

**TEHO INTERNATIONAL INC LTD.**

(Company Registration No: 200811433K)  
(Incorporated in the Republic of Singapore)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT  
FOR THE YEAR ENDED 30 JUNE 2015**

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST").*

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

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**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

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

**Consolidated statement of profit or loss  
Year ended 30 June 2015**

	Group		Change %
	2015 Unaudited \$	2014 Audited \$	
<b>Revenue</b>	<b>61,657,096</b>	<b>60,383,508</b>	2.1
Cost of sales	(42,988,456)	(42,338,726)	1.5
<b>Gross profit</b>	<b>18,668,640</b>	<b>18,044,782</b>	3.5
Other income	819,999	137,478	496.5
Distribution expenses	(2,865,148)	(1,393,131)	105.7
Administrative expenses	(12,168,042)	(8,169,842)	48.9
Other operating expenses	(11,044,763)	(4,880,764)	126.3
<b>Results from operating activities</b>	<b>(6,589,314)</b>	<b>3,738,523</b>	n.m.
Finance income	2,741	2,007	36.6
Finance costs	(818,716)	(380,620)	115.1
<b>Net finance costs</b>	<b>(815,975)</b>	<b>(378,613)</b>	115.5
Share of profit from equity-accounted investees	(51,212)	27,729	n.m.
<b>(Loss) / Profit before tax <sup>(Note)</sup></b>	<b>(7,456,501)</b>	<b>3,387,639</b>	n.m.
Tax (expense) / credit	(232,146)	4,531	n.m.
<b>(Loss) / Profit for the year</b>	<b>(7,688,647)</b>	<b>3,392,170</b>	n.m.
<b>(Loss) / Profit attributable to:</b>			
Owners of the Company	(7,618,050)	3,392,170	n.m.
Non-controlling interests	(70,597)	-	n.m.
<b>(Loss) / Profit for the year</b>	<b>(7,688,647)</b>	<b>3,392,170</b>	n.m.
<b>Earnings per share</b>			
Basic earnings per share (cents)	(3.54)	2.26	n.m.
Diluted earnings per share (cents)	(3.54)	2.26	n.m.

Note: The underlying profit or loss for FY2015 is shown below:

Loss before tax	(7,456,501)
<u>Adjustments to exclude (amongst others) one-off events:</u>	
Impairment losses on goodwill, investment in associates, and provision for foreseeable loss on development properties	3,050,781
Expenses for marketing, advertising and promotional activities relating to the residential project "The Bay".	2,876,005
Legal and professional fees for "The Bay" project, business expansion activities and referral fees for Property Development Segment	1,165,106
Allowance for doubtful debt	464,728
Underlying profit before tax	100,119

Although the Group incurred a loss for the year, the Marine, Offshore Oil & Gas segment remained resilient and made a profit for the year. Please refer to paragraph 14 for further details. In accordance with revenue recognition principles in the financial reporting standards, the Property Development segment has not recorded revenue arising from the project in FY2015

**Consolidated statement of comprehensive income**  
**Year ended 30 June 2015**

	Group		Change
	2015 Unaudited \$	2014 Audited \$	
<b>(Loss) / Profit for the year</b>	<b>(7,688,647)</b>	<b>3,392,170</b>	n.m.
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Gains on property revaluation, net of tax	2,466,102	20,823,593	(88.2)
<b>Items that will not be reclassified to profit or loss:</b>			
Foreign currency translation differences, net of tax	(99,646)	(3,508)	2,740.5
<b>Other comprehensive income for the year, net of tax</b>	<b>2,366,456</b>	<b>20,820,085</b>	(88.6)
<b>Total comprehensive income for the year</b>	<b>(5,322,191)</b>	<b>24,212,255</b>	n.m.
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(4,953,440)	24,212,255	n.m.
Non-controlling interests	(368,751)	–	n.m.
<b>Total comprehensive income for the year</b>	<b>(5,322,191)</b>	<b>24,212,255</b>	n.m.

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

	Group		Change
	2015 Unaudited \$	2014 Audited \$	
Allowance for impairment on trade receivables	(464,728)	(17,156)	2,608.8
Amortisation of intangible assets	(521,000)	(588,000)	(11.4)
Bad debts recovered – trade	3,600	3,600	–
Depreciation	(1,560,991)	(990,258)	57.6
Fair value gain / (loss) on derivatives	16,283	(376,525)	n.m.
Foreign exchange translation loss	(758,293)	(136,847)	454.1
Gain on disposal of plant and equipment	40,830	–	n.m.
Impairment loss on goodwill	2,209,048	–	n.m.
Impairment loss on investment in associates	53,625	–	n.m.
Interest income	2,741	2,007	36.6
Interest expense	(818,716)	(380,620)	115.1
Provision for foreseeable loss on development property	788,108	–	n.m.
(Under) / over provision of tax in respect of prior years	(34,854)	193,674	n.m.

