

**INTRACO Limited**(Incorporated in the Republic of Singapore)  
Company Registration Number 196800526Z**Unaudited Full Year Financial Statement for the Year Ended 31/12/2014****PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS****1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated income statement	Group Year Ended		% Change
	31/12/14 S\$'000	31/12/13 S\$'000	
Revenue	151,167	127,917	18.2
Cost of sales	(145,381)	(123,963)	17.3
<b>Gross profit</b>	<b>5,786</b>	<b>3,954</b>	46.3
Other income	357	2,185	(83.7)
Distribution expenses	(16)	(29)	(44.8)
Administration expenses	(8,554)	(6,726)	27.2
Other expenses	(49)	(164)	n.m
<b>Results from operating activities</b>	<b>(2,476)</b>	<b>(780)</b>	n.m
Finance income	802	1,024	(21.7)
Finance costs	(205)	(145)	41.4
<b>Net finance income</b>	<b>597</b>	<b>879</b>	(32.1)
Share of profit of associate and joint venture (net of tax)	955	1,044	(8.5)
<b>(Loss)/Profit before tax</b>	<b>(924)</b>	<b>1,143</b>	n.m
Tax expense	(25)	-	n.m
<b>(Loss)/Profit for the year</b>	<b>(949)</b>	<b>1,143</b>	n.m

**The loss/(profit) for the year is stated after (charging) / crediting the following:**

	Group Year Ended		% Change
	31/12/14 S\$'000	31/12/13 S\$'000	
Interest income	153	118	29.7
Distribution from other investments	156	43	262.8
Proceeds from liquidation of other investment	-	863	(100.0)
Gain on sale of property, plant and equipment	-	9	(100.0)
Gain on disposal of an associate	-	63	(100.0)
Gain on disposal of other investment (1)	492	-	n.m.
Interest expense from loans and borrowings (2)	(205)	(145)	41.4
Depreciation of property, plant and equipment (3)	(745)	(527)	41.4
Amortisation of intangible assets (4)	(100)	-	n.m.
Provision for warranty made	-	(164)	(100.0)
Foreign exchange (losses)/ gains	(49)	214	n.m.
Allowance reversed for doubtful receivables	-	83	(100.0)
Write-back of inventory to net realisable value	38	1,313	(97.1)
Provision for onerous contract reversed	-	91	(100.0)
Provision for claims reversed	-	218	(100.0)
Change in fair value of contingent consideration	(77)	-	n.m.

Notes to Consolidated Statement of Comprehensive Income

- (1) A gain of S\$492,000 was recorded following the disposal of a non-core investment in FY2014.
- (2) Higher interest expense were due to higher utilisation of trade financing facilities from banks as a result of increased sales of plastic resins and also the inclusion of interest expense arising from the newly acquired subsidiaries (KA Group) in September 2014.
- (3) Higher depreciation was due to the depreciation expense arising from newly acquired KA Group in September 2014.
- (4) The amortisation of intangible asset was attributed to the acquisition of KA Group in September 2014.

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.

Statements of financial position

	Group		Company	
	31/12/14	31/12/13	31/12/14	31/12/13
Notes	S\$'000	S\$'000	Notes	S\$'000
<b>Assets</b>				
Property, plant and equipment	(a) 9,091	2,174		631
Intangible assets and goodwill	(b) 7,728	-		-
Subsidiaries		-		14,762
Associate and joint venture	(c) 19,490	17,010	(c)	16,980
Other investments	(d) 9,234	1,082	(d)	9,234
<b>Non-current assets</b>	<b>45,543</b>	<b>20,266</b>		<b>41,607</b>
Other investments (incl derivatives)		-		62
Inventories	(e) 1,459	459		-
Trade and other receivables	(f) 21,608	9,498		19,120
Cash and cash equivalents		51,303		8,391
<b>Current assets</b>	<b>61,827</b>	<b>61,260</b>		<b>27,573</b>
<b>Total assets</b>	<b>107,370</b>	<b>81,526</b>		<b>69,180</b>
<b>Equity</b>				
Share capital	84,069	81,919		84,069
Reserves	(351)	(484)		1,078
Accumulated losses	(20,395)	(19,402)		(25,110)
<b>Total equity</b>	<b>63,323</b>	<b>62,033</b>		<b>60,037</b>
<b>Liabilities</b>				
Loans and borrowings	(g) 2,093	-		-
Trade and other payables	(h) 5,938	-		-
Deferred tax liabilities		796		-
<b>Total non-current liabilities</b>	<b>8,827</b>	<b>-</b>		<b>-</b>
Trade and other payables	(f) 15,303	7,570	(f)	8,979
Provisions		164		164
Loans and borrowings	(g) 19,373	11,759		-
Current tax payable		380		-
<b>Current liabilities</b>	<b>35,220</b>	<b>19,493</b>		<b>9,143</b>
<b>Total liabilities</b>	<b>44,047</b>	<b>19,493</b>		<b>9,143</b>
<b>Total equity and liabilities</b>	<b>107,370</b>	<b>81,526</b>		<b>69,180</b>

