

SINGAPORE KITCHEN EQUIPMENT LIMITED

Incorporated in the Republic of Singapore
(Registration No. 201312671M)

***Full Year Financial Statement And Dividend Announcement For The Year Ended 31 December 2015**

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

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

The Announcement of Full –Year Results are stated in S\$'000 (thousands) with effect from this announcement. The comparative figures are henceforth re-stated in S\$'000 (thousands) to comply with current year's presentation.

Consolidated Statement of Comprehensive Income	Group		
	FY2015 (Unaudited) S\$'000	FY2014 (Audited) S\$'000	Increase/ (Decrease) %
Revenue	26,029	19,785	31.6
Cost of sales	(17,413)	(13,291)	31.0
Gross profit	8,616	6,494	32.7
Other items of income			
Interest income	51	25	104.0
Other income	601	248	142.3
Other items of expense			
Distribution costs	(2,203)	(2,008)	9.7
Administrative expenses	(4,668)	(3,595)	29.8
Other expenses	(485)	(313)	55.0
Finance costs	(112)	(116)	(3.4)
Profit before income tax	1,800	735	144.9
Income tax expense	(269)	(124)	116.9
Profit for the financial year	1,531	611	150.6
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	(45)	3	nm
Other comprehensive income for the financial year, net of tax	(45)	3	nm
Total comprehensive income for the financial year	1,486	614	142.0
Profit attributable to owners of the parent	1,531	611	150.6
Total comprehensive income attributable to owners of the parent	1,486	614	142.0

Remarks:

"FY2015" denotes the financial year ended 31 December 2015

"FY2014" denotes the financial year ended 31 December 2014

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1(a)(ii) Notes to Consolidated Statement of Comprehensive Income (for the Group)

Profit before income tax is arrived at after charging /(crediting) the following:			
	Group		Increase/ (Decrease) %
	FY2015 (Unaudited) S\$'000	FY2014 (Audited) S\$'000	
Depreciation of property, plant and equipment	425	369	15.2
Depreciation of investment property	-	22	nm
Gain on disposal of property held for sale	(218)	-	nm
Gain on disposal of plant and equipment	(9)	-	nm
Amortisation of intangible asset	78	46	69.6
Inventories written down	229	150	52.7
Cost of materials	12,202	8,699	40.3
Allowance for impairment loss on third parties trade receivables	290	135	114.8
Allowance for impairment loss on third parties trade receivables written back	(85)	(23)	269.6
Bad third parties trade receivables written off	2	71	(97.2)
Provision for estimated goods return	215	131	64.1
Foreign exchange loss, net	156	10	nm
Interest expenses	112	116	(3.4)
Rental income	(1)	(48)	(97.9)

Included in income tax expenses were:-

Under-provision of current income tax in prior financial years	54	39	38.5
Over provision of deferred tax in prior financial years	(31)	(3)	nm

Note: "nm" denotes not meaningful

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1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of immediately preceding financial year.

Statement of Financial Position	Group As at		Company As at	
	31/12/2015 (Unaudited) S\$'000	31/12/2014 (Audited) S\$'000	31/12/2015 (Unaudited) S\$'000	31/12/2014 (Audited) S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	1,623	1,693	-	-
Intangible assets	109	138	-	-
Investment in subsidiaries	-	-	10	10
	1,732	1,831	10	10
CURRENT ASSETS				
Property held for sale	-	511	-	-
Inventories	3,547	2,679	-	-
Trade and other receivables	8,341	6,808	5,851	6,737
Prepayments	66	86	6	25
Current income tax recoverable	-	21	-	-
Cash and cash equivalents	7,689	9,533	91	157
	19,643	19,638	5,948	6,919
Less:				
CURRENT LIABILITIES				
Trade and other payables	5,005	4,175	170	187
Provisions	246	162	-	-
Borrowings	1,412	3,296	-	-
Finance lease payables	135	137	-	-
Current income tax payable	247	88	-	-
	7,045	7,858	170	187
NET CURRENT ASSETS	12,598	11,780	5,778	6,732
Less:				
NON-CURRENT LIABILITIES				
Finance lease payables	449	584	-	-
Deferred tax liabilities	35	67	-	-
	484	651	-	-
	13,846	12,960	5,788	6,742
CAPITAL AND RESERVES				
Share capital	4,125	4,125	4,125	4,125
Other reserves	1,230	1,275	-	-
Retained earnings	8,491	7,560	1,663	2,617
TOTAL EQUITY	13,846	12,960	5,788	6,742

