



ITE ELECTRIC CO LTD

Registration No. 198201457Z

Unaudited Full Year Financial Statements And Dividend Announcement for the Financial Year Ended 31 December 2015

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

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

Income Statement

Revenue

Changes in inventories of finished goods and work in progress

Raw material and consumable used

Other income

Staff costs

Depreciation

Other expenses

Finance costs

Profit/(Loss) before tax

Tax expense

Loss for the year

Loss attributable to :-

Owners of the Company

Non-controlling interests

Loss for the year

Statement of Comprehensive Income

Loss for the year

Other comprehensive loss

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

Foreign currency translation difference

Other comprehensive loss, net of tax

Total comprehensive loss for the year

Total comprehensive loss attributable to :-

Owners of the Company

Non-controlling interests

		GROUP		
	Note	Full Year ended 31.12.2015 S\$'000	Full Year ended 31.12.2014 S\$'000	% Difference
Revenue		15,790	20,540	-23%
Changes in inventories of finished goods and work in progress		(11,171)	(14,752)	-24%
Raw material and consumable used		(640)	(648)	-1%
Other income	1	565	552	2%
Staff costs		(2,261)	(3,002)	-25%
Depreciation		(63)	(77)	-18%
Other expenses	2	(2,142)	(2,837)	-24%
Finance costs		(66)	(123)	-46%
Profit/(Loss) before tax		12	(347)	103%
Tax expense	3	(32)	(124)	-74%
Loss for the year		(20)	(471)	-96%
Loss attributable to :-				
Owners of the Company		(12)	(453)	-97%
Non-controlling interests		(8)	(18)	-56%
Loss for the year		(20)	(471)	-96%
Loss for the year		(20)	(471)	-96%
Other comprehensive loss		(354)	(88)	NM
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation difference		(354)	(88)	NM
Other comprehensive loss, net of tax		(354)	(88)	NM
Total comprehensive loss for the year		(374)	(559)	-33%
Total comprehensive loss attributable to :-				
Owners of the Company		(366)	(541)	-32%
Non-controlling interests		(8)	(18)	-56%
Total comprehensive loss for the year		(374)	(559)	-33%

Note : NM - Not Meaningful

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

Note 1

Other income includes the following :-

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

Note 2

Other expenses include the following :-

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

Note 3

Income tax expenses include :-

- 1) Current year:
 - Income tax
 - Deferred income tax
- 2) Prior year:
 - (Over)/under-provision of prior year's income tax
 - (Over)/under-provision of prior year's deferred income tax

GROUP	
Full Year ended 31.12.2015 S\$'000	Full Year ended 31.12.2014 S\$'000
5	28
-	15
31	31
230	214
134	124
165	140
565	552
3	262
172	213
59	62
15	18
-	10
104	-
-	215
-	(1)
-	77
14	23
777	797
998	1,161
2,142	2,837
84	104
-	5
(51)	-
(1)	15
32	124

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

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

	GROUP		COMPANY	
	31.12.2015 S\$'000	31.12.2014 S\$'000	31.12.2015 S\$'000	31.12.2014 S\$'000
Assets				
Non-Current Assets				
Property, plant and equipment	149	221	-	-
Subsidiaries	-	-	6,412	4,417
Deferred tax assets	97	110	-	-
	246	331	6,412	4,417
Current Assets				
Inventories	2,358	2,432	-	-
Trade and other receivables	4,465	5,930	705	919
Cash and cash equivalents	2,232	3,648	160	1,947
	9,055	12,010	865	2,866
Total Assets	9,301	12,341	7,277	7,283
Equity				
Share capital	23,018	23,018	23,018	23,018
Reserves	(16,026)	(15,666)	(15,968)	(15,993)
Equity Attributable to owners of the Company	6,992	7,352	7,050	7,025
Non-controlling interest	-	29	-	-
Total Equity	6,992	7,381	7,050	7,025
Liabilities				
Non-Current Liabilities				
Financial liabilities	-	3	-	-
Deferred tax liabilities	2	2	-	-
	2	5	-	-
Current Liabilities				
Trust receipts	-	1,728	-	-
Trade and other payables	2,087	2,961	227	258
Financial liabilities	203	210	-	-
Current tax liabilities	17	56	-	-
	2,307	4,955	227	258
Total Liabilities	2,309	4,960	227	258
Total Equity and Liabilities	9,301	12,341	7,277	7,283

