ANNUAL REPORT
2014

WHERE LIFE
REVOLVES AROUND
THE KITCHEN

kitchen culture

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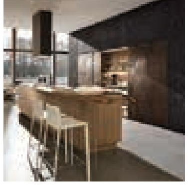
This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this annual report.

The contact person for the Sponsor is Mr Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

TABLE OF CONTENTS



CORPORATE **PROFILE**

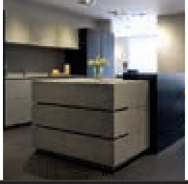
In 2014, Kitchen Culture was, once again, recognised at the Singapore Prestige Brand Award in the category of "Singapore Prestige Brand Award – Maybank Regional Brands" and was voted the "Most Popular Maybank Regional Brand".

Listed on SGX-Catalist in 2011, Kitchen Culture Holdings Ltd. ("Kitchen Culture" or the "Company", and together with its subsidiaries, the "Group") ranks among Singapore's leading distributors of high-end kitchen systems, kitchen appliances, wardrobe systems, household furniture and accessories from Europe and USA. Backed by more than two decades of experience and track record in the business, Kitchen Culture has established itself as a premier kitchen solutions provider for discerning and well-heeled consumers in Singapore and Malaysia. Over the past few years, the Company has also extended its regional footprint by having a joint venture in Hong Kong as well as a licensing and dealership arrangement with a third party in Jakarta, Indonesia. In 2014, the Company entered into the China market by opening a showroom in Chengdu, Sichuan province.

While Kitchen Culture engages in distribution and retail sales, much of its success can be attributed to its collaborations with property developers. The Company first supplied kitchen appliances for a luxury development along Cuscaden Walk in 1991. This notable project provided the platform for forging strong working relationships with major property developers, and consequently paved the way for Kitchen Culture's business diversification into residential projects.

Kitchen Culture has six showrooms in Singapore, Malaysia, Hong Kong and China. The Company's licensing partner in Indonesia has opened a showroom in Jakarta, Indonesia in 2014. Collectively, the showrooms comprise a total area of approximately 62,000 sq ft.

As a testament to its success, Kitchen Culture has received several accolades including the "Best Retail Concept of the Year" in 2004 from Singapore Retail Association, and "Singapore Prestige Brand Award – Promising Brands" in 2007 from Singapore's Association of Small and Medium Enterprises and Lianhe Zaobao. In 2008, Kitchen Culture's principal subsidiary, KHL Marketing Asia-Pacific Pte Ltd, received the esteemed Enterprise 50 award given out by The Business Times and KPMG. In 2014, Kitchen Culture was, once again, recognised at the Singapore Prestige Brand Award in the category of "Singapore Prestige Brand Award – Maybank Regional Brands" and was voted the "Most Popular Maybank Regional Brand".



LETTER TO SHAREHOLDERS

I have the greatest of confidence that our experienced management team will be able to guide the Group through any challenges ahead. We remain cautiously optimistic and will continue to capitalise on our core competencies, which involve the provision of premium kitchen solutions for residential projects, as well as for distribution and retail in both local and regional markets.

Dear Shareholders,

On behalf of the Board of Directors of Kitchen Culture, I wish to present to you the annual report for the financial year ended 31 December ("FY") 2014.

FORGING AHEAD AMIDST A CHALLENGING ENVIRONMENT

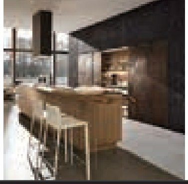
FY2014 has been a year marked by challenging events and trends as the market was characterised by uncertainty in both the global and local economy. As part of the efforts to keep the local property market in check, the Singapore Government had implemented a series of cooling measures in the last few years, targeted at cooling demand in the sector.

As the local market cools, we have benefitted from increased business opportunities in various regional markets that were harnessed from our earlier years' efforts in expanding our regional presence. Since our IPO in 2011, we have continually strived to steadily expand our geographical coverage and build a strong Asian presence for our business. We believe that our earlier efforts in this regard have started to bear fruit. In FY2014, we were successfully awarded contracts for residential property projects such as the luxurious Le Nouvel KLCC in Malaysia, 8 Mount Nicholson Road in Hong Kong as well as New Futura in Singapore. As such, the Group has been able to build a strong order book due for delivery in the near future, having exercised prudent foresight despite an anticipated reduction in tendering opportunities for new residential developments, coupled with intense bidding competition and waning market demand.

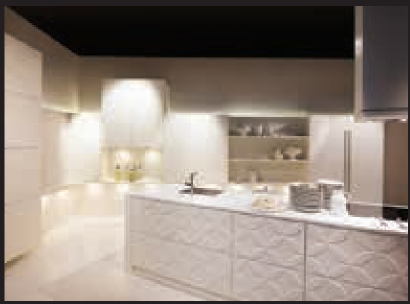
BRINGING OUR SUCCESS STORY TO ASIA

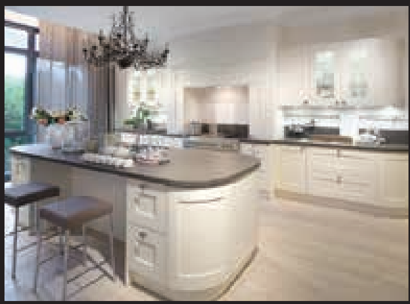
Since our beginnings over 20 years ago, Kitchen Culture has always firmly believed that excellent reputation and successful branding is a key differentiating factor over other players in the market. Our strong presence and trusted reputation as a market leader in the distribution of top quality brands for a wide range of kitchen products and accessories have garnered us several accolades over the year. In FY2014, the Group is honoured to have been recognised as one of the winners at the Singapore Prestige Brand Award ("SPBA") 2014, in the category of SPBA – Maybank Regional Brands. Kitchen Culture was also awarded the Most Popular Brand within this category. These awards served as a testament to the Group's branding efforts and product reputation, which have served as an effective driving force behind our regional expansion into new markets.

In FY2014, the Group continued to explore new business opportunities within regional markets. We are of the view that there are still significant opportunities in the regional markets that we have a presence in. As part of our regional expansion efforts, we have successfully enlarged our overseas order book in countries such as



LETTER TO SHAREHOLDERS





Malaysia and Hong Kong. In line with our strategy for overseas expansion, we have incorporated two subsidiaries separately in Sichuan and Macau during FY2014 to tap on the overseas market.

It is my pleasure to inform the shareholders that our new showroom in Chengdu, Sichuan has commenced operations during fourth quarter of FY2014. Our licencee partner in Indonesia has also commenced its showroom operations in Jakarta, Indonesia during the year. We look forward to positive contributions from these subsidiaries which are operating in a growing market.

FY2014 FINANCIAL PERFORMANCE

In line with the slowing property market trend in Singapore, the Group experienced slower growth and reported a 32.9% decrease in revenue to $22.1 million in FY2014 against $33.0 million in the previous year. This was mainly due to lower revenue contribution from the Residential Projects segment by 44.6% or $11.7 million. However, revenue contribution from the Distribution and Retail segment rose by 11.8% or $0.8 million from FY2013 to FY2014. Where geographical markets are concerned, the Group's main revenue contribution came from the Singapore segment at $19.9 million in FY2014. As such, the Group's revenue was greatly affected by the cooling measures implemented in the Singapore property market.

Overall, the Group registered a net loss attributable to shareholders of $1.3 million in FY2014, while loss per share on a fully diluted basis was 1.3 Singapore cents. This was attributable mainly to the decrease in revenue from the Residential Projects segment, losses arising from service office venture (which has since ceased) and losses from our Malaysia subsidiary. The Group's operations in Singapore remained profitable in FY2014.

FUTURE OUTLOOK

With the current economic outlook and uncertainty in the global economy, we expect the business conditions in our operating markets, which include Singapore, Malaysia, Hong Kong and China to remain challenging and competitive. The Singapore and Malaysia markets will remain the key markets for the Group, while we continue to grow our presence in our newer markets.

I have the greatest of confidence that our experienced management team will be able to guide the Group through any challenges ahead. We remain cautiously optimistic and will continue to capitalise on our core competencies, which involve the provision of premium kitchen solutions for residential projects, as well as for distribution and retail in both local and regional markets. We will continue to monitor developments in the region that may impact us and affect our business decisions while persisting in exploring opportunities for regional expansion and exercising financial prudence in our operations.

With an order book of approximately $48.5 million as at 31 January 2015 that is expected to be fulfilled in the next one to three years, we look forward to building on our results with a new series of brand offerings even as we grow and strengthen our business in the Malaysia market.

IN APPRECIATION

On behalf of the Board, I would like to thank all our colleagues and management team for their hard work and commitment. It is their dedication and team effort that has brought Kitchen Culture to where it is today and will continue to overcome challenges and propel the Group to new heights.

In closing, I would also like to express my gratitude to my fellow directors, the principals, business partners, shareholders, customers and various stakeholders for their unwavering support and confidence in Kitchen Culture. With the valuable support of all, we shall aspire and strive to be the leader in every market that we are in.

LIM WEE LI
Executive Chairman and
Chief Executive Officer

OPERATING AND FINANCIAL REVIEW

OPERATIONS REVIEW

REVENUE

In FY2014, the Group reported a decrease in revenue of 32.9% from $33.0 million in FY2013 to $22.1 million in FY2014 due to lower revenue contribution from the Residential Projects segment, which was partly offset by an increase in the revenue contribution from the Distribution and Retail segment by 11.8% or $0.8 million.

The Residential Projects segment accounted for 65.5% or $14.5 million of the Group's revenue during the year, of which $5.0 million was attributable to revenue recognised from seven new projects, which included "Boulevard Vue", "d'Leedon" and "The Boutiq", while $9.5 million was derived from 25 ongoing projects from the previous financial years.

The Distribution and Retail segment contributed 34.5% or $7.6 million to the Group's revenue during the year, which translated to a 11.8% or $0.8 million increase due to an improvement of $0.3 million and $0.5 million recorded by the Group's Singapore and Malaysia operations respectively. This was a result of various promotional and sales initiatives carried out in these countries during the year.

GROSS PROFIT

The gross profit decreased by 33.8% or $4.8 million from $14.3 million in FY2013 to $9.5 million in FY2014, which was largely in line with the drop in revenue. Gross profit margin fell by 0.6 percentage points from 43.5% in FY2013 to 42.9% in FY2014 mainly caused by competitive pricing for the Distribution and Retail segment.

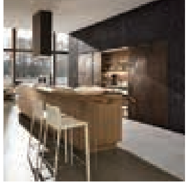
OPERATING EXPENSES

Selling and distribution expenses decreased by 6.7% or $0.5 million from $7.8 million in the previous year to $7.3 million this year. This was largely attributable to a decline in advertisement, entertainment, rental, travelling expenses and upkeep of motor vehicles in FY2014. Meanwhile, general and administrative expenses increased by 5.6% from $3.1 million in FY2013 to $3.2 million in FY2014 mainly due to an increase in salaries and related costs.

The Group's other expenses incurred reported a drop of 89.0% to $0.1 million from $1.3 million in the previous year. This was mainly attributable to a net decrease in allowance for doubtful receivables of $0.4 million, a decrease in write-down of inventories of $0.3 million and a foreign exchange gain of $0.1 million as compared to a foreign exchange loss of $0.4 million in the previous year.

SHARE OF RESULTS OF JOINT VENTURE

The Group did not record any share of losses in FY2014 as our 40% share of losses was restricted to our investment in the Hong Kong joint venture in FY2013.



OPERATING AND FINANCIAL REVIEW



RESULTS FOR THE YEAR

During the year, the Group recorded a loss before tax of $1.3 million as compared to a profit before tax of $1.7 million in FY2013. This loss was mainly the consequence of a decrease in revenue from the Residential Project segment, losses arising from Eclat Office Club Pte. Ltd. as business operations did not take off as anticipated, as well as losses incurred in our wholly-owned subsidiary in Malaysia, Kitchen Culture Sdn. Bhd., as operating expenses increased while margins lowered.

FINANCIAL POSITION OF THE GROUP

ASSETS

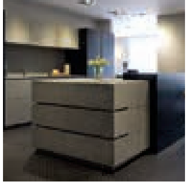
As at 31 December 2014, the Group's total assets decreased by $2.4 million to $28.6 million as a result of a fall in trade and other receivables of $2.6 million and a decline in cash and bank balances of $0.9 million. These were partially offset by an increase in net carrying value of property, plant and equipment of $0.1 million due to additions, as well as an increase in inventories of $1.0 million attributable to increased inventories in the Malaysia and China subsidiaries.

LIABILITIES

The Group's total liabilities as at 31 December 2014 reduced by $1.1 million to $16.1 million. This was mainly caused by a decrease in trade and other payables of $1.1 million, a dip in bills payable to banks of $1.2 million, a reduction in the amounts due to directors of $0.8 million, lower tax payable of $0.5 million and a fall in finance lease of $0.1 million. These were partially offset by an increase in bank borrowings of $2.6 million during the year.

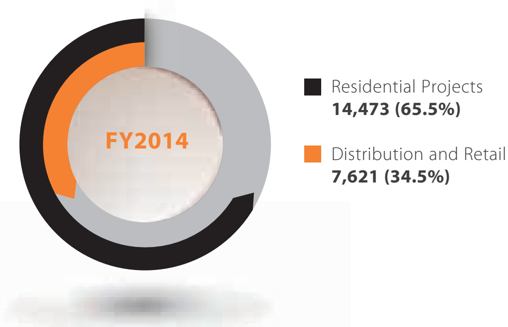
SHAREHOLDER'S EQUITY

Shareholder's equity decreased by $1.3 million to $12.4 million as at 31 December 2014. Non-controlling interests decreased from approximately $74,000 as at 31 December 2013 to approximately $287 as at 31 December 2014, as the Group acquired the remaining 20.0% in Eclat Office Club Pte. Ltd. in FY2014, which was a joint venture undertaken by the Group in the year before. The Group reported a net asset value per share of 12.4 cents as at 31 December 2014 against 13.8 cents as at 31 December 2013.

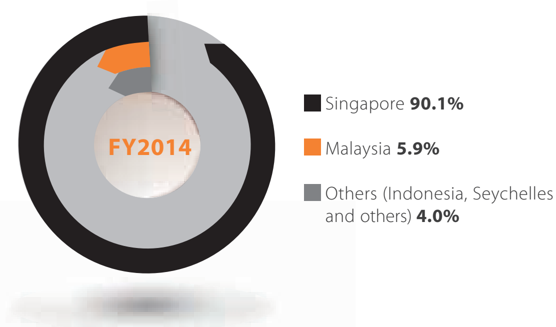


FINANCIAL HIGHLIGHTS

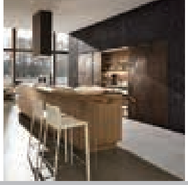
REVENUE BY BUSINESS SEGMENT
($'000)



REVENUE BY GEOGRAPHICAL REGION
(%)



$'000	FY2014	FY2013	FY2012
Revenue	**22,104**	**32,952**	**21,660**
Cost of Sales	(12,625)	(18,624)	(11,072)
Gross profit	9,479	14,328	10,588
Other income	134	111	153
Selling and distribution expenses	(7,286)	(7,808)	(7,159)
General and administrative expenses	(3,234)	(3,063)	(3,066)
Finance costs	(298)	(294)	(263)
Other expenses	(148)	(1,339)	(187)
Share of results of joint venture	–	(196)	(418)
(Loss)/Profit before tax	(1,353)	1,739	(352)
Tax expense	(41)	(507)	(16)
(Loss)/Profit for the year	**(1,394)**	**1,232**	**(368)**
Other comprehensive income:			
Currency translation differences arising from consolidation	48	14	7
Total comprehensive (loss)/income for the year	(1,346)	1,246	(361)
(Loss)/Profit attributable to:			
Equity holders of the Company	(1,328)	1,307	(368)
Non-controlling interests	(66)	(75)	–
	(1,394)	**1,232**	**(368)**
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company	(1,279)	1,321	(361)
Non-controlling interests	(67)	(75)	–
	(1,346)	**1,246**	**(361)**



OUR
CORPORATE STRUCTURE

Notes:

1. As announced on 29 May 2014, KHL Marketing Asia-Pacific Pte Ltd ("**KHLM**"), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary, KCROOM Pte. Ltd. , in Singapore.
2. KHLM incorporated a wholly-owned subsidiary, Kitchen Culture (Sichuan) Co. Ltd, in the People's Republic of China in FY2014.
3. As announced on 18 July 2014, KHLM acquired the remaining 20% shareholding in Eclat Office Club Pte. Ltd. from the minority shareholder, after the termination of the joint venture agreement.
4. As announced on 3 June 2014, KHL (Hong Kong) Limited incorporated a 70%-owned subsidiary, Kitchen Culture (Macau) Limited, in Macau.
5. As announced on 5 February 2015, KHL (Hong Kong) Limited acquired additional 30% of the issued and paid up share capital of Kitchen Culture (Hong Kong) Limited, which is now a 70%-owned subsidiary.

OUR MISSION

To create well-designed, highly functional and premium quality kitchens which are perfectly suited to the lifestyle of modern and cosmopolitan living.

PHILOSOPHY

The kitchen is the heart of the home. It is a sanctuary where family members congregate, and where one plays host or hostess to their guests – displaying their culinary skills while entertaining and interacting as they go about their tasks in a beautifully designed and appointed kitchen.

GUIDING PRINCIPLES

At Kitchen Culture, we go beyond the basic culinary functions to introduce and integrate the kitchen as part of the modern dweller's lifestyle and culture. Our products and services are driven by three main factors – Design, Function and Form. Each aspect is conscientiously considered and meticulously fused to create high quality kitchens that are both strikingly beautiful and perfect in function.

MILESTONES

2014

- Launched and commenced operations of both showrooms in Chengdu, Sichuan as well as Jakarta, Indonesia
- Awarded the Singapore Prestige Brand Award – Maybank Regional Brands Voted the Most Popular Brand within the category

2013

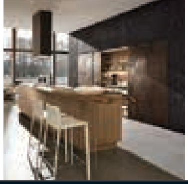
- Entered into a licensing and dealership agreement with an Indonesian business partner in Jakarta, Indonesia

2012

- Incorporated KHL (Hong Kong) Limited in Hong Kong
- Entered into a joint venture with 40% interest with three business partners as part of business expansion plans into Hong Kong
- Opened two showrooms in Hong Kong totalling about 10,000 sq. ft.

