HTL INTERNATIONAL HOLDINGS LIMITED

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

Financial Statements Announcement

For the Year Ended

31 December 2014

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1. CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2014 ("FY 2014")

	Notes	The Group 3 months ended 31 Dec 2014 US$'000	2013 US$'000	Change %	The Group 12 months ended 31 Dec 2014 US$'000	2013 US$'000	Change %
Revenue		**121,678**	**140,059**	(13.1)	**500,577**	**534,265**	(6.3)
Cost of sales		(85,520)	(97,128)	(12.0)	(347,488)	(367,083)	(5.3)
Gross profit		**36,158**	**42,931**	(15.8)	**153,089**	**167,182**	(8.4)
Other operating income		1,845	2,963	(37.7)	8,677	10,821	(19.8)
Sales, marketing and distribution expenses		(31,188)	(32,992)	(5.5)	(124,406)	(131,482)	(5.4)
Administrative expenses		(8,669)	(7,866)	10.2	(34,261)	(34,246)	NM
Other operating expenses		(763)	(283)	169.6	(3,760)	(1,798)	109.1
Operating (loss)/profit before finance income and expense and net foreign exchange gain/(loss)	5A	**(2,617)**	**4,753**	NM	**(661)**	**10,477**	NM
Finance income		60	65	(7.7)	243	235	3.4
Finance expense		(160)	(725)	(77.9)	(2,029)	(3,590)	(43.5)
Operating (loss)/profit before net foreign exchange gain/(loss)		**(2,717)**	**4,093**	NM	**(2,447)**	**7,122**	NM
Net foreign exchange gain/(loss)*		1,659	(2,025)	NM	13,247	(2,472)	NM
(Loss)/profit before tax		**(1,058)**	**2,068**	NM	**10,800**	**4,650**	132.3
Income tax expense	5C	(1,595)	(1,562)	2.1	(5,494)	(3,892)	41.2
Net (loss)/profit for the period/year		**(2,653)**	**506**	NM	**5,306**	**758**	600.0
Attributable to:							
Owners of the Company		(2,661)	492	NM	5,257	685	667.4
Non-controlling interest		8	14	(42.9)	49	73	(32.9)
		(2,653)	**506**		**5,306**	**758**	
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME							
Net (loss)/profit for the period/year		**(2,653)**	**506**	NM	**5,306**	**758**	600.0
Other comprehensive (loss)/income:							
Item that may be reclassified subsequently to income statement:							
Foreign currency translation arising from consolidation		(146)	522	NM	(1,881)	2,517	NM
Total comprehensive (loss)/income for the period/year		**(2,799)**	**1,028**		**3,425**	**3,275**	
Attributable to:							
Owners of the Company		(2,776)	1,037	NM	3,429	3,268	4.9
Non-controlling interest		(23)	(9)	155.6	(4)	7	NM
		(2,799)	**1,028**		**3,425**	**3,275**	
Gross profit margin (GP%)		**29.7%**	**30.7%**		**30.6%**	**31.3%**	
Net (loss)/profit margin		**-2.2%**	**0.4%**		**1.1%**	**0.1%**	
EBITDA		**893**	**4,615**		**20,150**	**16,331**	
EBITDA before net foreign exchange gain/(loss)		**(766)**	**6,640**		**6,903**	**18,803**	
EBITDA margin		**0.7%**	**3.3%**		**4.0%**	**3.1%**	
EBITDA margin before net foreign exchange gain/(loss)		**-0.6%**	**4.7%**		**1.4%**	**3.5%**	

NM : Not meaningful

	The Group 3 months ended 31 Dec 2014 US$'000	2013 US$'000	The Group 12 months ended 31 Dec 2014 US$'000	2013 US$'000
Net foreign exchange gain/(loss) comprises:				
Realised foreign exchange gain	5,450	416	13,366	1,179
Unrealised foreign exchange loss	(377)	(1,714)	(2,438)	(3,359)
Net fair value (loss)/gain on derivative financial instruments [1]	(3,414)	(727)	2,319	(292)
Total net foreign exchange gain/(loss)*	**1,659**	**(2,025)**	**13,247**	**(2,472)**

Note:

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

2. BALANCE SHEETS

	Notes	The Group 31 Dec 2014 US$'000	The Group 31 Dec 2013 US$'000	The Company 31 Dec 2014 US$'000	The Company 31 Dec 2013 US$'000
Current assets					
Cash and short-term deposits		35,815	70,801	1	9
Trade and other receivables		52,844	66,009	7,533	4,700
Derivative financial instruments	(i)	282	-	-	-
Inventories	5D	147,898	154,783	-	-
Tax recoverable		38	406	-	-
Deposits		4,826	5,213	2,534	2,534
Prepayments		6,565	6,053	-	-
		248,268	**303,265**	**10,068**	**7,243**
Non-current assets					
Investments in subsidiaries	5E	-	-	98,870	107,640
Advances to a subsidiary	5E	-	-	-	8,914
Property, plant and equipment		41,687	43,698	-	-
Intangible assets	5F	8,922	10,436	-	-
Deferred tax assets		5,065	5,287	-	-
Other receivables		688	1,602	-	-
		56,362	**61,023**	**98,870**	**116,554**
Total assets		**304,630**	**364,288**	**108,938**	**123,797**
Current liabilities					
Trade and other payables		83,181	83,975	3,928	3,994
Current income tax liabilities		5,012	1,224	-	-
Derivative financial instruments	(i)	-	2,038	-	-
Bank loans	5G	13,094	45,124	-	-
Bills payable	5G	22,857	49,531	-	-
Provision for warranty		5,403	4,092	-	-
		129,547	**185,984**	**3,928**	**3,994**
Non-current liabilities					
Bank loans	5G	113	3,134	-	-
Deferred tax liabilities		994	1,370	923	1,286
Advances from a subsidiary		-	-	37,152	24,633
		1,107	**4,504**	**38,075**	**25,919**
Total liabilities		**130,654**	**190,488**	**42,003**	**29,913**
Net assets		**173,976**	**173,800**	**66,935**	**93,884**
Equity attributable to owners of the Company					
Share capital	5H	67,982	67,982	67,982	67,982
Treasury shares	5H	(3,945)	(4,078)	(3,945)	(4,078)
Non-distributable reserves		29,786	31,674	(1,125)	(1,010)
Retained earnings		79,301	77,366	4,023	30,990
		173,124	172,944	66,935	93,884
Non-controlling interest		852	856	-	-
Total equity		**173,976**	**173,800**	**66,935**	**93,884**
Group net borrowings		**249**	**26,988**	**NA**	**NA**
Group net gearing (%)		**0.14**	**15.61**	**NA**	**NA**
Net tangible assets per share (cents)		**40.43**	**40.05**	**16.48**	**23.14**

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 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)/income										
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)

Group (Cont'd)

	ATTRIBUTABLE TO OWNERS OF THE COMPANY										
	Share capital	Treasury shares	Share option reserve	Asset revaluation 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	US$'000
Balance at 1 January 2013	67,982	(4,670)	911	186	18,386	(1,417)	11,319	78,528	171,225	849	172,074
Net (loss)/profit for the quarter	-	-	-	-	-	-	-	(1,888)	(1,888)	30	(1,858)
Other comprehensive loss											
Foreign currency translation arising from consolidation	-	-	-	-	(835)	-	-	-	(835)	(37)	(872)
Total comprehensive loss	-	-	-	-	(835)	-	-	(1,888)	(2,723)	(7)	(2,730)
Treasury shares reissued pursuant to employee share option plan	-	160	-	-	-	(136)	-	-	24	-	24
Balance at 31 March 2013	**67,982**	**(4,510)**	**911**	**186**	**17,551**	**(1,553)**	**11,319**	**76,640**	**168,526**	**842**	**169,368**
Net profit for the quarter	-	-	-	-	-	-	-	1,999	1,999	13	2,012
Other comprehensive income/(loss)											
Foreign currency translation arising from consolidation	-	-	-	-	1,955	-	-	-	1,955	(11)	1,944
Total comprehensive income	-	-	-	-	1,955	-	-	1,999	3,954	2	3,956
Treasury shares reissued pursuant to employee share option plan	-	317	-	-	-	(270)	-	-	47	-	47
Dividends on ordinary shares	-	-	-	-	-	-	-	(1,637)	(1,637)	-	(1,637)
Fair value gain transferred to retained earnings on disposal	-	-	-	(186)	-	-	-	186	-	-	-
	-	317	-	(186)	-	(270)	-	(1,451)	(1,590)	-	(1,590)
Balance at 30 June 2013	**67,982**	**(4,193)**	**911**	**-**	**19,506**	**(1,823)**	**11,319**	**77,188**	**170,890**	**844**	**171,734**
Net profit for the quarter	-	-	-	-	-	-	-	82	82	16	98
Other comprehensive income											
Foreign currency translation arising from consolidation	-	-	-	-	918	-	-	-	918	5	923
Total comprehensive income	-	-	-	-	918	-	-	82	1,000	21	1,021
Treasury shares reissued pursuant to employee share option plan	-	73	-	-	-	(62)	-	-	11	-	11
Balance at 30 September 2013	**67,982**	**(4,120)**	**911**	**-**	**20,424**	**(1,885)**	**11,319**	**77,270**	**171,901**	**865**	**172,766**
Net profit for the quarter	-	-	-	-	-	-	-	492	492	14	506
Other comprehensive income/(loss)											
Foreign currency translation arising from consolidation	-	-	-	-	545	-	-	-	545	(23)	522
Total comprehensive income/(loss)	-	-	-	-	545	-	-	492	1,037	(9)	1,028
Treasury shares reissued pursuant to employee share option plan	-	42	-	-	-	(36)	-	-	6	-	6
Transfer from retained earnings to statutory reserve fund	-	-	-	-	-	-	396	(396)	-	-	-
	-	42	-	-	-	(36)	396	(396)	6	-	6
Balance at 31 December 2013	**67,982**	**(4,078)**	**911**	**-**	**20,969**	**(1,921)**	**11,715**	**77,366**	**172,944**	**856**	**173,800**