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

Amount repayable in one year or less, or on demand

As at 31/12/2015 (Unaudited) (S\$'000)		As at 31/12/2014 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,547	-	3,433	-

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Amount repayable after one year

As at 31/12/2015 (Unaudited) (S\$'000)		As at 31/12/2014 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
449	-	584	-

Details of any collateral secured borrowings:-

As at 31 December 2015, the Group's borrowings comprising bank borrowings and finance lease payables that were secured as follows:-

- (a) Trust receipts have maturities of between 109 to 118 (31 December 2014: 78 to 120) days. As at 31 December 2015, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$1,411,613 (31 December 2014: S\$2,490,386).
- (b) Obligations under finance lease are secured by the lessor's charge over the leased assets, which have a carrying amount of S\$512,364 (31 December 2014: S\$595,804) at the end of the current financial year.
- (c) Bank borrowings of subsidiaries are secured by corporate guarantee issued by the Company.

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

Consolidated Statement of Cash Flows	Group	
	FY2015 (Unaudited) S\$'000	FY2014 (Audited) S\$'000
Operating activities		
Profit before income tax	1,800	735
Adjustments for:		
Depreciation of property, plant and equipment	425	369
Depreciation of investment property	-	22
Gain on disposal of property held for sale	(218)	-
Gain on disposal of plant and equipment	(9)	-
Amortisation for intangible assets	78	46
Inventories written down	229	150
Allowance for impairment loss on third parties trade receivables	290	135
Allowance for impairment loss on third parties trade receivables written back	(85)	(23)
Bad third parties trade receivables written off	2	71
Provision for estimated goods return	215	131
Interest income	(51)	(25)
Interest expenses	112	116
Operating profit before working capital changes	2,788	1,727
Working capital changes:		
Inventories	(1,125)	(1,075)
Trade and other receivables	(1,796)	1,572
Prepayments	18	(45)
Trade and other payables	933	(974)
Provisions	(131)	-
Cash generating from operations	687	1,205
Income tax refund	39	29
Income tax paid	(155)	(115)
Net cash from operating activities	571	1,119
Investing activities		
Purchase of plant and equipment	(427)	(684)
Purchase of intangible assets	(49)	(122)
Proceeds from sale of property held for sale	730	-
Proceeds from sale of plant and equipment	9	-
Interest income	51	25
Net cash from/(used in) investing activities	314	(781)
Financing activities		
Fixed deposit pledged with financial institution	(54)	29
Repayment of term loans	(779)	(42)
Proceeds from trust receipts	6,726	6,664
Repayment from trust receipts	(7,805)	(5,348)
Repayment of obligations under finance leases	(137)	(114)
Interest paid	(112)	(116)
Dividend paid	(600)	(1,125)
Net cash used in financing activities	(2,761)	(52)
Net change in cash and cash equivalents	(1,876)	286
Cash and cash equivalents at beginning of financial year	8,883	8,596
Effect of exchange rate changes on cash and cash equivalents	(22)	1
Cash and cash equivalents at end of financial year	6,985	8,883

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Cash and cash equivalents comprised

Cash on hand and at bank	4,556	6,073
Fixed deposits with banks	3,133	3,460
Cash and cash equivalents as per statement of financial position	7,689	9,533
Less: fixed deposits pledged	(704)	(650)
Cash and cash equivalents as per consolidated statement of cash flows	6,985	8,883

1(d)(i) A statement for (the issuer and the group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of immediately preceding financial year.