Notes:

- (a) The increase in property, plant and equipment was due to the inclusion of fixed assets from newly acquired KA Group.
- (b) The intangible assets and goodwill were attributed to the acquisition of KA Group in September 2014. Refer to the disclosures in paragraph 1(d)(ii) on acquisition of KA Group of Companies for the nature of intangible assets.
- (c) The increase in associate and joint venture was due to the acquisition of additional 0.4186% interest in Dynamic Colours Limited for S\$175,000 and an additional capital injection of USD1.8 million in the joint venture during the year.
- (d) The increase in other investments comprises available-for-sale debt securities purchased during the year.
- (e) The increase in inventories was mainly due to the inclusion of inventories of KA Group.
- (f) The increase in receivables and payables was due to the inclusion of receivables and payables from KA Group and increase in receivables and payables for plastic resin trading as a result of increased activities in FY2014.
- (g) The increase in loans and borrowings was mainly due to higher usage of trade financing facilities at the end of the year and borrowings from KA Group.
- (h) The increase in long term trade and other payables was due to the recognition of contingent consideration from the written put option on the KA Group acquisition.

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

Amount repayable in one year or less, or on demand

As at 31/12/14	
Secured	Unsecured
S\$'000	S\$'000
205	19,168

As at 31/12/13	
Secured	Unsecured
S\$'000	S\$'000
-	11,759

Amount repayable after one year

As at 31/12/14	
Secured	Unsecured
S\$'000	S\$'000
2,093	-

As at 31/12/13	
Secured	Unsecured
S\$'000	S\$'000
-	-

Details of any collateral

The secured bank loans of the Group are secured over the leasehold land and building with carrying amounts of \$6,746,000.

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

**Consolidated statement of cash flows**

	<b>Group</b>	
	<b>31/12/14</b>	<b>31/12/13</b>
	S\$'000	S\$'000
<b>Cash flows from operating activities</b>		
(Loss)/ Profit for the year	(949)	1,143
Adjustments for:		
Depreciation of property, plant and equipment	745	527
Amortisation of intangible assets	100	-
Gain on sale of property, plant and equipment	-	(9)
Property, plant and equipment written off	-	1
Allowance reversed for doubtful receivables	-	(83)
Write-back of inventory to net realisable value	(38)	(1,313)
Provision for onerous contract reversed	-	(91)
Provision for warranty made	-	164
Provision for claims reversed	-	(218)
Gain on disposal of an associate	-	(63)
Share of profit of associates and joint venture, net of tax	(955)	(1,044)
Change in fair value of the contingent consideration	77	-
Net finance income	(597)	(879)
Tax expense	25	-
	<b>(1,592)</b>	<b>(1,865)</b>
Change in inventories	40	3,614
Change in trade and other receivables	(7,097)	5,789
Change in trade and other payables	5,846	(4,465)
Change in provisions	-	(903)
	<b>(2,803)</b>	<b>2,170</b>
Interest received	153	118
Interest paid	(205)	(139)
Taxes paid	(198)	-
<b>Net cash flows (used in)/ from operating activities</b>	<b>(3,053)</b>	<b>2,149</b>
<b>Cash flows from investing activities</b>		
Distribution received from other investments	156	43
Proceeds from liquidation of other investment	-	863
Additional investment in associate & joint venture	(2,438)	(4,435)
Proceed from disposal of an associates	-	783
Purchase of property, plant and equipment	(204)	(701)
Proceeds from sale of other investments	1,043	-
Deferred consideration received from sale of an associate	-	465
Dividends from an associate	1,707	942
Proceeds from sale of property, plant and equipment	-	8
Acquisition of subsidiaries, net of cash acquired	(7,759)	-
Acquisition of other investments	(9,319)	-
<b>Net cash flows used in investing activities</b>	<b>(16,814)</b>	<b>(2,032)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	19,168	11,759
Repayment of borrowings	(11,791)	(10,104)
Payment of finance lease liabilities	(35)	-
Deposits pledged	(7)	-
<b>Net cash flows from financing activities</b>	<b>7,335</b>	<b>1,655</b>
Net (decrease)/increase in cash and cash equivalents	(12,532)	1,772
Cash and cash equivalents at 1 January	51,303	49,139
Effects of exchange rate fluctuations on cash held	(124)	392
<b>Cash and cash equivalents at 31 December</b>	<b>38,647</b>	<b>51,303</b>
Comprising:		
Cash at bank and in hand	24,933	20,159
Fixed deposits with banks	13,827	31,144
Cash and cash equivalents in the statement of financial position	38,760	51,303
Deposits pledged	(113)	-
	<b>38,647</b>	<b>51,303</b>