**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**

**As at 30 June 2015**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
	<b>Unaudited</b>	<b>Restated</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Property, plant and equipment	38,774,123	31,626,797	166,725	18,026
Intangible assets	19,776,245	10,030,540	–	–
Investment in subsidiaries	–	–	31,163,176	34,122,460
Investment in associates	113,654	185,970	–	42,794
Other receivables	–	–	1,586,120	–
<b>Non-current assets</b>	<b>58,664,022</b>	<b>41,843,307</b>	<b>32,916,021</b>	<b>34,183,280</b>
Inventories	23,483,329	21,098,127	–	–
Development properties	47,026,703	27,093,589	–	–
Trade and other receivables	17,524,767	17,494,591	28,488,235	6,534,082
Cash and cash equivalents	13,744,705	15,813,623	146,349	168,285
<b>Current assets</b>	<b>101,779,504</b>	<b>81,499,930</b>	<b>28,634,584</b>	<b>6,702,367</b>
<b>Total assets</b>	<b>160,443,526</b>	<b>123,343,237</b>	<b>61,550,605</b>	<b>40,885,647</b>
<b>Equity</b>				
Share capital	32,922,108	24,352,108	32,922,108	24,352,108
Other reserves	22,906,715	20,796,069	–	–
Retained earnings	6,484,524	14,958,886	(2,180,632)	2,011,725
<b>Equity attributable to owners of the Company</b>	<b>62,313,347</b>	<b>60,107,063</b>	<b>30,741,476</b>	<b>26,363,833</b>
Non-controlling interests	21,471,659	–	–	–
<b>Total equity</b>	<b>83,785,006</b>	<b>60,107,063</b>	<b>30,741,476</b>	<b>26,363,833</b>
<b>Liabilities</b>				
Loans and borrowings	28,505,005	20,962,107	1,586,120	–
Other payables	–	–	–	–
Deferred tax liabilities	5,457,028	5,236,596	–	–
<b>Non-current liabilities</b>	<b>33,962,033</b>	<b>26,198,703</b>	<b>1,586,120</b>	<b>–</b>
Loans and borrowings	34,028,399	28,161,385	356,721	–
Current tax liabilities	509,742	692,503	10,652	–
Trade and other payables	8,158,346	8,183,583	28,855,636	14,521,814
<b>Current liabilities</b>	<b>42,696,487</b>	<b>37,037,471</b>	<b>29,223,009</b>	<b>14,521,814</b>
<b>Total liabilities</b>	<b>76,658,520</b>	<b>63,236,174</b>	<b>30,809,129</b>	<b>14,521,814</b>
<b>Total equity and liabilities</b>	<b>160,443,526</b>	<b>123,343,237</b>	<b>61,550,605</b>	<b>40,885,647</b>

1(b)(ii) In relation to the aggregate amount of the Group's borrowings and debt securities, specify the following at the end of the financial period reported on with comparative figures at the end of the immediately preceding financial year:

**Amount repayable in one year or less, or on demand**

As at 30 June 2015 (\$)		As at 30 June 2014 (\$)	
Secured	Unsecured	Secured	Unsecured
34,028,399	–	28,161,385	–

**Amount repayable after one year**

As at 30 June 2015 (\$)		As at 30 June 2014 (\$)	
Secured	Unsecured	Secured	Unsecured
28,505,005	–	20,962,107	–

**Details of collateral**

The bank borrowings are secured by corporate guarantee by the Company, first charge on the Group's leasehold land and buildings, and legal mortgages on the Group's development properties. Finance leases are secured by charge over the leased assets.

**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.**

**Consolidated Statement of Cash Flows  
Year ended 30 June 2015**

	<b>Group</b>	
	<b>2015 Unaudited \$</b>	<b>2014 Audited \$</b>
<b><u>Cash flows from operating activities</u></b>		
(Loss) / Profit before tax	(7,456,501)	3,387,639
Adjustments for:		
Share of profit from equity-accounted investees, net of tax	51,212	(27,729)
Depreciation of property, plant and equipment	1,560,991	990,258
Fair value (gain) / loss on derivatives	(16,283)	376,525
Gain on disposal of plant and equipment	(40,830)	–
Loss on disposal of investment in associate	8,636	–
Net finance costs	815,975	378,613
Amortisation of intangible assets	521,000	588,000
Allowance for impairment on trade receivables	464,728	13,375
Impairment loss on goodwill	2,209,048	–
Foreseeable loss on development properties	788,108	–
Impairment loss on associates	53,625	–
Operating cash flows before changes in working capital	<u>(1,040,291)</u>	<u>5,706,681</u>
Changes in:		
Inventories	(2,144,122)	(839,955)
Development properties <sup>(Note 1)</sup>	638,778	5,115,579
Trade and other receivables	812,239	(5,290,471)
Trade and other payables	<u>(269,305)</u>	<u>2,721,416</u>
Cash (used in) / generated from operations	(2,002,701)	7,413,250
Income taxes paid	(588,118)	(355,502)
Net cash flows (used in) / from operating activities	<u>(2,590,819)</u>	<u>7,057,748</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(2,239,772)	(1,062,352)
Proceeds from disposal of plant and equipment	47,732	–
Proceeds from disposal of associates	121,250	–
Acquisition of subsidiaries, net of cash acquired <sup>(Note 2)</sup>	(2,923,986)	(3,482,270)
Dividends received from associated companies	–	13,507
Interest received	2,741	2,007
Net cash flows used in investing activities	<u>(4,992,035)</u>	<u>(4,529,108)</u>