Consolidated Statement of Changes in Equity

	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Group (Unaudited)					
Balance as at 01 January 2015	4,125	1,312	(37)	7,560	12,960
Profit for the financial year	-	-	-	1,531	1,531
Other Comprehensive income:					
Exchange differences on translating foreign operations	-	-	(45)	-	(45)
Total comprehensive income for the financial year	-	-	(45)	1,531	1,486
Transaction with owners of the Parent					
Dividends	-	-	-	(600)	(600)
Total transaction with owners of the parent	-	-	-	(600)	(600)
Balance as at 31 December 2015	4,125	1,312	(82)	8,491	13,846

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	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Group (Audited)					
Balance as at 01 January 2014	4,125	1,312	(40)	8,074	13,471
Profit for the financial year	-	-	-	611	611
Other comprehensive income:					
Exchange differences on translating foreign operations	-	-	3	-	3
Total comprehensive income for the financial year	-	-	3	611	614
Transaction with owners of the parents					
Dividends	-	-	-	(1,125)	(1,125)
Total transaction with owners of the parent	-	-	-	(1,125)	(1,125)
Balance as at 31 December 2014	4,125	1,312	(37)	7,560	12,960

Statement of Changes in Equity

Company (Unaudited)	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2015	4,125	2,617	6,742
Loss for the financial year	-	(354)	(354)
Total comprehensive income for the financial year	-	(354)	(354)
Transaction with owners of the parent			
Dividends	-	(600)	(600)
Total transaction with owners of the parent	-	(600)	(600)
Balance as at 31 December 2015	4,125	1,663	5,788
Company (Audited)	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2014	4,125	4,089	8,214
Loss for the financial year	-	(347)	(347)
Total comprehensive income for the financial year	-	(347)	(347)
Transaction with owners of the parent			
Dividends	-	(1,125)	(1,125)
Total transactions with owners of parent	-	(1,125)	(1,125)
Balance as at 31 December 2014	4,125	2,617	6,742

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2015 and 31 December 2014.

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

Details of Changes in the Company's Issued Share Capital	Number of ordinary shares	Issued and Paid Up S\$
Share capital as at 31 December 2015 and 31 December 2014	150,000,000	4,124,790

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2015 and 31 December 2014.

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

As at 31 December 2015, the issued share capital of the Company comprised 150,000,000 ordinary shares (31 December 2014: 150,000,000 ordinary shares).

There were no treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.

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

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the Group's financial statements for the financial year ended 31 December 2015 as compared with its most recently audited financial statements for the financial year ended 31 December 2014.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared with the audited annual financial statements for the financial year ended 31 December 2014, except for the adoption of certain new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1 January 2015.

The adoption of these new and revised FRS and INT FRS from the effective date is not expected to result in any material adjustments or substantial impact to the financial statements of Group for the current financial reporting period reported on.

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

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

Earnings per share ("EPS")⁽¹⁾

	Group FY2015 (Unaudited)	FY2014 (Audited)
Profit attributable to owners of the Company (S\$'000)	1,531	611
Weighted average number of ordinary shares for calculation of		
(a) Basic earnings per share	150,000,000	150,000,000
(b) Diluted earnings per share ⁽²⁾	150,000,000	150,000,000
Earnings per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	1.02	0.41
(b) On a fully diluted basis ⁽²⁾	1.02	0.41

Notes:

- The calculation for the basic and diluted EPS for the respective financial periods is based on the weighted average number of ordinary shares in issue in the respective financial years.
- The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current financial period reported on; and
(b) Immediately preceding financial year.

	Group		Company	
Net Asset Value ("NAV")	31.12.2015 (Unaudited)	31.12.2014 (Audited)	31.12.2015 (Unaudited)	31.12.2014 (Audited)
NAV (S\$'000)	13,846	12,960	5,788	6,742
Actual Number of issued Ordinary shares	150,000,000	150,000,000	150,000,000	150,000,000
NAV per ordinary shares (cents)	9.23	8.64	3.86	4.49

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

Review of the Group's performance

Consolidated Statement of Comprehensive Income

Revenue

The Group recorded a 31.6% increase in revenue amounting to S\$26.0 million for the financial year ended 31 December 2015 ("FY2015"), which is approximately S\$6.2 million higher than that of FY2014. The Group's equipment distribution business contributed approximately S\$5.6 million increase for FY2015 due to an expanded sales team and enhanced sales efforts to secure new customers. The service maintenance business also contributed an increase of S\$0.6 million sales revenue for the Group as a result of increase in service jobs and contracts.

Cost of sales and gross profit

The Group's cost of sales rose by 31.0% or approximately S\$4.1 million in FY2015 compared to S\$13.3 million in FY2014. Cost of material accounted for S\$3.5 million of the increase. S\$0.4 million came from higher wages cost, bonuses and levy charges with the balance from increase of direct overheads.