**Significant non-cash transaction:**

5 million shares of the Group with a fair value of S\$2.15 million was issued as part of the consideration for the acquisition of KA Group.

1(d)(i)(a) 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 Year Ended		% Change
	31/12/14 S\$'000	31/12/13 S\$'000	
(Loss)/ Profit for the year	(949)	1,143	n.m.
<b>Other comprehensive income</b>			
<b>Items that are or may be reclassified subsequently to profit or loss:</b>			
Net change in fair value of available-for-sale financial assets	(582)	282	n.m.
Foreign currency translation reserves of an associate transferred to profit or loss on disposal	-	(26)	(100.0)
Foreign currency translation differences of foreign operations	664	642	3.4
Share of an associate's capital reserve transferred from accumulated profit	7	-	n.m.
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>89</b>	<b>898</b>	<b>(90.1)</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>89</b>	<b>898</b>	<b>(90.1)</b>
<b>Total comprehensive income for the year</b>	<b>(860)</b>	<b>2,041</b>	<b>n.m.</b>

1(d)(i)(b) 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.

Consolidated statements of changes in equity

Group (S\$'000)	Share capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2014	81,919	986	(2,001)	531	(19,402)	62,033
<b>Total comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(949)	(949)
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale financial assets	-	-	-	(582)	-	(582)
Foreign currency translation differences of foreign operations	-	-	664	-	-	664
Share of an associate's capital reserve transferred from accumulated profit	-	51	-	-	(44)	7
Total other comprehensive income	-	51	664	(582)	(44)	89
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>51</b>	<b>664</b>	<b>(582)</b>	<b>(993)</b>	<b>(860)</b>
<b>Transactions with owners, recognised directly in equity</b>						
<b>Contributions by owners</b>						
Issue of ordinary shares	2,150	-	-	-	-	2,150
<b>Total contributions by owners</b>	<b>2,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,150</b>
<b>Total transactions with owners</b>	<b>2,150</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,150</b>
As at 31 December 2014	84,069	1,037	(1,337)	(51)	(20,395)	63,323
As at 1 January 2013	81,919	986	(2,617)	249	(20,545)	59,992
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	1,143	1,143
<b>Other comprehensive income</b>						
Net change in fair value of available-for-sale financial assets	-	-	-	282	-	282
Foreign currency translation reserves of an associate transferred to profit or loss on disposal	-	-	(26)	-	-	(26)
Foreign currency translation differences of foreign operations	-	-	642	-	-	642
Total other comprehensive income	-	-	616	282	-	898
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>616</b>	<b>282</b>	<b>1,143</b>	<b>2,041</b>
As at 31 December 2013	81,919	986	(2,001)	531	(19,402)	62,033

Consolidated statements of changes in equity (cont'd):

Company (S\$'000)	Share capital	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2014	81,919	1,755	(24,087)	59,587
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(1,023)	(1,023)
<b>Other comprehensive income</b>				
Net change in fair value of available-for-sale financial assets	-	(677)	-	(677)
<b>Total other comprehensive income</b>	-	(677)	-	(677)
<b>Total comprehensive income for the year</b>	-	(677)	(1,023)	(1,700)
<b>Transactions with owners, recognised directly in equity</b>				
<b>Contributions by owners</b>				
Issue of ordinary shares	2,150	-	-	2,150
<b>Total contributions by owners</b>	<b>2,150</b>	-	-	<b>2,150</b>
<b>Total transactions with owners</b>	<b>2,150</b>	-	-	<b>2,150</b>
<b>As at 31 December 2014</b>	<b>84,069</b>	<b>1,078</b>	<b>(25,110)</b>	<b>60,037</b>
As at 1 January 2013	81,919	509	(23,888)	58,540
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(199)	(199)
<b>Other comprehensive income</b>				
Net change in fair value of available-for-sale financial assets	-	1,246	-	1,246
<b>Total other comprehensive income</b>	-	1,246	-	1,246
<b>Total comprehensive income for the year</b>	-	1,246	(199)	1,047
<b>As at 31 December 2013</b>	<b>81,919</b>	<b>1,755</b>	<b>(24,087)</b>	<b>59,587</b>