**Consolidated Statement of Cash Flows (continued)**  
**Year ended 30 June 2015**

	<b>Group</b>	
	<b>2015 Unaudited \$</b>	<b>2014 Audited \$</b>
<b><u>Cash flows from financing activities</u></b>		
Dividends paid to owners of the Company	(1,523,740)	(709,146)
Payment of finance lease liabilities	(173,030)	(156,653)
Cash restriction in use	–	12,000
Proceeds from issuance of ordinary shares	–	4,254,877
Share issue expense	–	(154,437)
Contributions from non-controlling interests	183,762	–
Proceeds from borrowings	15,647,902	13,000,000
Repayment of loan obtained from directors of a subsidiary	(2,914,459)	–
Repayment of loans and borrowings	(5,109,379)	(7,590,024)
Interest paid	(818,716)	(435,053)
Net cash flows from financing activities	<u>5,292,340</u>	<u>8,221,564</u>
Net (decrease) / increase in cash and cash equivalents	(2,290,514)	10,750,204
Cash and cash equivalents at 1 July	15,800,623	5,056,521
Effect of exchange rate fluctuations on cash held	221,596	(6,102)
Cash and cash equivalents at 30 June <sup>(Note 3)</sup>	<u><u>13,731,705</u></u>	<u><u>15,800,623</u></u>

**Note 1**

During financial year ended 30 June 2015, a non-controlling interests of a subsidiary contributed a piece of land in relation to “The Bay” project with a fair value of \$21,656,648. This has been included within the Group’s development properties as at 30 June 2015.

**Note 2**

Cash consideration	3,514,304	7,278,844
Cash and cash equivalents acquired	(590,318)	(3,796,574)
Net outflow of cash and cash equivalent included in cash flows from investing activities	<u>2,923,986</u>	<u>3,482,270</u>

**Note 3**

Cash and cash equivalents	13,744,705	15,813,623
Cash pledged for bank facilities	(13,000)	(13,000)
Cash and cash equivalents at 30 June	<u><u>13,731,705</u></u>	<u><u>15,800,623</u></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.

Statement of changes in equity

	Attributable to owners of the Company					Non-controlling interests \$	Total equity \$
	Share capital \$	Revaluation reserve \$	Foreign currency translation reserve \$	Retained earnings \$	Total \$		
<b>Group</b>							
<b>Balance at 1 July 2014</b>	<b>24,352,108</b>	<b>20,823,593</b>	<b>(27,524)</b>	<b>14,958,886</b>	<b>60,107,063</b>	–	<b>60,107,063</b>
<b>Total comprehensive income for the year</b>							
Profit for the year	–	–	–	(7,618,050)	(7,618,050)	(70,597)	(7,688,647)
Foreign currency translation differences	–	–	198,508	–	198,508	(298,154)	(99,646)
Revaluation of property, plant and equipment	–	2,466,102	–	–	2,466,102	–	2,466,102
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>2,466,102</b>	<b>198,508</b>	<b>(7,618,050)</b>	<b>(4,953,440)</b>	<b>(368,751)</b>	<b>(5,322,191)</b>
<b>Transactions with owners recognised directly in equity</b>							
Issue of share capital	8,570,000	–	–	–	8,570,000	–	8,570,000
Capital contribution by non-controlling interests	–	–	–	–	–	21,840,410	21,840,410
Transfer to retained earnings	–	(553,964)	–	553,964	–	–	–
Deferred tax income credited directly to equity	–	–	–	113,464	113,464	–	113,464
Dividends paid	–	–	–	(1,523,740)	(1,523,740)	–	(1,523,740)
<b>Total transactions with owners</b>	<b>8,570,000</b>	<b>(553,964)</b>	<b>–</b>	<b>(856,312)</b>	<b>7,159,724</b>	<b>21,840,410</b>	<b>29,000,134</b>
<b>Balance at 30 June 2015</b>	<b>32,922,108</b>	<b>22,735,731</b>	<b>170,984</b>	<b>6,484,524</b>	<b>62,313,347</b>	<b>21,471,659</b>	<b>83,785,006</b>

