



ITE ELECTRIC CO LTD

Registration No. 198201457Z

Unaudited Full Year Financial Statements And Dividend Announcement for the Financial Year Ended 31 December 2014

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

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

Revenue

Changes in inventories of finished goods and work in progress

Raw material and consumable used

Other income

Staff costs

Depreciation

Other expenses

Finance costs

Loss before tax

Tax expense

Loss for the year

Loss attributable to :-

Owners of the Company

Non-controlling interests

Loss for the year

Statement of Comprehensive Income

Loss for the year

Other comprehensive (loss)/ income

Items that are or may be reclassified subsequently to profit or loss:

Foreign currency translation difference

Net change in fair value of available-for-sale financial assets, net of tax

Net change in fair value of available-for-sale financial assets

reclassified to profit or loss, net of tax

Other comprehensive loss, net of tax

Total comprehensive loss for the year

Total comprehensive loss attributable to :-

Owners of the Company

Non-controlling interests

Note	GROUP		
	Full Year ended 31.12.2014 S\$'000	Full Year ended 31.12.2013 S\$'000	% Difference
1	20,540	20,266	1%
	(14,752)	(14,982)	-2%
	(648)	(623)	4%
	552	515	7%
2	(3,002)	(2,868)	5%
	(77)	(78)	-1%
	(2,837)	(10,207)	-72%
	(123)	(114)	8%
3	(347)	(8,091)	-96%
	(124)	(89)	39%
	(471)	(8,180)	-94%
	(453)	(8,146)	-94%
	(18)	(34)	-47%
	(471)	(8,180)	-94%
	(471)	(8,180)	-94%
	(88)	354	NM
	-	(12,480)	-100%
	-	4,568	-100%
	(88)	(7,558)	-99%
	(559)	(15,738)	-96%
	(541)	(15,704)	-97%
	(18)	(34)	-47%
	(559)	(15,738)	-96%

Note : NM - Not Meaningful

1(a)(ii) **Notes to the Income Statement**

Note 1

Other income includes the following :-

- 1) Gain on disposal of property, plant and equipment
- 2) Foreign exchange gain
- 3) Interest income
- 4) Rental income
- 5) Rebates received
- 6) Others

Note 2

Other expenses include the following :-

- 1) Allowance for doubtful receivables
- 2) Allowance for obsolescent stocks
- 3) Audit fees paid to:
 - auditors of the company
 - other auditors
- 4) Fair value loss on equity securities held for trading
- 5) Foreign exchange loss
- 6) Loss on disposal of trading of quoted securities
- 7) Loss on disposal of available-for-sale financial assets
- 8) (Gain)/Loss on trading of quoted securities
- 9) Impairment loss on available-for-sale financial assets
- 10) Impairment loss on intangible asset
- 11) Non audit fees paid to:
 - other auditors
- 12) Operating lease rental
- 13) Others

Note 3

Income tax expenses include :-

- 1) Current year:
 - Income tax
 - Deferred income tax
- 2) Prior year:
 - Income tax
 - Deferred income tax

GROUP	
Full Year ended 31.12.2014 S\$'000	Full Year ended 31.12.2013 S\$'000
28	-
15	-
31	38
214	195
124	192
140	90
552	515
262	37
213	-
62	62
18	21
10	14
-	495
-	2,884
215	2,106
(1)	14
77	2,463
-	193
23	12
797	700
1,161	1,206
2,837	10,207
104	62
5	18
-	(3)
15	12
124	89

The current taxation expenses are incurred by profit-making subsidiaries.