2011

- Listed on SGX-Catalist
- Incorporated Kitchen Culture (Hong Kong) Limited and Kitchen Culture (China) Limited in Hong Kong



BUSINESS UNITS

The demand for quality residences is expected to rise, not only in Singapore but also in the region as these economies develop. Today's homeowner does not only just consider the choice of location, but also the presence of quality residential infrastructure, all woven in a lifestyle expression of individuality. Developers are responding to this evolution by providing more inspired architecture, sound engineering, better lifestyle facilities and high quality finishes, while leaving no detail to chance. Today's modern home is not only a residential symbol of what the owners have achieved, but also a reflection of the lifestyle they aspire to live in.

It is this trend that inspires Kitchen Culture to continue to bring to market the best available brands of kitchen systems, kitchen appliances, wardrobe systems, household furniture and accessories, while at the same time, providing a premier service that starts from consultation and goes beyond the sale of products. Kitchen Culture will continue to maintain its excellent working relationships with its brand partners and suppliers, while continually bringing new brands and products to market so as to provide customers with more lifestyle choice options.

At Kitchen Culture, our business is organised into our **Residential Projects** and **Distribution and Retail** business segments.

RESIDENTIAL PROJECTS

Since starting our business in 1991, we have over the years forged close working relationships with major property developers operating in Singapore for luxury residential projects. Today, Kitchen Culture is seen as the go-to company for branded and sophisticated kitchen systems by developers and construction companies. We have developed a reputation among our customers for meticulous attention and precision lavished on the finest details and the installation of kitchen systems and appliances of quality, sophistication and elegance.

In 2014, the Group's kitchen solutions have been presented in various iconic luxury residential projects such as "Eden Residences Capitol", "Boulevard Vue", "The Nassim" and "Alba", amongst others. Some of the upcoming prestigious projects which will feature the Group's kitchen solutions are "Marina One Residences", "Clermont Residences", "V on Shenton" in Singapore as well as "DC Residency" and "Le Nouvel KLCC" in Malaysia.

DISTRIBUTION AND RETAIL

Under our "kitchen culture" brand, we brand manage, sell and distribute a wide range of premium imported kitchen systems, kitchen appliances, wardrobe systems, household furniture and accessories from Europe and USA. We reach our discerning individual customers through our "kitchen culture" retail showrooms. We also have a wide network of dealers and licensees as well as retail customers mainly in Singapore, Malaysia, Indonesia and Cambodia. Our "kitchen culture" stores in Singapore, Malaysia, Hong Kong, China and licensee in Indonesia offer renowned brands of kitchen systems, appliances and accessories and make the shopping and planning for a kitchen more pleasurable.

At Kitchen Culture, we believe in understanding and appreciating our customers. That's why we have an in-house design team supporting our two business segments. The design team considers individual customer's psyches, tastes and preferences for the sole purpose of customising space and product solutions to complement their style and needs. This subtle partnership of design, product and consumer understanding adds an entirely new dimension to our business. Beyond that, we also provide value added services such as installation and carpentry through our pre-qualified third party contractors and after-sales maintenance services for our products under warranty.

BOARD OF DIRECTORS

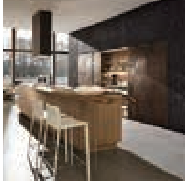
MR LIM WEE LI
Executive Chairman and CEO

Mr Lim Wee Li is the Executive Chairman and CEO of the Company and is responsible for the formulation of the Group's strategic directions and expansion plans. In addition, he oversees the sales, marketing and business development of the Group and liaises with brand principals for securing distribution rights for the Group. He established and founded the Group in 1991 and has spearheaded the growth of its business and operations to the present size and scale. Mr Lim graduated with a Bachelor of Business Administration, majoring in Corporate Finance from University of North Texas, USA in 1988. He was awarded Top Entrepreneur of the Year 2008 by the Association of Small and Medium Enterprise and Rotary Club of Singapore. He is a member of the Singapore Chinese Chamber of Commerce. In 2012, Mr Lim was conferred another prestigious entrepreneurial award, the Outstanding Entrepreneurship Award, by Enterprise Asia.

MR ONG BENG CHYE
Lead Independent Director

Mr Ong Beng Chye is the Lead Independent Director of the Company and was appointed to the Board on 27 June 2011. He has more than twenty two years of experience in areas such as accounting, auditing, public listings, due diligence, mergers and acquisitions, and business advisory. Mr Ong is currently a director of Appleton Global Pte Ltd, a business management and consultancy services firm. He is also serving as an independent director of other listed companies in Singapore. He is a shareholder and a director of a few private limited companies. He is a Fellow of The Institute of Chartered Accountants in England and Wales, a Chartered Financial Analyst conferred by The Institute of Chartered Financial Analysts and a non-practising member of the Institute of Singapore Chartered Accountants. Mr Ong obtained a Bachelor of Science (Honours) from The City University, London in 1990.

(1) As of June 2014, Mr Lim Han Li has stepped down as an advisor of Kitchen Culture.



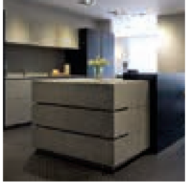
BOARD OF DIRECTORS

MR KESAVAN NAIR
Independent Director

Mr Kesavan Nair is an Independent Director of the Company and was appointed to the Board on 27 June 2011. He also serves as an independent director of other listed companies in Singapore. Mr Nair is an Advocate and Solicitor of Singapore and has been a director of Genesis Law Corporation since 2008. He was a partner in David Lim & Partners from 2003 to 2008, a partner in Harry Elias Partnership from 2000 to 2003 and a partner in M.P.D. Nair & Co. from 1992 to 2000. Mr Nair graduated with a Bachelor of Laws (Honours) from The University College of Wales, Aberystwyth in 1988. He was admitted as a Barrister-at Law, Middle Temple in 1990, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory in 1991 and an Advocate & Solicitor of the Supreme Court of Singapore in 1992.

MS JOANNE KHOO SU NEE
Independent Director

Ms Joanne Khoo Su Nee was appointed as an Independent Director of the Company on 3 October 2012. She is currently a director of Bowmen Capital Private Limited, a company that provides business and management consultancy services and an independent director of Teho International Inc Ltd. Ms Khoo has more than 18 years experience in corporate finance and business advisory services. From 2008 to 2012, she was a director of corporate finance at Canaccord Genuity Singapore Pte. Ltd. Prior to this, she was involved in a wide range of corporate finance activities in the employment of Phillip Securities Pte Ltd and Hong Leong Finance Limited. From 2000 to 2004, she was with Stone Forest Consulting Pte Ltd where she was involved in providing consultancy services to companies seeking public listings in Singapore. From 1997 to 2000, she was with PricewaterhouseCoopers. Ms Khoo graduated with a Bachelor of Business in Accountancy from Royal Melbourne Institute of Technology University in 1996. She was admitted as a Certified Public Accountant by the CPA Australia in 1999 and a Chartered Accountant under the Malaysian Institute of Accountants in 2000.



KEY MANAGEMENT

MR LIM YII FAN

Chief Financial Officer

Mr Lim Yii Fan joined the Group in 2014 as Chief Financial Officer where he is responsible for the overall financial accounting and financial reporting of the Group. Mr Lim has more than 16 years of experience in the accounting and auditing profession. Prior to joining the Group, he was the finance manager of Global Harvest Trading Pte Ltd from January 2013 to September 2013. From 2010 to 2012, he was with Hiap Tong Corporation Limited as finance manager and he was the senior finance manager of Pacific King Shipping Holding Pte Ltd from 2005 to 2010. Between 1999 and 2005, he had held various external and internal audit positions with KPMG LLP, Singapore Land Authority, Samsung Asia Pte. Ltd. and Rentokil Initial (S) Pte. Ltd. He graduated with a Bachelor of Accountancy from Nanyang Technological University in 1999. He is a non-practising member of the Institute of Singapore Chartered Accountants.

MR TERRENCE LIEW FOOK SIONG

General Manager (Appliances Division)

Mr Terrence Liew Fook Siong joined the Group in 1994 and is presently the General Manager (Appliances Division). He is responsible for product management, including sales, marketing, after-sales, logistics and procurement activities in the Appliances Division. He leads a team of sales and after-sales staff for retail and project-based sales, as well as local and overseas distribution sales. He also liaises with suppliers' factories, customers and suppliers. Prior to joining the Group, he was with Singapore Technologies Automotive Ltd as technical specialist from 1989 to 1994. Mr Liew graduated with a Diploma in Mechatronic Engineering from Ngee Ann Polytechnic in 1998.

MR MAHMUD BIN ABDUL KARIM

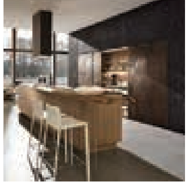
General Manager (Project and Retail, Design Development Division)

Mr Mahmud Bin Abdul Karim joined the Group in 2004 and is presently the General Manager (Project and Retail, Design Development Division). He is responsible for product management, including sales, marketing, after-sales, logistics and procurement activities within the Project and Retail, Design Development Division. In addition, he oversees the Group's Malaysian operations. He also liaises with suppliers' factories. Before joining the Group, Mr Mahmud was with Art Cuisines International as design manager for 10 years.

MR MATHEW SIM SIANG PING

General Manager (Sub-Zero and Wolf Division)

Mr Mathew Sim Siang Ping has been with the Group since 2002. During his 12 years with the Group, he has covered various positions from Retail Manager, Account Manager, Senior Manager (Appliances Division) to presently General Manager (Sub-Zero and Wolf Division). Mr Sim is fully responsible for the day-to-day running of the Sub-Zero and Wolf Division, focusing on sales, marketing, after-sales, logistics and product training. Prior to joining Kitchen Culture, he was a store manager for HMV Pte Ltd from 1997 to 2002. From 1992 to 1997, he was a retail sales executive with Kim Hup Lee & Co. (Private) Limited.



BRANDS
KITCHEN SYSTEMS

POGGENPOHL S M I

With a history of over 120 years and associated with luxury kitchens and quality living, Poggenpohl is the first renowned kitchen system in Germany and each piece is an artful creation that speaks of sheer function in today's modern kitchen.

SIEMATIC HK

A leading German manufacturer that infuses creativity into developing individualised solutions for the kitchen, SieMatic provides an extensive insight into the latest design and state-of-the-art technology and quality for the kitchen. The SieMatic design is always an original.

LA CORNUE S M HK I

La Cornue is determined to preserve the noble values traditionally associated with hand craft production. The products are individually hand-made with patience and pride till today; and use modern technology for its cooking purposes.

EGGERSMANN S M HK

Eggersmann prides itself on producing individually tailored luxury kitchens for more than a century, of which the designs can hardly be matched by others for its timelessness and minimalism.

RATIONAL S M I

A trusted brand name for more than 40 years, Rational ensures high quality fitted kitchens that have been rigorously tested in every detail, and has devoted itself to consistently develop and produce kitchens by people for people.

HÄCKER S M

Having produced modern fitted kitchens that fulfil the highest claims in terms of quality, functionality, durability and design since 1938, Häcker is the reliable partner of this specialist trade both today and in the future.

PUREFORM S M

A customised solution offered only to Kitchen Culture's corporate clientele for their project requirements, Pureform represents a service that we are confident will be synonymous with quality, functionality and technology in time.

poggenpohl

SieMatic

LA CORNUE

eggersmann

rational

Häcker kitchen.germanMade.

Pureform

S Singapore M Malaysia HK Hong Kong I Indonesia

BRANDS

KITCHEN APPLIANCES & ACCESSORIES

ELICA S M

Design is the unifying element and guiding philosophy of the entire collection. Universally-acclaimed for its radically innovative appearance, Elica transforms a kitchen into a unique and distinctive environment.

FOSTER S M HK

An all Italian creation that blends elegant design with advanced technology, Foster boasts of a range of supreme cooking appliances and kitchen accessories that guarantee top notch quality and durability; providing the ultimate solution for an impeccable kitchen.

IRINOX S M

The world leader in the production of high technology systems for the preservation of perfect quality food through time, Irinox offers the efficiency and effectiveness of professional equipments used in restaurants by redeveloping the technology for domestic use.

KÜPPERSBUSCH S

Award-winning cooking appliances that indulge your culinary pleasures, Küppersbusch has stood for innovation and tradition more than 135 years, using expertise, creative ideas and stimuli to develop trend-setting technologies that set new standards for modern built-in kitchen appliances.

KWC S M

KWC is the leader for luxury kitchen faucets in private and professional fields which successfully combines Swiss innovation with technology, precision and fascination. KWC's premium water performance personifies and embodies the traditional values of Swiss craftsmanship, both in their functionality and design.

LIEBHERR S HK

Producing the largest range of freezers, refrigerators and multi-temperature wine storages worldwide, Liebherr boasts cutting edge features and winning benefits that are ergonomically designed to guarantee absolute freshness of sundries and perishables while providing optimum cooling for prized wines.

STEEL S M I

Steel, a forefront Italian manufacturer of cooking ranges originally for professional use, is now in its third generation and has expanded its range for the domestic market to include cookers, hoods and outdoor cooking equipment. Innovation and functionality are the bywords for Steel's aesthetic designs and professional approach to kitchen products.

SUB-ZERO S M

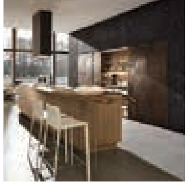
With a heritage that started more than 70 years ago and has changed kitchens forever by perfecting the storage of frozen food at ultra low temperatures, Sub-Zero's appliances are remarkably energy-efficient and the quality of materials used is unmistakable.

V-ZUG S M

Founded in 1913, V-ZUG is a remarkable and unique Swiss company with uncompromising commitment to innovation and quality. The difference in V-ZUG: creative like sculptors and meticulous like Swiss watchmakers.

WOLF S M

Cooking is never more enjoyable with Wolf cooking appliances that fuel your passion for culinary experiences. From seamlessly integrated ovens to warming drawers and even outdoor grills, you can take your cooking anywhere.



BRANDS

HOUSEHOLD FURNITURE

Our Group carries the following brands:

ARTANOVA S

The successful combination of design, quality and practicality makes seating by Artanova so special. The designer upholstered furniture is manufactured in Switzerland and is intended for people who give no chance to mediocrity.

BLUFORM M HK

Bluform introduces an outstanding combination of technical and refined focus on the latest and most sophisticated design for vanities. The stylistic research made by Pininfarina excels and comes branded with the renowned Italian manufacturing process for a new Bath Concept.

COR S M I

Purity in its purest form, COR designed the world's first modular furniture system, which gives its customers free reign to put together many basic parts and pieces for their unique needs.

DRAENERT S I

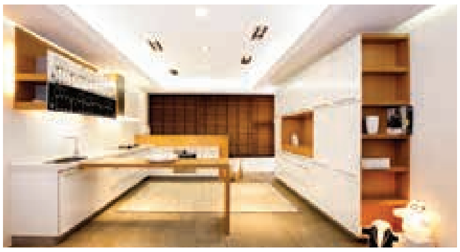
High-quality design furniture that is developed and individually crafted using 150 natural stones with seven avenues of colour, Draenert is world-renowned for designer furniture, traditional craftsmanship, quality and first-class workmanship.

FIMES S M HK I

Today, Fimes has become the point of reference for the bedroom furniture district with their new collection of wardrobes, chests, night closets and walk-in closets.

INTERLÜBKE S M

The range of Interlübke products include beds, cabinets, room dividers, shelf systems, and wardrobes with designs that are simple, soft, pleasant and tailored perfectly to every room.



KFF S HK I

KFF aims to provide characteristic, high quality, comfortable designer seating solutions for everyone all over the world that has a taste for modern furniture, of the highest quality standards, in a domestic or a commercial setting made in Lemgo Germany.

MATSUOKA S

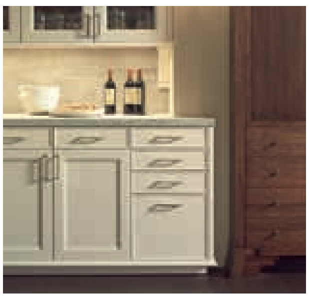
For more than 145 years, Matsuoka has been producing furniture artefacts for gracious living. Like sculptured art, each artefact is an evocative package of rich creativity that meets the utilitarian and the aesthetic intention, while demonstrating a holistic expression of the synergy between geometry, materials, craft and finish in the true spirit of Gestalt.

MGS HK

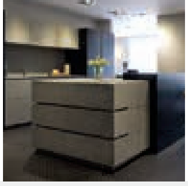
To achieve superior results and exclusive products, MGS has set a new standard in using stainless steel in this industry. The strong brand identity of the company has been focused in making desired faucets for the most exclusive homes in the world.

TECKELL S

Giving a new life to the game foosball, Teckell introduces an elegant design piece in our formal living spaces which is characterised by its pure design and essential forms, its crystal transparency, and its elegant statuettes in aluminum.



S Singapore   M Malaysia   HK Hong Kong   I Indonesia



KITCHEN CULTURE PRESENCE

SINGAPORE

CORPORATE OFFICES

25 New Industrial Road
#02-01
KHL Industrial Building
Singapore 536211

55 Mohamed Sultan Road
Singapore 238995
www.kitchenculture.com

SHOWROOMS

2 Leng Kee Road
#01-02/05/07
Thye Hong Centre
Singapore 159086

HAÜS

2 Leng Kee Road
#01-08
Thye Hong Centre
Singapore 159086

SUB-ZERO/WOLF DIVISION

55 Mohamed Sultan Road
Singapore 238995

HONG KONG

CORPORATE OFFICE

15/F, The Sun's Group Centre
200 Gloucester Road
Hong Kong
www.kitchenculture.com.hk

SHOWROOMS

Shop B, Ground Floor &
Basement of Bonny View House
No. 63 & 65
Wong Nai Chung Road
Happy Valley
Hong Kong

Shop 202, Harbour Centre
25 Harbour Road
Wan Chai
Hong Kong

MALAYSIA

CORPORATE OFFICE AND SHOWROOMS

45E Ground/1st/3rd/5th Floor
Jalan Maarof
Bangunan Bangsaria, Bangsar Baru
59100 Kuala Lumpur
Malaysia
www.kitchenculture.com

CHINA

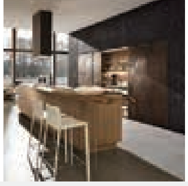
CORPORATE OFFICE AND SHOWROOM

Unit 203/204
The Atrium
99, Dong Da Jie Street
Chengdu 610021
PRC

INDONESIA

CORPORATE OFFICE AND SHOWROOM

Palma One Tower
Ground Floor, Suite 102
Jl HR Rasuna Said Blok X-2, Kav 4
Kuningan, Jakarta 12950
Indonesia
www.kitchenculture.co.id
(Licensee of Kitchen Culture)



GERMANY
Poggenpohl, SieMatic, Eggersmann, Rational, Häcker, Küppersbusch, Liebherr, COR, Draenert, Interlübke, KFF

FRANCE
La Cornue

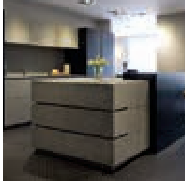
ITALY
Elica, Foster, Irinox, Steel, BluForm, Fimes, Teckell

SWITZERLAND
KWC, V-ZUG, Artanova, MGS

USA
Sub-Zero, Wolf

JAPAN
Matsuoka

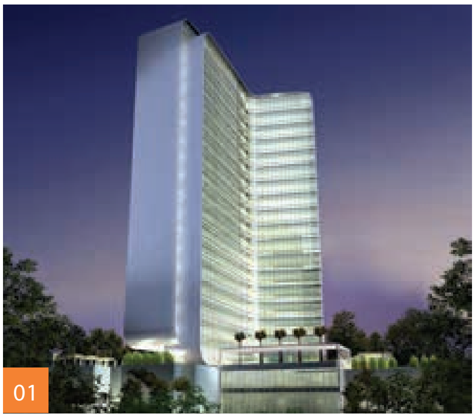
SINGAPORE
Pureform



RESIDENTIAL PROJECTS

Kitchen Culture has effectively tapped into the trend of property developers using branded kitchen concepts in their development projects. The Group has a strong presence in the institutional market where it works closely with selected property developers to cater to upmarket, residential projects.

