HTL INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Singapore)
(Registration Number: 198904162H)

Financial Statements Announcement

For the Year Ended

31 December 2015

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1. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2015 ("FY 2015")

	Notes	The Group 3 months ended 31 Dec 2015 US$'000	2014 US$'000	Change %	The Group 12 months ended 31 Dec 2015 US$'000	2014 US$'000	Change %
Revenue		**116,287**	**121,678**	(4.4)	**454,852**	**500,577**	(9.1)
Cost of sales		(82,157)	(85,520)	(3.9)	(327,356)	(347,488)	(5.8)
Gross profit		**34,130**	**36,158**	(5.6)	**127,496**	**153,089**	(16.7)
Other operating income		860	1,845	(53.4)	4,007	8,677	(53.8)
Sales, marketing and distribution expenses		(23,847)	(31,188)	(23.5)	(102,383)	(124,406)	(17.7)
Administrative expenses		(7,246)	(8,669)	(16.4)	(30,765)	(34,261)	(10.2)
Other operating expenses		(141)	(763)	(81.5)	(1,446)	(3,760)	(61.5)
Operating profit/(loss) before finance income and expense and net foreign exchange (loss)/gain	5A	**3,756**	**(2,617)**	NM	**(3,091)**	**(661)**	367.6
Finance income		9	60	(85.0)	99	243	(59.3)
Finance expense		(366)	(160)	128.8	(1,437)	(2,029)	(29.2)
Operating profit/(loss) before net foreign exchange (loss)/gain		**3,399**	**(2,717)**	NM	**(4,429)**	**(2,447)**	81.0
Net foreign exchange (loss)/gain*		(956)	1,659	NM	6,950	13,247	(47.5)
Profit/(loss) before tax		**2,443**	**(1,058)**	NM	**2,521**	**10,800**	(76.7)
Income tax expense	5C	(1,687)	(1,595)	5.8	(4,127)	(5,494)	(24.9)
Net profit/(loss) for the period/year		**756**	**(2,653)**	NM	**(1,606)**	**5,306**	NM
Attributable to:							
Owners of the Company		757	(2,661)	NM	(1,630)	5,257	NM
Non-controlling interest		(1)	8	NM	24	49	(51.0)
		756	**(2,653)**		**(1,606)**	**5,306**	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME							
Net profit/(loss) for the period/year		**756**	**(2,653)**	NM	**(1,606)**	**5,306**	NM
Other comprehensive loss:							
Item that may be reclassified subsequently to income statement:							
Foreign currency translation arising from consolidation		(2,768)	(146)	1,795.9	(8,294)	(1,881)	340.9
Total comprehensive (loss)/income for the period/year		**(2,012)**	**(2,799)**		**(9,900)**	**3,425**	
Attributable to:							
Owners of the Company		(2,002)	(2,776)	(27.9)	(9,881)	3,429	NM
Non-controlling interest		(10)	(23)	(56.5)	(19)	(4)	375.0
		(2,012)	**(2,799)**		**(9,900)**	**3,425**	
Gross profit margin (GP%)		**29.3%**	**29.7%**		**28.0%**	**30.6%**	
Net profit/(loss) margin		**0.7%**	**-2.2%**		**-0.4%**	**1.1%**	
EBITDA		**4,314**	**893**		**10,368**	**20,150**	
EBITDA before net foreign exchange (loss)/gain		**5,270**	**(766)**		**3,418**	**6,903**	
EBITDA margin		**3.7%**	**0.7%**		**2.3%**	**4.0%**	
EBITDA margin before net foreign exchange (loss)/gain		**4.5%**	**-0.6%**		**0.8%**	**1.4%**	

NM : Not meaningful

	The Group 3 months ended 31 Dec 2015 US$'000	2014 US$'000	The Group 12 months ended 31 Dec 2015 US$'000	2014 US$'000
Net foreign exchange (loss)/gain comprises:				
Realised foreign exchange gain	1,144	5,450	8,512	13,366
Unrealised foreign exchange (loss)/gain	(499)	(377)	2,202	(2,438)
Net fair value (loss)/gain on derivative financial instruments (1)	(1,601)	(3,414)	(3,764)	2,319
Total net foreign exchange (loss)/gain*	**(956)**	**1,659**	**6,950**	**13,247**

Note:

(1) These fair value adjustments are unrealised and non-cash in nature.

2. BALANCE SHEETS

	Notes	The Group 31 Dec 2015 US$'000	The Group 31 Dec 2014 US$'000	The Company 31 Dec 2015 US$'000	The Company 31 Dec 2014 US$'000
Current assets					
Cash and short-term deposits		42,487	35,815	8	1
Trade and other receivables		49,970	52,844	672	7,533
Derivative financial instruments	(i)	-	282	-	-
Inventories	5D	133,212	147,898	-	-
Tax recoverable		-	38	-	-
Deposits		5,134	4,826	2,534	2,534
Prepayments		4,315	6,565	-	-
		235,118	**248,268**	**3,214**	**10,068**
Non-current assets					
Investments in subsidiaries	5E	-	-	88,049	98,870
Property, plant and equipment		44,044	41,687	-	-
Intangible assets	5F	7,849	8,922	-	-
Deferred tax assets		2,631	5,065	-	-
Other receivables		342	688	-	-
		54,866	**56,362**	**88,049**	**98,870**
Total assets		**289,984**	**304,630**	**91,263**	**108,938**
Current liabilities					
Trade and other payables		70,612	83,181	4,494	3,928
Current income tax liabilities		1,147	5,012	-	-
Derivative financial instruments	(i)	3,483	-	-	-
Bank loans	5G	5,286	13,094	-	-
Bills payable	5G	42,985	22,857	-	-
Provision for warranty		2,741	5,403	-	-
		126,254	**129,547**	**4,494**	**3,928**
Non-current liabilities					
Bank loans	5G	-	113	-	-
Deferred tax liabilities		771	994	771	923
Advances from a subsidiary		-	-	31,940	37,152
		771	**1,107**	**32,711**	**38,075**
Total liabilities		**127,025**	**130,654**	**37,205**	**42,003**
Net assets		**162,959**	**173,976**	**54,058**	**66,935**
Equity attributable to owners of the Company					
Share capital	5H	67,982	67,982	67,982	67,982
Treasury shares	5H	(5,062)	(3,945)	(5,062)	(3,945)
Non-distributable reserves		21,750	29,786	(1,125)	(1,125)
Retained earnings		77,456	79,301	(7,737)	4,023
		162,126	173,124	54,058	66,935
Non-controlling interest		833	852	-	-
Total equity		**162,959**	**173,976**	**54,058**	**66,935**
Group net borrowings		**5,784**	**249**	**NA**	**NA**
Group net gearing (%)		**3.57**	**0.14**	**NA**	**NA**
Net tangible assets per share (cents)		**38.61**	**40.43**	**13.53**	**16.48**

NA : Not applicable

Note :

(i) This represents fair value arising from the mark to market (MTM) on all outstanding foreign exchange forward contracts/options which are entered into to hedge currency exchange exposure as at the end of each financial year.