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

	GROUP		COMPANY	
	31.12.2014 S\$'000	31.12.2013 S\$'000	31.12.2014 S\$'000	31.12.2013 S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	221	289	-	-
Subsidiaries	-	-	4,417	4,418
Deferred tax assets	110	115	-	-
Available-for-sale financial assets	-	1,390	-	-
	331	1,794	4,417	4,418
Current Assets				
Held for trading financial assets	-	21	-	-
Inventories	2,432	2,986	-	-
Trade and other receivables	5,930	6,259	919	1,297
Cash and cash equivalents	3,648	3,407	1,947	1,921
	12,010	12,673	2,866	3,218
Total Assets	12,341	14,467	7,283	7,636
Equity Attributable to Equity Holders of the Company:				
Share capital	23,018	23,018	23,018	23,018
Reserves	(15,666)	(15,125)	(15,993)	(15,670)
Equity Attributable to owners of the Company	7,352	7,893	7,025	7,348
Non-controlling interest	29	47	-	-
Total Equity	7,381	7,940	7,025	7,348
Liabilities				
Non-Current Liabilities				
Financial liabilities	3	17	-	-
Deferred tax liabilities	2	2	-	-
	5	19	-	-
Current Liabilities				
Bank overdraft	-	129	-	-
Trust receipts	1,728	1,574	-	-
Trade and other payables	2,961	4,561	258	288
Financial liabilities	210	219	-	-
Current tax liabilities	56	25	-	-
	4,955	6,508	258	288
Total Liabilities	4,960	6,527	258	288
Total Equity and Liabilities	12,341	14,467	7,283	7,636

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities.

	As at 31.12.2014		As at 31.12.2013	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less, on demand	1,938	-	1,922	-
Amount payable after one year	3	-	17	-

Details of collateral

The bank borrowings of certain subsidiaries are secured by legal charges over the Group's leasehold land and building, fixed deposits and corporate guarantee provided by the Company.

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

	Full Year ended 31.12.2014 S\$'000	Full Year ended 31.12.2013 S\$'000
<u>Cash Flows from Operating Activities</u>		
Loss for the year	(471)	(8,180)
Adjustments for :-		
Allowance for doubtful receivables	262	37
Allowance for inventory obsolescence	213	-
Depreciation of property, plant and equipment	77	78
Fair value loss on equity securities held for trading	10	14
Gain on disposal of property, plant and equipment	(28)	-
Interest income	(31)	(38)
Interest expense	123	114
Loss/ (Gain) on disposal of:		
- available-for-sale financial assets	215	2,106
- quoted equity securities held for trading	(1)	14
- trading of quoted securities	-	2,884
Impairment loss on intangible asset	-	193
Impairment loss on available-for-sale financial assets	77	2,463
Property, plant and equipment written off	1	-
Tax expense	124	89
Adjustment to deferred income tax	15	-
Operating cash flow before working capital changes	586	(226)
Change in working capital:		
Trade and other receivables	104	(595)
Inventories	341	56
Trade and other payables	(1,600)	2,039
Cash (used in)/from operations	(569)	1,274
Income tax paid	(73)	(69)
Cash flows (used in)/from operating activities	(642)	1,205
<u>Cash Flows from Investing Activities</u>		
Acquisition of investment in equity securities held for trading	-	(16)
Acquisition of property, plant and equipment	(14)	(35)
Interest received	31	38
Settlement of quoted securities	-	(2,884)
Proceeds from disposal of property, plant and equipment	32	-
Proceeds from disposal of available-for-sale financial assets	1,098	1,316
Proceeds from disposal of equity securities held for trading	12	112
Cash flows from/(used in) investing activities	1,159	(1,469)
<u>Cash Flows from Financing Activities</u>		
Deposit pledged	(18)	(4)
Drawdown of bank loan	-	100
Interest paid	(123)	(114)
Repayment of finance lease liabilities and bank overdrafts	(152)	(20)
Trust receipts	155	329
Net cash (used in)/from financing activities	(138)	291
Net increase in cash and cash equivalents	379	27
Cash and cash equivalents at beginning of the year	769	786
Effect of exchange rate changes on cash balances held in foreign currencies	(27)	(44)
Cash and cash equivalents at end of the year	1,121	769
Represented by :-		
Cash at bank and in hand	1,121	626
Fixed deposits	2,527	2,781
Less: Bank overdrafts	3,648	3,407
Less: Deposit pledged	-	(129)
	(2,527)	(2,509)
	1,121	769

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

STATEMENT OF CHANGES IN EQUITY

GROUP (\$'000)