The Group's gross profit for FY2015 improved by S\$2.1 million to S\$8.6 million as compared to S\$6.5 million in FY2014. Overall gross profit margin also increased by 0.3% to 33.1% in FY2015 from 32.8% in FY2014.

Other items of income

In FY2015, other income increased by approximately S\$0.4 million to S\$0.6 million compared to S\$0.2 million in FY2014. The increase was mainly due to gain on disposal of property amounting to approximately S\$0.2 million and higher other general income.

Distribution costs

Selling and distribution costs of the Group increased by approximately S\$0.2 million or 9.7% in FY2015 to S\$2.2 million (FY2014: S\$2.0 million). This is attributed mainly to increase in sales staff cost.

Administrative expenses

Administrative expenses increased by S\$1.1 million or 29.8%, from approximately S\$3.6 million in FY2014 to S\$4.7 million in FY2015. This is mainly attributable to increase in training fees of S\$0.2 million, higher staff cost of S\$0.4 million, higher consultation fee of S\$0.1 million and reclassification of certain accounts amounting to S\$0.2 million.

Other expenses

Other expenses were higher by S\$0.2 million or 55.0% to approximately S\$0.5 million in FY2015 (FY2014: S\$0.3 million). This was largely caused by an increase in provision for doubtful debts in FY2015 amounting to S\$0.2 million.

Finance costs

Finance costs remained flat at S\$0.1 million in FY2015 compared to FY2014.

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Income tax expense

Income tax expense for FY2015 comprised of under-provision of income tax amounting to S\$54,000 in respect of the previous year, deferred taxation credit of S\$31,000 and income tax expense for FY2015 of approximately S\$246,000. The income tax expense is lower than that based on the statutory rate of 17% owing to tax exempt income and corporate tax rebate.

Profit for the financial year

The Group reported a higher net profit attributable to equity shareholders of approximately S\$1.5 million in FY2015 compared to S\$0.6 million for FY2014. The improvement was the result of increase in sales revenue, higher other income and a gain from disposal of property.

Statement of Financial Position

Non- current assets

The Group's non-current assets decreased by S\$0.1 million to S\$1.7 million at 31 December 2015 (31 December 2014: S\$1.8 million). The Group incurred additional capital expenditure spending of S\$0.5 million in FY2015. This was matched by depreciation and amortisation cost of S\$0.5 million.

Current assets

The Group's reported current assets amounted to approximately S\$19.6 million as at 31 December 2015 (31 December 2014: S\$19.6 million). Inventories increased by approximately S\$0.9 million or 32.4% due to the need to build up stocks to satisfy project deliveries in FY2016. Trade and other receivables also increased by approximately S\$1.5 million or 22.5% due to recognition of sales that were completed in December 2015. However, the Group's cash and cash equivalents decreased by S\$1.8 million or 19.3% to S\$7.7 million as at 31 December 2015 from S\$9.5 million as at 31 December 2014 as a result of repayment of bank borrowings.

Current liabilities

The Group's current liabilities as at 31 December 2015 decreased by approximately S\$0.8 million or 10.3%, to S\$7 million from S\$7.8 million as at 31 December 2014. This was mainly due to increase in repayment of banking borrowings of approximately S\$1.9 million in FY2015 offset by the increase in trade and other payables of S\$0.8 million, provision of S\$0.1 million and current tax payable of S\$0.2 million.

Non-current liabilities

The Group's non-current liabilities decreased by approximately S\$0.2 million or 25.7%, from S\$0.7 million as at 31 December 2014 to S\$0.5 million as at 31 December 2015 due mainly to the repayment of finance lease payables amounting to approximately S\$0.1 million.

Shareholders' equity

As at 31 December 2015, the Group had shareholders' equity of approximately S\$13.8 million as compared to S\$13 million as at 31 December 2014 resulting from an increase in retained earnings.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, stood at approximately S\$7 million as at 31 December 2015, representing a reduction of approximately S\$1.8 million from the cash and cash equivalents balance of S\$8.8 million as at 31 December 2014.