Statement of changes in equity

Attributable to owners of the Company



<b>Group</b>	<b>Share capital</b> \$	<b>Revaluation reserve</b> \$	<b>Foreign currency translation reserve</b> \$	<b>Retained earnings</b> \$	<b>Total equity</b> \$
<b>Balance at 1 July 2013</b>	<b>16,476,668</b>	–	<b>(24,016)</b>	<b>12,275,862</b>	<b>28,728,514</b>
<b>Total comprehensive income for the year</b>					
Profit for the year	–	–	–	3,392,170	3,392,170
Foreign currency translation differences	–	–	(3,508)	–	(3,508)
Revaluation of property, plant and equipment	–	20,823,593	–	–	20,823,593
<b>Total comprehensive income for the year</b>	<b>–</b>	<b>20,823,593</b>	<b>(3,508)</b>	<b>3,392,170</b>	<b>24,212,255</b>
<b>Transactions with owners recognised directly in equity</b>					
Issue of share capital	8,029,877	–	–	–	8,029,877
Share issue expenses	(154,437)	–	–	–	(154,437)
Dividends paid	–	–	–	(709,146)	(709,146)
<b>Total transactions with owners</b>	<b>7,875,440</b>	<b>–</b>	<b>–</b>	<b>(709,146)</b>	<b>7,166,294</b>
<b>Balance at 30 June 2014</b>	<b>24,352,108</b>	<b>20,823,593</b>	<b>(27,524)</b>	<b>14,958,886</b>	<b>60,107,063</b>

**Statement of changes in equity**

<b>Company</b>	<b>Share capital \$</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
<b>Balance at 1 July 2014</b>	<b>24,352,108</b>	<b>2,011,725</b>	<b>26,363,833</b>
Total comprehensive income for the year	–	(2,668,617)	(2,668,617)
<b>Transactions with owners recognised directly in equity</b>			
Issue of share capital	8,570,000	–	8,570,000
Dividends paid	–	(1,523,740)	(1,523,740)
<b>Total transactions with owners</b>	<b>8,570,000</b>	<b>(1,523,740)</b>	<b>7,046,260</b>
<b>Balance at 30 June 2015</b>	<b>32,922,108</b>	<b>(2,180,632)</b>	<b>30,741,476</b>
<b>Balance at 1 July 2013</b>	<b>16,476,668</b>	<b>1,583,378</b>	<b>18,060,046</b>
Total comprehensive income for the year	–	1,137,493	1,137,493
<b>Transactions with owners recognised directly in equity</b>			
Issue of share capital	8,029,877	–	8,029,877
Share issue expenses	(154,437)	–	(154,437)
Dividends paid	–	(709,146)	(709,146)
<b>Total transactions with owners</b>	<b>7,875,440</b>	<b>(709,146)</b>	<b>7,166,294</b>
<b>Balance at 30 June 2014</b>	<b>24,352,108</b>	<b>2,011,725</b>	<b>26,363,833</b>

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

There was no change in the share capital of the Company since 31 December 2014 up to 30 June 2015. As at 31 December 2014 and 30 June 2015, the share capital of the company comprised 233,324,614 ordinary shares. As at 30 June 2015 and 30 June 2014, the Company had no outstanding convertibles or treasury shares.

**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.**

	<b>As at 30 June 2015</b>	<b>As at 30 June 2014</b>
Total number of issued shares (excluding treasury shares)	233,324,614	190,467,471

**1(d)(iv) A statement showing all sales, transfers, disposals, 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 nor reviewed by auditors.

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

Not applicable.

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

The accounting policies adopted and methods of computation in the preparation of the financial statements are consistent with those of the audited financial statements as at 30 June 2014 except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS (“INT FRS”) that are effective for annual periods beginning on or after 1 July 2014. The adoption of these standards and interpretations did not have any material effect on the financial performance or position of the Group.

**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.**

Not applicable.

**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 share for the year based on profit attributable to owners of the parent, net of tax:

	<b>Group</b>	
	<b>Year ended 30 June 2015 Unaudited</b>	<b>Year ended 30 June 2014 Audited</b>
(i) Based on weighted average number of ordinary shares in issue (Cents)	(3.54)	2.26
Weighted average number of ordinary shares	215,467,471	150,353,238
(ii) On a fully diluted basis (Cents)	(3.54)	2.26
Diluted weighted average number of ordinary shares	215,467,471	150,353,238

**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.**

	<b>Group As at</b>		<b>Company As at</b>	
	<b>30 June 2015</b>	<b>30 June 2014</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Net asset value per ordinary share (cents)	26.71	31.56	13.18	13.84
Number of shares in issue	233,324,614	190,467,471	233,324,614	190,467,471

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

### **Financial Performance Review**

#### *Revenue*

The Group's revenue for the financial year ended 30 June 2015 ("FY2015") of \$61.7 million was an increase of \$1.3 million or 2.1%, from \$60.4 million for the financial year ended 30 June 2014 ("FY2014"). Revenue contribution from the Marine, Offshore Oil & Gas segment remained stable at \$55.6 million in FY2015 compared to \$55.3 million in FY2014.