PROJECT NAME	DEVELOPER
PROJECTS IN 2014	
Alba	Far East Organization Centre Pte Ltd
Altez	Bishan Properties Pte Ltd (Far East Organization)
Eden Residences Capitol	Capitol Investment Holdings
Greenwood Mews	Golden Development Pte Ltd & Astoria Park Pte Ltd (Far East Organization)
PS100	Far East Soho Pte Ltd
The Boutiq	Unique Development Pte Ltd
TwentyOne Angullia Park	Angullia Development Pte Ltd
PAST PROJECTS	
8 Nassim Hill	Tennessee Pte Ltd
Amber Residences	Voda Land Pte. Ltd.
Ardmore Residence	Pontiac Land
Ardmore Three	Wheelock Properties (Singapore) Limited
Arthur 118	Fortune Development Pte Ltd
Bishopsgate Residences	Kajima Overseas Asia Pte Ltd
Coral Island	Ho Bee (Sentosa) Pte Ltd
CYAN	Far East Organization
Floridian	Far East Organization
Four Seasons, Seychelles	Petite Anse Developments Limited
Grange Infinite	Grange Properties Pte Ltd
Hamilton Scotts	Sardinia Properties Pte. Ltd. (subsidiary of Hayden Properties Pte. Ltd.)
Hana	Pontiac Land
Hillcrest Villa	MCL Land Limited
Horizon Residences	Far East Organization
iLiv@Grange	Heeton Holdings Ltd
Jardin YHS	Dunearn Pte Ltd
Leonie Parc View	SB (Orchard) Development Pte Ltd
Miro	Far East Organization
Paradise Island	Ho Bee Investment Ltd
Paterson Collection	Bukit Sembawang View Pte Ltd
Paterson Suites	Bukit Sembawang View Pte Ltd
Rivergate	Riverwalk Promenade Pte Ltd
Sandy Island, Sentosa	YTL Singapore Pte Ltd
Scotts High Park	CapitaLand Limited
Silversea	Far East Organization
Sui Generis	Kajima Overseas Asia Pte Ltd
The Binjai On The Park	Layar Intan Sdn Bhd
The Fernhill	MCL Land Limited
The Glyndebourne	City Developments Limited/Millennium & Copthorne International Limited
The Green Collection	Elevation Developments Pte Ltd
The Greenwood	Far East Organization
The Marq	SC Global Developments Ltd
The Meyerise	Hong Leong Holdings Limited
The Nassim	CapitaLand Limited
The Orange Grove	Ho Bee Investment Ltd
The Orchard Residences	CapitaLand Limited and Sun Hung Kai Properties Limited
The Ritz-Carlton Residences, Singapore, Cairnhill	Royce Properties Pte. Ltd. (subsidiary of Hayden Properties Pte. Ltd.)
The Sculptura Ardmore	SC Global Developments Ltd
The Sound	Far East Organization
Trilight	Ho Bee Group
Urban Suites	CapitaLand Limited
Vista Residences	Far East Organization
Volari	City Developments Limited
Waterfall Gardens	MCL Land Limited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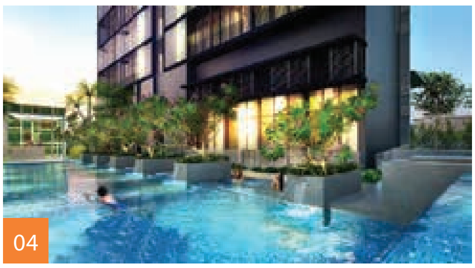
02


03

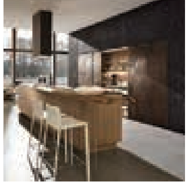

04

01 Photograph of Alba, courtesy of Far East Organization Centre Pte Ltd

02 Photograph of TwentyOne Angullia Park, courtesy of Angullia Development Pte Ltd

03 Photograph of Ardmore Residence, courtesy of Pontiac Land

04 Photograph of The Boutiq, courtesy of Unique Development Pte Ltd



2014 EVENTS AND CORPORATE SOCIAL RESPONSIBILITY

New Milestones and Awards

Kitchen Culture held a grand opening ceremony of the newest office at Mohamed Sultan Road.

Kitchen Culture was once again awarded at the Singapore Prestige Brand Award in the category of "Singapore Prestige Brand Award – Maybank Regional Brands" and was voted the "Most Popular Maybank Regional Brand".

Kitchen Culture and the Community

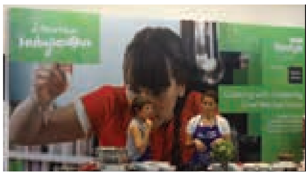
Kitchen Culture's showroom hosted design students from Nanyang Polytechnic to share and cultivate interest and passion for architectural designing and practical industry knowledge.

The Company and its staff purchased food items from Ren Ci Community Hospital's vegetarian food fiesta and visited the Lions Home for the Elders organisation.

Kitchen Culture staff participated in Bare Your Sole, which is a barefoot walk initiative to create awareness for children and adults living in dire conditions.

Kitchen Culture participated in the SGX Bull Charge Run, which is a corporate charity run that brings together the Singapore's financial industry along with all SGX-listed companies together.

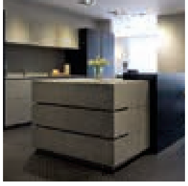
Where life revolves around the kitchen



Kitchen Culture sponsored the location for Starhub and BBC Live "Hubalicious" program starring Celebrity Chef Rachel Khoo. Sharing food recipes with her biggest fans in Singapore. The program was aired to countries in the region.

Kitchen Culture organises a series of cooking classes for various stakeholders. Participants were taught cooking recipes, with hands on participation with the appliances, by our very own in-house chef.

Kitchen Culture's valued clients and business partners attended a private movie screening, where they were made aware of Sub-Zero's product featuring in the Captain America 2 movie.



CORPORATE INFORMATION

BOARD OF DIRECTORS

LIM WEE LI, Executive Chairman and Chief Executive Officer
ONG BENG CHYE, Lead Independent Director
KESAVAN NAIR, Independent Director
JOANNE KHOO SU NEE, Independent Director

AUDIT COMMITTEE

ONG BENG CHYE – Chairman
KESAVAN NAIR
JOANNE KHOO SU NEE

NOMINATING COMMITTEE

KESAVAN NAIR – Chairman
ONG BENG CHYE
JOANNE KHOO SU NEE

REMUNERATION COMMITTEE

JOANNE KHOO SU NEE – Chairman
KESAVAN NAIR
ONG BENG CHYE

COMPANY SECRETARIES

WEE WOON HONG, LLB (Hons)
LIM YII FAN, CA Singapore

REGISTERED OFFICE

25 New Industrial Road
#02-01 KHL Industrial Building
Singapore 536211
Tel: +65 6471 6776
Fax: +65 6472 6776/+65 6286 3138
Website: www.kitchencultureholdings.com

SPONSOR

Canaccord Genuity Singapore Pte. Ltd.
77 Robinson Road #21-02
Singapore 068896

INDEPENDENT AUDITOR

Baker Tilly TFW LLP*
(Public Accountants and Chartered Accountants)
600 North Bridge Road
#05-01 Parkview Square
Singapore 188778
Partner-in-charge: Foong Chooi Chin, CA Singapore
(Appointed since the financial year ended 31 December 2014)

SHARE REGISTRAR

RHT Corporate & Advisory Pte. Ltd.
Six Battery Road #10-01
Singapore 049909

* Baker Tilly TFW LLP will not be seeking re-appointment at the forthcoming annual general meeting.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board" or "Directors") of Kitchen Culture Holding Ltd. (the "Company", and together with its subsidiaries, the "Group") is committed to maintaining a high standard of corporate governance within the Group to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company believes that, the Singapore Code of Corporate Governance 2012 (the "Code") serves as a practical guide in defining duties and responsibilities of the Board.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the Singapore Exchange Listing Manual Section B: Rules of Catalist (the "Catalist Rules") requirements.

The Board confirms that, for the financial year ended 31 December 2014 ("FY2014"), the Company has generally adhered to the principles and guidelines set out in the Code. Where there are deviations from the Code, appropriate explanations are provided.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective board to lead and control the company. The board is collectively responsible for the long-term success of the company. The board works with management to achieve this objective and management remains accountable to the board.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and to protect and enhance long-term shareholders' value.

Matters which specifically require the Board's decision or approval are those involving:

- corporate strategy and business plans;
- investment and divestment proposals;
- funding decisions of the Group;
- nominations of Directors for appointment to the Board and appointment of key personnel;
- announcement of half-year and full-year results, the annual report and financial statements;
- material acquisitions and disposal of assets; and
- all matters of strategic importance.

Board committees, namely the Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), have been established to assist the Board in the discharge of specific responsibilities. These committees are chaired by Independent Directors and function within clearly defined terms of reference and operating procedures.

The Board meets at least twice a year at regular intervals. Telephonic attendance at Board meetings is allowed under the Company's Articles of Association. The Board and Board committees may also make decisions by way of circulating resolutions. Besides the scheduled Board meetings, the Board meets on an ad hoc basis as warranted by particular circumstances.

CORPORATE **GOVERNANCE REPORT**

There was no new Director appointed in FY2014. When a new Director is to be appointed, he will receive appropriate orientation to familiarise him with the business and organisation structure of the Group. To get a better understanding of the Group's business, the newly appointed Director will also be given the opportunity to visit the Group's operational facilities and meet with the management of the Group (the "Management"). The Directors are provided with updates on changes in the relevant new rules and regulations to enable them to make well-informed decision and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. The Directors may also attend appropriate courses, conferences and seminars at the Company's expenses.

During FY2014, the number of meetings held and attended by each member of the Board is as follows:

Types of Meetings / Names of Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Lim Wee Li	2	2	2	2*	1	1*	1	1*
Lim Han Li **	1	1	1	1*	1	1*	1	1*
Ong Beng Chye	2	2	2	2	1	1	1	1
Kesavan Nair	2	2	2	2	1	1	1	1
Joanne Khoo Su Nee	2	2	2	2	1	1	1	1

Notes:

* By invitation
** Mr Lim Han Li ceased to be a Director on 28 April 2014

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the board's decision making.

The Board currently consists of four members, three of whom are Independent Directors. This composition complies with the Code's guideline that at least half of the Board should be made up of Independent Directors, where the Chairman of the Board and the Chief Executive Officer (the "CEO") is the same person. The Board includes one female Director in recognition of the value of gender diversity.

Executive Director
Mr Lim Wee Li (Executive Chairman and CEO)

Independent Directors
Mr Ong Beng Chye (Lead Independent Director)
Mr Kesavan Nair
Ms Joanne Khoo Su Nee

CORPORATE GOVERNANCE REPORT

The independence of each Director is subject to annual review by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. In this regard, the NC is of the view that Mr Ong Beng Chye, Mr Kesavan Nair and Ms Joanne Khoo Su Nee are independent.

In view that at least half of the Board is made up of Independent Directors, the NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

There was no Director who has served on the Board beyond nine years from the date of his or her first appointment.

The Board through the NC has examined its size and composition and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

There is adequate relevant competence on the part of the Directors, who, as a group, carry specialist backgrounds in law, accounting, finance, business and management as well as strategic planning. The Independent Directors participate actively in Board meetings. When necessary, the Independent Directors meet and discuss on the Group's affairs without the presence of the Management.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Lim Wee Li currently assumes the roles of both the Executive Chairman and CEO. As the Executive Chairman, he is responsible for leading the Board to ensure its effectiveness on all respects of its role, ensuring effective communication with shareholders, encouraging constructive relations within the Board and between the Board and the Management, and promoting high standards of corporate governance. As the CEO, he is responsible for the formulation of the Group's strategic directions and expansion plans, and managing the Group's overall business development.

Taking into account the current corporate structure, size, nature and scope of the Group's operations, the Board is of the view that it is not necessary to separate the roles of the Executive Chairman and CEO.

To promote a high standard of corporate governance, Mr Ong Beng Chye has been appointed as the Lead Independent Director as well as the Chairman of the AC. In accordance with the Code, Mr Ong Beng Chye is available to shareholders when they have concerns where contact through the normal channels of the Executive Chairman and CEO and/or Chief Financial Officer has failed to resolve or for which such contact is inappropriate. The Independent Directors led by the Lead Independent Director, discuss or meet amongst themselves without the presence of the Executive Chairman and CEO where necessary. The Lead Independent Director will also provide feedback to the Executive Chairman and CEO after such discussions or meetings.

CORPORATE
GOVERNANCE REPORT

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the board.

The NC consists of three Independent Directors, namely Mr Kesavan Nair, Mr Ong Beng Chye and Ms Joanne Khoo Su Nee. The Chairman of the NC is Mr Kesavan Nair. The NC has written terms of reference that describe the responsibilities of its members.

The principal functions of the NC are as follows:

(a) to review and recommend to the Board all Board appointments and re-appointments;

(b) to determine, on an annual basis, if a Director is independent, guided by the independent guidelines contained in the Code;

(c) to decide whether or not a Director is able to and has been adequately carrying out his duties as a Director;

(d) to assess the effectiveness of the Board as a whole and the Board committees as well as the contribution of each Director to the effectiveness of the Board;

(e) to make plans for succession, in particular for the Chairman of the Board and CEO; and

(f) to recommend to the Board comprehensive induction training programmes for new Directors and review of training and professional development programs for the Board.

The NC has reviewed the independence of each Director in accordance with the Code's definition of independence and is satisfied that more than half of the Board is made up of Independent Directors.

In the event that a vacancy on the Board arises, the NC may identify suitable candidates for appointment as new Directors through the business network of the Board. The NC will generally assess suitable candidates for appointment to the Board based on the requisite qualification, expertise and experience. If the NC decides that the candidate is suitable, the NC then recommends its choice to the Board. Meetings with such candidates may be arranged to facilitate open discussion.

The Articles of Association of the Company provide that at least one-third of the Directors shall retire from office by rotation at each annual general meeting ("AGM") of the Company and, all Directors shall retire from office at least once every three years. A retiring Director is eligible for re-election by shareholders at the AGM.

The NC assesses and recommends to the Board whether retiring Directors are suitable for re-election. The NC, in considering the re-appointment of a Director, evaluates such Director's contributions in terms of experience, business perspective and attendance at meetings of the Board and/or Board committees and pro-activeness of participation in meetings. Each member of the NC shall abstain from recommending his or her own re-election. The NC has recommended the re-election of two retiring Directors, namely Mr Lim Wee Li and Mr Ong Boon Chye at the forthcoming AGM. The Board has accepted the NC's recommendation.

CORPORATE
GOVERNANCE REPORT

The dates of initial appointment and re-election of the Directors as well as the Directors' directorships in other listed companies are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election	Directorships in Other Listed Companies	
			Present	Past (Last three years)
Lim Wee Li	25 March 2011	26 April 2013	Nil	Nil
Ong Beng Chye	27 June 2011	26 April 2013	• Geo Energy Resources Limited • Hafary Holdings Limited • Heatec Jietong Holdings Ltd. • IPS Securex Holdings Limited	Nil
Kesavan Nair	27 June 2011	28 April 2014	• Elektromotive Group Limited • HG Metal Manufacturing Limited • IEV Holdings Limited	Nil
Joanne Khoo Su Nee	3 October 2012	26 April 2013	• TEHO International Inc Ltd.	Nil

Notwithstanding that some of the Directors have multiple board representations, the Board is satisfied that each Director is able to and has been adequately carrying out his or her duties as a Director of the Company. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. There is no alternate Director on the Board.

Key information regarding the Directors and information on shareholdings in the Company held by each Director are set out in the "Board of Directors" and "Directors' Report" sections of this annual report respectively.

CORPORATE GOVERNANCE REPORT

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the board as a whole and its board committees and the contribution by each director to the effectiveness of the board.

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and the Board committees and for assessing the contribution from each individual Director to the effectiveness of the Board. Assessment checklists which include evaluation factors such as Board composition and structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, training and recruitment, compensation, financial reporting and communicating with shareholders, are disseminated to each Director for completion and the assessment results are discussed at the NC meeting. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his or her performance or re-nomination as a Director. No external facilitator had been engaged by the Board for this purpose.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at Board meetings. The Directors are also provided with the contact details of the Management and the Company Secretaries to facilitate separate and independent access.

At least one of the Company Secretaries attends Board and Board committee meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act, Cap. 50, and the provisions in the Catalist Rules are complied with. The appointment and the removal of the Company Secretary is a matter for the Board as a whole. Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his or her duties and responsibilities as a Director.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC consists of three Independent Directors, namely Ms Joanne Khoo Su Nee, Mr Kesavan Nair and Mr Ong Beng Chye. The Chairman of the RC is Ms Joanne Khoo Su Nee. The RC has written terms of reference that describe the responsibilities of its members.

The principal functions of the RC are as follows:

(a) to review and recommend to the Board a general framework of remuneration for the Board and key management personnel and the specific remuneration packages and terms of employment (where applicable) for each Director, key management personnel and employees related to the Directors and substantial shareholders of the Company; and

(b) to review all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind.

The RC did not seek expert advice internally or outside the Company on remuneration of all Directors. When necessary, the RC would seek independent professional advice on remuneration matters at the expense of the Company.

Each member of the RC shall abstain from voting on any resolutions in respect of his or her remuneration package.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Company has a remuneration policy for its Executive Chairman and CEO, and executive officers which consists of a fixed component and a variable component. The fixed and variable components are in the form of a base salary and a variable bonus. The variable bonus for executive officers takes into account the performance of the Group and the performance of the individual executive officer, as well as market rates. The Company does not have any employee share option scheme or other long-term employee incentive scheme.