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

	As at 31.12.2015		As at 31.12.2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount payable in one year or less, on demand	203	-	1,938	-
Amount payable after one year	-	-	3	-

Details of collateral

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

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

	Full Year ended 31.12.2015 S\$'000	Full Year ended 31.12.2014 S\$'000
<u>Cash Flows from Operating Activities</u>		
Loss for the year	(20)	(471)
Adjustments for :-		
Allowance for doubtful receivables	3	262
Allowance for inventory obsolescence	172	214
Depreciation of property, plant and equipment	63	77
Fair value loss on equity securities held for trading	-	10
Gain on disposal of property, plant and equipment	(5)	(28)
Interest income	(31)	(31)
Interest expense	66	123
Loss on disposal of available-for-sale financial assets	-	215
Impairment loss on available-for-sale financial assets	-	77
Property, plant and equipment written off	-	1
Tax expense	32	124
Operating cash flow before working capital changes	280	573
Change in working capital:		
Trade and other receivables	1,311	126
Inventories	(181)	341
Trade and other payables	(812)	(1,600)
Cash generated from/(used in) operations	598	(560)
Income tax paid	(72)	(72)
Cash flows generated from/(used in) operating activities	526	(632)
<u>Cash Flows from Investing Activities</u>		
Interest received	31	31
Proceeds from disposal of property, plant and equipment	5	31
Proceeds from disposal of available-for-sale financial assets	-	1,098
Proceeds from disposal of equity securities held for trading	-	12
Disposal of a subsidiary, net of cash disposed	-	(8)
Acquisition of property, plant and equipment	(8)	(15)
Acquisition of shares from non-controlling interest	(15)	-
Cash flows generated from investing activities	13	1,149
<u>Cash Flows from Financing Activities</u>		
Deposits pledged	1,968	(19)
Interest paid	(66)	(123)
Repayment of financial liabilities and other borrowings	(12)	(151)
(Repayment)/proceeds from trust receipts	(1,728)	154
Cash flows generated from/(used in) financing activities	162	(139)
Net increase in cash and cash equivalents	701	378
Cash and cash equivalents at beginning of the year	1,121	770
Effect of exchange rate changes on cash balances held in foreign currencies	(149)	(27)
Cash and cash equivalents at end of the year	1,673	1,121
Represented by :-		
Cash at bank and in hand	1,572	1,121
Fixed deposits	660	2,527
Less: Deposits pledged	(559)	(2,527)
	1,673	1,121

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

STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company				Non-Controlling Interests	Total Equity
	Share Capital	Foreign currency translation reserve	Other reserves	Accumulated losses		
GROUP (\$S'000)						
At 1 January 2015	23,018	(758)	71	(14,979)	7,352	7,381
Total comprehensive loss						
Loss for the year	-	-	-	(12)	(12)	(20)
Other comprehensive loss:						
Foreign currency translation differences	-	(354)	-	-	(354)	(354)
Total comprehensive loss for the year	-	(354)	-	(12)	(366)	(374)
Acquisition of non-controlling interest without change in control	-	-	6	-	6	(15)
At 31 December 2015	23,018	(1,112)	77	(14,991)	6,992	6,992
At 1 January 2014	23,018	(670)	71	(14,526)	7,893	7,940
Total comprehensive loss						
Loss for the year	-	-	-	(453)	(453)	(471)
Other comprehensive loss:						
Foreign currency translation differences	-	(88)	-	-	(88)	(88)
Total comprehensive loss for the year	-	(88)	-	(453)	(541)	(559)
At 31 December 2014	23,018	(758)	71	(14,979)	7,352	7,381

COMPANY (\$S'000)

At 1 January 2015
Income for the year/ representing total comprehensive income for the year
At 31 December 2015
At 1 January 2014
Loss for the year/ representing total comprehensive loss for the year
At 31 December 2014

Attributable to equity holders of the Company		
Share Capital	Accumulated losses	Total
23,018	(15,993)	7,025
-	25	25
23,018	(15,968)	7,050
23,018	(15,670)	7,348
-	(323)	(323)
23,018	(15,993)	7,025

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

Since the previous period reported on, there is no change in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose. There were also no convertible securities as at 31 December 2015 and 2014.

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

	Ordinary Shares
Total number of shares as at 31 December 2015 and 2014	137,337,290

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

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

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

The figures have neither been audited nor reviewed by the Company's auditors.

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

Not applicable.