Revenue contribution from the Property Development segment increased by \$0.9 million or 18.6%, from \$5.1 million in FY2014 to \$6.0 million in FY2015.

- TIEC Holdings Pte. Ltd. ("TIEC") contributed revenue of \$2.3 million arising from the substantial completion of the Urban Heritage development project.
- ECG Property Services Pte. Ltd. ("ECG") contributed the remaining revenue of \$3.7 million during the 7-month period following the Group's acquisition of ECG in November 2014.

In accordance with revenue recognition principles in the financial reporting standards, the Property Development segment has not recorded revenue arising from "The Bay" project in FY2015.

Revenue from Singapore remained the highest geographical segment, contributing 69.0% of the Group's revenue in FY2015, compared to 77.1% of the Group's revenue in FY2014. The decrease in revenue from Singapore is mainly due to decline in revenue from the offshore oil & gas industry resulting from the drop in crude oil prices.

#### *Gross profit*

The overall gross profit in FY2015 increased slightly by \$0.6 million or 3.5% to \$18.7 million in FY2015 from \$18.0 million in FY2014. The Group's gross profit margin remained stable at 30.3% in FY2015 compared to 29.8% in FY2014.

- The Marine, Offshore Oil & Gas segment contributed gross profit of \$17.5 million to the Group in FY2015 as compared to \$17.7 million in FY2014. The gross profit margin in FY2015 was 31.4%, slightly lower than the gross profit margin of 32.0% in FY2014.
- The Property Development segment contributed gross profit of \$1.2 million to the Group in FY2015 as compared to \$0.5 million in FY2014, representing a gross profit margin of 19.7% and 10.6% respectively.

#### *Other income*

Other income increased by \$0.7 million from \$0.1 million in FY2014 to \$0.8 million in FY2015. The increase is mainly due to the following:

- The Group recorded other income of \$0.2 million arising from fair value changes in contingent consideration relating to an earlier acquisition of a subsidiary in the Marine, Offshore Oil & Gas segment.
- The Marine, Offshore Oil & Gas segment derived income from project charges and commission income amounting to \$0.3 million.
- In addition, the Marine, Offshore Oil & Gas segment recorded increased sundry income of \$0.2 million.

### *Other items of expense*

Distribution costs increased by \$1.5 million or 105.7% in FY2015 to \$2.9 million from \$1.4 million in FY2014. The increase is mainly due to the following:

- The Marine, Offshore Oil & Gas segment incurred an increase of \$0.3 million in distribution costs as a result of an increase in participation in trade exhibitions and an increase in advertisement costs.
- The Property Development Segment incurred distribution costs of \$1.1 million in FY2015. This comprises marketing, advertisement expenses and travelling expenses relating to overseas business expansion activities. These marketing and promotional activities relate to the development of “The Bay” project in Cambodia, and are essential and important to ensure success of the project.

Administrative expenses increased by \$4.0 million or 48.9% from \$8.2 million in FY2014 to \$12.2 million in FY2015. The increase is mainly due to the following:

- Legal and professional fees incurred by the Group’s head office increased by \$0.8 million. The increase is mainly attributable to the Group’s acquisition and exploration of business opportunities in the region. The Group successfully completed the acquisition of ECG on 28 November 2014, and of “Liha” Shipperservice B.V. and Store Rijnmond B.V. (collectively “Liha”) on 31 December 2014. Some of the overseas projects under exploration did not materialise.
- Head office staff remuneration increased by \$0.2 million as a result of an increase in average salaries pay-out and an increase in head office headcount.
- Staff remuneration for the Marine, Offshore Oil & Gas segment increased by \$0.4 million as a result of an increase in headcount.
- The Property Development segment incurred administrative expenses of \$2.6 million in FY2015, which includes staff and director remuneration of \$1.9 million, and legal and professional fees of \$0.6 million. The legal and professional fees were incurred in relation to The Bay project in Cambodia.

Other operating expenses increased by \$6.1 million from \$4.9 million in FY2014 to \$11.0 million in FY2015. The increase of \$4.5 million in other operating expenses is attributable to the Property Development segment, arising from the newly acquired subsidiaries of ECG. These expenses comprise mainly of the following items:

- Impairment loss in respect of goodwill attributable to the Property Development segment’s property development projects in Singapore and foreseeable losses on those development properties amounting to \$3.0 million.
- Commission expense of \$0.6 million.
- Rental expense of \$0.4 million.
- Depreciation expense, entertainment expense and telephone charges of \$0.3 million.
- Impairment loss on an associated company, allowance for doubtful debts and loss on disposal of plant and equipment amounting to \$0.2 million.