Mr Lim Wee Li (Executive Chairman and CEO) is paid based on his service agreement with the Company. Under the service agreement, Mr Lim Wee Li will be paid an annual fixed bonus of one month of his last drawn salary. He is also entitled to receive an annual performance bonus based on the audited profit before tax of the Group when it exceeds $1,000,000 for the financial year. No annual performance bonus has been paid for FY2014. The service agreement provides that the Company shall be entitled to recover from Mr Lim Wee Li the relevant portion of the bonus and any sum paid under the service agreement in the event that there is a restatement of the financial statements of the Company made to reflect the correction of a misstatement due to error or fraud (not change in accounting principle) during the financial year of the Company, or misconduct of Mr Lim Wee Li resulting in financial loss to the Company. The service agreement is automatically renewed on a year-to-year basis upon expiry on such terms and conditions as the parties may agree, and provided for, *inter alia*, termination by either party upon giving not less than six months' notice in writing.

The Independent Directors do not have service agreements with the Company. They are paid fixed Directors' fees, which are determined by the Board, appropriate to the level of their contributions, taking into account factors such as the effort and time spent and the responsibilities of each Independent Director. The Directors' fees are subject to approval by shareholders at the AGM. Except as disclosed, the Independent Directors do not receive any other remuneration from the Company.

CORPORATE
GOVERNANCE REPORT

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Board supports and is keenly aware of the need for transparency. However, the Board is of the view that full disclosure of the remuneration of the Directors and key management personnel of the Group is not in the best interests of the Company, having taken into consideration the sensitive nature of the matter and the competitive business environment which the Group operates in.

A breakdown, showing the level and mix of each Director's remuneration for FY2014 is as follows:

Remuneration Band and Name of Director	**Fee**(1) %	**Salary** %	**Bonus** %	**Benefits** %	**Total** %
$250,000 to below $500,000					
Lim Wee Li	–	92	6	2	100
Below $250,000					
Lim Han Li(2)	–	85	13	2	100
Ong Beng Chye	100	–	–	–	100
Kesavan Nair	100	–	–	–	100
Joanne Khoo Su Nee	100	–	–	–	100

Notes:

(1) These fees are subject to the approval of the shareholders at the forthcoming AGM.

(2) Mr Lim Han Li ceased to be a Director on 28 April 2014 but continued his employment with the Company as an advisor until June 2014.

CORPORATE
GOVERNANCE REPORT

A breakdown, showing the level and mix of each executive officer's remuneration for FY2014 is as follows:

Remuneration Band and Name of Executive Officer	Salary %	Bonus %	Benefits %	Total %
$250,000 to below $500,000				
Mahmud Bin Abdul Karim	65	29	6	100
Below $250,000				
Lim Yii Fan	99	–	1	100
Terrence Liew Fook Siong	84	9	7	100
Mathew Sim Siang Ping	81	9	10	100
Seah Geok Ling(1)	71	28	1	100
Lim Soon Kiat Lucien(2)	93	–	7	100

Notes:

(1) Ms Seah Geok Ling ceased her employment with the Company on 28 February 2014.

(2) Mr Lim Soon Kiat Lucien ceased his employment with the Company on 5 January 2015.

The aggregate total remuneration paid to the above executive officers amounted to $760,000 for FY2014.

There are no termination, retirement and post-employment benefits that may be granted to Directors, the Executive Chairman and CEO and key management personnel of the Group.

Save for Mr Lim Wee Li and Mr Lim Han Li* who are siblings, there was no employee of the Group who is an immediate family member of the Directors or the Executive Chairman and CEO in FY2014.

* Mr Lim Han Li ceased to be a Director on 28 April 2014 and ceased employment with the Company on 30 June 2014.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The board should present a balanced and understandable assessment of the company's performance, position and prospects.

For the financial performance reporting via the SGXNET announcements to SGX-ST, and the annual report to the shareholders, the Board has a responsibility to present a fair assessment of the Group's financial position, including the prospects of the Group. The Board also take adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the Catalist Rules.

The Board ensures that the Management maintains a sound system of internal controls to safeguard the shareholders' investment and the Group's assets.

The Management will provide all members of the Board with management accounts of the Group's performance, with explanatory details on its operations on a half-yearly basis, which has been assessed to be sufficient by the Board. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making.

CORPORATE GOVERNANCE REPORT

Risk Management and Internal Controls

Principle 11: The board is responsible for the governance of risk. The board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Company has a risk management committee made up of the Executive Chairman and CEO as well as executive officers. The Management regularly reviews and improves the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate such risks. The Management reviews significant control policies and procedures and highlights significant matters to the Board and the AC.

To enhance the Group's system of internal controls, the Board has appointed an international auditing firm, BDO LLP, to review, recommend and have subsequent rectifications follow-up on the Group's internal controls system, and to expand and enhance on its policies and procedures manual. BDO LLP and the independent auditor are two separate entities and independent of each other.

Based on the internal controls established and maintained by the Group, work performed by the independent auditor and internal auditor within the scope of their audits, and reviews performed by the risk management committee, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal controls systems in place are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group as at 31 December 2014. The Board and the AC note that all internal controls systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The Board will continue its risk assessment process, which is an on-going process, with a view to improve the Group's internal controls system.

The Board has received assurance from the Executive Chairman and CEO as well as the Chief Financial Officer (a) that the financial records have been properly maintained and the financial statements for FY2014 give a true and fair view of the Group's operations and finances; and (b) that the Group has put in place and will continue to maintain a reasonably adequate and effective systems of risk management and internal controls.

Audit Committee

Principle 12: The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The AC consists of three Independent Directors, namely Mr Ong Beng Chye, Mr Kesavan Nair and Ms Joanne Khoo Su Nee. The Chairman of the AC is Mr Ong Beng Chye. The AC has written terms of reference that describe the responsibilities of its members. The Board is of the view that the AC has the necessary experience and expertise required to discharge its duties.

CORPORATE
GOVERNANCE REPORT

The AC will meet periodically to discuss, *inter alia*, the following:

(a) to review the audit plans of the independent auditor and internal auditor, including the findings of the independent auditor and internal auditor's review and evaluation of the system of internal controls of the Group;

(b) to review the annual consolidated financial statements and the independent auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the independent auditor may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;

(c) to review the periodic consolidated financial statements comprising the statement of comprehensive income of the Group, statement of cash flows of the Group, statements of financial position of the Group and the Company and statements of changes in equity of the Group and the Company and such other information required by the Catalist Rules before submission to the Board for approval;

(d) to review and discuss with the independent auditor and internal auditor, any suspected fraud, irregularity or infringement of any relevant laws, rules and regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

(e) to review the co-operation given by the Management to the independent auditor;

(f) to consider the appointment or re-appointment of the independent auditor;

(g) to review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;

(h) to review any potential conflicts of interests;

(i) to review the procedures by which employees of the Group may, in confidence, report to the chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;

(j) to undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and

(k) to undertake generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

Apart from the duties listed above, the AC is given the task to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he or she is interested.

CORPORATE
GOVERNANCE REPORT

The AC has full access to and co-operation from the Management and full discretion to invite any Director and/or executive officer to attend its meetings, and has reasonable resources to enable it to discharge its functions properly.

The AC had met with the independent auditor, without the presence of the Management to review the adequacy of audit arrangements, with emphasis on the scope and quality of its audit, and the independence, objectivity and observations of the independent auditor.

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the independent auditor and the cost effectiveness of the audit. During FY2014, the aggregate amount of fees paid or payable to the independent auditor for the audit services is reflected in Note 7 to the audited financial statements. There is no non-audit fees paid or payable to the independent auditor for non-audit services for FY2014.

The Company's existing independent auditors, Baker Tilly TFW LLP ("Baker Tilly"), was re-appointed as auditors of the Company at the last AGM held on 28 April 2014, to hold office until the conclusion of the next AGM. Baker Tilly has served as the auditors of the Company since its incorporation and in the financial year ended 31 December 2011, and auditors of KHL Marketing Asia-Pacific Pte Ltd (the principal subsidiary of the Company) for twelve consecutive audits since the financial year ended 31 December 2003. The AC has recommended and the Board has accepted the AC's recommendation for the appointment of KPMG LLP in place of Baker Tilly as the auditors of the Company, subject to the approval of the shareholders at the AGM, in view that a change of auditors would be a good corporate governance practice as it would enable the Company to benefit from fresh perspectives and views of another professional audit firm and thus, further enhance the value of the audit. Further information on the proposed change of auditors of the Company is set out in the Appendix to this annual report.

The Board has on the recommendation of the AC, implemented a whistle blowing policy whereby the staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware. No such whistle blowing letter was received in FY2014.

The Company has complied with Rules 712 and 715 of the Catalist Rules in appointing the audit firms for the Group for FY2014.

It is the Company's practice for the independent auditor to present to the AC its audit plan and with updates relating to any change in accounting standards impacting the financial statements. During FY2014, the changes in accounting standards did not have any material impact on the Group's financial statements.

No former partner or director of the Company's existing auditing firm is a member of AC.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC is aware of the need to establish a system of internal controls within the Group to safeguard the shareholders' interests and the Group's assets, and to manage risks. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulation and best practices, and the identification and containment of business risks.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. The Company has therefore appointed BDO LLP, an international auditing firm, to undertake the functions of an internal auditor for the Group. The AC approves the hiring, removal, evaluation and compensation of the internal auditor. The internal auditor reports directly to the AC and administratively to the Executive Chairman and CEO.

CORPORATE GOVERNANCE REPORT

BDO LLP is an international auditing firm and performs its work based on the BDO Global Internal Audit Methodology which is consistent with the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

The AC had met with BDO LLP, without the presence of the Management to discuss its findings on the Group's observance of internal control measures that are in place.

The AC has reviewed the adequacy of the internal audit function and is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Group to perform its duties effectively. The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including the access to the AC.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Group's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Group ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET. The Group recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company.

All shareholders are entitled to attend the general meetings of the Company ("General Meetings") and are afforded the opportunity to participate effectively at the General Meetings. Shareholders are informed of the rules, including voting procedures, that govern General Meetings. All shareholders are allowed to vote in person or by proxy. The Articles of Association of the Company allow a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the General Meetings.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules and the Companies Act, Cap. 50, it is the Board's policy to ensure that all shareholders are informed on a timely basis of every significant development that has an impact on the Group. Such information is disclosed in an accurate and comprehensive manner through SGXNET, press releases and the Company's website.

The Company does not practise selective disclosure. Results and annual reports are announced or issued within the mandatory period.

CORPORATE GOVERNANCE REPORT

The Company conducts its investor relations on the following principles:

(a) Information deemed to be price-sensitive is disseminated without delay via announcements and/or press releases on SGXNET;

(b) Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; and

(c) Operate an open policy with regard to investors' enquiries.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirement, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. No dividend was paid or proposed for FY2014 as the Board feels it is prudent to retain cash resources so that the Company has the flexibility to execute its business plans effectively.

Conduct of Shareholders Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

All shareholders will receive the Company's annual report and notice of AGM or General Meetings. Shareholders will be given the opportunity and time to voice their views and ask Directors or the Management questions regarding the Company at the forthcoming AGM or any General Meetings. Resolutions of General Meetings are on each substantially separate issue.

The Chairman of the Board and of each Board committee is required to be present to address questions at the AGM or, if necessary, any General Meetings. The independent auditor will also be present at such meeting to assist the Directors to address shareholders' queries, if necessary. All minutes of AGM or General Meetings that include substantial and relevant comments or queries from the shareholders and responses from the Board and the Management will be made available to shareholders upon their request.

The Articles of Association of the Company allow any member of the Company, if he or she is unable to attend the meeting, to appoint not more than two proxies to attend and vote on his or her behalf at the meeting through proxy forms sent in advance. As the authentication of shareholders' identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

The Board will adhere to the Catalist Rules where all resolutions are to be voted by poll for General Meetings held on or after 1 August 2015.

CORPORATE GOVERNANCE REPORT

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted policies in line with the requirements of the Catalist Rules on dealings in the Company's securities.

The Company and its officers are prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the date of the announcement of the full-year or half-year results and ending on the date of the announcement of the relevant results.

In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

The Company did not enter into interested person transactions which are required for disclosure pursuant to Rule 1204(17) of the Catalist Rules during FY2014.

Non-Sponsor Fees

With reference to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees paid to the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd., for FY2014.

Material Contracts and Loans

With reference to Rule 1204(8) of the Catalist Rules, save as disclosed below, there were no other material contracts and loans of the Company and its subsidiaries involving the interests of the Executive Chairman and CEO or any Director or controlling shareholder of the Company, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

During the financial year ended 31 December 2013, Mr Lim Wee Li, Executive Chairman and CEO of the Company, had extended non-trade advances to the Group. Please refer to Note 22 to the audited financial statements for FY2014 for further details. The Group had fully repaid such advances in FY2014.

DIRECTORS' REPORT

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Kitchen Culture Holdings Ltd. and its subsidiaries (the "Group") and the statement of financial position and statement of changes in equity of Kitchen Culture Holdings Ltd. (the "Company") for the financial year ended 31 December 2014.

1 DIRECTORS

The Directors of the Company in office at the date of this report are:

Lim Wee Li
Ong Beng Chye
Kesavan Nair
Joanne Khoo Su Nee

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act (the "Act") except as follows:

	Shareholdings registered in the name of Director		Shareholdings in which a Director is deemed to have an interest	
Name of Director and companies in which interest are held	**At 1.1.2014**	**At 31.12.2014**	**At 1.1.2014**	**At 31.12.2014**
The Company				
(Number of ordinary shares)				
Lim Wee Li	56,700,000	64,700,000	18,000,000	10,000,000
Eclat Office Club Pte. Ltd.				
(Number of ordinary shares)				
Lim Wee Li	–	–	8,000	10,000
Kitchen Culture (Macau) Limited				
(Registered and issued share capital)				
Lim Wee Li	–	–	–	MOP17,500

By virtue of Section 7 of the Act, Mr Lim Wee Li is deemed to have an interest in all the ordinary shares held by the Company in all of its wholly-owned subsidiaries.

The Directors' interests in the ordinary shares of the Company as at 21 January 2015 were the same as those as at 31 December 2014.

DIRECTORS' REPORT

4 DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit other than those disclosed in the consolidated financial statements and this report by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

5 SHARE OPTIONS

The Company does not have any share option scheme or share scheme.

No option to take up unissued shares of the Company or its subsidiaries was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries whether granted before or during the financial year.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

6 AUDIT COMMITTEE

The Audit Committee ("AC") comprises three Independent Directors, namely:

Ong Beng Chye (Chairman)
Kesavan Nair
Joanne Khoo Su Nee

The AC carried out its functions in accordance with Section 201B(5) of the Act.

Among other functions, the AC performed the following:

(a) reviewed the audit plans of the independent auditor and internal auditor, including the findings of the independent auditor and internal auditor's review and evaluation of the system of internal controls of the Group;

(b) reviewed the annual consolidated financial statements and the independent auditor's report on those financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the independent auditor may wish to discuss in the absence of the Management, where necessary, before submission to the Board of Directors for approval;

(c) reviewed the periodic consolidated financial statements comprising the statement of comprehensive income of the Group, statement of cash flows of the Group, statements of financial position of the Group and the Company and statements of changes in equity of the Group and the Company and such other information required by the Catalist Rules before submission to the Board of Directors for approval;

(d) reviewed and discussed with the independent auditor and internal auditor, any suspected fraud, irregularity or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;

DIRECTORS' **REPORT**

6 AUDIT COMMITTEE (CONTINUED)

Among other functions, the AC performed the following (Continued):

(e) reviewed the co-operation given by the Management to the independent auditor;

(f) considered the appointment or re-appointment of the independent auditor;

(g) reviewed and ratified any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules;

(h) reviewed any potential conflicts of interests;

(i) reviewed the procedures by which employees of the Group may, in confidence, report to the chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;

(j) undertook such other reviews and projects as may be requested by the Board of Directors, and report to the Board of Directors its findings from time to time on matters arising and requiring the attention of the AC; and

(k) undertook generally such other functions and duties as may be required by law or the Catalist Rules, and by such amendments made thereto from time to time.

Other functions performed by the AC are disclosed in the Corporate Governance Report included in the Annual Report.

Baker Tilly TFW LLP has served as the auditors of the Company since its incorporation and in the financial year ended 31 December 2011, and auditors of KHL Marketing Asia-Pacific Pte Ltd (the principal subsidiary of the Company) for twelve consecutive audits since the financial year ended 31 December 2003. The Directors are of the view that a change of auditors would be a good corporate governance practice as it would enable the Company to benefit from fresh perspectives and views of another professional audit firm and thus, further enhance the value of the audit. Baker Tilly TFW LLP will accordingly not be seeking re-appointment at the forthcoming Annual General Meeting. The AC has reviewed a few audit firms and recommended to the Board of Directors that KPMG LLP be nominated for appointment as auditors of the Company at the forthcoming Annual General Meeting.

DIRECTORS' REPORT

7 INDEPENDENT AUDITOR

The independent auditor, Baker Tilly TFW LLP, is not seeking re-appointment at the forthcoming Annual General Meeting. The Board of Directors would like to propose the appointment of KPMG LLP as the independent auditor of the Company in place of Baker Tilly TFW LLP at the forthcoming Annual General Meeting.