3. STATEMENTS OF CHANGES IN EQUITY

Group

	ATTRIBUTABLE TO OWNERS OF THE COMPANY									
	Share capital	Treasury shares	Share option reserve	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Retained earnings	Equity attributable to owners of the company, total	Non-controlling interest	Equity, total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2015	67,982	(3,945)	911	19,141	(2,036)	11,770	79,301	173,124	852	173,976
Net (loss)/profit for the quarter	-	-	-	-	-	-	(582)	(582)	5	(577)
Other comprehensive loss										
Foreign currency translation arising from consolidation	-	-	-	(541)	-	-	-	(541)	(4)	(545)
Total comprehensive (loss)/income	-	-	-	(541)	-	-	(582)	(1,123)	1	(1,122)
Purchase of treasury shares	-	(248)	-	-	-	-	-	(248)	-	(248)
Balance at 31 March 2015	**67,982**	**(4,193)**	**911**	**18,600**	**(2,036)**	**11,770**	**78,719**	**171,753**	**853**	**172,606**
Net (loss)/profit for the quarter	-	-	-	-	-	-	(1,878)	(1,878)	10	(1,868)
Other comprehensive income/(loss)										
Foreign currency translation arising from consolidation	-	-	-	574	-	-	-	574	(4)	570
Total comprehensive income/(loss)	-	-	-	574	-	-	(1,878)	(1,304)	6	(1,298)
Balance at 30 June 2015	**67,982**	**(4,193)**	**911**	**19,174**	**(2,036)**	**11,770**	**76,841**	**170,449**	**859**	**171,308**
Net profit for the quarter	-	-	-	-	-	-	73	73	10	83
Other comprehensive loss										
Foreign currency translation arising from consolidation	-	-	-	(5,525)	-	-	-	(5,525)	(26)	(5,551)
Total comprehensive (loss)/income	-	-	-	(5,525)	-	-	73	(5,452)	(16)	(5,468)
Purchase of treasury shares	-	(869)	-	-	-	-	-	(869)	-	(869)
Balance at 30 September 2015	**67,982**	**(5,062)**	**911**	**13,649**	**(2,036)**	**11,770**	**76,914**	**164,128**	**843**	**164,971**
Net profit/(loss) for the quarter	-	-	-	-	-	-	757	757	(1)	756
Other comprehensive loss										
Foreign currency translation arising from consolidation	-	-	-	(2,759)	-	-	-	(2,759)	(9)	(2,768)
Total comprehensive (loss)/income	-	-	-	(2,759)	-	-	757	(2,002)	(10)	(2,012)
Transfer from retained earnings to statutory reserve fund	-	-	-	-	-	215	(215)	-	-	-
Balance at 31 December 2015	**67,982**	**(5,062)**	**911**	**10,890**	**(2,036)**	**11,985**	**77,456**	**162,126**	**833**	**162,959**

3. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

Group (Cont'd)

	ATTRIBUTABLE TO OWNERS OF THE COMPANY									
	Share capital	Treasury shares	Share option reserve	Foreign currency translation reserve	Capital reserve	Statutory reserve fund	Retained earnings	Equity attributable to owners of the company, total	Non-controlling interest	Equity, total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2014	67,982	(4,078)	911	20,969	(1,921)	11,715	77,366	172,944	856	173,800
Net profit for the quarter	-	-	-	-	-	-	2,625	2,625	31	2,656
Other comprehensive (loss)/income										
Foreign currency translation arising from consolidation	-	-	-	(1,154)	-	-	-	(1,154)	4	(1,150)
Total comprehensive (loss)/income	-	-	-	(1,154)	-	-	2,625	1,471	35	1,506
Treasury shares reissued pursuant to employee share option plan	-	113	-	-	(97)	-	-	16	-	16
Balance at 31 March 2014	**67,982**	**(3,965)**	**911**	**19,815**	**(2,018)**	**11,715**	**79,991**	**174,431**	**891**	**175,322**
Net profit for the quarter	-	-	-	-	-	-	7,551	7,551	10	7,561
Other comprehensive income										
Foreign currency translation arising from consolidation	-	-	-	185	-	-	-	185	6	191
Total comprehensive income	-	-	-	185	-	-	7,551	7,736	16	7,752
Purchase of treasury shares	-	(1)	-	-	-	-	-	(1)	-	(1)
Treasury shares reissued pursuant to employee share option plan	-	1	-	-	(1)	-	-	-	-	-
	-	-	-	-	(1)	-	-	(1)	-	(1)
Balance at 30 June 2014	**67,982**	**(3,965)**	**911**	**20,000**	**(2,019)**	**11,715**	**87,542**	**182,166**	**907**	**183,073**
Net loss for the quarter	-	-	-	-	-	-	(2,258)	(2,258)	-	(2,258)
Other comprehensive loss										
Foreign currency translation arising from consolidation	-	-	-	(744)	-	-	-	(744)	(32)	(776)
Total comprehensive loss	-	-	-	(744)	-	-	(2,258)	(3,002)	(32)	(3,034)
Dividends on ordinary shares	-	-	-	-	-	-	(3,267)	(3,267)	-	(3,267)
Balance at 30 September 2014	**67,982**	**(3,965)**	**911**	**19,256**	**(2,019)**	**11,715**	**82,017**	**175,897**	**875**	**176,772**
Net (loss)/profit for the quarter	-	-	-	-	-	-	(2,661)	(2,661)	8	(2,653)
Other comprehensive loss										
Foreign currency translation arising from consolidation	-	-	-	(115)	-	-	-	(115)	(31)	(146)
Total comprehensive loss	-	-	-	(115)	-	-	(2,661)	(2,776)	(23)	(2,799)
Treasury shares reissued pursuant to employee share option plan	-	20	-	-	(17)	-	-	3	-	3
Transfer from retained earnings to statutory reserve fund	-	-	-	-	-	55	(55)	-	-	-
	-	20	-	-	(17)	55	(55)	3	-	3
Balance at 31 December 2014	**67,982**	**(3,945)**	**911**	**19,141**	**(2,036)**	**11,770**	**79,301**	**173,124**	**852**	**173,976**