1(d)(ii) **ACQUISITION OF KA GROUP**

On 5 September 2014, the Group acquired 70% equity interest in (I) K.A. Building Construction Pte Ltd; (II) K.A. Fireproofing Pte Ltd; (III) K.A. Fabric Shutters Pte Ltd; (IV) K.A. FireLite Pte. Ltd. (previously known as Firespray International (S) Pte Ltd); and (V) K.A. Firespray Sdn Bhd, "KA Group of Companies". It is a manufacturer cum applicator of fire protection materials serving the building industry in Singapore.

a) **Identifiable assets acquired and liabilities assumed:**

	At Fair Value
	\$ '000
Cash and cash equivalents	5,794
Inventories	1,003
Intangible assets	929
Property, plant & equipment	7,304
Trade and other receivables	5,012
Trade and other payables	(1,888)
Loans and borrowings	(2,210)
Current tax liabilities	(553)
Deferred tax liabilities	(797)
<b>Total identifiable net assets</b>	<b>14,594</b>
Goodwill arising from the acquisition has been recognised as follows:	
Total consideration transferred including contingent consideration	21,494
Fair value of identifiable net assets	(14,594)
<b>Goodwill</b>	<b>6,900</b>

**Note (i)**

In accordance with FRS103, "Business Combinations", a purchase price allocation (PPA) exercise was carried out to assess the fair values of the net identifiable assets of KA Group. The excess of the cost of acquisition over the fair values of the net identifiable assets is recorded as goodwill in the statements of financial position and subject to an annual impairment test. The PPA exercise had determined that the fair values of the net identifiable assets of KA Group to be S\$14,594,000. As a result, goodwill arising from acquisition of S\$6,900,000 has been recognised.

**b) Effect on cash flows of the Group:**

	At Carrying Value \$ '000
Cash paid	13,447
Less: cash and cash equivalents in subsidiary acquired	<u>(5,688)</u>
Cash outflow on acquisition	<u>7,759</u>

**1(d)(iii) Details of any changes in the Company's Share Capital**

The Company issued additional share capital of S\$2,150,000 in FY2014.

No share options had been granted under the INTRACO Employee Share Option Scheme which was approved at an Extraordinary General Meeting held on 29 April 2013. In this respect, the Company does not have outstanding convertibles as at 31 December 2014.

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

	<u>As at 31/12/14</u>	<u>As at 31/12/13</u>
Total number of issued shares excluding treasury shares	<u>103,725,879</u>	<u>98,725,879</u>

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

The Company does not have any treasury shares as at 31 December 2014.

**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.**

In the current financial period, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2014. The adoption of these new/revised FRSs and INT FRSs does not result in substantial changes to the Group's and the Company's accounting policies and has no material effect on the amount reported for the current or prior periods.

The following new/revised financial reporting standards and interpretations were applied with effect from 1 January 2014:

**FRS 110 Consolidated Financial Statements**

FRS 110 introduces a single model for assessing control and requires full retrospective application. An investor has control over an investee when it has the power, the exposure to variable returns and the ability to use its power to influence the returns of the investee. The Group has reviewed its investments in investees in accordance with FRS 110, and the application of FRS 110 did not have a material effect on the Group's consolidated financial statements.

**FRS 111 Joint Arrangements**

FRS 111 establishes the principles for classification and accounting of joint arrangements. Under this standard, interests in joint ventures will be accounted for using the equity method whilst interests in joint operations will be accounted for using the applicable FRSs relating to the underlying assets, liabilities, revenue and expense items arising from the joint operations. As the Group is currently applying the equity method of accounting for its joint ventures, there is no impact to the Group's profit or net assets.

**FRS 112 Disclosures of Interests in Other Entities**

FRS 112 sets out the disclosures required to be made in respect of all forms of an entity's interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The adoption of this standard would result in more extensive disclosures being made in the Group's financial statements in respect of its interests in other entities.