On behalf of the Board of Directors

Lim Wee Li	Ong Beng Chye
Director	Director

26 March 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors:

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 43 to 92 are properly drawn up so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Lim Wee Li Director	Ong Beng Chye Director

26 March 2015

INDEPENDENT
AUDITOR'S REPORT

TO THE MEMBERS OF KITCHEN CULTURE HOLDINGS LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Kitchen Culture Holdings Ltd. (the "Company") and its subsidiaries (the "Group") as set out on pages 43 to 92, which comprise the statements of financial position of the Group and the Company as at 31 December 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the independent auditors have been properly kept in accordance with the provisions of the Act.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

26 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $	2013 $
Revenue	4	**22,103,895**	32,951,703
Cost of sales		**(12,624,849)**	(18,623,514)
Gross profit		**9,479,046**	14,328,189
Other income	5	**134,304**	111,389
Selling and distribution expenses		**(7,285,714)**	(7,808,096)
General and administrative expenses		**(3,234,523)**	(3,063,387)
Finance costs	6	**(298,650)**	(293,490)
Other expenses		**(147,661)**	(1,339,124)
Share of results of joint venture		**–**	(196,136)
(Loss)/profit before tax	7	**(1,353,198)**	1,739,345
Tax expense	9	**(41,174)**	(507,307)
Net (loss)/profit for the year		**(1,394,372)**	1,232,038
Other comprehensive income for the year, net of tax			
Items that are or may be reclassified subsequently to profit or loss:			
Currency translation differences arising from consolidation		**47,993**	14,160
Total comprehensive (loss)/income for the year		**(1,346,379)**	1,246,198
(Loss)/profit attributable to:			
Equity holders of the Company		**(1,327,699)**	1,306,969
Non-controlling interest		**(66,673)**	(74,931)
Net (loss)/profit for the year		**(1,394,372)**	1,232,038
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(1,279,639)**	1,321,129
Non-controlling interest		**(66,740)**	(74,931)
Total comprehensive (loss)/income for the year		**(1,346,379)**	1,246,198
		Cents	Cents
(Loss)/earnings per share for (loss)/profit attributable to equity holders of the Company			
Basic and diluted	10	**(1.3)**	1.3

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF
FINANCIAL POSITION

AT 31 DECEMBER 2014

	Note	Group		Company	
		2014	2013	2014	2013
		$	$	$	$
Non-current assets					
Property, plant and equipment	11	**1,719,513**	1,555,967	**–**	–
Investment in subsidiaries	12	**–**	–	**1,500,005**	1,500,005
Investment in joint venture	13	**–**	–	**–**	–
Trade and other receivables	15	**1,472,211**	2,326,813	**–**	–
		3,191,724	3,882,780	**1,500,005**	1,500,005
Current assets					
Inventories	14	**13,292,426**	12,363,924	**–**	–
Trade and other receivables	15	**8,987,752**	10,806,567	**4,803,648**	5,366,109
Cash and cash equivalents	17	**3,067,150**	3,919,654	**31,910**	28,154
		25,347,328	27,090,145	**4,835,558**	5,394,263
Total assets		**28,539,052**	30,972,925	**6,335,563**	6,894,268
Non-current liabilities					
Finance lease liabilities	18	**69,658**	119,874	**–**	–
Deferred tax liabilities	19	**85,000**	58,000	**–**	–
Borrowings	20	**2,083,333**	–	**–**	–
		2,237,991	177,874	**–**	–
Current liabilities					
Finance lease liabilities	18	**50,216**	50,216	**–**	–
Borrowings	20	**6,724,976**	7,455,735	**–**	–
Trade and other payables	21	**7,123,371**	8,209,186	**232,963**	246,426
Amounts due to directors	22	**–**	846,820	**–**	360,860
Tax payable		**4,429**	487,925	**–**	–
		13,902,992	17,049,882	**232,963**	607,286
Total liabilities		**16,140,983**	17,227,756	**232,963**	607,286
Net assets		**12,398,069**	13,745,169	**6,102,600**	6,286,982
Share capital and reserves					
Share capital	23	**6,231,259**	6,231,259	**6,231,259**	6,231,259
Accumulated profits/(losses)		**6,078,414**	7,547,815	**(128,659)**	55,723
Currency translation reserve	24	**88,683**	40,623	**–**	–
Equity attributable to equity holders of the Company		**12,398,356**	13,819,697	**6,102,600**	6,286,982
Non-controlling interest		**(287)**	(74,528)	**–**	–
Total equity		**12,398,069**	13,745,169	**6,102,600**	6,286,982

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Attributable to equity holders of the Company					
	Share capital $	Accumulated profits $	Currency translation reserve $	Sub-total $	Non-controlling interest $	Total equity $
Group						
At 1 January 2014	**6,231,259**	**7,547,815**	**40,623**	**13,819,697**	**(74,528)**	**13,745,169**
Loss for the year	**–**	**(1,327,699)**	**–**	**(1,327,699)**	**(66,673)**	**(1,394,372)**
Other comprehensive income for the year, net of tax						
– currency translation differences arising from consolidation	**–**	**–**	**48,060**	**48,060**	**(67)**	**47,993**
Total comprehensive (loss)/income for the year	**–**	**(1,327,699)**	**48,060**	**(1,279,639)**	**(66,740)**	**(1,346,379)**
Issuance of ordinary shares in a subsidiary	**–**	**–**	**–**	**–**	**1,279**	**1,279**
Acquisition of non-controlling interest without a change in control (Note 12(c))	**–**	**(141,702)**	**–**	**(141,702)**	**139,702**	**(2,000)**
At 31 December 2014	**6,231,259**	**6,078,414**	**88,683**	**12,398,356**	**(287)**	**12,398,069**
At 1 January 2013	6,231,259	6,240,846	26,463	12,498,568	–	12,498,568
Profit for the year	–	1,306,969	–	1,306,969	(74,931)	1,232,038
Other comprehensive income for the year, net of tax						
– currency translation differences arising from consolidation	–	–	14,160	14,160	–	14,160
Total comprehensive income/(loss) for the year	–	1,306,969	14,160	1,321,129	(74,931)	1,246,198
Non-controlling interest arising from acquisition of a subsidiary	–	–	–	–	(1,577)	(1,577)
Issuance of ordinary shares in a subsidiary	–	–	–	–	1,980	1,980
At 31 December 2013	6,231,259	7,547,815	40,623	13,819,697	(74,528)	13,745,169

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF
CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Share capital $	Accumulated profits/(losses) $	Total equity $
Company			
At 1 January 2014	**6,231,259**	**55,723**	**6,286,982**
Loss and total comprehensive income for the financial year	**–**	**(184,382)**	**(184,382)**
At 31 December 2014	**6,231,259**	**(128,659)**	**6,102,600**
At 1 January 2013	6,231,259	(297,958)	5,933,301
Profit and total comprehensive income for the financial year	–	353,681	353,681
At 31 December 2013	6,231,259	55,723	6,286,982

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT **OF CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
(Loss)/profit before tax		**(1,353,198)**	1,739,345
Adjustments for:			
Depreciation of property, plant and equipment		**428,743**	399,633
Goodwill arising on consolidation written off		**–**	6,389
Property, plant and equipment written off		**7,794**	4,737
Interest expense		**298,650**	293,490
Interest income		**(2,869)**	(1,558)
Share of results of joint venture		**–**	196,136
Operating (loss)/profit before working capital changes		**(620,880)**	2,638,172
Inventories		**(981,352)**	(403,681)
Receivables		**2,705,613**	(4,389,218)
Payables		**(1,002,455)**	1,144,669
Currency translation adjustments		**28,887**	5,788
Cash generated from/(used in) operations		**129,813**	(1,004,270)
Interest received		**2,869**	1,558
Tax paid		**(536,369)**	(42,382)
Net cash used in operating activities		**(403,687)**	(1,045,094)
Cash flows from investing activities			
Net cash (outflow)/inflow from acquisition of non-controlling interest/subsidiary	12(c)	**(2,000)**	970
Purchase of property, plant and equipment		**(603,247)**	(509,825)
Net cash used in investing activities		**(605,247)**	(508,855)
Cash flows from financing activities			
Advances from a director		**–**	591,820
Drawdown of borrowings		**7,704,976**	5,705,735
Fixed deposit pledged to bank		**(167,087)**	–
Interest paid		**(298,650)**	(293,490)
Proceeds from issuance of new shares by a subsidiary		**1,279**	1,980
Repayment of advances from directors		**(846,820)**	–
Repayment of borrowings		**(6,352,402)**	(3,990,215)
Repayment of finance leases		**(50,216)**	(56,070)
Net cash (used in)/from financing activities		**(8,920)**	1,959,760
Net (decrease)/increase in cash and cash equivalents		**(1,017,854)**	405,811
Cash and cash equivalents at beginning of the financial year		**3,919,654**	3,522,815
Effect of exchange rate changes on cash and cash equivalents		**(1,737)**	(8,972)
Cash and cash equivalents at end of the financial year	17	**2,900,063**	3,919,654

The accompanying notes form an integral part of these financial statements.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 CORPORATE INFORMATION

The Company (Co. Reg. No. 201107179D) is incorporated and domiciled in Singapore. The registered office and principal place of business of the Company is at 25 New Industrial Road, #02-01, KHL Industrial Building, Singapore 536211.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 12.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollar ($), which is the Company's functional currency, and have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of the consolidated financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on Management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a high degree of judgment in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

In the current financial year, the Group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. Changes to Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Group and the Company, except as disclosed below:

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (Continued)

FRS 112 Disclosures of Interests in Other Entities

The Group adopted FRS 112 on 1 January 2014. The amendment is applicable for annual periods beginning on or after 1 January 2014. It sets out the required disclosures for entities reporting under the new FRS 110 Consolidated Financial Statements and FRS 111 *Joint Arrangements*, and replaces the disclosure requirements previously found in FRS 27 (revised 2011) *Separate Financial Statements* and FRS 28 (revised 2011) *Investments in Associates and Joint Ventures*.

The Group has incorporated the additional required disclosures of FRS 112 into the financial statements.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 December 2014 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company except as disclosed below:

FRS 115 Revenue from Contracts with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments and insurance contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. It provides guidance on whether revenue should be recognised at a point in time or over time, replacing the previous distinction between goods and services. The standard introduces new guidance on specific circumstances where cost should be capitalised and new requirements for disclosure of revenue in the financial statements. The standard is effective for annual periods beginning on or after 1 January 2017. The Group will reassess its contracts with customers in accordance with FRS 115.

FRS 109 Financial Instruments

FRS 109 includes guidance on the classification and measurement of financial assets and financial liabilities and de-recognition of financial instruments. FRS 109, when effective will replace FRS 39 Financial Instruments: Recognition and Measurement. This standard is effective for annual periods beginning on or after 1 January 2018. The Group will review the requirements of FRS 109 and re-assess the classification and measurement of its financial assets and financial liabilities in accordance with this standard.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries at the end of the reporting period. Subsidiaries are consolidated from the date on which the Group obtains controls and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

Business combinations are accounted for using the acquisition method. Subsidiaries acquired pursuant to the restructuring exercise of companies under common control have been consolidated using the pooling-of-interest method.

Under the acquisition method, the consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain on bargain purchase in profit or loss on the date of acquisition. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(e).

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of consolidation (Continued)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owner in their capacity as owners) and therefore, no gain or loss is recognised in profit or loss.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated profits if required by a specific FRS.

Any retained equity interest in the previous subsidiary's remeasured of fair value at the date that control is lost. The difference between the carrying amount of the retained interest at the date control is lost, and its fair value is recognised in profit or loss.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's statement of financial position, investment in subsidiaries is accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(d) Joint venture (Equity – accounted investee)

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in joint ventures are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the Group's share of its joint ventures' post-acquisition profits or losses is recognised in the profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from joint ventures are adjusted against the carrying amount of the investment. When the Group's share of losses in joint venture equals or exceeds its interest in the joint venture, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the joint venture.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Joint venture (Equity – accounted investee) (Continued)

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint venture recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

Where a group entity transacts with joint venture of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant joint venture.

Upon loss of significant influence over the joint control over the joint venture, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

If the Group's ownership interest in a joint venture is reduced, but the Group continues to apply the equity method, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

In the Company's financial statements, investments in joint ventures are carried at cost less accumulated impairment loss. On disposal of investment in joint ventures, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

(e) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of subsidiary and joint venture, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of joint venture is described in Note 2(d).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

	No. of years
Leasehold property	over the lease terms of 26 years
Renovations	5
Office equipment	5
Furniture and fittings	4 – 5
Computers	5
Motor vehicles	5
Operating equipment	5

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(g) Inventories

Inventories comprise kitchen and wardrobe systems, appliances, furniture, accessories and related products.

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average formula. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Inventories (Continued)

Where necessary, allowance is provided for obsolete and slow-moving items to write down the carrying value of inventories.

(h) Construction project

When the outcome of a project can be estimated reliably, project revenue and project costs are recognised as revenue and expenses respectively by reference to the stage of completion of the project activity at the end of the reporting period. When the outcome of a project cannot be estimated reliably, project revenue is recognised to the extent of project costs incurred that are likely to be recoverable. When it is probable that total project costs will exceed total project revenue, the expected loss is recognised as an expense immediately.

The stage of completion is measured by reference to the value of work certified for work performed to-date compared to the total project revenue.

Costs incurred during the financial year in connection with future activity on a project are excluded from the costs incurred to date. Such costs are shown as project work-in-progress on the statement of financial position unless it is not probable that such contract costs are recoverable from the customers, in which case, such costs are recognised as an expense immediately. Variations in project work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

The cumulative costs incurred plus recognised profits (less recognised losses) on each project is compared against the progress billings up to the end of the reporting period. Where the cumulative costs incurred plus recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from customers on projects within "trade and other receivables". Where progress billings exceed the cumulative costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to customers on projects within "trade and other payables".

Progress billings not yet paid by customers and retentions by customers are included within "trade and other receivables". Advances received are included within "trade and other payables".

(i) Financial assets

Classification

The Group classifies its financial assets according to the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group and Company's only financial assets are loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" (excluding prepayments, income tax recoverable and advance to suppliers) and "cash and cash equivalents" on the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (Continued)

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the bank or financial institutions is recorded as borrowings.

Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Interest income on loans and receivables are recognised in profit or loss.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss.

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Financial liabilities

Financial liabilities include trade and other payables (excluding amounts due to customers on projects, sales deposits received and provision for unutilised annual leave), borrowings, finance lease liabilities and amounts due to directors.

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for the financial guarantees) are measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(k) Financial guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantees are classified as financial liabilities.

Subsequent to initial measurement, the financial guarantees are stated at the higher of the initial fair value less cumulative amortisation and the expected amount payable to the holder. Financial guarantees contracts are amortised in profit or loss over the period of the guarantee.

(l) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at Management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(n) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and related cost can be reliably measured.

Revenue from residential project is recognised using the percentage of completion method by reference to the proportion of value of work certified for work performed to date compared to the total projects revenue (Note 2(h)). Provision for any anticipated losses on projects is recognised as soon as the possibility of loss is ascertained. Claims for additional projects compensation are not recognised until resolved.

Revenue from sale of goods is recognised when the goods are delivered and significant risks and rewards of ownership of the goods are passed to customers and in respect of cash sales, when goods are taken and paid for over the counters.

Revenue from service is recognised during the financial year in which the services are rendered by reference to the completion of actual service provided as a proportion of the total services to be performed.

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income from operating leases are recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(o) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) Impairment of non-financial assets excluding goodwill

At the end of each reporting period, the Group assesses the carrying amounts of its non-financial assets (other than goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

(q) Leases

(i) When a Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is taken to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Leases (Continued)

(i) When a Group entity is the lessee (Continued):

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(ii) When a Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(r) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(s) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and joint venture, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the end of the reporting period.

Deferred income tax is charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

(u) Dividends

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the financial statements in the period in which they are approved by the Company's shareholders.

(v) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are readily convertible to a known amount of cash and subject to an insignificant risk of change in value and excludes pledged deposits.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Functional and foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore Dollars, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are recognised in other comprehensive income and accumulated in the currency translation reserve within equity in the consolidated financial statements. The currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting period;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in the currency translation reserve.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Functional and foreign currencies (Continued)

Translation of Group entities' financial statements (Continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

(x) Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

- (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position.

(y) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of trade and other receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. At 31 December 2014, the carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Note 15. If the present value of estimated future cash flows differ from Management's estimates, the Group's and the Company's allowance for impairment for trade and other receivables and the trade and other receivables balance at the end of the reporting period will be affected accordingly.

Construction projects

The Group recognised contract revenue by reference to the stage of completion of the project activity at the end of reporting period, when the outcome of a construction project can be estimated reliably. The stage of completion is measured by reference to the proportion of value of work certified for work performed to-date compared to the total project revenue (Note 2(h)).

Significant assumptions are required in determining the stage of completion, the extent of the project costs incurred, the estimated total project revenue and total budgeted project costs, as well as the recoverability of the projects. Total project revenue also includes an estimation of the variation works and claims that are recoverable from the customers. In making these estimates, the Group relied on past experience and knowledge of the project managers.

At 31 December 2014, the carrying amounts of the amounts due from/to customers on projects are disclosed in Note 16.

Write-down and allowance for obsolete and slow moving inventories

Write-down and allowance for obsolete and slow moving inventories is based on the Group's business circumstances, past experiences and Management's best judgment. The amounts of inventories written down during the financial year and the carrying values of inventories at 31 December 2014 are disclosed in Note 14.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

3 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual values.

The Group reviews the useful lives and residual values of property, plant and equipment at the end of each reporting period in accordance with the accounting policy in Note 2(f). The estimation of the useful lives and residual values involves assumptions concerning the future and estimations of the assets common life expectancies and expected level of usage. The carrying amount of property, plant and equipment at 31 December 2014 and the depreciation charge for the financial year ended 31 December 2014 are disclosed in Note 11.

Any changes in the expected useful lives of these assets would affect the carrying amount of property, plant and equipment, and the depreciation charge for the financial year.