3. STATEMENTS OF CHANGES IN EQUITY (Cont'd)

Company

	Share capital	Treasury shares	Share option reserve	Capital reserve	Retained earnings	Equity, total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2015	67,982	(3,945)	911	(2,036)	4,023	66,935
Net profit for the quarter, representing total comprehensive income for the quarter	-	-	-	-	885	885
Purchase of treasury shares	-	(248)	-	-	-	(248)
Balance at 31 March 2015	**67,982**	**(4,193)**	**911**	**(2,036)**	**4,908**	**67,572**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(245)	(245)
Balance at 30 June 2015	**67,982**	**(4,193)**	**911**	**(2,036)**	**4,663**	**67,327**
Net profit for the quarter, representing total comprehensive income for the quarter	-	-	-	-	2,024	2,024
Purchase of treasury shares	-	(869)	-	-	-	(869)
Balance at 30 September 2015	**67,982**	**(5,062)**	**911**	**(2,036)**	**6,687**	**68,482**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(14,424)	(14,424)
Balance at 31 December 2015	**67,982**	**(5,062)**	**911**	**(2,036)**	**(7,737)**	**54,058**
Balance at 1 January 2014	67,982	(4,078)	911	(1,921)	30,990	93,884
Net profit for the quarter, representing total comprehensive income for the quarter	-	-	-	-	7,319	7,319
Treasury shares reissued pursuant to employee share option plan	-	113	-	(97)	-	16
Balance at 31 March 2014	**67,982**	**(3,965)**	**911**	**(2,018)**	**38,309**	**101,219**
Net profit for the quarter, representing total comprehensive income for the quarter	-	-	-	-	889	889
Purchase of treasury shares	-	(1)	-	-	-	(1)
Treasury shares reissued pursuant to employee share option plan	-	1	-	(1)	-	-
	-	-	-	(1)	-	(1)
Balance at 30 June 2014	**67,982**	**(3,965)**	**911**	**(2,019)**	**39,198**	**102,107**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(1,071)	(1,071)
Dividends on ordinary shares	-	-	-	-	(3,267)	(3,267)
Balance at 30 September 2014	**67,982**	**(3,965)**	**911**	**(2,019)**	**34,860**	**97,769**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(30,837)	(30,837)
Treasury shares reissued pursuant to employee share option plan	-	20	-	(17)	-	3
Balance at 31 December 2014	**67,982**	**(3,945)**	**911**	**(2,036)**	**4,023**	**66,935**

4. CONSOLIDATED CASH FLOW STATEMENT

	The Group 3 months ended 31 Dec 2015 US$'000	The Group 3 months ended 31 Dec 2014 US$'000	The Group 12 months ended 31 Dec 2015 US$'000	The Group 12 months ended 31 Dec 2014 US$'000
Operating activities				
Net profit/(loss) for the period/year	756	(2,653)	(1,606)	5,306
Adjustments for :				
Income tax expense	1,687	1,595	4,127	5,494
Depreciation of property, plant and equipment	1,207	1,518	5,264	6,185
Amortisation of intangible assets	307	333	1,245	1,379
Net loss on disposal of property, plant and equipment	35	30	323	141
Interest income	(9)	(60)	(99)	(243)
Interest expense	366	160	1,437	2,029
Property, plant and equipment written off	-	-	167	1
Warranty provision	2,317	3,398	9,691	11,557
Net fair value loss/(gain) on foreign exchange derivative instruments	1,601	3,414	3,764	(2,319)
Unrealised foreign exchange translation differences	(1,941)	752	(4,771)	289
Operating cash flows before changes in working capital	6,326	8,487	19,542	29,819
Inventories	7,480	(1,054)	14,686	6,885
Trade and other receivables, deposits and prepayments	(6,399)	(4,764)	5,162	13,954
Provision for warranty	(3,013)	(2,984)	(12,352)	(10,244)
Trade and other payables	(2,584)	10,197	(12,569)	(794)
Cash flows from operations	1,810	9,882	14,469	39,620
Income taxes paid	(285)	(73)	(5,729)	(1,495)
Net cash flows from operating activities	**1,525**	**9,809**	**8,740**	**38,125**
Investing activities				
Proceeds from disposal of property, plant and equipment	47	19	636	56
Purchase of property, plant and equipment	(2,527)	(2,316)	(10,645)	(5,347)
Purchase of intangible assets	(62)	(24)	(246)	(42)
Interest received	9	60	99	243
Net cash flows used in investing activities	**(2,533)**	**(2,261)**	**(10,156)**	**(5,090)**
Financing activities				
Interest paid	(366)	(160)	(1,437)	(2,029)
Repayment of bank term loans	(77)	(2,530)	(2,556)	(9,394)
(Repayment of)/proceeds from short-term borrowings	(11,966)	(13,767)	14,763	(52,331)
Purchase of treasury shares	-	-	(1,117)	(1)
Proceeds from re-issuance of treasury shares	-	3	-	19
Dividends paid to shareholders of the Company	-	-	-	(3,267)
Net cash flows (used in)/from financing activities	**(12,409)**	**(16,454)**	**9,653**	**(67,003)**
Net (decrease)/increase in cash and cash equivalents	**(13,417)**	**(8,906)**	**8,237**	**(33,968)**
Effect of exchange rate changes on cash and cash equivalents	(316)	(469)	(1,565)	(1,018)
Cash and cash equivalents at the beginning of the financial period/year	56,220	45,190	35,815	70,801
Cash and cash equivalents at the end of the financial period/year [(1)]	**42,487**	**35,815**	**42,487**	**35,815**
Free Cash Flow [(2)]	**(1,064)**	**7,469**	**(2,151)**	**32,736**

Notes:

(1) Cash and cash equivalents comprise cash on hand, deposits with banks, net of bank overdrafts.

(2) Free cash flow is defined as net cash from operating activities less capital expenditure.