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 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**
Balance at 1 January 2013	67,982	(4,670)	911	(1,417)	64,074	126,880
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(204)	(204)
Treasury shares reissued pursuant to employee share option plan	-	160	-	(136)	-	24
Balance at 31 March 2013	**67,982**	**(4,510)**	**911**	**(1,553)**	**63,870**	**126,700**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(1,303)	(1,303)
Treasury shares reissued pursuant to employee share option plan	-	317	-	(270)	-	47
Dividends on ordinary shares	-	-	-	-	(1,637)	(1,637)
	-	317	-	(270)	(1,637)	(1,590)
Balance at 30 June 2013	**67,982**	**(4,193)**	**911**	**(1,823)**	**60,930**	**123,807**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(273)	(273)
Treasury shares reissued pursuant to employee share option plan	-	73	-	(62)	-	11
Balance at 30 September 2013	**67,982**	**(4,120)**	**911**	**(1,885)**	**60,657**	**123,545**
Net loss for the quarter, representing total comprehensive loss for the quarter	-	-	-	-	(29,667)	(29,667)
Treasury shares reissued pursuant to employee share option plan	-	42	-	(36)	-	6
Balance at 31 December 2013	**67,982**	**(4,078)**	**911**	**(1,921)**	**30,990**	**93,884**

4. CONSOLIDATED CASH FLOW STATEMENT

	The Group 3 months ended 31 Dec		The Group 12 months ended 31 Dec	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Operating activities				
Net (loss)/profit for the period/year	(2,653)	506	5,306	758
Adjustments for :				
Income tax expense	1,595	1,562	5,494	3,892
Depreciation of property, plant and equipment	1,518	1,533	6,185	6,605
Amortisation of intangible assets	333	354	1,379	1,721
Net loss/(gain) on disposal of property, plant and equipment	30	(259)	141	(1,643)
Interest income	(60)	(65)	(243)	(235)
Interest expense	160	725	2,029	3,590
Property, plant and equipment written off	-	2	1	541
Warranty provision	3,398	3,070	11,557	11,080
Net fair value loss/(gain) on foreign exchange derivative instruments	3,414	727	(2,319)	292
Unrealised foreign exchange translation differences	752	592	289	2,495
Operating cash flows before changes in working capital	8,487	8,747	29,819	29,096
Inventories	(1,054)	7,511	6,885	51,384
Trade and other receivables, deposits and prepayments	(4,764)	(5,526)	13,954	(1,534)
Provision for warranty	(2,984)	(3,437)	(10,244)	(11,238)
Trade and other payables	10,197	13,222	(794)	(2,389)
Cash flows from operations	9,882	20,517	39,620	65,319
Income taxes paid	(73)	(463)	(1,495)	(3,695)
Net cash flows from operating activities	**9,809**	**20,054**	**38,125**	**61,624**
Investing activities				
Proceeds from disposal of property, plant and equipment	19	301	56	2,216
Purchase of property, plant and equipment	(2,316)	(946)	(5,347)	(2,642)
Purchase of intangible assets	(24)	-	(42)	(1,546)
Interest received	60	65	243	235
Net cash flows used in investing activities	**(2,261)**	**(580)**	**(5,090)**	**(1,737)**
Financing activities				
Interest paid	(160)	(725)	(2,029)	(3,590)
Repayment of bank term loans	(2,530)	(10,242)	(9,394)	(17,109)
Repayment of short-term borrowings	(13,767)	(4,380)	(52,331)	(43,763)
Purchase of treasury shares	-	-	(1)	-
Proceeds from re-issuance of treasury shares	3	6	19	88
Dividends paid to shareholders of the Company	-	-	(3,267)	(1,637)
Net cash flows used in financing activities	**(16,454)**	**(15,341)**	**(67,003)**	**(66,011)**
Net (decrease)/increase in cash and cash equivalents	**(8,906)**	**4,133**	**(33,968)**	**(6,124)**
Effect of exchange rate changes on cash and cash equivalents	(469)	65	(1,018)	246
Cash and cash equivalents at the beginning of the financial period/year	45,190	66,603	70,801	76,679
Cash and cash equivalents at the end of the financial period/year [(1)]	**35,815**	**70,801**	**35,815**	**70,801**
Free Cash Flow [(2)]	**7,469**	**19,108**	**32,736**	**57,436**