At 1 January 2014

Total Comprehensive (Loss)/ Income

Loss for the year

Other comprehensive income/(loss):

Foreign currency translation differences

Total comprehensive income/(loss) for the year

At 31 December 2014

At 1 January 2013

Total Comprehensive (Loss)/ Income

Loss for the year

Other comprehensive (loss)/ income:

Foreign currency translation differences

Net change in fair value of available-for-sale financial assets, net of tax

Net change in fair value of available-for-sale financial assets reclassified to profit or loss, net of tax

Total comprehensive income/(loss) for the year

At 31 December 2013

Attributable to equity holders of the Company					Non-Controlling Interests	Total Equity
Share Capital	Fair value reserve	Exchange and other reserves	Accumulated losses	Total		
23,018	-	(599)	(14,526)	7,893	47	7,940
-	-	-	(453)	(453)	(18)	(471)
-	-	(88)	-	(88)	-	(88)
-	-	(88)	(453)	(541)	(18)	(559)
23,018	-	(687)	(14,979)	7,352	29	7,381
23,018	7,912	(953)	(6,380)	23,597	81	23,678
-	-	-	(8,146)	(8,146)	(34)	(8,180)
-	-	354	-	354	-	354
-	(12,480)	-	-	(12,480)	-	(12,480)
-	4,568	-	-	4,568	-	4,568
-	(7,912)	354	(8,146)	(15,704)	(34)	(15,738)
23,018	-	(599)	(14,526)	7,893	47	7,940

COMPANY (\$'000)

At 1 January 2014

Loss for the year/ representing total comprehensive loss for the year

At 31 December 2014

At 1 January 2013

Loss for the year/ representing total comprehensive loss for the year

At 31 December 2013

Attributable to equity holders of the Company		
Share Capital	Revenue Reserve	TOTAL
23,018	(15,670)	7,348
-	(323)	(323)
23,018	(15,993)	7,025
23,018	(9,693)	13,325
-	(5,977)	(5,977)
23,018	(15,670)	7,348

- 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.

Since the previous period reported on, there is no change 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. There were also no convertible securities as at 31 December 2014 and 31 December 2013.

- 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 immediate preceding year.

	Ordinary Shares
Total number of shares as at 31 December 2014 and as at 31 December 2013	137,337,290

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

Not applicable. There were no treasury shares during and as at the end of the current financial year reported on.

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

The figures have neither 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 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 adopted the same accounting policies and methods of computation as those in the audited financial statements for the financial year ended 31 December 2013.

- 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 adopted all the new and revised accounting standards where relevant to its operations and effective for the annual periods beginning on or after 1 January 2014. The adoption of the new and revised accounting standards which are relevant to its operations did not result in any significant financial impact on the results of the Group.

- 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.

	Full Year ended 31.12.2014 cents	Full Year ended 31.12.2013 cents
(Loss) per ordinary share for the financial period		
(i) Basic (loss) per share [1a]	(0.33)	(5.93)
(ii) Diluted (loss) per share [1b]	(0.33)	(5.93)

Notes :

- 1a: Basic loss per share is calculated by dividing the total loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current financial period of 137,337,290 ordinary shares (2013: 137,337,290 ordinary shares).

- 1b: Diluted loss per share are the same as loss per share as there are no potentially dilutive ordinary shares for the financial year ended 31 December 2014 and 31 December 2013.

- 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.

Net asset value backing per ordinary share based on existing issued share capital as at the end of the period reported on

GROUP		COMPANY	
31.12.2014 cents	31.12.2013 cents	31.12.2014 cents	31.12.2013 cents
5.37	5.78	5.12	5.35

Note :

- (i) The net asset value per share is calculated based on the issued share capital of 137,337,290 ordinary shares as at 31 December 2014 (137,337,290 ordinary shares as at 31 December 2013).
- (ii) The Group's and the Company's net asset value per ordinary share were calculated based on the net assets of the Group and the Company over the number of ordinary shares in issue as at respective balance sheet date.
- 8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss 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. It must also discuss 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 Performance

The Group reported revenue of S\$20.5 million in the year ended 31 December 2014 ("FY2014") as compared to S\$20.3 million in the year ended 31 December 2013 ("FY2013"), a marginal increase of 1% or S\$274,000. The increase is mainly contributed by the electrical trading segment in Singapore. The Group's gross profit margin increased from 23% in FY2013 to 25% in FY2014. The increase is mainly due better margin for certain products.