5. NOTES TO THE FINANCIAL STATEMENTS

A. Operating profit/(loss) before finance income and expense and net foreign exchange (loss)/gain

This is arrived at after charging the following:

	The Group 3 months ended 31 Dec		The Group 12 months ended 31 Dec	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Depreciation of property, plant and equipment	1,207	1,518	5,264	6,185
Amortisation of intangible assets	307	333	1,245	1,379
Total depreciation and amortisation	1,514	1,851	6,509	7,564
Allowance made for impairment of trade receivables	468	233	791	507
Bad trade debts written off	71	27	445	818
Allowance made for slow moving and obsolete inventories	879	628	1,867	1,486
Warranty and claim expenses	2,200	4,464	11,724	14,752
Employee benefits	21,314	23,459	87,163	89,823
Net loss on disposal of property, plant and equipment	35	30	323	141
Property, plant and equipment written off	-	-	167	1

B. Half yearly analysis

	The Group		
	Latest Financial Year 31/12/2015	**Previous Financial Year 31/12/2014**	**Change %**
	US$'000	US$'000	
Sales reported for first half year	231,658	265,052	(12.6)
(Loss)/profit after tax before deducting non-controlling interest reported for first half year	(2,445)	10,217	NM
Sales reported for second half year	223,194	235,525	(5.2)
Profit/(Loss) after tax before deducting non-controlling interest reported for second half year	839	(4,912)	NM

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

C. Income tax expense

	The Group 3 months ended 31 Dec		The Group 12 months ended 31 Dec	
	2015	**2014**	**2015**	**2014**
	US$'000	US$'000	US$'000	US$'000
Tax expense attributable to profit is made up of:				
Current income taxes:				
- Current income tax	853	1,413	2,208	5,133
- (Over)/under provision in respect of previous years	(256)	10	(525)	33
Deferred income taxes:				
- Current deferred tax	1,027	172	2,196	(78)
- Over provision in respect of previous years	-	-	-	(99)
Witholding taxes [1]	63	-	248	505
	1,687	**1,595**	**4,127**	**5,494**

Note:

(1) These represent withholding tax paid on the dividends declared by overseas subsidiaries.

Due to lower profitability, the Group's income tax expense decreased by US$1.4 million from US$5.5 million in 2014 to US$4.1 million in 2015.

Nonetheless, the effective tax rate for 2015 was higher than last year due to losses from certain subsidiaries which could not be utilised to offset against the profits generated by other subsidiaries.

D. Inventories

	The Group	
	31 Dec 2015	**31 Dec 2014**
	US$'000	US$'000
Raw materials	61,695	65,452
Work-in-progress	20,718	23,577
Finished goods	50,799	58,869
	133,212	147,898

E. Investments in subsidiaries

Movement in investments in subsidiaries shown under the Company's balance sheet reflect mainly the recognition of their respective impairment losses based on the value-in-use computation method. Investments in subsidiaries are assessed for impairment for any objective evidence or indication that these assets may be impaired or any indication that the previous impaired amounts have decreased or no longer exists.

The above impairment losses have no impact to the Group's results.

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

F. Intangible assets

	Goodwill on Acquisition	IP Rights	Computer Software Licenses & Development Costs	Total
	US$'000	US$'000	US$'000	US$'000
Group				
Cost				
At 1 January 2014	**704**	**13,140**	**10,912**	**24,756**
Additions	-	-	42	42
Exchange rate adjustments	(84)	-	(160)	(244)
At 31 December 2014 and 1 January 2015	**620**	**13,140**	**10,794**	**24,554**
Additions	-	14	232	246
Write-off	-	-	(34)	(34)
Exchange rate adjustments	(63)	(1)	(15)	(79)
At 31 December 2015	**557**	**13,153**	**10,977**	**24,687**
Accumulated amortisation				
At 1 January 2014	**-**	**5,412**	**8,908**	**14,320**
Charge for the financial year	-	653	726	1,379
Exchange rate adjustments	-	-	(67)	(67)
At 31 December 2014 and 1 January 2015	**-**	**6,065**	**9,567**	**15,632**
Charge for the financial year	-	654	591	1,245
Write-off	-	-	(34)	(34)
Exchange rate adjustments	-	-	(5)	(5)
At 31 December 2015	**-**	**6,719**	**10,119**	**16,838**
Net book value				
At 31 December 2014	**620**	**7,075**	**1,227**	**8,922**
At 31 December 2015	**557**	**6,434**	**858**	**7,849**

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

G. Loans and borrowings

	The Group	
	31 Dec 2015	**31 Dec 2014**
	US$'000	US$'000
Current		
Bank term loans	112	2,559
Short-term bank loans	5,174	10,535
	5,286	13,094
Bills payable	42,985	22,857
	48,271	35,951
Non-current		
Bank term loans	-	113
Total loans and borrowings	48,271	36,064

The Group's total loans and borrowings are unsecured except for the bank term loans of a subsidiary with a carrying amount of US$0.1 million that are secured by the subsidiary's freehold land and building.

H. Share capital

	No of ordinary shares		Amount	
	Issued share capital	**Treasury shares**	**Share capital**	**Treasury shares**
	'000	'000	US$'000	US$'000
At 1 January 2015	416,563	(10,441)	67,982	(3,945)
Treasury shares purchased	-	(6,517)	-	(1,117)
At 31 December 2015	416,563	(16,958)	67,982	(5,062)
At 1 January 2014	416,563	(10,791)	67,982	(4,078)
Treasury shares purchased	-	(7)	-	(1)
Reissued pursuant to employee share option plans:				
- For cash on exercise of employee share options	-	357	-	19
- Loss transferred to capital reserve	-	-	-	115
	-	357	-	134
At 31 December 2014	416,563	(10,441)	67,982	(3,945)

Treasury shares

The Company is authorised by the shareholders to buy up to 10% of the ordinary shares of the Company. The Company acquired 6,516,800 (31 December 2014: 7,000) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was US$1,117,041 (31 December 2014: US$1,491) and this was presented as a separate component within shareholders' equity.

The Company has not reissued any treasury shares during the financial year pursuant to the HTL International Holdings Limited Share Option Plan 2002. In 2014, the Company reissued 357,500 treasury shares pursuant to the HTL International Holdings Limited Share Option Plan 2002 at the weighted average exercise price of US$0.05 each for a cash consideration of US$19,000.

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

H. Share capital (Cont'd)

Share options

HTL International Holdings Limited Share Option Plan 2002

During the financial year, the Company has not issued any new share options.