As FRS 112 is primarily a disclosure standard, there is no financial impact on the results and financial position of the Group and the Company from the adoption of this standard.

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

The adoption of the new and revised accounting standards referred to in paragraph 4 did not give rise to any significant changes to the financial statements.

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

Group	
Year ended 31/12/14	Year ended 31/12/13
cents	cents
(0.95)	1.16

Earnings per ordinary share for the period based on net profit attributable to shareholders:

- based on the weighted average number of ordinary shares in issue and on a fully diluted basis

The weighted average number of ordinary shares in issue for the year ended 31 December 2014 was 100,342,317 (31 December 2013: 98,725,879).

- 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 period reported on and (b) immediately preceding financial year.**

Net asset value per ordinary share based on issued share capital at the end of the year

Group		Company	
As at 31/12/14	As at 31/12/13	As at 31/12/14	As at 31/12/13
\$0.61	\$0.63	\$0.58	\$0.60

8 **Review of Performance**

**Revenue**

Group revenue for FY2014 was S\$151.2 million, an increase of S\$23.3 million or 18.2% from FY2013.

With the addition of a new supply source for plastic resins in FY2014, revenue from the Trading & Others segment increased by S\$19.7 million or 15.7% to S\$145.0 million in FY2014.

Revenue from the Projects segment increased by S\$3.6 million to S\$6.1 million due to the inclusion of revenue generated by a newly acquired subsidiaries, KA Group.

**Other income**

Other income comprised mainly write back of unclaimed trade payables of S\$105,000, various government grants totalling S\$44,000, write back of doubtful debts of S\$122,000 and write back of provision for inventories of S\$38,000.

**Administrative expenses**

Administrative expenses increased by S\$1.8 million or 27.2% to S\$8.6 million in FY2014. The increase was mainly due to the inclusion of S\$1.5 million administrative expenses of the newly acquired subsidiaries, KA Group.

**Finance income**

Finance income decreased by S\$0.2 million to S\$0.8 million in FY2014. It comprised gains from the disposal of non-core investment of S\$0.5 million and interest income of S\$0.2 million.

**Finance cost**

Interest expense increased by S\$60,000 in FY2014 due to the higher utilisation of trade financing facilities as a result of increased plastic resin sales during the year.

**Share of profit of associates**

Share of profit & loss of associates and joint venture decreased by S\$89,000 to S\$1.0 million in FY2014. It comprised share of profit from an associate of S\$1.2 million and share of loss from a joint venture of S\$0.2 million.

**Group loss before tax**

The Group recorded a loss before tax of S\$0.9 million in FY2014.

The Trading and Others segment reported a loss of S\$0.1 million and the Projects segment reported a profit before tax of S\$1.0 million as a result of the profits generated by our newly acquired subsidiaries, KA Group. The other corporate expenses and share of profit of associates was S\$2.8 million and S\$1.0 million respectively.

**Consolidated statement of cash flow**

The Group's cash & bank balances decreased by S\$12.5 million or 24.4% to S\$38.8 million as at 31 December 2014.

In FY2014, the net cash flow used in operating activities amounted to S\$3.1 million. Net cash used in working capital and to support the operation was S\$1.2 million and S\$1.6 million respectively. The net cash used in working capital of S\$1.2 million was mainly due to an increase in trade and other receivables of S\$7.1 million and an increase in trade and other payables of S\$5.8 million.

Net cash used in investing activities in FY2014 totalled S\$16.8 million, which included additional investment in an associate and joint venture of S\$0.2 million and S\$2.3 million respectively, acquisition of subsidiaries of S\$7.8 million and S\$9.3 million for purchase of debt securities. This was partially offset by the sale of non-core investment S\$1 million and dividend income received of S\$1.7 million.

Net cash from financing activities amounted to S\$7.3 million mainly due to the proceeds from bank borrowings of S\$19.2 million, partially offset by the repayment of bank borrowings of S\$11.8 million in FY2014.

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

The Company had issued a profit guidance announcement on 27 January 2015. The FY2014 results are in line with the disclosure made in the said profit guidance.

- 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 slowdown in key growth economies and the volatility in crude oil prices have increased economic uncertainty. In line with this, the Group expects its operating environment to continue to be challenging in the next 12 months, especially for its plastics resin trading business.