The remaining \$1.6 million increase in other operating expenses is attributable to the following items in the Marine, Offshore Oil & Gas segment:

- Net losses on derivative contracts increased by \$0.2 million.
- Foreign exchange losses increased by \$0.6 million.
- Depreciation expense increased by \$0.4 million mainly resulting from the upward revaluation of the warehouses.
- Allowance for doubtful debts increased by \$0.3 million.
- Staff welfare expenses increased by \$0.1 million.

Finance costs increased from \$0.4 million in FY2014 to \$0.8 million in FY2015. This is partly because loans and borrowings increased by \$13.4 million from \$49.1 million in FY2014 to \$62.5 million in FY2015. In addition, interest rates have increased during the year.

### *Income tax income / (expenses)*

In FY2015, the Group recorded an income tax expense of \$0.2 million compared to a small income tax credit in FY2014. The income tax credit in FY2014 was attributable to an adjustment for overprovision for deferred tax expense of \$0.4 million in prior years.

### *(Loss) / Profit for the year*

The Group recorded a loss for the year of \$7.7 million compared to a profit of \$3.4 million in FY2014. The loss for the year was mainly attributable to the following reasons:

- i. The Property Development segment had incurred substantial expenses on marketing, advertising and promotional activities relating to the joint venture in Cambodia developing the residential project “The Bay”. These marketing and promotional activities are essential and important to ensure success of the project. However, such expenses have to be expensed when incurred and cannot be capitalised in FY2015. Further, in accordance with revenue recognition principles in the financial reporting standards, the Property Development segment has not recorded revenue arising from the project in FY2015. In line with the Group’s plan to grow the property development and real estate business, the Property Development segment has also incurred professional fees for businesses in Cambodia as well as expenses for exploring business opportunities in the region. Some of these projects did not materialize. In addition, the Property Development segment incurred staff and director remuneration in FY2015; and
- ii. FY2015 was a challenging one for the Singapore property market due to lacklustre market momentum arising from cooling measures implemented by the Singapore government. The open market value of the Group’s unsold units of development property in Singapore declined slightly compared to that in the previous financial year. Consequently, the Group made an impairment charge in respect of the goodwill attributable to the Property Development segment’s property development projects in Singapore and foreseeable losses on those development properties.

### **Balance Sheet Review**

#### *Non-current assets*

Non-current assets increased by \$16.8 million or 40.2% to \$58.7 million as at 30 June 2015 from \$41.8 million as at 30 June 2014. The increase is mainly due to the following:

- Intangible assets increased by \$9.8 million. Based on preliminary purchase price allocation exercises in relation to the acquisition of ECG, the transaction has given rise to intangible assets amounting to \$12.5 million. This is offset by an impairment loss on goodwill relating to the Property Development segment amounting to \$2.2 million, and amortisation of intangible assets relating to the Marine, Offshore Oil & Gas segment amounting to \$0.5 million.
- Property, plant and equipment increased by \$7.2 million. As part of the acquisition of ECG and Liha, the Group acquired plant and equipment of approximately \$0.5 million. In addition, the Group acquired property, plant and equipment of \$5.3 million during the year. The Group made a revaluation gain on the leasehold properties, resulting in an increase in the carrying value of \$3.0 million. This was offset by depreciation of \$1.6 million.

Similar to FY2014, the majority of the non-current assets are located in Singapore in FY2015.

#### *Current assets*

Current assets increased by \$20.3 million or 24.8% to \$101.8 million as at 30 June 2015 from \$81.5 million as at 30 June 2014. The increase is due to the following:

- Inventories increased by \$2.4 million. Inventory turnover days in FY2015 increased to 225 days compared to 204 days in FY2014. The Marine, Offshore Oil & Gas segment has been increasing its range of products sold, including stocking up of spare parts to meet customer demands.
- Development properties increased by \$19.9 million, mainly due to recognition of the land in relation to “The Bay” project contributed by the Group’s non-controlling interests in Cambodia.
- No material changes to trade and other receivables.

- Cash and cash equivalents, including the effect of exchange rate fluctuations on cash held, decreased by \$2.1 million. Please refer to the “Cash Flows Review” section below for details.

#### *Non-current liabilities*

Non-current liabilities increased by \$7.8 million or 29.6% to \$34.0 million as at 30 June 2015 from \$26.2 million as at 30 June 2014. The increase is due to the following:

- Non-current portion of loans and borrowings increased by \$7.5 million. The Group drawn down additional term loans during the year with a non-current portion of \$5.4 million at the end of FY2015. The Property Development segment acquired two properties funded by term loans with a non-current portion of \$2.8 million. These were offset by repayments during the year of \$0.7 million.
- Deferred tax liabilities increased by \$0.2 million.