Details of the share options to subscribe for ordinary shares of the Company that remains outstanding as at 31 December 2015 are as follows:

	Aggregate options granted since commencement of scheme	Aggregate options exercised since commencement of scheme	Aggregate options lapsed since commencement of scheme	Aggregate options outstanding at end of financial year	Exercise price	Exercise Period
2009 Options	7,120,000	6,165,000	777,500	177,500	S$0.07	26.2.2010 - 26.2.2019

I. Earnings per share

	3 months ended 31 Dec		12 months ended 31 Dec	
	2015	**2014**	**2015**	**2014**
Earnings per share (US cents)				
- Basic	0.19	(0.66)	(0.40)	1.29
- Diluted	0.19	(0.66)	(0.40)	1.29

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the respective financial period/year.

For the purpose of calculating the diluted earnings per share, the net profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. As at 31 December 2015, the Company has only one category of dilutive potential ordinary shares which is share options. In the computation of diluted net earnings per share, if the effect of outstanding share options is anti-dilutive, this is disregarded.

For the share options, the weighted average number of shares is adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price during the financial period/year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration with no adjustment made to the net profit – numerator.

5. NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

I. Earnings per share (Cont'd)

	3 months ended 31 Dec		12 months ended 31 Dec	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Net profit/(loss) attributable to owners of the Company used to determine basic and diluted earnings per share	757	(2,661)	(1,630)	5,257
	No. of shares	No. of shares	No. of shares	No. of shares
	'000	'000	'000	'000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	403,531	406,070	403,136	406,071
Adjustment for assumed conversion of share options	153	170	138	174
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	403,684	406,240	403,274	406,245
Diluted earnings per share (US cents)	0.19	(0.66)	(0.40)	1.29

J. Net asset per share

	The Group		The Company	
	As at 31 Dec 2015	As at 31 Dec 2014	As at 31 Dec 2015	As at 31 Dec 2014
Net asset value per ordinary share based on issued share capital as at the end of the respective year (US cents) *	40.57	42.63	13.53	16.48

* Based on issued share capital of 399,605,718 ordinary shares (excluding treasury shares) as at 31 December 2015 and 406,122,518 ordinary shares (excluding treasury shares) as at 31 December 2014.

6. AUDIT

The figures have not been audited or reviewed by our auditors.

7. AUDITOR'S REPORT

Not applicable.

8. ACCOUNTING POLICIES

Except as disclosed in paragraph 9 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year compared with those of audited financial statements as at 31 December 2014.

9. CHANGES IN THE ACCOUNTING POLICIES

The Group adopted the new/revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2015.

The adoption of these new/revised FRS did not have any material impact on the financial statements of the Group.

10. REVIEW OF GROUP PERFORMANCE

Overview

With effect from 1 January 2015, the Group is reorganised into four business units – Sofa Business Unit ("BU"), Leather BU, Home Furnishing Retail BU and Corporate Office.

Under this new organisational structure, the Group's retail business is consolidated with the existing Home Furnishing BU and renamed "Home Furnishing Retail BU". The retail business, which was previously insignificant to the Group, formed part of the Sofa BU in prior years.

The reorganisation enabled the Group to sharpen its focus in each business unit and better grow the retail business, in line with the objectives set out in the 2014 Annual Report to move up the value chain.

The segmental information in this announcement has been presented based on the new organisational structure with the comparative information restated accordingly.

	Q1 2015 US$'000	Q2 2015 US$'000	Q3 2015 US$'000	Q4 2015 US$'000	(A) YTD Dec FY 2015 US$'000	Q4 2014 (1) US$'000	(B) YTD Dec (1) FY 2014 US$'000	(C) =(A) - (B) Change US$'000	%
Sofa Business Unit ("Sofa BU")									
- External	105,012	118,063	101,477	111,619	436,171	116,518	481,870	(45,699)	-9.5%
- Internal	915	1,213	1,270	1,935	5,333	1,138	3,247	2,086	
	105,927	**119,276**	**102,747**	**113,554**	**441,504**	**117,656**	**485,117**	**(43,613)**	
Leather Business Unit ("Leather BU")									
- Internal	**32,557**	**34,962**	**34,558**	**35,994**	**138,071**	**35,026**	**135,144**	2,927	2.2%
Home Furnishing Retail Business Unit ("HFRBU")									
- External	4,055	4,528	5,430	4,668	18,681	5,160	18,707	(26)	-0.1%
- Internal	1	6	2	8	17	51	139	(122)	
	4,056	**4,534**	**5,432**	**4,676**	**18,698**	**5,211**	**18,846**	**(148)**	
Less : Inter-segment sales	(33,473)	(36,181)	(35,830)	(37,937)	(143,421)	(36,215)	(138,530)	(4,891)	
Group Turnover	**109,067**	**122,591**	**106,907**	**116,287**	**454,852**	**121,678**	**500,577**	**(45,725)**	-9.1%

Notes:

(1) The comparatives have been restated due to the aforesaid Group's internal reorganisation
(2) Core Business comprises the Sofa, Leather Business Units ("BU") and Corporate Office
(3) Q1, Q2, Q3 and Q4 2015/2014 – three months ended 31 March, 30 June and 30 September and 31 December 2015/2014, respectively
(4) SG&A – represents the aggregate of total sales, marketing, distribution and administrative expenses

Q4 2015 vs. Q4 2014

Turnover

Revenue declined by 4.4% to US$116.3 million, mainly due to lower sales in Europe and Australia and New Zealand ("ANZ"), and the weaker Euro, Japanese Yen ("JPY") and Australian Dollar ("AUD") against the United States Dollar ("USD"). This was partially offset by stronger sales in North America.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Q4 2015 vs. Q4 2014 (Cont'd)

Profitability

The Group's gross profit margin fell from 29.7% in Q4 2014 to 29.3% in Q4 2015, mainly due to the impact of weaker Euro, JPY and AUD against the USD. These were partly mitigated by lower leather costs and lower leather usage.

Other operating income reduced by US$1.0 million to US$0.9 million, largely due to lower suppliers rebate received by Domicil Home in Germany as a result of lower sales.

SG&A fell by 22.0% to US$31.1 million in Q4 2015, primarily as a result of weaker sales, lower freight rates and tighter cost control especially in advertising and promotion expenses.

Overall, the Group registered an operating profit before net foreign exchange loss and tax of US$3.4 million, a reversal from an operating loss of US$2.7 million in Q4 2014.

The Group reported a net foreign exchange loss of US$1.0 million in Q4 2015 compared to a gain of US$1.7 million in Q4 2014. The Q4 2015 loss was largely attributable to the unrealised foreign exchange loss on foreign exchange contracts whilst the Q4 2014 gain was mainly the result of realised gain on delivery of foreign exchange contracts.