Barring unforeseen circumstances, the Group is cautiously optimistic that its new acquisition will turn in a better performance with full-year earnings contribution from KA Group in FY2015. Although the Singapore's building and construction industry is slowing down due to the government's property cooling measures, the Group believes that there is growing demand for the niche passive fire-protection solutions supplied by KA Group in Singapore and abroad. Looking ahead, the Group intends to focus on its strategy to consolidate and grow through partnerships and acquisitions.

11 **Dividend**

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

No dividend is declared/recommended for the current financial year.

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

No dividend was declared for the corresponding period of the preceding financial year.

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

No dividend is declared/recommended for the current financial year.

13 **Business Segmental Information**

**By operating segments for the year ended 31 December 2014**

<b>S\$'000</b>	Projects	Trading and Others	Total
External revenue	6,137	145,030	151,167
Interest income	15	70	85
Interest expense	(22)	(183)	(205)
Depreciation and amortisation	(248)	(411)	(659)
Reportable segment profit/ (loss) before tax	975	(91)	884
Reportable segment assets	20,724	40,884	61,608
Reportable segment liabilities	3,186	30,901	34,087

**By operating segments for the year ended 31 December 2013**

<b>S\$'000</b>	Projects	Trading and Others	Total
External revenue	2,558	125,359	127,917
Interest income	-	34	34
Interest expense	-	(145)	(145)
Depreciation and amortisation	-	(408)	(408)
Reportable segment profit before tax	492	1,392	1,884
Reportable segment assets	551	34,817	35,368
Other material non-cash items:			
Allowance made for doubtful receivables	-	59	59
Provision for warranty	164	-	164
Write-back of inventory to net realisable value	-	(1,313)	(1,313)
Provision for onerous contract reversed	-	(91)	(91)
Provision for claims reversed	(218)	-	(218)
Capital expenditure	-	14	14
Reportable segment liabilities	656	17,480	18,136



**Business Segmental Information (cont'd)**
**Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items**

	31/12/14 S\$'000	31/12/13 S\$'000
<b>Revenue</b>		
Total revenue for reporting segments	151,167	127,917
<b>Profit or loss</b>		
Total profit/(loss) for reporting segments	884	1,884
Unallocated amounts:		
- Other corporate expenses, net of income	(2,763)	(1,785)
Share of profit of associates, net of tax	955	1,044
Consolidated (loss)/ profit for continuing operations before tax	<u>(924)</u>	<u>1,143</u>
<b>Assets</b>		
Total assets for reportable segments	61,608	35,368
Other unallocated amounts	26,272	29,148
	<u>87,880</u>	<u>64,516</u>
Investments in associate and joint venture	19,490	17,010
Consolidated total assets	<u>107,370</u>	<u>81,526</u>
<b>Liabilities</b>		
Total liabilities for reporting segments	34,087	18,136
Other unallocated amounts	9,960	1,357
Consolidated total liabilities	<u>44,047</u>	<u>19,493</u>

**Other material items**

	Continuing operations		
	Reportable segment totals	Adjustments	Consolidated totals
	S\$'000	S\$'000	S\$'000
<b>2014</b>			
Interest income	85	68	153
Depreciation and amortisation	(659)	(186)	(845)
<b>2013</b>			
Interest income	34	84	118
Capital expenditure	14	687	701
Depreciation and amortisation	(408)	(119)	(527)
(Allowance made) / write-back for doubtful debts	(59)	142	83
Provision for warranty	(164)	-	(164)
Write-back of inventory to its net realisable value	1,313	-	1,313
Write-back of provision for onerous contract	91	-	91
Write-back of provision for claims	218	-	218

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

Refer to section 8

**15 A breakdown of sales**

	Group		
	31/12/14 S\$'000	31/12/13 S\$'000	% Change
(a) Sales reported for first half year	68,374	63,781	7.2
(b) Operating (loss)/ profit after tax reported for first half year	(586)	389	n.m.
(c) Sales reported for second half year	82,793	64,136	29.1
(d) Operating (loss)/ profit after tax reported for second half year	(363)	754	n.m.

16 **A breakdown of the total annual dividend (in dollar value) for the Issuer's latest full year and its previous full year, as follows:**

Total Annual dividend	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	-	-

17 **Interested person transactions**

<u>Name of Interested person</u>	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted during the financial period under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000) S\$'000
Tat Hong Intraco Pte Ltd	6,398	-
Tat Hong Heavy Equipment (Pte) Ltd	4,531	-

The Company does not have a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

Tan San-Ju  
Company Secretary  
27/02/2015