	-	155,243
Deferred tax liabilities					383
Income tax payable					3,648
Total liabilities					159,274
Other Material Items and Reconciliations					
Impairment of assets, net - reversal/ (made)	(1,896)	(311)	-	-	(2,207)
Non-current expenditure	22,272	13,128	-	-	35,400

* Earnings Before Interest, Tax & Depreciation

** Operating Results Before Tax

Note:

- (1) The operating segment 'Others' relates to investing activities including property development.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

14 (a) By Business Segments (Continued)**18M2014**

	General	Project	Others ⁽¹⁾	Unallocated	Group
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue by segment					
Total revenue by segment	111,345	102,019	5,484	225	219,073
Inter-segment sales	(31,096)	(31,063)	(3,639)	-	(65,798)
Total revenue	80,249	70,956	1,845	225	153,275
Recurring EBITDA*	11,339	11,286	2,242	225	25,092
Non-recurring EBITDA	-	-	(1,085)	-	(1,085)
Gain on disposal of development property	-	-	85	-	85
Profit from Discontinued Operations, Net of Tax	-	-	1,000	-	1,000
Finance costs	(2,304)	(520)	-	-	(2,824)
Depreciation expense	(2,835)	(1,379)	-	-	(4,214)
Share of profit from equity-accounted associate	-	-	1,493	-	1,493
Share of profit from equity-accounted joint venture	-	-	277	-	277
ORBIT**	6,200	9,387	4,012	225	19,824
Income tax expense					(3,196)
Profit, net of tax					16,628
For year ended 30 June 2014					
Assets and Reconciliations					
Segment assets	109,981	40,577	3,776	-	154,334
Liabilities and Reconciliations					
Segment liabilities	80,617	27,268	-	-	107,885
Deferred tax liabilities					449
Income tax payable					5,716
Total liabilities					114,050
Other Material Items and Reconciliations					
Impairment of assets, net - reversal/ (made)	(320)	(24)	-	-	(344)
Non-current expenditure	19,604	3,989	-	-	23,593

* Earnings Before Interest, Tax & Depreciation

** Operating Results Before Tax

Note:

- (1) The operating segment 'Others' relates to investing activities including property development.

The 18 month period results ended 31 December 2014, which is computed by adding the results of the 6 month period ended 31 December 2014 (from 01 July 2014 to 31 December 2014) to that of 12 month period ended 30 June 2014, is presented for comparative purposes only.

HAFARY HOLDINGS LIMITED

For the Period Ended 31 December 2015

14 (b) By Geographical Segments

	Revenue		Non-current assets	
	18M2015	18M2014	31 Dec 2015	30 June 2014
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Singapore	175,988	149,139	93,541	63,509
People's Republic of China	563	1,421	12,569	10,026
Vietnam	84	293	5,384	3,496
Myanmar	4,259	1,610	-	-
Indonesia	1,072	278	-	-
Others	1,278	534	-	-
Total	183,244	153,275	111,494	77,031

Revenues are attributed to countries on the basis of the customer's location. The non-current assets are analysed by the geographical area in which the assets are located.

15 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 Section 8 for details.

16 Breakdown of sales and profit after tax as follows:

	Group		
	18M2015 1 July 2014 to 31 Dec 2015	18M2014 1 July 2013 to 31 Dec 2014 *	Increase/ (Decrease) %
	S\$'000	S\$'000	
Sales reported for first 6 months (1 July - 31 December)	60,530	48,913	23.8
Operating profit after tax before deducting non-controlling interests reported for first 6 months (1 July - 31 December)	7,908	4,823	64.0
Sales reported for next 6 months (1 January - 30 June)	59,423	43,832	35.6
Operating profit after tax before deducting non-controlling interests reported for next 6 months (1 January - 30 June)	5,774	3,897	48.2
Sales reported for next 6 months (1 July - 31 December)	63,291	60,530	4.6
Operating profit after tax before deducting non-controlling interests reported for next 6 months (1 July - 31 December)	9,963	7,908	(24.6)

*The 18-month period results ended 31 December 2014, which is computed by adding the results of the 6 month period ended 31 December 2014 (from 01 July 2013 to 31 December 2014) to that of 12 month period ended 30 June 2014, is presented for comparative purposes only.

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-

	Unaudited For the 18 months ended 31 December 2015 S\$'000	Audited For the 12 months ended 30 June 2014 S\$'000
Ordinary	9,867	15,015
Preference	-	-
Total	9,867	15,015

18 Disclosure of persons 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) of the Listing Manual.

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
Low Kok Ann	67	Father of Low See Ching	Executive Director (since 2009) and Chief Executive Officer ("CEO") (since 2014)	Relinquished the role of Executive Chairman with effect from 6 March 2015.
Low See Ching	40	Son of Low Kok Ann	Non-Executive Director (since 2014)	Non-Executive Director

19 Confirmation Pursuant to Rule 720(1) of the Listing Manual

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

BY ORDER OF THE BOARD

Low Kok Ann
Executive Director and Chief Executive Officer

16 February 2016