Consequently, the Group registered a net profit of US$0.8 million for Q4 2015, compared to a net loss of US$2.7 million for Q4 2014.

2015 vs. 2014

Turnover

Turnover fell by 9.1% to US$454.9 million in 2015, mainly due to the weaker sales in Europe, Asia (excluding China) and ANZ coupled with weaker Euro, JPY and AUD against the USD.

Profitability

The Group's gross profit margin decreased from 30.6% in 2014 to 28.0% in 2015, primarily as a result of the weaker Euro, JPY and AUD against the USD, higher raw material and labour costs in China and higher factory fixed overhead costs per unit of production arising from lower sales volume. These were partly mitigated by lower leather usage.

Other operating income reduced by 53.8% to US$4.0 million (2014: US$8.7 million), largely due to lower leather scrap sales to external parties and lower suppliers rebate received by Domicil Home in Germany as a result of lower sales.

SG&A reduced by 16.1% to US$133.1 million in 2015, primarily as a result of weaker sales, lower freight rates and tighter cost control particularly in advertising and promotion expenses.

Other operating expenses for 2015 was 61.5% lower at US$1.4 million. The US$3.8 million other operating expenses for 2014 included a one-off expense incurred in connection with the cessation of a sales marketing agency.

Net finance expense dropped 25.1% to US$1.3 million in 2015, in line with lower bank loans.

Overall, the Group's operating loss before net foreign exchange gain and tax increased by US$2.0 million from US$2.4 million in 2014 to US$4.4 million in 2015.

Net foreign exchange gain decreased by 47.5% from US$13.2 million in 2014 to US$7.0 million in 2015, largely attributable to unrealised mark-to-market loss on foreign exchange contracts compared to a gain in 2014 and lower realised gain on delivery of foreign exchange contracts. This was partly mitigated by unrealised gain on payables/receivables compared to a loss in 2014.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

2015 vs. 2014 (Cont'd)

Profitability (Cont'd)

With lower profitability, income tax expense fell by 24.9% from US$5.5 million in 2014 to US$4.1 million in 2015. The effective tax rate for 2015, however, was higher than last year due to losses from certain subsidiaries which could not be utilised to offset against the profits generated by other subsidiaries.

Consequently, the Group's bottom line swung from a net profit of US$5.3 million in 2014 to a net loss of US$1.6 million in 2015.

Analysis by Major Business Units ("BU")

	Core Business (1) 12 months ended 31 Dec		Change	Home Furnishing Retail 12 months ended 31 Dec		Change
	2015	2014 (2)	%	2015	2014 (2)	%
	US$'000	US$'000		US$'000	US$'000	
Revenue (exclude inter-segment sales)	436,171	481,870	(9.5)	18,681	18,707	(0.1)
Operating profit/(loss) before net foreign exchange gain/(loss)	10,049	10,056	(0.1)	(14,478)	(12,503)	15.8
EBITDA before net foreign exchange gain/(loss)	16,597	18,680	(11.2)	(13,179)	(11,777)	11.9
Net profit/(loss) for the year	13,326	17,867	(25.4)	(14,932)	(12,561)	18.9
Net margin	3.1%	3.7%		-79.9%	-67.1%	
Total net foreign exchange gain/(loss)	7,304	13,233		(354)	14	

Notes:

(1) Core Business comprises the Sofa BU, Leather BU and Corporate Office.

(2) The comparatives have been restated due to the Group's internal reorganisation.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Analysis by Major Business Units ("BU") (Cont'd)

Core Business

Sofa BU - Revenue by Regions

	12 months ended 31 Dec			
	2015	**2014 (1)**	**Change**	
	US$'000	US$'000	US$'000	**%**
Asia (excluding China)	58,142	68,324	(10,182)	(14.9)
China (including Hong Kong)	4,003	4,216	(213)	(5.1)
Europe	198,611	227,227	(28,616)	(12.6)
North America	101,782	101,930	(148)	(0.1)
ANZ	72,525	78,472	(5,947)	(7.6)
Others	1,108	1,701	(593)	(34.9)
Total (2)	436,171	481,870	(45,699)	(9.5)

Notes:

(1) The comparatives have been restated due to the Group's internal reorganisation.

(2) These exclude inter-segment sales.

Sofa BU posted lower revenue of US$436.2 million compared to US$481.9 million in 2014, due to lower sales in all the key markets particularly in Europe, Asia and ANZ, and the weaker Euro, JPY and AUD against the USD.

Europe remained our largest market, accounting for 45.5% (2014: 47.2%) of the Core Business' turnover, followed by North America (23.3%), ANZ (16.6%) and Asia (14.2%).

Despite lower sales, gross profit and other operating income, Core Business' operating profit before net foreign exchange gain and tax remained stable at US$10.0 million (2014: US$10.1 million). This was the result of savings from lower SG&A, other operating and net finance expenses.

Home Furnishing Retail BU ("HFRBU")

HFRBU's revenue remained fairly constant at US$18.7 million in 2015 and 2014. Higher sales from China retail and franchise business was offset entirely by lower sales contribution from Germany and Taiwan due to weaker retail conditions.

Other operating income was halved to US$1.7 million in 2015 (2014: US$3.4 million), predominantly due to lower suppliers rebate received by Domicil Home in Germany.

With lower gross profit and other operating income, HFRBU's operating loss before net foreign exchange loss and tax increased by US$2.0 million to US$14.5 million in 2015 (2014: US$12.5 million). This was net of the savings from lower SG&A expenses, primarily on the back of tighter cost control.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Liquidity, financial and working capital resources

Trade and other receivables decreased by US$2.9 million to US$50.0 million, in tandem with lower sales. The average day sales outstanding ("DSO") as at 31 December 2015 and 31 December 2014 remained stable at 1.3 months.

Inventory reduced by US$14.7 million to US$133.2 million, in line with lower revenue. The outstanding days in inventory ("DIO") as at 31 December 2015 improved further to 4.9 months (31 December 2014: 5.1 months).

Trade and other payables fell by US$12.6 million to US$70.6 million. This was mainly attributable to lower business activities and higher payment made to suppliers. The average day payables outstanding ("DPO") as at 31 December 2015 reduced to 2.6 months (31 December 2014: 2.9 months).

The Group's net borrowings (loans and borrowings less cash and short term deposits) increased by US$5.5 million to US$5.8 million as at 31 December 2015, mainly due to higher trade financing to fund the higher leather procurement activities. Accordingly, the Group's overall net gearing was also higher at 3.6% (31 December 2014: 0.1%). The Group reported a negative free cash flow of US$2.2 million in 2015 compared to a positive US$32.7 million in 2014 as a result of lower profitability and higher capital expenditure in 2015 compared to 2014.