4 REVENUE

	Group	
	2014	**2013**
	$	**$**
Residential Projects		
– Construction revenue	**14,473,016**	26,131,869
Distribution and Retail		
– Sales of goods and related services rendered	**7,621,174**	6,819,834
Rental Income	**9,705**	–
	22,103,895	32,951,703

5 OTHER INCOME

	Group	
	2014	**2013**
	$	**$**
Government grant	**12,622**	28,078
Interest income	**2,869**	1,558
License income	**45,833**	20,833
Other income	**72,980**	28,760
Write-back of trade and other payables	**–**	32,160
	134,304	111,389

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

6 FINANCE COSTS

	Group	
	2014	**2013**
	$	**$**
Interest expenses on loans and bills payable	**291,565**	285,475
Finance lease interest	**7,085**	8,015
	298,650	293,490

7 (LOSS)/PROFIT BEFORE TAX

	Group	
	2014	**2013**
	$	**$**
(Loss)/profit before tax is arrived at after charging/(crediting):		
Allowance for doubtful receivables:		
– trade (third parties) (Note 28(b))	**15,707**	118,863
– non-trade (Note 28(b))	**–**	341,383
Allowance for doubtful trade receivables written back (Note 28(b))	**(658)**	(21,674)
Auditors’ remuneration paid/payable to auditor of the Company:		
– current year	**73,200**	80,964
– (over)/under provision in prior year	**(3,000)**	1,122
Auditors’ remuneration paid/payable to other auditors of the Group*	**10,408**	8,988
Fee for non-audit services paid to auditors of the Company	**–**	–
Cost of inventories recognised as an expense included in cost of sales	**8,700,070**	14,738,080
Depreciation of property, plant and equipment (Note 11)	**428,743**	399,633
Directors’ fees	**102,000**	96,000
Goodwill arising on consolidation written off	**–**	6,389
Inventories:		
– written off	**118,537**	–
– written down (Note 14)	**51,341**	411,191
– reversal of written down (Note 14)	**(2,865)**	(8,997)
Net (gain)/loss on foreign exchange difference	**(117,162)**	397,399
Property, plant and equipment written off	**7,794**	4,737
Rental expense	**3,159,635**	3,279,913
Staff costs (Note 8)	**4,748,683**	4,849,890
Bad debts recovered	**(1,570)**	–

* Includes independent member firms of the Baker Tilly International network.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

8 STAFF COSTS

	Group	
	2014	**2013**
	$	**$**
Directors' remuneration:		
– Salaries, bonus and other benefits	**449,744**	509,522
– CPF	**14,920**	25,360
Directors' remuneration of a subsidiary		
– Salaries, bonus and other benefits	**38,166**	36,382
– Other defined contribution	**4,551**	4,336
Key management staff (non-director):		
– Salaries, bonus and other benefits	**706,699**	281,144
– CPF and other defined contribution plan	**53,551**	26,273
Other staff:		
– Salaries, bonus and other benefits	**3,196,028**	3,597,080
– CPF and other defined contribution plan	**285,024**	369,793
	4,748,683	4,849,890

9 TAX EXPENSE

	Group	
	2014	**2013**
	$	**$**
Tax expense attributable to (loss)/profit is made up of:		
Income tax:		
– Current year	**–**	486,000
– Under provision in prior years	**14,174**	307
Deferred tax:		
– Current year (Note 19)	**27,000**	21,000
	41,174	507,307

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

9 TAX EXPENSE (CONTINUED)

The income tax expense on the results of the financial year differs from the amount of income tax determined by applying the Singapore statutory rate of income tax to (loss)/profit before tax due to the following factors:

	Group	
	2014	**2013**
	$	**$**
(Loss)/profit before tax	**(1,353,198)**	1,739,345
Tax calculated at a tax rate of 17%	**(230,044)**	295,689
Singapore statutory stepped income exemption	**–**	(25,925)
Effect of different tax rates in other countries	**4,063**	(27,352)
Expenses not deductible for tax purposes	**83,064**	404,267
Income not subject to tax	**(25,263)**	(237,397)
Under provision in prior years	**14,174**	307
Deferred tax assets not recognised	**195,996**	121,559
Others	**(816)**	(23,841)
	41,174	507,307

At 31 December 2014, the Group has unutilised tax losses of $1,927,000 (2013: $788,200) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

The potential deferred tax assets on the following temporary differences have not been recognised in the financial statements at the end of the reporting period:

	$	**$**
Unabsorbed tax losses	**1,926,900**	788,200
Others	**88,700**	68,700
	2,015,600	856,900

Deferred tax assets have not been recognised in the financial statements as it is not probable that future taxable income will be available and sufficient to allow these temporary differences to be realised in the foreseeable future.

10 (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company is based on the following:

	Group	
	2014	**2013**
	$	**$**
(Loss)/profit for the year attributable to equity holders of the Company	**(1,327,699)**	1,306,969
Weighted average number of ordinary shares	**100,000,000**	100,000,000

Diluted (loss)/earnings per share is the same as basic (loss)/earnings per share as there was no potential dilutive ordinary shares for the financial years ended 31 December 2014 and 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property $	Renovations $	Office equipment $	Furniture and fittings $	Computers $	Motor vehicles $	Operating equipment $	Total $
Group								
2014								
Cost								
At 1 January 2014	**319,480**	**1,167,232**	**115,429**	**449,805**	**399,990**	**904,570**	**25,030**	**3,381,536**
Additions	**–**	**457,239**	**18,915**	**11,579**	**90,807**	**24,707**	**–**	**603,247**
Written off	**–**	**–**	**–**	**(9,950)**	**–**	**–**	**–**	**(9,950)**
Currency alignment	**–**	**(5,307)**	**(564)**	**(2,998)**	**(578)**	**(1,176)**	**–**	**(10,623)**
At 31 December 2014	**319,480**	**1,619,164**	**133,780**	**448,436**	**490,219**	**928,101**	**25,030**	**3,964,210**
Accumulated depreciation								
At 1 January 2014	**17,039**	**513,800**	**62,301**	**248,183**	**190,685**	**781,531**	**12,030**	**1,825,569**
Depreciation charge	**12,779**	**212,133**	**21,607**	**60,975**	**30,392**	**85,851**	**5,006**	**428,743**
Written off	**–**	**–**	**–**	**(2,156)**	**–**	**–**	**–**	**(2,156)**
Currency alignment	**–**	**(2,730)**	**(393)**	**(2,743)**	**(417)**	**(1,176)**	**–**	**(7,459)**
At 31 December 2014	**29,818**	**723,203**	**83,515**	**304,259**	**220,660**	**866,206**	**17,036**	**2,244,697**
Net carrying value								
At 31 December 2014	**289,662**	**895,961**	**50,265**	**144,177**	**269,559**	**61,895**	**7,994**	**1,719,513**
2013								
Cost								
At 1 January 2013	388,080	947,222	103,698	304,864	360,578	851,123	25,030	2,980,595
Additions	–	304,108	25,458	82,456	41,964	55,839	–	509,825
Written off	–	(75,703)	(12,620)	–	(1,457)	–	–	(89,780)
Currency alignment	–	(8,395)	(1,107)	(6,115)	(1,095)	(2,392)	–	(19,104)
Reclassification	(68,600)	–	–	68,600	–	–	–	–
At 31 December 2013	319,480	1,167,232	115,429	449,805	399,990	904,570	25,030	3,381,536
Accumulated depreciation								
At 1 January 2013	5,174	431,745	60,724	187,646	170,108	659,876	7,024	1,522,297
Depreciation charge	11,865	156,178	14,773	65,178	22,633	124,000	5,006	399,633
Written off	–	(70,966)	(12,620)	–	(1,457)	–	–	(85,043)
Currency alignment	–	(3,157)	(576)	(4,641)	(599)	(2,345)	–	(11,318)
At 31 December 2013	17,039	513,800	62,301	248,183	190,685	781,531	12,030	1,825,569
Net carrying value								
At 31 December 2013	302,441	653,432	53,128	201,622	209,305	123,039	13,000	1,555,967

At 31 December 2014, motor vehicles of the Group with net carrying value of $1 (2013: $68,000) are acquired under finance leases arrangements.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12 INVESTMENT IN SUBSIDIARIES

(a) Unquoted equity shares, at cost

	Company	
	2014	**2013**
	$	**$**
At 1 January and 31 December	**1,500,005**	1,500,005

Details of subsidiaries:

Name of subsidiary (Country of incorporation)	**Principal activities**	**Proportion of ownership interest 2014 %**	**2013 %**
Held by the Company			
KHL Marketing Asia-Pacific Pte Ltd[***] (Singapore)	Suppliers of household decorative items and fittings, kitchen equipment and related products	**100**	100
Kitchen Culture (China) Limited[**] (Hong Kong)	Dormant	**100**	100
KHL (Hong Kong) Limited[**] (Hong Kong)	Investment holding	**100**	100
Held by KHL Marketing Asia-Pacific Pte Ltd			
Kitchen Culture Sdn. Bhd.[*] (Malaysia)	Trading in furniture and fittings, kitchen equipment and related products	**100**	100
Kitchen Culture Pte. Ltd.[***] (Singapore)	Dormant	**100**	100
Haus Furnishings and Interiors Pte. Ltd.[***] (Singapore)	Dormant	**100**	100
Eclat Office Club Pte. Ltd.[***] (Singapore)	Provided corporate services and furnished office suite	**100**	80
Kitchen Culture (Sichuan) Co., Ltd.[*] (The People's Republic of China)	Sales and distribution of kitchen system, kitchen appliances, wardrobe system, household furniture and appliances	**100**	–
KCROOM Pte. Ltd.[***] (Singapore)	Dormant	**100**	–
Held by KHL (Hong Kong) Limited			
Kitchen Culture (Macau) Limited[#] (Macau)	Dormant	**70**	–

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Unquoted equity shares, at cost (Continued)

* Audited by independent overseas member firms of Baker Tilly International.

** Audited by FTW & Partners CPA Limited, Hong Kong.

*** Audited by Baker Tilly TFW LLP, Singapore.

\# Audited by Keng Ou CPAs, Macau.

(b) Significant restrictions

Cash and cash equivalents of $186,394 (2013: nil) are held in the People's Republic of China and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

(c) Acquisition of non-controlling interests with no change in control

On 18 July 2014, the Group acquired the remaining 20% of the issued share capital of Eclat Office Club Pte. Ltd. ("Eclat Office") from its non-controlling interest for a cash consideration of $2,000. As a result of this acquisition, Eclat Office became a wholly-owned subsidiary of the Group.

The following summarises the effect of the change in the Group's ownership interest in Eclat Office on the equity attributable to equity holders of the Company.

	2014 $
Consideration paid for acquisition on non-controlling interests	2,000
Carrying amount of non-controlling interest acquired	139,702
Decrease in equity attributable to equity holders of the Company	141,702

The amount of $141,702 which is the consideration paid and the share of net liabilities of the additional interest acquired has been recognised within equity.

(d) Incorporation of a subsidiary

On 31 March 2014, the Group via its subsidiary, incorporated a wholly-owned subsidiary, Kitchen Culture (Sichuan) Co., Ltd. in the People's Republic of China. The registered share capital of $609,238, equivalent to RMB3,000,000 was paid.

On 29 May 2014, the Group via its subsidiary, incorporated a wholly-owned subsidiary, KCROOM Pte. Ltd. for a cash consideration of $2.

On 3 June 2014, the Group via its subsidiary, incorporated a 70% – owned subsidiary, Kitchen Culture (Macau) Limited for a consideration of $2,984 which is equivalent to Macanese Pataca $17,500.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

12 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Subsidiaries with material non-controlling interests

The Group does not have any subsidiaries with non-controlling interests that are considered by management to be material to the Group.

13 INTEREST IN JOINT VENTURE

	Group	
	2014	**2013**
	$	**$**
Unquoted equity shares, at cost	**646,600**	646,600
Goodwill written off	**(28,554)**	(28,554)
Group's share of post-acquisition losses	**(614,433)**	(614,433)
Currency alignment	**(3,613)**	(3,613)
	–	–

Details of joint venture:

Name of joint venture (Country of incorporation)	Principal activities	Ownership interest held 2014 %	Ownership interest held 2013 %
Held through KHL (Hong Kong) Limited			
Kitchen Culture (Hong Kong) Limited* (Hong Kong)	Sale and distribution of kitchen equipment, accessories and related products	**40**	40

* Audited by FTW & Partners CPA Limited, Hong Kong.

The joint venture is measured using the equity method. The activities of the joint venture provide the Group with access to markets in Hong Kong.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

13 INTEREST IN JOINT VENTURE (CONTINUED)

The summarised financial information of the Group's joint venture, based on its financial statements, which is not adjusted for the percentage of ownership interest held by the Group, are as follows:

	Group	
	2014	**2013**
	$	**$**
Summarised statement of financial position		
Non-current assets	**177,092**	438,779
Current assets (a)	**2,671,407**	3,042,737
Current liabilities (b)	**(4,346,401)**	(4,334,974)
Total equity attributed to the equity holders of the Company	**(1,497,902)**	(853,458)

Included in the summarised statement of financial position are the following:

		$	$
(a)	Cash and cash equivalents	**163,372**	325,677
(b)	Current financial liabilities (excluding trade and other payables and provision)	**–**	351,887

Summarised statement of comprehensive income		
Revenue	**4,023,121**	2,384,961
Loss after tax and total comprehensive loss	**(582,233)**	(1,331,665)
Depreciation charged	**(277,242)**	(296,606)
Interest income	**–**	96

The Group has not recognised its current year's share of loss of the joint venture amounting to $232,893 (2013: $336,669) because the Group's cumulating share of losses has exceeded its interest in that joint venture and the Group has no obligation in respect of these losses at the end of the reporting period. The Group's cumulative accumulated losses not recognised were $569,562 (2013: $336,669).

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

14 INVENTORIES

	Group	
	2014	**2013**
	$	**$**
Finished goods	**13,174,812**	12,855,064
Goods-in-transit	**833,348**	178,247
	14,008,160	13,033,311
Less: Inventories written down – Finished goods	**(715,734)**	(669,387)
Net carrying value	**13,292,426**	12,363,924

Movements in inventories written down are as follows:

	$	**$**
At 1 January	**669,387**	271,738
Charged to profit or loss (Note 7)	**51,341**	411,191
Reversal of inventories written down (Note 7)	**(2,865)**	(8,997)
Currency alignment	**(2,129)**	(4,545)
At 31 December	**715,734**	669,387

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Non-current				
Trade and other receivables				
Retention sums (trade)	**1,472,211**	2,326,813	**–**	–
Current				
Trade receivables:				
Trade receivables – third parties	**2,397,660**	8,032,262	**–**	–
Amount due from a joint venture (trade)	**47,012**	–	**–**	–
Amounts due from customers on projects (Note 16)	**2,915,037**	1,020,362	**–**	–
Retention sums (trade)	**1,101,502**	344,998	**–**	–
	6,461,211	9,397,622	**–**	–
Less: Allowance for doubtful trade receivables (Note 28(b))	**(368,180)**	(353,335)	**–**	–
Trade receivables, net	**6,093,031**	9,044,287	**–**	–
Other receivables:				
Amount due from joint venture (non-trade)	**2,351,590**	1,044,141	**2,336,484**	1,033,299
Advance to suppliers	**–**	64,381	**–**	–
Sundry deposits:				
– third parties	**580,090**	453,135	**–**	–
– related party	**60,528**	60,528	**–**	–
Income tax recoverable	**37,770**	–	**–**	–
Sundry receivables	**40,233**	11,148	**17,414**	–
Prepayments	**165,893**	470,330	**35,733**	54,533
Amounts due from subsidiaries (non-trade)	**–**	–	**2,755,400**	4,619,660
	3,236,104	2,103,663	**5,145,031**	5,707,492
Less: Allowance for doubtful non-trade receivables – related party (Note 28(b))	**(341,383)**	(341,383)	**(341,383)**	(341,383)
Other receivables, net	**2,894,721**	1,762,280	**4,803,648**	5,366,109
	8,987,752	10,806,567	**4,803,648**	5,366,109

The amounts due from related parties of the Group and the Company and non-trade amount due from subsidiaries of the Company are unsecured, interest-free and repayable on demand.

The carrying amounts of the current trade and other receivables approximate their fair values.

Based on the discounted cash flow method using a discount rate based upon the market lending rate at the end of the reporting period, the fair values of the non-current retention sums at the end of the reporting period approximate their carrying values. This is a Level 3 fair value hierarchy measurement.

16 AMOUNTS DUE FROM/(TO) CUSTOMERS FOR PROJECTS

	Group	
	2014	2013
	$	$
Project work-in-progress:		
Aggregate costs incurred and profits recognised (less losses recognised) to-date on uncompleted projects	**53,886,945**	55,970,657
Less: Progress billings to-date	**(51,294,266)**	(55,605,122)
	2,592,679	365,535
Representing:		
Amounts due from customers on projects (Note 15)	**2,915,037**	1,020,362
Amounts due to customers on projects (Note 21)	**(322,358)**	(654,827)
	2,592,679	365,535
Retention sums on projects	**2,573,713**	2,671,811
Deposits received for projects (Note 21)	**512,057**	–

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	$	$	$	$
Cash on hand and at bank	**2,900,063**	3,919,654	**31,910**	28,154
Fixed deposit	**167,087**	–	**–**	–
	3,067,150	3,919,654	**31,910**	28,154
Pledged fixed deposit	**(167,087)**	–	**–**	–
Cash and cash equivalents in the consolidated statement of cash flows	**2,900,063**	3,919,654	**31,910**	28,154

Fixed deposit bears interest rate of 0.25% (2013: Nil) per annum with maturity date of three months after the end of the reporting period. The fixed deposit is pledged to a bank to secure banking facilities.

The carrying amounts of cash and cash equivalents approximate their fair values.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

18 FINANCE LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Group				
Within one financial year	**57,301**	57,301	**50,216**	50,216
Within two to five financial years	**78,866**	136,167	**69,658**	119,874
Total minimum lease payments	**136,167**	193,468	**119,874**	170,090
Less: future finance charges	**(16,293)**	(23,378)	**–**	–
Present value of finance lease liabilities	**119,874**	170,090	**119,874**	170,090
Representing:				
– Non-current portion	**69,658**	119,874		
– Current portion	**50,216**	50,216		
	119,874	170,090		

The finance leases bear effective interest rates ranging from 3.60% to 5.00% (2013: 3.60% to 5.00%) per annum.

Finance lease liabilities of $119,874 (2013: $170,090) was guaranteed by a director of the Company.

The fair values of the Group's finance lease liabilities at the end of the reporting period, as determined using discounted cash flows, approximate their carrying amounts. This fair value measurement is categorised in Level 3 of the fair value hierarchy.

19 DEFERRED TAX LIABILITIES

The movements in the deferred tax liabilities are as follows:

	Group	
	2014	**2013**
	$	**$**
At 1 January	**58,000**	37,000
Charged to profit or loss (Note 9)	**27,000**	21,000
At 31 December	**85,000**	58,000

The deferred tax liabilities recognised are in respect of the excess of net carrying value of property, plant and equipment over their tax written down values.

NOTES TO THE
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

20 BORROWINGS

	Group	
	2014	**2013**
	$	**$**
Term loan I	**1,750,000**	–
Term loan II	**722,222**	–
Term loan III	**711,111**	–
Accounts receivable financing	**828,000**	2,059,332
Short-term loans	**3,775,000**	3,170,000
Bills payable to banks	**1,021,976**	2,226,403
	8,808,309	7,455,735
Representing:		
Non-current portion	**2,083,333**	–
Current portion	**6,724,976**	7,455,735
	8,808,309	7,455,735

The following summarises the Group's loans and financing obtained from banks and finance company:

Term loan I

Term loan I bears interest at 2.5% fixed rate per annum and is repayable in 48 monthly instalments commencing 1 July 2014.

Term loan II

Term loan II bears interest at 3% fixed rate per annum and is repayable in 36 monthly instalments commencing 14 March 2014.

Term loan III

Term loan III bears interest at 2.95% fixed rate per annum and is repayable in 36 monthly instalments commencing 30 September 2014.

Accounts receivable financing relates to financing on certain sales invoices, and bears interest at 2.85% (2013: ranged from 2.29% to 2.79%) per annum and is repayable within 4 months (2013: 2 months) after the end of the reporting period.

Short-term loans bear interest at interests rates ranging from 1.5% to 2.5% (2013: 1.38% to 2.5%) per annum above the Bank's Cost of Funds and repayable on demand. The effective interest rates ranged from 1.56% to 4.07% (2013: 1.90% to 3.10%) per annum.