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Net cash used from operating activities

Net cash flows generated from operating activities during FY2015 was approximately S\$0.7 million. The operating cash flows before movements in working capital amounted to approximately S\$2.8 million offset by a decrease in net working capital of approximately S\$2.1 million and income taxes paid of approximately S\$0.1 million. The decrease in net working capital was mainly due to higher trade and other receivables and inventory of approximately S\$1.8 million and S\$1.1 million respectively offset by increase in trade and other payables of approximately S\$0.9 million.

Net cash flows from/(used in) investing activities

Net cash flows from investing activities was approximately S\$0.3 million in FY2015. This was attributed to proceeds from sale of assets held for sale of S\$0.7 million offset by acquisition of capital expenditure amounting to S\$0.4 million.

Net cash flows used in financing activities

Net cash flows used in financing activities during FY2015 was approximately S\$2.8 million. The funds from issuance of trust receipts of approximately S\$6.7 million were offset by the repayment of trust receipts of approximately S\$7.8 million. The cash outflows were mainly dividend payments made of approximately S\$0.6 million in FY2015, settlement of term loan borrowing and finance lease payable of approximately S\$0.9 million and payment of interest expense of S\$0.1 million.

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

Not applicable.

10. *A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.*

The Group will continue to face the following challenges in the next reporting period and the next 12 months:-

- a. Tight skilled labour market;
- b. Rising business costs and volatility in foreign currencies;
- c. Slowdown in overall business environment; and
- d. Increased competition from new and existing players.

The Group will manage the business challenges by increasing its sales efforts, and monitoring and managing its overall costs and expenses.

11. *Dividend*

(a) *Current Financial Period Reported on Any dividend declared for the current financial period reported on?*

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.25 Singapore cent per share
Tax Rate	Tax exempt (one-tier).

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(b) Corresponding Period of the Immediately preceding financial year, Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes. The Board of Directors recommended one tier tax-exempt final dividend for FY2014.

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.15 Singapore cent per share
Tax Rate	Tax exempt (one-tier).

(c) Date payable

To be announced at a later date

(d) Books closure date

Notice will be given at a later date on the closure of the Share Transfer Books and Register of Members of the Company to determine members' entitlement to the dividend.

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

A final dividend has been recommended as above.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained general mandate from shareholders for Interested Person Transactions. There was no Interested Persons Transactions exceeding S\$100,000 conducted by the Group during the current financial year reported on.

14. Update on use of Initial Public Offer ("IPO") proceeds

As at the date of this announcement, the utilisation of the IPO proceeds is as follows:

Intended usage in accordance with the Offer Document	Allocation	Amount utilised	Amount un-utilised
	S\$'000	S\$'000	S\$'000
(a) Acquisition of additional fabrication equipment and machinery	700	319	381
(b) Funding our expansion, including by way of acquisitions, joint ventures and / or strategic alliances	1,600	-	1,600
(c) For general working purposes of our Group	975	975	0
(d) IPO expenses	1,325	1,335	(10)
Total	4,600	2,629	1,971

The above utilisation of the proceeds from IPO is consistent with the intended uses as disclosed in the Offer Document. The Group has un-utilised proceeds from IPO of approximately S\$1.97 million as at 31 December 2015, of which S\$381,000 could be used to fund the acquisition of additional plant equipment and machinery and the remaining S\$1.6 million is allocated for business expansion, including by way of acquisitions, joint ventures and /or strategic alliances activities. The Company will make periodic announcements on the use of proceeds as and when the funds are materially disbursed. The funds are currently placed in deposits with banks and financial institutions while waiting for right investment decision and business opportunities.

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PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half-Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business Segments

The Group is primarily engaged in two business segments namely:

- (i) Fabrication and Distribution of kitchen equipment
- (ii) Maintenance and services of kitchen equipment

The Group adopts these two business segments for its primary segment information.