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

This is arrived at after charging the following:

	The Group 3 months ended 31 Dec		The Group 12 months ended 31 Dec	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Depreciation of property, plant and equipment	1,518	1,533	6,185	6,605
Amortisation of intangible assets	333	354	1,379	1,721
Total depreciation and amortisation	1,851	1,887	7,564	8,326
Allowance made for impairment of trade receivables	233	339	507	568
Bad trade debts written off	27	25	818	176
Allowance made for slow moving and obsolete inventories	628	536	1,486	1,228
Warranty and claim expenses	4,464	3,829	14,752	13,344
Employee benefits	23,459	21,085	89,823	86,876
Net loss/(gain) on disposal of property, plant and equipment	30	(259)	141	(1,643)
Property, plant and equipment written off	-	2	1	541

B. Half yearly analysis

	The Group		
	Latest Financial Year 31/12/2014	**Previous Financial Year 31/12/2013**	**Change %**
	US$'000	US$'000	
Sales reported for first half year	265,052	272,153	(2.6)
Profit after tax before deducting non-controlling interest reported for first half year	10,217	154	6,534.4
Sales reported for second half year	235,525	262,112	(10.1)
(Loss)/profit after tax before deducting non-controlling interest reported for second half year	(4,912)	604	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	
	2014	**2013**	**2014**	**2013**
	US$'000	US$'000	US$'000	US$'000
Tax expense attributable to profit is made up of:				
Current income taxes:				
- Current income tax	1,413	652	5,133	2,946
- Under provision in respect of previous years	10	13	33	173
Deferred income taxes:				
- Current deferred tax	172	674	(78)	650
- Under/(over) provision in respect of previous years	-	35	(99)	(65)
Witholding taxes [(1)]	-	188	505	188
	1,595	**1,562**	**5,494**	**3,892**

Note:

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

The Group's income tax expense increased from US$3.9 million in 2013 to US$5.5 million in 2014 mainly due to higher profitability coupled with higher payment of withholding taxes as a result of higher dividends repatriated from overseas subsidiaries.

D. Inventories

	The Group	
	31 Dec 2014	**31 Dec 2013**
	US$'000	US$'000
Raw materials	65,452	70,109
Work-in-progress	23,577	22,562
Finished goods	58,869	62,112
	147,898	154,783

E. Investments in subsidiaries and advances to a subsidiary

Movement in investments in subsidiaries and advances to a subsidiary 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 and advances to a subsidiary 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 US$'000	**IP Rights** US$'000	**Computer Software Licenses & Development Costs** US$'000	**Total** US$'000
Group				
Cost				
At 1 January 2013	**675**	**13,140**	**9,511**	**23,326**
Additions	-	-	1,546	1,546
Exchange rate adjustments	29	-	(145)	(116)
At 31 December 2013 and 1 January 2014	**704**	**13,140**	**10,912**	**24,756**
Additions	-	-	42	42
Exchange rate adjustments	(84)	-	(160)	(244)
At 31 December 2014	**620**	**13,140**	**10,794**	**24,554**
Accumulated amortisation				
At 1 January 2013	**-**	**4,759**	**7,864**	**12,623**
Charge for the financial year	-	653	1,068	1,721
Exchange rate adjustments	-	-	(24)	(24)
At 31 December 2013 and 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	**-**	**6,065**	**9,567**	**15,632**
Net book value				
At 31 December 2013	**704**	**7,728**	**2,004**	**10,436**
At 31 December 2014	**620**	**7,075**	**1,227**	**8,922**