#### *Current liabilities*

Current liabilities increased by \$5.7 million or 15.3% to \$42.7 million as at 30 June 2015 from \$37.0 million as at 30 June 2014. The increase is due to the following:

- Current portion of loans and borrowings increased by \$5.9 million. The Group drawn down additional short-term loans of \$5.5 million and term loans with a current portion of \$1.0 million at the end of FY2015. The current portion of the term loans obtained by the Property Development segment for two properties amounted to \$0.1 million. In addition, the Property Development segment drawn down \$2.1 million of loans for the construction of properties in its two development projects in Singapore. These were offset by a loan repayment of \$2.8 million.
- Current tax liabilities decreased by \$0.2 million.

#### *Shareholders' equity*

Shareholders' equity increased by \$23.7 million or 39.4% to \$83.8 million as at 30 June 2015 from \$60.1 million as at 30 June 2014. The increase is due to the following (the amounts below do not add up due to rounding):

- Issue of share capital amounting to \$8.6 million. 42,857,143 shares were issued in November 2014 as part of the purchase consideration for the acquisition of ECG.
- Total comprehensive loss for FY2015 amounted to \$5.3 million.
- Capital contribution by non-controlling interests totalling \$21.8 million.
- Dividends paid of \$1.5 million.

### **Cash Flows Review**

#### *Cash flows from operating activities*

Operating cash outflows before changes in working capital was \$1.0 million in FY2015. Net cash outflow used in working capital was \$1.0 million due to the following:

- Cash used arising from an increase in inventories of \$2.1 million
- Cash inflows arising from a decrease in development properties of \$0.8 million
- Cash inflows arising from a decrease in trade and other receivables of \$0.8 million
- Cash used arising from a decrease in trade and other payables of \$0.2 million

After deducting income taxes paid of \$0.6 million, net cash used in operating activities in FY2015 was \$2.6 million.

#### *Cash flows from investing activities*

Net cash used in investing activities in FY2015 was \$4.9 million, comprising the following (the amounts below do not add up due to rounding):

- Cash used in the acquisition of ECG and Liha, totalling \$2.9 million
- Cash used for the purchase of plant and equipment amounting to \$2.2 million
- Proceeds from disposal of plant and equipment, and investment in associated company totalling \$0.1 million



### *Cash flows from financing activities*

Net cash from financing activities in FY2015 was \$5.3 million, comprising the following:

- Contributions from non-controlling interests amounting to \$0.2 million
- Proceeds from bank borrowings and finance leases amounting to \$15.6 million
- Dividends paid to shareholders of \$1.5 million
- Repayment of loan from directors of a subsidiary, bank borrowings and finance lease liabilities totalling \$8.2 million
- Interest paid of \$0.8 million

As a result of the above, cash and cash equivalents decreased by \$2.3 million during FY2015. Cash and cash equivalents as at 30 June 2015 was \$13.7 million.

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

No forecast or prospect statement had been previously disclosed.

**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 Group's Marine, Offshore Oil & Gas segment expects the industries in which it operates in to remain challenging due to the fall in oil price and the slow down world economy. As such the Group will continue to consolidate its operations and financial strengths in this segment to meet the challenging and competitive business outlook.

In relation to the Property Development segment, the Group expects challenging headwinds in Singapore's property landscape, due to lacklustre market momentum arising from cooling measures implemented by the Singapore government.

The Group has successfully launched its iconic project, "The Bay". "The Bay" is the flagship property development of the Group, and is located in the heart of Phnom Penh, Cambodia. The development is situated in the prime peninsular of Chroy Changvar, "The City of the Future". "The Bay" comprises condominiums, retail space and a luxurious hotel. Once completed, the project will be one of the tallest buildings in Cambodia and will offer views of the royal palace, Tonle Sap River and Mekong River. Over 100 condominium units of "The Bay" were sold during the soft launch events.

The Group has also entered into a memorandum of understanding ("MOU") with Hotel Okura Co', Ltd ("Hotel Okura") for the proposed appointment of Hotel Okura as the operator of the hotel in The Bay.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended):**

No.

**(b)(i) Amount per share/rate%**

<b>Name of Dividend</b>	
Dividend type	Not applicable
Dividend amount per ordinary shares (cents)	Not applicable

**(b)(ii) Previous corresponding period/rate%**

<b>Name of Dividend</b>	
Dividend type	Proposed First and Final
Dividend amount per ordinary shares (cents)	0.8 cent per share Tax Exempt (one-tier)

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net tax, state the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfer received by the company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 30 June 2015.

**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 did not obtain a general mandate from shareholders for Interested Person Transactions.