Bills payable to banks bear effective interest rates ranging from 1.70% to 2.74% (2013: 1.51% to 2.79%) per annum.

The carrying amounts of current borrowings approximate their fair values.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

20 BORROWINGS (CONTINUED)

Based on discounted cash flows using market lending rate for similar borrowings which the directors expect would be available to the Group at the end of the reporting period, the fair values of the non-current borrowings at the end of the reporting period approximate their carrying values as there are no significant changes in the interest rates available to the Group at the end of the reporting period. This fair value measurement for disclosure purposes is categorised in level 3 of the fair value hierarchy.

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Trade payables	**2,790,503**	3,791,548	**–**	–
Amounts due to customers on projects (Note 16)	**322,358**	654,827	**–**	–
Deposits received for projects (Note 16)	**512,057**	–	**–**	–
Amounts due to related parties (non-trade)	**17,691**	78,315	**–**	–
Other payables	**379,026**	526,129	**50,744**	30,446
Sales deposits received	**2,495,763**	2,347,411	**–**	–
Accrued operating expenses	**605,973**	810,956	**182,219**	215,980
	7,123,371	8,209,186	**232,963**	246,426

The non-trade amounts due to related parties of the Group are unsecured, interest-free and payable on demand.

22 AMOUNTS DUE TO DIRECTORS

The amounts due to directors were unsecured, interest-free and fully settled during the financial year.

23 SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Issued share capital	
	2014	**2013**	**2014**	**2013**
			$	**$**
Issued and fully paid-up share capital				
At 1 January and 31 December	**100,000,000**	100,000,000	**6,231,259**	6,231,259

All issued share capital are fully paid ordinary shares with no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

24 CURRENCY TRANSLATION RESERVE – GROUP

Currency translation reserve arises from the translation of the financial statements of entities within the Group whose functional currencies are different from the Group's presentation currency.

25 CONTINGENT LIABILITIES

Details and estimates of maximum amounts of contingent liabilities are as follows:

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Guarantees issued for banking facilities granted to:				
– Subsidiaries	**–**	–	**35,879,950**	30,829,950
– Joint venture	**–**	654,000	**–**	654,000
	–	654,000	**35,879,950**	31,483,950
Amounts utilised by:				
– Subsidiaries	**–**	–	**15,715,984**	12,987,151
	–	–	**15,715,984**	12,987,151

The directors have assessed that the fair values of these financial guarantees are not material and therefore, not recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

26 RELATED PARTIES TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, significant transactions with related parties conducted during the financial year on terms agreed between the parties concerned are as follows:

	Group	
	2014	**2013**
	$	**$**
With related parties		
Rental expense	**(987,710)**	(1,127,606)
Printing and advertising expenses	**(10,419)**	(43,355)
Sales	**63,669**	12,792
With directors		
Sales	**–**	21,607
With non-controlling interest of a subsidiary		
Management fee charged	**(14,053)**	(65,340)
With joint venture		
Sales	**83,927**	–
Printing and advertising expenses	**–**	(16,520)

The related parties mainly refer to companies which are controlled or significantly influenced by family members of the Company's director.

27 COMMITMENTS

Capital commitments

	Group	
	2014	**2013**
	$	**$**
Capital commitments contracted for but not provided for in the financial statements:		
Acquisition of property, plant and equipment	**100,680**	63,937

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

27 COMMITMENTS (CONTINUED)

Operating lease commitments

Commitments for minimum lease rental payments under non-cancellable operating leases are as follows:

	Group	
	2014	**2013**
	$	**$**
Due within one financial year	**2,143,424**	1,655,339
Due between two to five financial years	**3,581,886**	2,305,629
Due after five financial years	**3,645,854**	3,854,955
	9,371,164	7,815,923

The Group leases various showrooms and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and have tenure of more than one year with renewal options.

Lease terms do not contain restrictions on the Group's activities concerning dividends, additional debt or further leasing.

28 FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Financial assets				
Trade and other receivables	**10,256,300**	12,598,669	**4,767,915**	5,311,576
Cash and bank balances	**3,067,150**	3,919,654	**31,910**	28,154
Loans and receivables	**13,323,450**	16,518,323	**4,799,825**	5,339,730
Financial liabilities				
Trade and other payables	**3,712,001**	5,126,824	**214,444**	227,907
Finance lease liabilities	**119,874**	170,090	**–**	–
Amounts due to directors	**–**	846,820	**–**	360,860
Borrowings	**8,808,309**	7,455,735	**–**	–
Amortised cost	**12,640,184**	13,599,469	**214,444**	588,767

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group's overall risk management strategy seek to minimise adverse effects from these financial risks on the Group's financial performance. The Group may use derivatives such as forward currency contracts to hedge certain financial risk exposures but the Group does not hold derivative financial instruments for trading purposes. The policies for managing each of these risks are summarised below.

There has been no change to the Group and Company's exposure to these financial risks or the manner in which the Group manages and measures financial risks.

Foreign currency risk

Foreign currency risk arises on certain transactions, assets and liabilities that are denominated in currencies other than the respective functional currencies of the entities in the Group. The Group's foreign currency risks are mainly United States Dollars ("USD") and Euro ("EUR"). The Company has no significant exposure to foreign currency risks as its transactions, assets and liabilities are substantially denominated in the Company's functional currency.

The Group's foreign currency exposures based on the information provided to Management are as follows:

	Group			
	2014		**2013**	
Denominated in:	**USD**	**EUR**	**USD**	**EUR**
	$	**$**	**$**	**$**
Cash and bank balances	**53,292**	**8,810**	36,977	46,913
Trade payables	**(1,579)**	**(1,578,164)**	–	(1,413,851)
Net financial assets/(liabilities) denominated in foreign currencies	**51,713**	**(1,569,354)**	36,977	(1,366,938)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Foreign currency risk *(Continued)*

The following table demonstrates the sensitivity to reasonable possible changes in the USD and EUR exchange rates against the respective functional currencies of the Group's entities, by 5% (2013: 5%) with all other variables including tax rate being held constant. The effects on the Group's loss after tax will be as follows:

	Increase/(decrease) in loss after tax	
	2014	**2013**
	$	**$**
Group		
USD/SGD – strengthened	**(2,146)**	(1,535)
– weakened	**2,146**	1,535
EUR/SGD – strengthened	**65,128**	56,728
– weakened	**(65,128)**	(56,728)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no interest-bearing assets and liabilities except for finance lease liabilities (Note 18) and borrowings (Note 20).

Sensitivity analysis for interest rate risk

Sensitivity analysis is determined based on the exposure to interest rates for borrowings at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of borrowings that have floating rates.

The Group's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD. If the SGD interest rates increase/decrease by 100 (2013: 100) basis points with all other variables including tax rate being held constant, the loss after tax (2013: profit after tax) of the Group will be higher/lower (2013: lower/higher) by $46,687 (2013: $61,882) as a result of higher/lower interest expense on these borrowings.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has credit policies in place and the exposure to credit risk is monitored on an ongoing basis by the Management.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Credit risk *(Continued)*

The Group's trade receivables include 6 debtors (2013: 1 debtor) that individually represented 5% or more (2013: 5% or more) of the trade receivables and the Group's other receivables include amounts due from joint venture of $2,010,207 (2013: $702,758) as disclosed in Note 15.

The Company has no significant concentration of credit risk except for the amounts due from joint venture and subsidiaries of $1,995,101 (2013: $691,916) and $2,755,400 (2013: $4,619,660) respectively (Note 15) which are not past due.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statements of financial position and the amount of $15,715,984 (2013: $12,987,151) relating to corporate guarantees given by the Company to banks for the subsidiaries' borrowings utilised at the end of the reporting period (Note 25).

The credit risk for trade receivables (net of allowance) based on the information provided to key management is as follows:

	Group	
	2014	**2013**
	$	**$**
By geographical areas		
Singapore	**1,550,487**	7,422,786
Malaysia	**186,253**	147,221
Other countries	**339,752**	108,920
	2,076,492	7,678,927
By types of customers		
Third parties:		
– Other companies	**1,581,726**	7,442,181
– Individuals	**447,754**	236,746
Related party	**47,012**	–
	2,076,492	7,678,927

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment track record with the Group and Company. Fixed deposit and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 **FINANCIAL INSTRUMENTS** (CONTINUED)

(b) **Financial risk management** (Continued)

Credit risk *(Continued)*

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

The table below is an ageing analysis of trade receivables of the Group (gross):

	Group	
	2014	**2013**
	$	**$**
Not past due and not impaired	**611,122**	6,074,518
Past due but not impaired	**1,381,853**	1,567,448
Past due and impaired	**451,697**	390,296
	2,444,672	8,032,262

The age analysis of trade receivables of the Group that are past due but not impaired are as follows:

	$	**$**
Past due 0 to 2 months	**624,052**	1,177,793
Past due over 2 months	**757,801**	389,655
	1,381,853	1,567,448

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group	
	2014	**2013**
	$	**$**
Gross amount – Past due over 12 months	**451,697**	390,296
Less: Allowance for doubtful receivables (Note 15)	**(368,180)**	(353,335)
	83,517	36,961

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Credit risk *(Continued)*

Financial assets that are past due and/or impaired (Continued)

Movements in allowance for doubtful trade receivables are as follows:

	Group	
	2014	**2013**
	$	**$**
At 1 January	**353,335**	381,005
Allowance made and recognised in profit or loss (Note 7)	**15,707**	118,863
Allowance written back and recognised in profit or loss (Note 7)	**(658)**	(21,674)
Allowance written off against trade receivables	**–**	(124,444)
Currency alignment	**(204)**	(415)
At 31 December	**368,180**	353,335

The carrying amount of other receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group and Company	
	2014	**2013**
	$	**$**
Gross amount – Past due over 12 months	**341,383**	341,383
Less: Allowance for doubtful receivables (Note 15)	**(341,383)**	(341,383)
	–	–

Movements in allowance for doubtful non-trade receivables are as follows:

	Group	
	2014	**2013**
	$	**$**
At 1 January	**341,383**	–
Allowance made and recognised in profit or loss (Note 7)	**–**	341,383
At 31 December	**341,383**	341,383

Trade and other receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligation due to shortage of funds. The Board of Directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The table below summarises the maturity profile of the Group's and Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	Repayable on demand or within 1 year $	Within 2 to 5 years $	Total $
Group			
2014			
Trade and other payables	**3,712,001**	**–**	**3,712,001**
Finance lease liabilities	**57,301**	**78,866**	**136,167**
Bank borrowings	**6,804,513**	**2,222,509**	**9,027,022**
	10,573,815	**2,301,375**	**12,875,190**
2013			
Trade and other payables	5,126,824	–	5,126,824
Finance lease liabilities	57,301	136,167	193,468
Amounts due to directors	846,820	–	846,820
Bank borrowings	7,455,735	–	7,455,735
	13,486,680	136,167	13,622,847
Company			
2014			
Trade and other payables	**214,444**	**–**	**214,444**
Financial guarantee contracts (Note 25)	**15,715,984**	**–**	**15,715,984**
	15,930,428	**–**	**15,930,428**
2013			
Trade and other payables	227,907	–	227,907
Financial guarantee contracts (Note 25)	12,987,151	–	12,987,151
	13,215,058	–	13,215,058

At the end of the reporting period, the Company does not consider it probable that a claim will be made against the Company under the intragroup financial guarantees.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

28 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the consolidated financial statements of the Group and the statement of financial position of the Company approximate their respective fair values due to the relatively short-term maturity of these financial instruments or that there are no significant changes in the borrowing interest rates available to the Group at the end of the reporting period.

29 CAPITAL MANAGEMENT

The primary objective of the Group and Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group and Company actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group, capital efficiency, prevailing and projected profitability, projected operating cash flows and projected capital expenditures. The Group and Company, in achieving an optimal capital structure may issue new shares, adjust the amount of its dividend payment and obtain borrowings.

The capital structure of the Group and Company comprises share capital and reserves and borrowings.

No changes were made to the objectives, policies or processes during the financial years ended 31 December 2014 and 31 December 2013.

The Group is in compliance with all externally imposed capital requirements for the financial years ended 31 December 2014 and 31 December 2013.

30 SEGMENT INFORMATION

The Group is organised into business units based on its products and services for management purposes. The reportable segments are residential projects, distribution and retail, and others.

Residential projects segment is involved in designing, assembling, installing, testing and inspection of various furniture and fittings, kitchen equipments and related products.

Distribution and retail segment is involved in selling and distributing of products through a network of authorised dealers and retailers.

Others are the investment holding, dormant and inactive companies.

Management monitors the operating results of its reportable segments separately for making decisions about allocation of resources and assessment of performances of each segment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

30 SEGMENT INFORMATION (CONTINUED)

The segment information provided to Management for the reportable segments is as follows:

	Residential Projects		Distribution and Retail		Others		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$	$
Segment revenue	**14,473,016**	26,131,869	**7,621,174**	6,819,834	**9,705**	–	**22,103,895**	32,951,703
Segment (losses)/profits	**(27,380)**	2,938,679	**(878,242)**	266,242	**(453,180)**	(780,732)	**(1,358,802)**	2,424,189
Segment assets/total assets	**12,658,308**	19,341,757	**13,769,753**	10,621,612	**2,110,991**	1,009,556	**28,539,052**	30,972,925
Segment liabilities	**3,326,725**	6,436,686	**4,688,254**	4,322,819	**250,241**	692,994	**8,265,220**	11,452,499
Unallocated liabilities							**7,875,763**	5,775,257
Total liabilities							**16,140,983**	17,227,756
Capital expenditure of property, plant and equipment	**145,455**	140,179	**457,792**	159,438	**–**	210,208	**603,247**	509,825
Other significant non-cash income/(expenses)								
Depreciation of property, plant and equipment	**(240,451)**	(252,321)	**(188,292)**	(147,312)	**–**	–	**(428,743)**	(399,633)
Allowance for doubtful receivables								
– trade	**–**	(108,044)	**(9,038)**	(10,819)	**(6,669)**	–	**(15,707)**	(118,863)
– non-trade	**–**	–	**–**	–	**–**	(341,383)	**–**	(341,383)
Goodwill arising on consolidation written off	**–**	–	**–**	–	**–**	(6,389)	**–**	(6,389)
Share of results of joint venture	**–**	–	**–**	–	**–**	(196,136)	**–**	(196,136)
Property, plant and equipment written off	**–**	(3,639)	**–**	(1,098)	**(7,794)**	–	**(7,794)**	(4,737)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

30 SEGMENT INFORMATION (CONTINUED)

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before tax in the financial statements. Interest income, gain/(loss) on foreign exchange difference, interest on borrowings, goodwill written off and share of results of joint venture are not allocated to segments as these are managed on a group basis.

A reconciliation of segment (loss)/profit to the (loss)/profit before tax is as follows:

	Group	
	2014	2013
	$	$
Segment (losses)/profits	**(1,358,802)**	2,424,189
Interest income	**2,869**	1,558
Gain/(loss) on foreign exchange difference	**117,162**	(397,399)
Interest on borrowings	**(114,427)**	(86,478)
Goodwill arising on consolidation written off	**–**	(6,389)
Share of results of joint venture	**–**	(196,136)
Profit/(loss) before tax	**(1,353,198)**	1,739,345

Segment assets

The amounts provided to Management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments.

Segment liabilities

The amounts provided to Management with respect to total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than deferred tax liabilities, tax payable and certain borrowings which are classified as unallocated liabilities.

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

30 SEGMENT INFORMATION (CONTINUED)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

Group

	Sales to external customers		Non-current assets	
	2014	**2013**	**2014**	**2013**
	$	**$**	**$**	**$**
Singapore	**19,916,986**	31,857,956	**1,195,267**	1,344,561
Malaysia	**1,293,907**	837,762	**175,450**	211,406
Indonesia	**742,052**	177,243	**–**	–
Cambodia	**–**	42,588	**–**	–
Seychelles	**63,729**	2,579	**–**	–
The People's Republic of China	**–**	–	**348,796**	–
Others	**87,221**	33,575	**–**	–
	22,103,895	32,951,703	**1,719,513**	1,555,967

Non-current assets information presented above are non-current assets (excluding financial assets) as presented on the consolidated statement of financial position.

Information about major customers

Revenue of approximately $8,342,000 (2013: $9,051,000) are derived from 3 (2013: 2) major external customers who individually contributed 10 per cent or more of the Group's revenue, and are attributable to the residential project segment. The details are tabled below:

	Group
	$
2014	
Customer 1	**3,133,000**
Customer 2	**2,810,000**
Customer 3	**2,399,000**
	8,342,000
2013	
Customer 4	5,033,000
Customer 5	4,018,000
	9,051,000

NOTES TO THE
FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

31. RECLASSIFICATION AND COMPARATIVE FIGURES

Certain reclassifications have been made to the comparative information to enhance comparability with the current year's presentation. The following reclassifications were made in the Group's statement of financial position at 31 December 2013 and have no impact on the statement of comprehensive income of the Group for the financial year ended 31 December 2013:

Group

2013	**As previously reported** **$**	**Reclassification** **$**	**Reclassified** **$**
Statement of financial position			
Non-current assets			
Trade and other receivables	–	2,326,813	2,326,813
Current assets			
Trade and other receivables	13,133,380	(2,326,813)	10,806,567
Current liabilities			
Borrowings	3,170,000	4,285,735	7,455,735
Bills payable to banks	4,285,735	(4,285,735)	–
Statement of cash flows			
Cash flows from operating activities			
Operating profit before working capital changes -Payables	4,009,542	(2,864,873)	1,144,669
Interest paid	(293,490)	293,490	–
Cash flows from financing activities			
Interest paid	–	(293,490)	(293,490)
Drawdown of borrowings	1,420,000	4,285,735	5,705,735
Repayment of borrowings	(2,569,353)	(1,420,862)	(3,990,215)

32 SUBSEQUENT EVENT

Subsequent to the end of the reporting period, the Company's wholly-owned subsidiary, KHL (Hong Kong) Limited, acquired an additional 30% interest in its joint venture, Kitchen Culture (Hong Kong) Limited on 5 February 2015. The shares were purchased from the joint venture partners for cash consideration of HK$6.0 million or equivalent to approximately $1,041,600. With the acquisition, the Group will hold 70% interest in Kitchen Culture (Hong Kong) Limited, and will consolidate the entity with effect from the date of acquisition. Details of the acquisition and the effects on the Group's profit or loss and cash flows for the financial year ending 31 December 2015 are not disclosed as the accounting for this business combination is still incomplete at the time these financial statements are authorised for issue.