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

G. Loans and borrowings

	The Group	
	31 Dec 2014	31 Dec 2013
	US$'000	US$'000
Current		
Bank term loans	2,559	8,991
Short-term bank loans	10,535	36,133
	13,094	45,124
Bills payable	22,857	49,531
	35,951	94,655
Non-current		
Bank term loans	113	3,134
Total loans and borrowings	36,064	97,789

The Group's total loans and borrowings are unsecured except for the bank term loans of a subsidiary with a carrying amount of US$0.4 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 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)
At 1 January 2013	416,563	(12,358)	67,982	(4,670)
Reissued pursuant to employee share option plans:				
- For cash on exercise of employee share options	-	1,567	-	88
- Loss transferred to capital reserve	-	-	-	504
	-	1,567	-	592
At 31 December 2013	416,563	(10,791)	67,982	(4,078)

Treasury shares

The Company is authorised by the shareholders to buy up to 10% of the ordinary shares of the Company. The Company acquired 7,000 (31 December 2013: Nil) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was US$1,491 (31 December 2013: Nil) and this was presented as a separate component within shareholders' equity.

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

H. Share capital (Cont'd)

The Company reissued 357,500 (31 December 2013: 1,566,300) treasury shares during the financial year pursuant to the HTL International Holdings Limited Share Option Plan 2002 at a weighted average exercise price of US$0.05 (31 December 2013: US$0.06) each for a cash consideration of US$19,000 (31 December 2013: US$88,000).

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 2014 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
2004 Options	4,502,250	1,538,250	2,964,000	-	S$0.82	19.6.2005 - 18.6.2014
2009 Options	7,120,000	6,165,000	777,500	177,500	S$0.07	26.2.2010 - 26.2.2019
	11,622,250	7,703,250	3,741,500	177,500		

I. Earnings per share

	3 months ended 31 Dec		12 months ended 31 Dec	
	2014	2013	2014	2013
Earnings per share (US cents)				
- Basic	(0.66)	0.12	1.29	0.17
- Diluted	(0.66)	0.12	1.29	0.17

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 2014, 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	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Net (loss)/profit attributable to owners of the Company used to determine basic and diluted earnings per share	(2,661)	492	5,257	685
	No. of shares '000	No. of shares '000	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares used in the calculation of basic earnings per share	406,070	405,061	406,071	405,210
Adjustment for assumed conversion of share options	170	968	174	847
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	406,240	406,029	406,245	406,057
Diluted earnings per share (US cents)	(0.66)	0.12	1.29	0.17

J. Net asset per share

	The Group		The Company	
	As at 31 Dec 2014	As at 31 Dec 2013	As at 31 Dec 2014	As at 31 Dec 2013
Net asset value per ordinary share based on issued share capital as at the end of the respective period/year (US cents) *	42.63	42.62	16.48	23.14

* Based on issued share capital of 406,122,518 ordinary shares (excluding treasury shares) as at 31 December 2014 and 405,772,018 ordinary shares (excluding treasury shares) as at 31 December 2013.

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 2013.

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 2014.

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

	Q1 2014 US$'000	Q2 2014 US$'000	Q3 2014 US$'000	Q4 2014 US$'000	(A) YTD Dec FY 2014 US$'000	Q4 2013 US$'000	(B) YTD Dec FY 2013 US$'000	(C) = (A) - (B) Change US$'000	%
Sofa Business Unit ("Sofa BU")									
- External	115,017	139,346	109,291	117,592	481,246	133,581	512,159	(30,913)	-6.0%
- Internal	1,945	1,991	1,503	1,805	7,244	4,319	11,753	(4,509)	
	116,962	**141,337**	**110,794**	**119,397**	**488,490**	**137,900**	**523,912**	**(35,422)**	
Leather Business Unit ("Leather BU")									
- Internal	**33,404**	**34,726**	**31,988**	**35,026**	**135,144**	**42,382**	**166,609**	**(31,465)**	-18.9%
Home Furnishing Business Unit ("HFBU")									
- External	4,928	5,761	4,556	4,086	19,331	6,478	22,106	(2,775)	-12.6%
- Internal	157	38	57	33	285	56	360	(75)	
	5,085	**5,799**	**4,613**	**4,119**	**19,616**	**6,534**	**22,466**	**(2,850)**	
Less : Inter-segment sales	(35,506)	(36,755)	(33,548)	(36,864)	(142,673)	(46,757)	(178,722)	36,049	
Group Turnover	**119,945**	**145,107**	**113,847**	**121,678**	**500,577**	**140,059**	**534,265**	**(33,688)**	-6.3%