11. VARIANCE FROM PROSPECT STATEMENT

No prospect statement was previously provided.

12. OUTLOOK

Consumer sentiment worldwide remains soft against the backdrop of global economic uncertainty and slowdown in China. Major trading currencies, notably the Euro, JPY, AUD and Chinese Renminbi will remain volatile against the USD given the uncertainty of further US interest rate hikes.

While external factors will continue to put a strain on our revenue and profitability, input costs, especially raw leather hide prices and freight rates have been moderating. This will help to ease the pressure on our profit margins.

As a result of the Group's restructuring effort, we expect the outlook for the sofa business to remain positive. However, the expansion into the retail business will continue to affect the Group's overall performance until better economies of scale are achieved.

13. KEY BUSINESS RISKS

Macro Risks

<u>Commodity risks</u>

Raw leather hide is the principal raw material in the Group's upholstered furniture, accounting for almost half of the sofa upholstery cost. As such, the cost of upholstered furniture is exposed to fluctuations in the price of cattle raw hide. The supply of cattle raw hide is principally dependent on the consumption of beef. The cattle industry is also exposed to veterinary health issues like foot-and-mouth and mad cow disease, which will have an impact on the slaughter rate of cattle. Fluctuations in the price of raw leather hides will significantly affect operating margins.

13. KEY BUSINESS RISKS (Cont'd)

Macro Risks (Cont'd)

Cyclical demand for furniture

Historically, the furniture industry has been cyclical, fluctuating with economic cycles, and is sensitive to general economic conditions, housing starts, interest rate levels, credit availability and other factors that affect consumer spending habits. As most furniture purchases are discretionary in nature and may represent a significant expenditure to the average consumer, such purchases may be deferred during times of economic uncertainty. Any prolonged global economic slowdown may have an adverse effect on the Group's operating results.

Seasonal operations

The Group's sale of leather upholstered furniture is subject to seasonal variations given that the increased contribution from the Europe and North America markets now accounts for over two-thirds of the Group's turnover. In general, shipments of goods from July to August (i.e. the summer months) are lower than in the other months of a calendar year. These seasonality variations may cause short term fluctuations in the Group's turnover and performance.

Changes in the regulations of The People's Republic of China ("PRC") relating to export Value Added Tax ("VAT") rebates and import duties

In order to reduce its massive trade surplus, the PRC government has gradually reduced its export VAT rebates for many business sectors. With effect from 1 July 2007, export VAT rebates for the Group's product segments had been reduced from 8% to nil for finished leather, and from 13% to 11% for sofa upholstery. With effect from 1 June 2009, the export VAT rebate for the sofa upholstery was temporarily reinstated to 15%. Should the PRC government revises the effective export VAT rebates downwards, this would adversely impact the Group's operating margins.

Changes in the PRC processing trade policy

Since 2006, the PRC government has been introducing changes to the processing trade policy, such as moving certain widely used materials to the prohibited category, these changes being aimed at restricting the production and export of high pollution, high energy consumption and resource consuming products. In its latest policy switch in July 2007, the government requested that enterprises engaged in the processing trade industry in the prohibited category pay a mandatory duty deposit for imported raw materials. At this juncture, the Group's products have been exempted from this prohibited category. However, any expansion of the prohibited category to include the Group's products may impact the Group's cash flow and incur increased financial costs.

Environmental risk

The production of leather is generally pollutive. As the PRC government is tightening its environmental protection policy, the Group's production activities may be put under close scrutiny. The Group has always observed a high standard of social and environmental responsibility, and welcomes the PRC government's new initiatives. However, it is possible that further investments may be needed to upgrade the Group's waste treatment facilities and this will in turn increase production costs.

13. KEY BUSINESS RISKS (Cont'd)

Company Risks

Foreign exchange risks

The global financial markets remain volatile. The Group transacts primarily in USD which is also its primary functional currency. The Group also transacts in other major foreign currencies like Japanese Yen, Sterling Pound, Euro and Australian Dollar. Majority of the Group's operations are also situated outside of Singapore, most notably in China. Consequently, any movement between Renminbi and USD will also affect the Group's currency exposure risks. Any significant adverse movements in the other major trading currencies against USD will also have an impact on the Group's performance. The Group actively monitors and hedges its foreign currency exchange exposure by using relevant foreign exchange forward contracts and options to hedge its cash flow and margins. Where appropriate, the Group will borrow in the same currency to provide a natural hedge for balance sheet items.

Vulnerable to freight rate increases

The Group exports its upholstery products to more than 40 countries across 6 continents and relies on shipping companies for the shipment of its products to these countries. As such, the Group bears freight costs when it sells on Cost, Insurance and Freight (CIF), Delivered Duty Unpaid (DDU) or Cost and Freight (CFR) terms, and when it purchases on Free on Board (FOB) term. The freight market can be volatile, and freight rates are affected by fluctuations in oil prices. If freight rates are high, the Group's distribution costs will increase and operating margins can be affected. The Group has no control over the supply and demand of freight services and it is therefore difficult for the Group to manage its freight costs. The Group does factor in an appropriate amount of the expected freight rate increases in the quotation of sales price to customers.

14. DIVIDEND

(i) Current financial period reported on - None

(ii) Corresponding period of the immediately preceding financial year – None

(iii) Date payable – Not applicable

(iv) Books closure date – Not applicable

15. SEGMENTAL INFORMATION

	Sofa US$'000	Leather US$'000	Home Furnishing Retail US$'000	Corporate US$'000	Elimination US$'000	Group US$'000
Financial year ended 31 December 2015						
Revenue						
External sales	436,171	-	18,681	-	-	454,852
Inter-segment sales	5,333	138,071	17	-	(143,421)	-
Total revenue	441,504	138,071	18,698	-	(143,421)	454,852
Segment results	9,489	2,858	(14,347)	(1,091)	-	(3,091)
Finance income						99
Finance expense						(1,437)
Net foreign exchange gain						6,950
Income tax expense						(4,127)
Net loss for the year						(1,606)
Segment assets	165,261	93,661	25,230	3,201	-	287,353
Tax assets						2,631
Consolidated total assets						289,984
Segment liabilities	(58,147)	(9,813)	(7,331)	(1,545)	-	(76,836)
Loans and borrowings						(48,271)
Tax liabilities						(1,918)
Consolidated total liabilities						(127,025)
Other segment items						
Addition to non-current assets						
- property, plant and equipment	6,557	124	3,965	-	-	10,645
Depreciation	2,991	1,123	1,150	-	-	5,264
Amortisation	1,055	172	18	-	-	1,245
	-	-	-	-	-	-
Other non-cash expenses						
Inventories written-down	1,000	106	761	-	-	1,867
Provision for warranty	9,688	-	3	-	-	9,691