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

Save as disclosed in Paragraph 5 below, the Group has adopted the same accounting policies and methods of computation as those in the audited financial statements for the financial year ended 31 December 2014.

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

The Group has adopted all the new and revised accounting standards where relevant to its operations and effective for the annual periods beginning on or after 1 January 2015. The adoption of the new and revised accounting standards which are relevant to its operations did not result in any significant financial impact on the results of the Group.

6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year.

(Loss) per ordinary share for the financial period
 (i) Basic (loss) per share [1a]
 (ii) Diluted (loss) per share [1b]

Full Year ended 31.12.2015 cents	Full Year ended 31.12.2014 cents
(0.01)	(0.33)
(0.01)	(0.33)

Notes :

1a: Basic loss per share is calculated by dividing the total (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current financial period of 137,337,290 ordinary shares (2014: 137,337,290 ordinary shares).

1b: Diluted loss per share are the same as earnings per share as there are no potentially dilutive ordinary shares for the financial year ended 31 December 2015 and 31 December 2014.

- 7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year.

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

GROUP		COMPANY	
31.12.2015 cents	31.12.2014 cents	31.12.2015 cents	31.12.2014 cents
5.09	5.35	5.13	5.12

Note :

- (i) The net asset value per ordinary share is calculated based on the issued share capital of 137,337,290 ordinary shares as at 31 December 2015 (137,337,290 ordinary shares as at 31 December 2014).
- (ii) The Group's and the Company's net asset value per ordinary share were calculated based on the net assets of the Group and the Company over the number of ordinary shares in issue as at respective balance sheet date.
- 8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Review of Performance

The Group reported revenue of S\$15.8 million in the year ended 31 December 2015 ("FY2015") as compared to S\$20.5 million in the year ended 31 December 2014 ("FY2014"), a decrease of 23% or S\$4.7 million. The decrease is mainly due to lower sales recorded by electrical trading segment in Singapore as a result of weak performance in the construction sector and slower growth in Singapore economy. The Group's gross profit margin remains at 25% for both FY2015 and FY2014.

Other income increased slightly by S\$13,000 from S\$552,000 in FY2014 to S\$565,000 in FY2015, mainly due to increase in rental income.

Staff costs decreased from S\$3.0 million in FY2014 to S\$2.3 million in FY2015, a decrease of 25% or S\$0.7 million. The decrease is mainly due to cost savings following restructuring and streamlining exercises taken by the Group.

Other expenses decreased from S\$2.8 million in FY2014 to S\$2.1 million in FY2015, a decrease of 24% or S\$0.7 million. The decrease is mainly due to the absence of the loss on disposal of available-for-sale financial assets amounting to approximately S\$215,000, and provision for impairment loss on available-for-sale financial assets of S\$77,000 in FY2014. The decrease is also due to decrease in allowance for doubtful receivables by S\$259,000 from S\$262,000 in FY2014 to S\$3,000 in FY2015.

As a result of the above, the Group reported profit before tax of S\$12,000 as compared to loss before tax of S\$347,000 in FY2014. After taking into account income tax expense of S\$32,000, the Group reported net loss of S\$20,000 in FY2015 as compared to loss of S\$471,000 in FY2014.

Review on working capital, assets and liabilities

The movement in assets and liabilities are as follows:-

1) Non-Current Assets

(a) Property, plant and equipment decreased mainly due to the depreciation charged during the year.

2) Current Assets

(a) The decrease in trade and other receivables is in line with the reduction of revenue as mentioned above.

(b) Cash and cash equivalents decreased mainly due to repayment of trust receipts amounting to S\$1.7 million in FY2015.

3) Current Liabilities

(a) Trust receipts have been fully settled in FY2015 through utilization of the fixed deposits.

(b) The decrease in trade and other payables is in line with the reduction of revenue as mentioned above.

The Group had a positive working capital of S\$6.7 million as at 31 December 2015, a decrease of S\$0.4 million as compared to the positive working capital position of S\$7.1 million reported as at 31 December 2014.

Cash Flow Analysis

The Group reported a net increase in cash and cash equivalents of S\$0.7 million for FY2015, mainly from cash generated from operating activities.

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

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

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

The Group experienced lower sales orders from some of its major customers in the construction sector in Singapore in FY2015.

In light of the current economic conditions, coupled with uncertainty in the recovery of the global economy, the Group expects the overall business environment for the next 6 to 12 months to remain challenging.