Notes:

(i) Core Business comprises the Sofa, Leather Business Units ("BU") and Corporate Office
(ii) Q1, Q2, Q3 and Q4 2014/2013 – three months ended 31 March, 30 June and 30 September and 31 December 2014/2013, respectively
(iii) SG&A – represents the aggregate of total sales, marketing, distribution and administrative expenses

Q4 2014 vs. Q4 2013

Turnover

Revenue declined by 13.1% to US$121.7 million, mainly due to lower sales in North America and Australia and New Zealand ("ANZ"), and the weaker Japanese Yen ("JPY"), Euro and Australian Dollar ("AUD") against the United States Dollar ("USD"). This was partially offset by stronger sales in Europe.

Profitability

The Group's gross profit margin fell from 30.7% in Q4 2013 to 29.7% in Q4 2014, primarily due to increased 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.

Lower leather scrap sales to external parties reduced other operating income by 37.7% to US$1.8 million in Q4 2014.

SG&A fell by 2.4% to US$39.9 million in Q4 2014, primarily as a result of lower revenue. As a percentage of sales, it increased from 29.2% in Q4 2013 to 32.8% in Q4 2014, mainly due to the expansion of retail presence in China.

Net finance expense decreased by 84.8% to US$0.1 million in Q4 2014, in line with lower loans and borrowings.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Q4 2014 vs. Q4 2013 (Cont'd)

Profitability (Cont'd)

With lower revenue, gross profit and higher SG&A as a percentage of sales, the Group posted operating loss before net foreign exchange gain and tax of US$2.7 million for Q4 2014, a reversal from an operating profit of US$4.1 million in Q4 2013.

In the volatile forex market, the Group managed to achieve a net foreign exchange gain of US$1.7 million in Q4 2014 compared to a loss of US$2.0 million in Q4 2013. This was largely attributable to higher realised gain on delivery of foreign exchange contracts and lower unrealised foreign exchange loss on translation of bank balances, partially offset by higher unrealised mark-to-market loss on foreign exchange contracts.

Overall, the Group incurred a loss of US$2.7 million for Q4 2014, compared to a profit of US$0.5 million for Q4 2013.

2014 vs. 2013

Turnover

Turnover fell by 6.3% to US$500.6 million in 2014, primarily due to the weaker JPY and AUD against the USD coupled with the weaker sales in North America and ANZ as a result of continuing effort to focus on margin management. This was partly offset by stronger sales in Europe and Asia, increased average selling price and stronger Euro and Sterling Pound against the USD.

Profitability

The Group's gross profit margin reduced from 31.3% in 2013 to 30.6% in 2014, mainly due to higher input costs, partially mitigated by increased average selling price and lower leather usage.

Other operating income for 2014 was 19.8% lower at US$8.7 million. The US$10.8 million other operating income for 2013 included a US$1.4 million one-off gain from disposal of land in Malaysia.

SG&A reduced by 4.3% to US$158.7 million in 2014, mainly due to lower revenue, partially offset by higher operating costs arising from expansion of retail presence in China.

Other operating expenses increased more than two-fold from US$1.8 million in 2013 to US$3.8 million in 2014, mainly due to a one-off expense incurred in connection with the cessation of a sales marketing agency.

Net finance expense dropped 46.8% to US$1.8 million in 2014, in line with lower loans and borrowings.

Consequently, the Group reported operating loss before net foreign exchange gain and tax of US$2.4 million in 2014 compared to an operating profit of US$7.1 million in 2013.

The Group recorded a net foreign exchange gain of US$13.2 million in 2014 compared to a loss of US$2.5 million in 2013. The 2014 gain was largely attributable to the realised gain on delivery of foreign exchange contracts and the unrealised mark-to-market gain on foreign exchange contracts whilst the 2013 loss was mainly the result of unrealised foreign exchange loss on translation of bank balances.

Income tax expense rose by 41.2% from US$3.9 million in 2013 to US$5.5 million in 2014, primarily due to higher profitability, coupled with higher payment of withholding taxes resulting from higher dividends repatriated from overseas subsidiaries.