Other income increased slightly by S\$37,000 from S\$515,000 in FY2013 to S\$552,000 in FY2014 mainly due to gain on disposals of property, plant and equipment and foreign exchange gain in FY2014.

Other expenses decreased from S\$10.2 million in FY2013 to S\$2.8 million in FY2014, a decrease of 72% or S\$7.4 million. The decrease is mainly due to the absence of the loss on disposal of trading of quoted securities and available-for-sale financial assets amounting to approximately S\$5.0 million, and provision for impairment loss on available-for-sale financial assets of S\$2.5 million in FY2013.

As a result of the above, the Group reported loss before tax of S\$347,000 in FY2014 as compared to loss before tax of S\$8,091,000 in FY2013. After taking into account income tax expense of S\$124,000, the Group reported net loss of S\$471,000 in FY2014 as compared to loss of S\$8,180,000 in FY2013.

In view of the losses suffered from investing in quoted securities, the Group had ceased the trading of quoted securities in FY2014.

Review on working capital, assets and liabilities

The movement in assets and liabilities are as follows:-

1) Non-Current Assets

- (a) Available-for-sale financial assets decreased due to the disposal of quoted securities.

2) Current Assets

- (a) Trade and other receivables decreased mainly due to improvement in collection from customers.
(b) Inventories decreased mainly due to making allowance for obsolescent stocks of S\$213,000 for the year

3) Current Liabilities

- (a) Trade and other payables decreased mainly due to the full settlement of an amount due to a securities company amounting to approximately S\$1.2 million.

The Group had a positive working capital of S\$7.1 million as at 31 December 2014, an improvement of S\$0.9 million as compared to the positive working capital position of S\$6.2 million reported as at 31 December 2013.

Cash Flow Analysis

The Group reported a net increase in cash and cash equivalents of S\$379,000 for FY2014 with a S\$1.1 million cash inflow from investment activities (mainly from proceeds from disposal of available-for-sale financial assets) offset by cash outflow of S\$642,000 used in operating activities (mainly for payment of trade and other payables).

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

There was no forecast or prospect statement disclosed to the shareholders in the previous announcement.

- 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 Ministry of Trade and Industry (MTI) announced on 17 February 2015 that the Singapore economy grew by 2.9% in 2014, slower than the 4.4% in 2013. Growth in the construction sector moderated to 3.0% from 6.3% in 2013. Coupled with uncertainty in the recovery of the global economy, the Group expects the overall business environment for the next 6 to 12 months to remain challenging.

Nevertheless, the Group will strive to expand its businesses through expanding customer base and product ranges.

11 Dividend

(a) Current Financial Period Reported On :

(i) Any dividend declared for the current financial period reported on? No

(ii) Any dividend recommended for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Period

Any dividend declared for the corresponding period of the immediately preceding financial period? No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for financial year ended 31 December 2014.

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

The Group has not obtained a general mandate from shareholders for interested person transactions.
There were no interested person transactions during the financial year ended 31 December 2014.