Business Segment (Unaudited)	Fabrication and distribution business S\$'000	Maintenance and servicing business S\$'000	Unallocated S\$'000	Total S\$'000
2015				
Revenue				
External revenue	19,785	6,244	-	26,029
Results				
Segment results	1,759	281	(128)	1,912
Finance costs	(84)	(26)	(2)	(112)
Profit before income tax	1,675	255	(130)	1,800
Income tax expense				(269)
Profit for the financial year				1,531
Non-cash items				
Depreciation of property, plant and equipment	(332)	(93)	-	(425)
Gain on disposal of property held for sale	218	-	-	218
Gain on disposal of plant and equipment	9			9
Amortisation for intangible asset	(59)	(19)	-	(78)
Inventories written down	(174)	(55)		(229)
Allowance for impairment loss on third parties trade receivables written back	85	-	-	85
Allowance for impairment loss on third parties trade receivables	(220)	(70)	-	(290)
Provision for estimated goods return	(215)	-	-	(215)
Bad third parties trade receivables written off	(2)	-	-	(2)
Capital Expenditure				
Property, plant and equipment	-	-	427	427
Intangible asset	-	-	48	48
Assets and Liabilities				
Segment assets	-	-	21,375	21,375
	-	-	21,375	21,375
Segment liabilities	-	-	7,247	7,247
- Current income tax payable	-	-	247	247
- Deferred tax payable	-	-	35	35
	-	-	7,529	7,529

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Business Segment	Fabrication and distribution business	Maintenance and servicing business	Unallocated	Total
(Audited)	S\$'000	S\$'000	S\$'000	S\$'000
2014				
Revenue				
External revenue	14,180	5,605	-	19,785
Results				
Segment results	1,088	110	(347)	851
Finance costs	(78)	(23)	(15)	(116)
Profit before income tax	1,010	87	(362)	735
Income tax expense				(124)
Profit for the financial year				611
Non-cash items				
Depreciation of property, plant and equipment	(281)	(88)	-	(369)
Depreciation of investment property	-	-	(22)	(22)
Amortisation of intangible asset	(33)	(13)	-	(46)
Inventories written down	(108)	(42)	-	(150)
Allowance for impairment loss on third parties trade receivables	(97)	(38)	-	(135)
Allowance for impairment loss on third parties trade receivables written back	23	-	-	23
Provision for estimated goods return	(131)	-	-	(131)
Bad third parties trade receivables written off	(71)	-	-	(71)
Capital Expenditure				
Property, plant and equipment	-	-	1,125	1,125
Intangible asset	-	-	122	122
Assets and Liabilities				
Segment assets	-	-	21,448	21,448
- Current income tax recoverable	-	-	21	21
	-	-	21,469	21,469
Segment liabilities	-	-	8,354	8,354
- Current income tax payable	-	-	88	88
- Deferred tax liabilities	-	-	67	67
	-	-	8,509	8,509

Geographical information

Revenue is based on the country in which the customer is located. Non-current assets comprises primarily of property, plant and equipment and investment property. Non-current assets are shown by the geographical area in which the assets are located.

(Unaudited)	Singapore	Malaysia	Vietnam	Indonesia	Others	Total
2015	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	26,022	2	-	-	5	26,029
Non-current assets	1,263	469	-	-	-	1,732
(Audited)	Singapore	Malaysia	Vietnam	Indonesia	Others	Total
2014	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	19,504	216	34	13	18	19,785
Non-current assets	1,260	571	-	-	-	1,831

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

Refer to Section 8 for details.

17. *A breakdown of sales*

	FY2015 (Unaudited) S\$'000	FY2014 (Unaudited) S\$'000
Sales & Net profit /(loss) reported for 1st half, 30 Jun		
Sales	11,279	7,946
Net Profit /(Loss)	1,066	(122)
Net Profit/(Loss) Margin	9.5%	(1.5%)
Sales & Net profit /(loss) reported for 2nd half, 31 Dec		
Sales	14,750	11,839
Net Profit	465	733
Net Profit Margin	3.2%	6.2%

18. *A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.*

	FY2015 (Unaudited) S\$	FY2014 (Audited) S\$
Interim ordinary dividend declared and paid	375,000	375,000
Final ordinary dividend proposed	375,000	225,000

19. *Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive or substantial shareholder of the issuer under Rule 704(10) of the Listing Manual.*

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director, Chief Executive Officer or substantial shareholder of the Company.

20. *Confirmation pursuant to Rule 720(1) of the Listing Manual*

The Board of Directors of Singapore Kitchen Equipment Limited hereby confirms that the undertakings under Rule 720 (1) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, have been obtained from all the directors and executive officers as required in the format set out in Appendix 7H.

BY ORDER OF THE BOARD

Sally Chua Chwee Choo
Managing Director
26 February 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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