Overall, the Group's net profit improved from US$0.8 million in 2013 to US$5.3 million in 2014.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

Analysis by Major Business Units ("BU")

	Core Business [1]			Home Furnishing		
	12 months ended 31 Dec		Change	12 months ended 31 Dec		Change
	2014	2013	%	2014	2013	%
	US$'000	US$'000		US$'000	US$'000	
Revenue (exclude inter-segment sales)	481,246	512,159	(6.0)	19,331	22,106	(12.6)
Operating profit/(loss) before net foreign exchange gain/(loss)	4,329	10,499	(58.8)	(6,776)	(3,377)	100.7
EBITDA before net foreign exchange gain/(loss)	12,753	21,312	(40.2)	(5,850)	(2,509)	133.2
Net profit/(loss) for the year	12,426	4,219	194.5	(7,120)	(3,461)	105.7
Net margin	2.6%	0.8%		-36.8%	-15.7%	
Total net foreign exchange gain/(loss)	13,582	(2,552)		(335)	80	

Note:

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

Core Business

Sofa BU - Revenue by Regions

	12 months ended 31 Dec		Change	
	2014	2013		
	US$'000	US$'000	US$'000	%
Asia (excluding Greater China)	71,054	70,415	639	0.9
Greater China	7,744	4,153	3,591	86.5
Europe	224,166	214,210	9,956	4.6
North America	99,032	137,720	(38,688)	(28.1)
ANZ	78,019	84,149	(6,130)	(7.3)
Others	1,231	1,512	(281)	(18.6)
Total *	481,246	512,159	(30,913)	(6.0)

* Exclude inter-segment sales

Sofa BU posted lower revenue of US$481.2 million compared to US$512.2 million in 2013, mainly due to lower sales in North America and ANZ coupled with the weaker Japanese and Australian currencies against the USD. The lower sales was predominantly a result of continuing effort to focus on margin management. The impact of these were partially offset by higher sales in Europe and Asia, which increased by 4.6% to US$224.2 million and 5.7% to US$78.8 million, respectively.

Europe continued to be HTL's largest market which accounted for 46.6% (2013: 41.8%) of the Core Business's turnover, followed by North America (20.6%), Asia (16.4%), and ANZ (16.2%)

Lower revenue, higher material and labour costs, together with the one-off expense incurred in connection with the cessation of a sales marketing agency had dampened operating margin. Core Business' operating profit before net foreign exchange gain and tax decreased by 58.8% from US$10.5 million in 2013 to US$4.3 million in 2014.

10. REVIEW OF GROUP PERFORMANCE (Cont'd)

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

Home Furnishing BU ("HFBU")

The performance of HFBU remained weak in 2014 as the lacklustre consumer sentiment persisted, especially in Europe. Revenue fell by 12.6% to US$19.3 million. This, together with higher marketing and advertising costs for the launch of a new international concept and product range by Domicil Home in Germany and development of retail presence in Asia had resulted in a two-fold increase in HFBU's operating loss before net foreign exchange loss and tax to US$6.8 million.

Liquidity, financial and working capital resources

The Group continued to maintain a healthy balance sheet amidst the challenging business environment.

Trade and other receivables decreased by US$13.2 million to US$52.8 million, mainly due to lower sales in Q4 2014 coupled with the higher factoring without recourse. Consequently, the average day sales outstanding ("DSO") as at 31 December 2014 improved to 1.3 months (31 December 2013: 1.5 months).

Inventory reduced by US$6.9 million to US$147.9 million, in tandem with lower revenue. The outstanding days in inventory ("DIO") remained constant at 5.1 months as at 31 December 2014 (31 December 2013: 5.1 months).

Trade and other payables are relatively consistent with prior year. The average day payables outstanding ("DPO") as at 31 December 2014 remained fairly stable at 2.9 months (31 December 2013: 2.8 months).

On the back of higher profitability and improvement in working capital management, the Group's net borrowings (loans and borrowings less cash and short term deposits) decreased further from US$27.0 million as at 31 December 2013 to US$0.2 million as at 31 December 2014. Net gearing improved substantially to 0.1% (31 December 2013: 15.6%). The Group reported a lower positive free cash flow of US$32.7 million in 2014 (2013: US$57.4 million), mainly attributable to higher leather procurement activities in 2014 compared to 2013.

11. VARIANCE FROM PROSPECT STATEMENT

No prospect statement was previously provided.

12. OUTLOOK

If weaknesses in the major economies and currencies of Europe, Japan and Australia and the slowdown in China persist in 2015, consumer confidence and spending on discretionary and high value goods like sofas will remain depressed.

Input costs, particularly raw leather hide prices, are expected to stay high and wages at our production plants in China may rise further. These factors will continue to exert downward pressure on profit margins. Against this backdrop, HTL will further improve on its operational efficiency and cost effectiveness.