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

**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.**

<b>Business Segments Reporting 2015</b>	<b>Marine, Offshore Oil &amp; Gas \$</b>	<b>Property Development \$</b>	<b>Unallocated \$</b>	<b>Group \$</b>
External revenues	55,620,665	6,036,431	–	61,657,096
Interest revenue	2,219	522	–	2,742
Interest expense	(813,763)	(4,953)	–	(818,716)
Depreciation and amortisation	(1,926,491)	(113,234)	(42,266)	(2,081,991)
Reportable segment profit (loss) before tax	1,659,151	(8,513,786)	–	(6,854,635)
Share of profit (loss) of equity-accounted investees	(14,187)	(37,025)	–	(51,212)
Other unallocated expenses	–	–	(550,654)	(550,654)
Consolidated profit (loss) before tax from continuing operations				(7,456,501)
Reportable segment assets	79,732,130	80,173,305	424,437	160,329,872
Equity-accounted investees	41,897	71,757	–	113,654
Capital expenditure	692,844	4,400,384	190,964	5,284,192
Reportable segment liabilities	44,755,635	31,556,648	346,237	76,658,520
<b>Business Segments Reporting 2014</b>	<b>Marine, Offshore Oil &amp; Gas \$</b>	<b>Property Development \$</b>	<b>Unallocated \$</b>	<b>Group \$</b>
External revenues	55,293,401	5,090,107	–	60,383,508
Interest revenue	2,007	–	–	2,007
Interest expense	(380,620)	–	–	(380,620)
Depreciation and amortisation	(1,578,258)	–	–	(1,578,258)
Reportable segment profit (loss) before tax	4,181,645	233,652	–	4,415,297
Share of profit (loss) of equity-accounted investees	27,729	–	–	27,729
Other unallocated expenses	–	–	(1,055,387)	(1,055,387)
Consolidated profit (loss) before tax from continuing operations				3,387,639
Reportable segment assets	93,155,652	30,001,615	–	123,157,267
Equity-accounted investees	56,084	–	129,886	185,970
Capital expenditure	1,062,352	–	–	1,062,352
Reportable segment liabilities	32,938,657	30,297,517	–	63,236,174

- (a) The other unallocated items comprise distribution costs, administrative expenses, other operating expenses and other charges which are centralised and not segmented as these items are not directly attributable to the reportable segments.

- (b) The unallocated assets and liabilities cannot be selectively segmented when they are being deployed and/or incurred, as these items are not directly attributable to the reportable segments.

**Geographical Segments Reporting**

	Revenue		Non-current assets	
	2015	2014	2015	2014
	\$	\$	\$	\$
Singapore	42,529,952	46,541,725	57,665,698	41,769,937
Rest of Asia	8,783,692	5,056,627	654,541	549
Rest of the World	10,343,452	8,785,156	343,783	72,821
Total	<u>61,657,096</u>	<u>60,383,508</u>	<u>58,664,022</u>	<u>41,843,307</u>

- (a) Non-current assets presented consist of property, plant and equipment, intangible assets and goodwill, and investment in associate companies.
- (b) The Rest of Asia geographic segment refers to customers from South East Asia (namely Brunei, Cambodia, Indonesia, Malaysia, Thailand and Vietnam), India and East Asia (namely Japan, the People's Republic of China, Hong Kong, South Korea and Taiwan).
- (c) The Rest of the World geographic segment refers to customers from Australia, New Zealand, Africa, Middle-East, Europe and North America.

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 paragraph 8 above for further details.

16. A breakdown of sales as follows:

		Group		
		FY2015 \$'000	FY2014 \$'000	% Increase/ (Decrease)
First Half				
(a)	Revenue	29,908	28,007	6.8
(b)	Operating profit after tax before deducting minority interest	252	1,935	(87.0)
Second half				
(a)	Revenue	31,749	32,376	(1.9)
(b)	Operating profit after tax before deducting minority interest	(7,921)	1,457	n.m.

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:

	Latest Full Year	Previous Full Year
Ordinary	nil	\$1,523,740
Preference	nil	nil
Total	nil	\$1,523,740

Please refer to paragraph 11 above for further details.

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

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
Lim Siew Choo	61	Sister of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	General Administrative Director since 2004 and is responsible for the day-to-day operations, statutory matters, recruitment and staff welfare of the Group	Not applicable

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lim See Heng	59	Brother of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	Projects Director since 2000 and is responsible for project works, which normally involve open tendering of projects and complex tenders such as restricted, competitive or negotiated tendering	Not applicable
Soare Siew Lian	56	Sister of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder) and Lim Siew Cheng (Executive Director, Chief Operating Officer and substantial shareholder)	CEO of USA Operations since 2008 and is responsible for marketing and securing new customers in USA for the Group	Not applicable
Tan Wee Lee	36	Brother-in-law of Lim See Hoe (Executive Chairman, Chief Executive Officer and substantial shareholder)	Manager, Quality Assurance since 1 July 2011 and is responsible for products quality assurance at TEHO Ropes & Supplies Pte. Ltd.	Not applicable

Lim Siew Choo is presently a substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**Lim See Hoe**  
**Executive Chairman and Chief Executive Officer**  
**28 August 2015**