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

11 Dividend

(a) Current Financial Period Reported On :

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

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

(b) Corresponding Period of the Immediately Preceding Financial Period

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for financial year ended 31 December 2015.

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

The Group has not obtained a general mandate from shareholders for interested person transactions. There were no interested person transactions during the financial year ended 31 December 2015.

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

By Business Activity

	Electrical Trading S\$'000	Electrical Manufacturing S\$'000	Investment Holding S\$'000	Total S\$'000
31 December 2015				
Revenue				
External revenue	15,709	81	-	15,790
Inter-segment revenue	63	853	-	916
Total revenue	15,772	934	-	16,706
Interest income	5	21	5	31
Finance costs	(64)	(2)	-	(66)
Reportable segment profit/ (loss) before tax	(42)	29	25	12
Tax expense	(18)	(14)	-	(32)
Reportable segment profit/ (loss) for the year	(60)	15	25	(20)
Other material non-cash items				
- Allowance for obsolete stocks	172	-	-	172
- Allowance for doubtful receivables	3	-	-	3
- Depreciation of property, plant and equipment	48	15	-	63
	223	15	-	238
Capital expenditure	2	6	-	8
Reportable segment assets	7,887	916	401	9,204
Reportable segment liabilities	1,836	227	227	2,290
	Electrical Trading S\$'000	Electrical Manufacturing S\$'000	Investment Holding S\$'000	Total S\$'000
31 December 2014 (Restated)				
Revenue				
External revenue	20,489	51	-	20,540
Inter-segment revenue	357	892	-	1,249
Total revenue	20,846	943	-	21,789
Interest income	5	19	7	31
Finance costs	(105)	(6)	(12)	(123)
Reportable segment profit/ (loss) before tax	201	10	(558)	(347)
Tax expense	(111)	(13)	-	(124)
Reportable segment profit/ (loss) for the year	90	(3)	(558)	(471)
Other material non-cash items				
- Allowance for obsolete stocks	215	(1)	-	214
- Allowance for doubtful receivables	262	-	-	262
- Impairment loss on available-for-sale financial assets	-	-	77	77
- Depreciation of property, plant and equipment	58	19	-	77
	535	18	77	630
Capital expenditure	12	2	-	14
Reportable segment assets	8,924	1,114	2,193	12,231
Reportable segment liabilities	4,347	297	258	4,902

By Business Activity (Continued)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities an other material items

	Full Year ended 31.12.2015 S\$'000	Full Year ended 31.12.2014 S\$'000
Revenue		
Total revenues for reportable segments	16,706	21,789
Elimination of inter-segment revenue	(916)	(1,249)
Consolidated revenue	<u>15,790</u>	<u>20,540</u>
Assets		
Total assets for reportable segments	9,204	12,231
Deferred tax assets	97	110
Consolidated total assets	<u>9,301</u>	<u>12,341</u>
Liabilities		
Total liabilities for reportable segments	2,290	4,902
Current tax liabilities	17	56
Deferred tax liabilities	2	2
Consolidated total liabilities	<u>2,309</u>	<u>4,960</u>

Geographical Information

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

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	External Revenue S\$'000	Non-current assets S\$'000
<u>31 December 2015</u>		
Singapore	12,009	41
Malaysia	3,670	108
Other countries	111	-
	<u>15,790</u>	<u>149</u>
<u>31 December 2014</u>		
Singapore	16,226	68
Malaysia	3,814	153
Other countries	500	-
	<u>20,540</u>	<u>221</u>

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

Please refer to paragraph 8 above for further details.

16 A breakdown of sales.

	Full Year ended 31.12.2015 S\$'000	Full Year ended 31.12.2014 S\$'000	% Change
Sales reported for first half year	8,501	10,072	-16%
Profit/(Loss) after tax before deducting non-controlling interest reported for first half year	34	(400)	108%
Sales reported for second half year	7,289	10,468	-30%
Loss after tax before deducting non-controlling interest reported for second half year	(54)	(71)	-24%

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

No dividend were declared for the financial year 2015 and 2014.

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

There is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company for the financial year ended 31 December 2015.

19 Confirmation Pursuant to Rule 720(1) of the Listing Manual

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Wong Ming Kwong
Executive Director

24 February 2016

This announcement and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd ("Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is Nathaniel C.V., Registered Professional, RHT Capital Pte Ltd, Six Battery Road, #10-01, Singapore 049909, telephone (65) 6381 6757.