12. OUTLOOK (Cont'd)

Concurrently, to better meet consumers' changing needs and buying preferences, HTL had embarked on broadening its product portfolio by offering innovative and complementary furniture and establishing new distribution channels, especially in Asia. The Group will continue to expand its retail presence in China through owned and franchise stores, and invest in online sales platforms. Resources will also be channelled to enhance retail brand awareness and development. These initiatives are expected to increase the Group's operating costs and will take time to bear fruit.

13. KEY BUSINESS RISKS

Macro Risks

Commodity risks

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.

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 US 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.

13. KEY BUSINESS RISKS (Cont'd)

Macro Risks (Cont'd)

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.

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 US$'000	Corporate US$'000	Elimination US$'000	Group US$'000
Financial year ended 31 December 2014						
Revenue						
External sales	481,246	-	19,331	-	-	500,577
Inter-segment sales	7,244	135,144	285	-	(142,673)	-
Total revenue	488,490	135,144	19,616	-	(142,673)	500,577
Segment results	7,508	(203)	(6,789)	(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	167,768	105,254	23,182	3,323	-	299,527
Tax assets						5,103
Consolidated total assets						304,630
Segment liabilities	(63,893)	(17,397)	(5,857)	(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	3,324	148	1,875	-	-	5,347
Depreciation	4,279	1,625	281	-	-	6,185
Amortisation	496	225	658	-	-	1,379

15. SEGMENTAL INFORMATION (Cont'd)

	Sofa US$'000	Leather US$'000	Home Furnishing US$'000	Corporate US$'000	Elimination US$'000	Group US$'000
Financial year ended 31 December 2013						
Revenue						
External sales	512,159	-	22,106	-	-	534,265
Inter-segment sales	11,753	166,609	360	-	(178,722)	-
Total revenue	523,912	166,609	22,466	-	(178,722)	534,265
Segment results	9,462	5,385	(3,356)	(1,014)	-	10,477
Finance income						235
Finance expense						(3,590)
Net foreign exchange loss						(2,472)
Income tax expense						(3,892)
Net period for the year						758
Segment assets	216,521	111,484	27,389	3,201	-	358,595
Tax assets						5,693
Consolidated total assets						364,288
Segment liabilities	(72,433)	(11,438)	(4,873)	(1,361)	-	(90,105)
Loans and borrowings						(97,789)
Tax liabilities						(2,594)
Consolidated total liabilities						(190,488)
Other segment items						
Addition to non-current assets						
- property, plant and equipment	1,332	577	733	-	-	2,642
- intangible assets	1,546	-	-	-	-	1,546
Depreciation	4,323	2,094	188	-	-	6,605
Amortisation	677	385	659	-	-	1,721

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			
	2014	**2013**	**Change**	
	US$'000	US$'000	US$'000	%
Asia (excluding Greater China)	77,235	75,329	1,906	2.5
Greater China	8,087	4,777	3,310	69.3
Europe	233,152	226,278	6,874	3.0
North America	101,930	141,107	(39,177)	(27.8)
ANZ	78,472	84,828	(6,356)	(7.5)
Others	1,701	1,946	(245)	(12.6)
Total	500,577	534,265	(33,688)	(6.3)

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 2014 US$'000	**31 Dec 2013** US$'000
Asia (excluding Greater China)	17,056	18,641
Europe	2,141	3,372
Greater China	31,705	33,338
Others	395	385
Total	51,297	55,736

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	67	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	65	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	63	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	37	Daughter of Phua Yong Tat.	Director, Human Resources & Communications since 1 January 2013. Responsible for human resources, communications and administrative functions.	N.A.
Toh Chye Seng	55	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	38	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.	Promoted from Regional Sales Manager to General Manager, Canada, Latin America and USA in October 2014.
Phua Boon Huat	34	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 in January 2015.

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	37	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.	Ms Phua was appointed as Retail Manager of HTL Furniture Trading Co. Ltd. since 19 May 2014. In view of the expansion of product range as part of the Group's retail concept, her role was re-designated with effect from 1 January 2015 to include responsibility for planning and selection of the extended product range. She is in the process of relinquishing her previous role of running the retail operations to a new team, which is expected to take place before the end of February 2015. With the redesignation of responsibilities, her title has also been changed to Product Manager with effect from 1 January 2015.
Phua Jing Hong	34	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	36	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	35	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.	N.A.

BY ORDER OF THE BOARD

Jacqueline Loke
Company Secretary
25 February 2015