33 AUTHORISATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors dated 26 March 2015.

STATISTICS OF SHAREHOLDINGS

AS AT 20 MARCH 2015

SHARE CAPITAL

Issued and fully paid capital – S$6,600,013#
Total number of shares in issue – 100,000,000
Number of treasury shares – Nil

Class of shares – Ordinary shares
Voting rights – 1 vote per share

Note:

Being the issued and paid-up share capital of the Company extracted from Accounting and Corporate Regulatory Authority Singapore (ACRA).

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 17.05% of the issued ordinary shares of the Company were held in the hands of the public as at 20 March 2015 and therefore Rule 723 of the Catalist Rules is complied with.

DISTRIBUTION OF SHAREHOLDINGS

(As recorded in the Register of Members and Depository Register)

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	0	0.00	0	0.00
100 – 1,000	6	6.82	6,000	0.01
1,001 – 10,000	18	20.45	111,000	0.11
10,001 – 1,000,000	58	65.91	9,124,000	9.12
1,000,001 and above	6	6.82	90,759,000	90.76
TOTAL	**88**	**100.00**	**100,000,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

(As recorded in the Register of Members and Depository Register)

S/N	Name	Number of Shares	%
1	Lim Wee Li	64,700,000	64.70
2	Hong Leong Finance Nominees Pte Ltd	10,000,000	10.00
3	Lim Han Li	8,250,000	8.25
4	Maybank Kim Eng Securities Pte Ltd	3,868,000	3.87
5	Lee Yong Miang	2,541,000	2.54
6	Cheng Chih Kwong @Thie Tji Koang	1,400,000	1.40
7	Tsai Fung-Chung	1,000,000	1.00
8	Zhou Zhijun	1,000,000	1.00
9	Tan Heng Mong	700,000	0.70
10	Fung Chu Wan	500,000	0.50
11	HSBC (Singapore) Nominees Pte Ltd	500,000	0.50
12	Lim Siah Mong	500,000	0.50
13	Tan Siong Tiew	500,000	0.50
14	Gay Soon Watt	400,000	0.40
15	Tseng I-Ming	400,000	0.40
16	Yeow Chee Siong	400,000	0.40
17	Hartoko Sarwono	370,000	0.37
18	Chi Chia Ming	170,000	0.17
19	Khua Kian Keong	170,000	0.17
20	Koh Yong Meng	170,000	0.17
	TOTAL	**97,539,000**	**97.54**

STATISTICS OF **SHAREHOLDINGS**

AS AT 20 MARCH 2015

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**Number of Shares**	**%**	**Number of Shares**	**%**
Lim Wee Li [1]	64,700,000	64.70	10,000,000	10.00
Lim Han Li	8,250,000	8.25	–	–

Note:

(1) Mr Lim Wee Li is deemed interested in 10,000,000 shares held by Hong Leong Finance Nominees Pte Ltd as nominee of Mr Lim Wee Li.

NOTICE OF
ANNUAL GENERAL MEETING

KITCHEN CULTURE HOLDINGS LTD.
(Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of KITCHEN CULTURE HOLDINGS LTD. (the "Company") will be held at 25 New Industrial Road, #02-01 KHL Industrial Building, Singapore 536211 on Thursday, 30 April 2015 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 December 2014 together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of $106,000 for the financial year ended 31 December 2014 (2013: $106,000). **(Resolution 2)**

3. To re-elect Lim Wee Li, a Director retiring pursuant to Article 107 of the Company's Articles of Association. *(see explanatory note 1)* **(Resolution 3)**

4. To re-elect Ong Beng Chye, a Director retiring pursuant to Article 107 of the Company's Articles of Association. *(see explanatory note 2)* **(Resolution 4)**

5. To appoint KPMG LLP as auditors of the Company in place of the retiring auditors, Baker Tilly TFW LLP, to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. *(see explanatory note 3 and Appendix for details)* **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual ("Catalist Rules"), the Directors be authorised and empowered to: **(Resolution 6)**

(a) (i) allot and issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

NOTICE OF
ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

  (a) new Shares arising from the conversion or exercise of any convertible securities;

  (b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

  (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

NOTICE OF
ANNUAL GENERAL MEETING

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(see explanatory note 4)

7. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Wee Woon Hong
Lim Yii Fan
Company Secretaries

15 April 2015
Singapore

Explanatory Notes:

1. Mr Lim Wee Li will, upon re-election as a Director, remain as the Executive Chairman of the Board of Directors of the Company. Detailed information on Mr Lim Wee Li can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Report" of the Company's Annual Report 2014.

2. Mr Ong Beng Chye will, upon re-election as a Director, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees of the Company, and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules. Detailed information on Mr Ong Beng Chye can be found under the sections entitled "Board of Directors", "Corporate Governance Report" and "Directors' Report" of the Company's Annual Report 2014.

3. The Ordinary Resolution 5 proposed in item 5 above is to approve the appointment of KPMG LLP ("KPMG") as auditors of the Company in place of the retiring auditors, Baker Tilly TFW LLP ("Baker Tilly"), to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

   An appendix is attached to the Company's Annual Report 2014 to provide shareholders with information relating to the proposed change of auditors to be tabled at the AGM of the Company ("Appendix").

   In accordance with the requirements of Rule 712(3) of the Catalist Rules:

   (a) Baker Tilly has confirmed by way of a letter dated 6 April 2015 that it is not aware of any professional reasons why KPMG should not accept appointment as the new auditors of the Company;

   (b) the Company confirms that there were no disagreements with Baker Tilly on accounting treatments within the last 12 months from the date of the Appendix;

   (c) the Company confirms that, other than as set out in the Appendix, it is not aware of any circumstances connected with the proposed change of auditors that should be brought to the attention of the shareholders of the Company;

NOTICE OF
ANNUAL GENERAL MEETING

(d) the reasons for the proposed change of auditors are to ensure good corporate governance practice and enable the Company to benefit from fresh perspectives and views of another professional audit firm and thus, further enhance the value of the audit. The proposed change of auditors is not due to the dismissal of Baker Tilly nor Baker Tilly declining to continue to serve as auditors of the Company. Please refer to the Appendix for further details; and

(e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of KPMG as the new auditors of the Company.

4. The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares), of which up to 50% may be issued other than on a pro rata basis to shareholders of the Company.

Notes:

(i) A member of the Company entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote instead of him.

(ii) Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.

(iii) If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company at 25 New Industrial Road, #02-01 KHL Industrial Building, Singapore 536211, not less than 48 hours before the time appointed for holding the above meeting.

NOTICE OF
ANNUAL GENERAL MEETING

Personal Data Privacy:

"Personal data" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 ("PDPA"), which includes your name and your proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM of the Company (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your personal data and your proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this notice.

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

The contact person for the Sponsor is Mr Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

APPENDIX
DATED 15 APRIL 2015

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in doubt about its contents or action you should take, you should consult your legal, financial, tax or other professional adviser immediately.

This Appendix is circulated to shareholders ("Shareholders") of Kitchen Culture Holdings Ltd. (the "Company", and together with its subsidiaries, the "Group") together with the Company's annual report for the financial year ended 31 December 2014 (the "Annual Report 2014"). Its purpose is to provide Shareholders with information relating to, and seek Shareholders' approval for, the Proposed Change of Auditors (defined herein) to be tabled at the annual general meeting of the Company (the "AGM") to be convened at 25 New Industrial Road #02-01 KHL Industrial Building Singapore 536211 on Thursday, 30 April 2015 at 10.00 a.m. or at any adjournment thereof. The Notice of AGM and the Proxy Form are enclosed in the Annual Report 2014.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("CDP"), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should hand this Appendix to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "Sponsor"), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this Appendix.

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

The contact person for the Sponsor is Mr Alex Tan, Chief Executive Officer, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.

kitchen culture

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore on 25 March 2011)

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED CHANGE OF AUDITORS

APPENDIX
DATED 15 APRIL 2015

Board of Directors

Lim Wee Li *(Executive Chairman and Chief Executive Officer)*
Ong Beng Chye *(Lead Independent Director)*
Kesavan Nair *(Independent Director)*
Joanne Khoo Su Nee *(Independent Director)*

Registered Office

25 New Industrial Road
#02-01 KHL Industrial Building
Singapore 536211

15 April 2015

To: The Shareholders of Kitchen Culture Holdings Ltd.

Dear Sir/Madam

1. INTRODUCTION

The board of directors of the Company (the "Board" or "Directors") proposes to seek Shareholders' approval for the Proposed Change of Auditors at the AGM to be held at 25 New Industrial Road #02-01 KHL Industrial Building Singapore 536211 on Thursday, 30 April 2015 at 10.00 a.m..

The purpose of this Appendix is to provide Shareholders with information pertaining to, and the rationale for, the Proposed Change of Auditors, and to seek Shareholders' approval for the Ordinary Resolution 5 relating to the same as set out in the Notice of AGM.

Shareholders are advised that the SGX-ST and the Sponsor assume no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

2. RATIONALE FOR THE PROPOSED CHANGE OF AUDITORS

The Company's existing auditors, Baker Tilly TFW LLP ("Baker Tilly"), was re-appointed auditors of the Company ("Auditors") at the last AGM of the Company held on 28 April 2014, to hold office until the conclusion of the next AGM of the Company. Baker Tilly has served as the Auditors of the Company since its incorporation and in the financial year ended 31 December 2011, and Auditors of KHL Marketing Asia-Pacific Pte Ltd (the principal subsidiary of the Company) for twelve consecutive audits since the financial year ended 31 December 2003. The Board is of the view that a change of Auditors would be a good corporate governance practice as it would enable the Company to benefit from fresh perspectives and views of another professional audit firm and thus, further enhance the value of the audit. A renewal of this nature is also indicative of the Company's efforts to ensure that there would be no actual or perceived issues of independence of Auditors for good corporate governance.

The audit committee of the Company (the "AC") has reviewed and deliberated on the proposals received from three audit firms, taking into consideration factors such as the adequacy of the resources and experience of the audit firm to be selected, the audit engagement partner to be assigned to the audit, the firm's other audit engagements, the size and complexity of the Company and its subsidiaries, and the number and experience of supervisory and professional staff to be assigned to the audit. After evaluation, the AC recommended that KPMG LLP ("KPMG") be selected for the proposed appointment having considered the suitability of KPMG to meet the audit requirements of the Group and the requirements of Rules 712(1) and 712(2) of Section B: Rules of Catalist of the SGX-ST Listing Manual ("Catalist Rules").

APPENDIX
DATED 15 APRIL 2015

The audit services to be provided by KPMG would conform to Singapore Standards on Auditing, which would have a scope comparable to that currently provided by Baker Tilly.

The Directors have taken into account the AC's recommendation, including the factors considered in their evaluation, and are satisfied that KPMG will be able to meet the audit requirements of the Company and that Rules 712(1) and 712(2) of the Catalist Rules have been complied with. As such, the Directors accepted the AC's recommendation for the appointment of KPMG in place of Baker Tilly, subject to the approval of the Shareholders at the AGM.

In this regard, the Proposed Change of Auditors has been discussed with Baker Tilly and Baker Tilly has given notice to the Directors of its withdrawal of consent to act as Auditors on 6 April 2015, and KPMG has given their consent to be appointed as Auditors on 8 April 2015, subject to the approval of the Shareholders at the AGM. The withdrawal to act as Auditors of Baker Tilly and the appointment of KPMG will take effect upon and subject to obtaining the approval of the Shareholders at the AGM to be convened on 30 April 2015.

Pursuant to Section 205 of the Companies Act, Cap. 50, a copy of the letter of nomination from a Shareholder, nominating the appointment of KPMG as Auditors in place of Baker Tilly is set out on page 105 of the Annual Report 2014.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

(a) Baker Tilly has confirmed by way of a letter dated 6 April 2015 ("Professional Clearance Letter") that it is not aware of any professional reasons why KPMG should not accept appointment as the new Auditors;

(b) the Company confirms that there were no disagreements with Baker Tilly on accounting treatments within the last 12 months from the date of this Appendix;

(c) the Company confirms that, other than as set out in this Appendix, it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders;

(d) the reasons for the Proposed Change of Auditors are disclosed in this section of the Appendix. The Proposed Change of Auditors is not due to the dismissal of Baker Tilly nor Baker Tilly declining to continue to serve as Auditors; and

(e) the Company confirms that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the proposed appointment of KPMG as its new Auditors.

The Directors wish to express their appreciation for the past services rendered by Baker Tilly.

APPENDIX
DATED 15 APRIL 2015

3. REQUIREMENT PURSUANT TO RULE 715 OF THE CATALIST RULES

Subject to Shareholders' approval of the Proposed Change of Auditors, KPMG will become the Auditors in place of Baker Tilly. KPMG will also be the auditors for all the Singapore-incorporated subsidiaries of the Company as well as Kitchen Culture Sdn. Bhd., a subsidiary of the Company incorporated in Malaysia. The other foreign-incorporated subsidiaries of the Company will continue to be audited by suitable auditing firms as set out below:–

Name of subsidiaries	Country of incorporation	Auditing firm
Kitchen Culture (Sichuan) Co. Ltd.	The People's Republic of China	Baker Tilly China Certified Public Accountants
Kitchen Culture (Macau) Limited	Macau	Keng Ou CPAs
Kitchen Culture (Hong Kong) Limited	Hong Kong	FTW & Partners CPA Limited
Kitchen Culture (China) Limited	Hong Kong	FTW & Partners CPA Limited
KHL (Hong Kong) Limited	Hong Kong	FTW & Partners CPA Limited

As at the date of this Appendix, the Company does not have any significant associated companies.

In view of the above, the Directors confirm that Rules 712 and 715 of the Catalist Rules have been complied with.

4. INFORMATION ON KPMG AND AUDIT ENGAGEMENT PARTNER

KPMG in Singapore is part of a global network of professional services firms providing audit, tax and advisory services. The independent member firms of the KPMG network operate in 156 countries and have more than 155,000 professionals worldwide. Each KPMG firm is a legally distinct and separate entity and describes itself as such. KPMG in Singapore is registered with the Accounting and Corporate Regulatory Authority.

Tan Yek Lee Doreen, a practising member of the Institute of Singapore Chartered Accountants, will be the audit engagement partner assigned to the audit of the Group. She has been involved in the audit of public listed companies, multinationals and government linked companies. She has served a wide variety of audit clients, including those in the shipping, construction, trading and manufacturing industries.

5. APPROVAL AND RESOLUTION

Shareholders' approval for the Proposed Change of Auditors will be sought at the AGM to be convened on 30 April 2015. The resolution relating to the Proposed Change of Auditors is contained in the Notice of AGM as Ordinary Resolution 5.

6. AC'S RECOMMENDATION

The AC has reviewed the Proposed Change of Auditors and recommended the change of auditors to KPMG, having satisfied itself of the suitability of KPMG to meet the audit requirements of the Group and ensuring compliance with Rules 712 and 715 of the Catalist Rules.

APPENDIX
DATED 15 APRIL 2015

7. DIRECTORS' RECOMMENDATION

Having considered the rationale for and benefits of the Proposed Change of Auditors and the AC's recommendation, the Directors are of the opinion that the appointment of KPMG as Auditors is in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 5 relating to the Proposed Change of Auditors as set out in the Notice of AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Change of Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 25 New Industrial Road #02-01 KHL Industrial Building Singapore 536211 during normal business hours from the date of this Appendix up to and including the date of the AGM:

(a) the Memorandum and Articles of Association of the Company;

(b) the Annual Report 2014;

(c) the letter of nomination from Mr Lim Wee Li dated 26 March 2015;

(d) the notice of withdrawal of consent to act as Auditors from Baker Tilly dated 6 April 2015;

(e) the letter of consent to act as Auditors from KPMG dated 8 April 2015; and

(f) the Professional Clearance Letter.

Yours faithfully
For and on behalf of the Board of Directors of
Kitchen Culture Holdings Ltd.

Lim Wee Li
Executive Chairman and Chief Executive Officer
15 April 2015

LETTER OF
NOMINATION FROM SHAREHOLDER

26 March 2015

The Board of Directors
Kitchen Culture Holdings Ltd.
25 New Industrial Road
#02-01 KHL Industrial Building
Singapore 536211

Dear Sirs

NOTICE OF NOMINATION

Pursuant to the provisions of Section 205 of the Companies Act, Cap. 50, I, Lim Wee Li, being a member of Kitchen Culture Holdings Ltd. (the "**Company**"), hereby nominate KPMG LLP of 16 Raffles Quay #22-00 Hong Leong Building Singapore 048581 for appointment as auditor of the Company in place of the retiring auditor, Baker Tilly TFW LLP, at the forthcoming annual general meeting of the Company.

I intend to propose the following ordinary resolution at the forthcoming Annual General Meeting:

"That KPMG LLP be appointed as auditor of the Company in place of the retiring auditor, Baker Tilly TFW LLP, to hold office until the conclusion of the next annual general meeting of the Company and the Directors be authorised to fix their remuneration".

Yours faithfully

Lim Wee Li

KITCHEN CULTURE HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201107179D)

PROXY FORM

I/We, ____ (Name) of

____ (Address)
being a member/members of **KITCHEN CULTURE HOLDINGS LTD**. (the "Company") hereby appoint the Chairman of the Meeting* or:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

as *my/our *proxy/proxies to attend and to vote for *me/us on *my/our behalf and, if necessary to demand a poll, at the Annual General Meeting of the Company to be held at 25 New Industrial Road, #02-01 KHL Industrial Building, Singapore 536211 on Thursday, 30 April 2015 at 10.00 a.m. and at any adjournment thereof.

* A member may appoint not more than two proxies to attend and vote at the same Meeting. If you wish to appoint some person other than the Chairman of the Meeting to be your proxy, please delete the words "Chairman of the Meeting".

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the Annual General Meeting.)

No.	Resolutions relating to:	For	Against
	Ordinary Business:		
1.	To receive and adopt the Directors' Report and the Audited Financial Statements for the financial year ended 31 December 2014 together with the Independent Auditor's Report thereon.		
2.	To approve the payment of Directors' fees of $106,000 for the financial year ended 31 December 2014		
3.	To re-elect Lim Wee Li as a Director of the Company		
4.	To re-elect Ong Beng Chye as a Director of the Company		
5.	To appoint KPMG LLP as auditors of the Company in place of the retiring auditors, Baker Tilly TFW LLP, and to authorise the Directors to fix their remuneration		
	Special Business:		
6.	To approve the authority to allot and issue shares		

Dated this ________________ day of ________________ 2015

Total Number of Shares held

____
Signature(s) of Shareholder(s)/or
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 25 New Industrial Road, #02-01 KHL Industrial Building, Singapore 536211, not less than 48 hours before the time appointed for the meeting.

4. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Cap. 50.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his name in the Depository Register 48 hours before the time appointed for holding the meeting, as certified by the Depository to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of AGM dated 15 April 2015.



KITCHEN CULTURE HOLDINGS LTD.
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