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

By Business Activity

	Electrical Trading S\$'000	Electrical Manufacturing S\$'000	Investment Holding S\$'000	Elimination S\$'000	Total S\$'000
<u>31 December 2014</u>					
Revenue					
External revenue	20,489	51	-	-	20,540
Inter-segment revenue	357	892	-	(1,249)	-
Total revenue	20,846	943	-	(1,249)	20,540
Segment results	301	(3)	(553)	-	(255)
Interest income	5	19	7	-	31
Finance costs	(105)	(6)	(12)	-	(123)
Reportable segment profit/ (loss) before tax	201	10	(558)	-	(347)
Tax expense	(111)	(13)	-	-	(124)
Reportable segment profit/ (loss) for the year	90	(3)	(558)	-	(471)
Other material non-cash items					
- Allowance for doubtful receivables	262	-	-	-	262
- Allowance for obsolete stocks	213	-	-	-	213
- Depreciation of property, plant and equipment	58	19	-	-	77
- Impairment loss on available-for-sale financial assets	-	-	77	-	77
	533	19	77	-	629
Capital expenditure	12	2	-	-	14
Reportable segment assets	10,138	1,455	7,298	(6,660)	12,231
Reportable segment liabilities	5,371	583	266	(1,318)	4,902

By Business Activity (Continued)

	Electrical Trading S\$'000	Electrical Manufacturing S\$'000	Investment Holding S\$'000	Elimination S\$'000	Total S\$'000
31 December 2013					
Revenue					
External revenue	20,197	69	-	-	20,266
Inter-segment revenue	216	861	-	(1,077)	-
Total revenue	20,413	930	-	(1,077)	20,266
Segment results	240	14	(8,269)	-	(8,015)
Interest income	12	20	6	-	38
Finance costs	(108)	(6)	-	-	(114)
Reportable segment profit/ (loss) before tax	144	28	(8,263)	-	(8,091)
Tax expense	(67)	(22)	-	-	(89)
Reportable segment profit/ (loss) for the year	77	6	(8,263)	-	(8,180)
Other material non-cash items					
- Allowance for doubtful receivables	37	-	-	-	37
- Depreciation of property, plant and equipment	57	21	-	-	78
- Fair value gain on quoted equity securities held for trading	-	-	14	-	14
- Impairment loss on intangible assets	-	-	193	-	193
- Impairment loss on available-for-sale financial assets	-	-	2,463	-	2,463
	94	21	2,670	-	2,785
Capital expenditure	33	2	-	-	35
Reportable segment assets	11,478	1,441	9,065	(7,632)	14,352
Reportable segment liabilities	6,757	549	6,790	(7,597)	6,499

Geographical Information

The electrical trading and manufacturing segments are managed locally but operate in two principal countries namely Singapore and Malaysia.

(Segment revenue is based on location of the customers and segment assets are based on location of the assets)

	External Revenue S\$'000	Non-current assets S\$'000
31 December 2014		
Singapore	16,226	68
Malaysia	3,814	153
Other countries	500	-
	20,540	221
31 December 2013		
Singapore	15,898	1,482
Malaysia	3,825	197
Other countries	543	-
	20,266	1,679

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

Please refer to paragraph 8 above for further details.

16 A breakdown of sales.

Sales reported for first half year

(Loss)/Profit after tax before deducting non-controlling interest reported for first half year

Sales reported for second half year

Profit/(Loss) after tax before deducting non-controlling interest reported for second half year

Full Year ended 31.12.2014 S\$	Full Year ended 31.12.2013 S\$	% Change
10,072	10,359	-3%
(400)	264	NM
10,468	9,907	6%
(71)	(8,444)	99%

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

No dividend were declared for the financial year ended 31 December 2014 and 31 December 2013.

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such person, the issuer must make an appropriate negative statement.

Pursuant to Rule 704 (10) of the Listing Manual Section B: Catalyst Rules of the Singapore Exchange Securities Trading Limited, the Board of Directors of ITE Electric Co Ltd (the "Company") hereby confirms that, there was no managerial position in the Company or in any of its principal subsidiaries occupied by a person who is a relative of a director or chief executive officer or substantial shareholder of the Company for the financial year ended 31 December 2014.

BY ORDER OF THE BOARD

Wong Ming Kwong
Executive Director
25 February 2015

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Xandar Capital Pte Ltd (the "Sponsor"), for compliance with the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements made, opinions expressed or reports contained in this announcement. This announcement has not been examined or approved by the SGX-ST. The SGX-ST and the Sponsor assume no responsibility for the contents of this announcement including the correctness of any of the statements made, opinions expressed or reports contained in this announcement.

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