15. SEGMENTAL INFORMATION (Cont'd)

Financial year ended 31 December 2014	Sofa [1] US$'000	Leather US$'000	Home Furnishing Retail [1] US$'000	Corporate US$'000	Elimination [1] US$'000	Group US$'000
Revenue						
External sales	481,870	-	18,707	-	-	500,577
Inter-segment sales	3,247	135,144	139	-	(138,530)	-
Total revenue	485,117	135,144	18,846	-	(138,530)	500,577
Segment results	13,221	(203)	(12,502)	(1,177)	-	(661)
Finance income						243
Finance expense						(2,029)
Net foreign exchange gain						13,247
Income tax expense						(5,494)
Net profit for the year						5,306
Segment assets	165,827	105,254	25,124	3,322	-	299,527
Tax assets						5,103
Consolidated total assets						304,630
Segment liabilities	(60,335)	(17,396)	(9,416)	(1,437)	-	(88,584)
Loans and borrowings						(36,064)
Tax liabilities						(6,006)
Consolidated total liabilities						(130,654)
Other segment items						
Addition to non-current assets						
- property, plant and equipment	1,457	148	3,742	-	-	5,347
Depreciation	3,841	1,625	719	-	-	6,185
Amortisation	1,148	225	6	-	-	1,379
Other non-cash expenses						
Inventories written-down	1,264	4	218	-	-	1,486
Provision for warranty	11,557	-	-	-	-	11,557

Note:

(1) The comparatives have been restated due to the Group's internal reorganisation.

Secondary reporting format – geographical segments

The following table shows the distribution of the Group's consolidated sales by geographical market regardless of where the products were manufactured:

	12 months ended 31 Dec 2015 US$'000	2014 US$'000	Change US$'000	%
Asia (excluding China)	65,450	77,235	(11,785)	(15.3)
China (including Hong Kong)	11,719	8,087	3,632	44.9
Europe	202,268	233,152	(30,884)	(13.2)
North America	101,782	101,930	(148)	(0.1)
ANZ	72,525	78,472	(5,947)	(7.6)
Others	1,108	1,701	(593)	(34.9)
Total	454,852	500,577	(45,725)	(9.1)

15. SEGMENTAL INFORMATION (Cont'd)

The following table shows the distribution of the Group's non-current assets (excluding deferred tax assets) based on the geographical location of where the Company and its subsidiaries are located:

	Non-current assets (excluding deferred tax assets)	
	31 Dec 2015 US$'000	**31 Dec 2014** US$'000
China (including Hong Kong)	27,321	31,705
Asia (excluding China)	17,571	17,056
United States	4,201	67
Europe	1,668	2,141
Australia	1,474	328
Total	52,235	51,297

16. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Name	**Age**	**Family relationship with any director, CEO 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**
Phua Yong Pin	68	Brother of Phua Yong Sin and Phua Yong Tat.	Group Chairman since 1989. Responsible for the Group's China operations, production process improvement and special plant projects.	N.A.
Phua Yong Sin	66	Brother of Phua Yong Pin and Phua Yong Tat.	Deputy Group Chairman since 1989. Responsible for the Group's quality assurance and technical skills training programme.	N.A.
Phua Yong Tat	64	Brother of Phua Yong Pin and Phua Yong Sin.	Group Managing Director since 1989. Responsible for the overall management of the Group.	N.A.
Phua Mei Ming	38	Daughter of Phua Yong Tat.	Director, Human Resources, Communications and Marketing since 1 March 2015. Responsible for human resources, communication and administrative functions as well as retail branding and marketing activities.	Responsibilities expanded to cover retail branding and marketing activities with accompanying change in title from Director, Human Resources and Communications to Director, Human Resources, Communications and Marketing.
Toh Chye Seng	56	Nephew-in-law of Phua Yong Pin.	Director, Design, with HTL Manufacturing Pte Ltd since 1981. Responsible for product design and development.	N.A.
Ho Sian Hua, Gabriel	39	Son-in-law of Phua Yong Tat.	General Manager, Canada, Latin America and USA of HTL Manufacturing Pte Ltd since 21 October 2014. Responsible for managing the Group's sofa sales in the Latin American, American and Canadian markets as well as managing the USA operations.	N.A
Phua Boon Huat	35	Son of Phua Yong Sin.	General Manager, Europe of HTL Manufacturing Pte Ltd since 1 January 2015. Responsible for managing the Group's sofa sales in the European markets, overseeing the sales offices in the region as well as foreign exchange analysis and hedging and freight negotiation.	Promoted from Senior Manager, Strategic Planning to General Manager, Europe.

16. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER (Cont'd)

Name	Age	Family relationship with any director, CEO 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
Phua Fang Ming	38	Daughter of Phua Yong Pin.	Product Manager of HTL Furniture Trading Co., Ltd. since 1 January 2015. Responsible for planning and selecting a range of products to sell in retail outlets.	Re-designation of responsibilities from running the retail operations to planning and selection of the extended product range, with accompanying change in title.
Phua Jing Hong	35	Son of Phua Yong Pin.	Marketing Manager of HTL Manufacturing Pte Ltd since 15 October 2014. Responsible for managing the execution of marketing budget and plans, working with local marketing teams to strengthen the effective management of branding, marketing and promotional activities, and conducting research to keep abreast of new market developments and changing consumer needs.	N.A.
Phua Bo Wen	37	Son of Phua Yong Tat.	Senior Manager, Retail Excellence of Trends Furniture Pte. Ltd. since 15 October 2014. Responsible for setting the roadmap for excellence in the execution of store operations, merchandising, customer management and retail training at Trends Furniture Pte. Ltd..	N.A.
Phua Jing Yuh	36	Son of Phua Yong Pin.	Manager, Group Product Compliance & Quality Assurance of HTL Manufacturing Pte Ltd since 1 January 2015. Responsible for product compliance and quality assurance.	Promoted from Manager, Quality Assurance to Manager, Group Product Compliance & Quality Assurance.

BY ORDER OF THE BOARD

Jacqueline Loke
Company Secretary
25 February 2016