

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

***Full Year Financial Statement And Dividend Announcement For The Year Ended 31 December 2014**

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

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

The Company was incorporated in the Republic of Singapore on 09 May 2013 under the Companies Act (Chapter 50) of Singapore as a private limited company. The Company and its subsidiaries (the "Group") was formed pursuant to a restructuring exercise ("Restructuring Exercise") undertaken in connection with the Company's listing on Catalist. Please refer to the Company's offer document dated 12 July 2013 (the "Offer Document") for further details on the Restructuring Exercise.

For the purpose of this announcement, the results of the Group have been prepared on the assumption that the Group has been in existence since 01 January 2013.

Consolidated Statement of Comprehensive Income	Group		
	FY2014 (Unaudited) S\$	FY2013 (Audited) S\$	Increase/ (Decrease) %
Revenue	19,785,149	18,641,189	6.1
Cost of sales	(13,370,349)	(12,103,795)	10.5
Gross profit	6,414,800	6,537,394	(1.9)
Other items of income			
Interest income	25,252	1,421	1677.1
Other income	248,323	353,022	(29.7)
Other items of expense			
Distribution costs	(2,024,646)	(1,469,120)	37.8
Administrative expenses	(3,515,363)	(4,624,585)	(24.0)
Other expenses	(297,326)	(93,784)	217.0
Finance costs	(116,348)	(132,545)	(12.2)
Profit before income tax	734,692	571,803	28.5
Income tax expense	(123,897)	(461,463)	(73.2)
Profit for the financial year	610,795	110,340	453.6
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	2,835	(7,216)	(139.3)
Income tax relating to components of other comprehensive income	-	-	-
Other comprehensive income for the financial year, net of tax	2,835	(7,216)	(139.3)
Total comprehensive income for the financial year	613,630	103,124	495.0
Profit attributable to owners of the parent	610,795	110,340	453.6
Total comprehensive income attributable to owners of the parent	613,630	103,124	495.0

Remarks:

"FY2014" denotes the financial year ended 31 December 2014

"FY2013" denotes the financial year ended 31 December 2013

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

Profit before income tax is arrived at after charging /(crediting) the following:			Increase/ (Decrease) %
	Group		
	FY2014 (Unaudited) S\$	FY2013 (Audited) S\$	
Depreciation of property, plant and equipment	368,912	202,955	81.8
Depreciation of investment property	21,613	21,613	-
Plant & equipment written off	321	556	(42.4)
Amortisation of intangible asset	45,902	32,368	41.8
Inventories written down	150,364	20,946	617.9
Cost of materials	8,699,381	8,798,824	(1.1)
Allowance for impairment loss on third parties trade receivables	134,862	1,736	7668.5
Allowance for impairment loss on third parties trade receivables written back	(22,759)	(134,640)	(83.1)
Bad third parties trade receivables	71,490	1,190	5907.6
Foreign exchange loss, net	63,488	58,490	(8.5)
Interest expenses	116,348	132,545	(12.2)
Initial public offering expenses	-	850,240	NM
Rental income	(48,000)	(48,000)	-
Under-provision of current income tax in prior financial years	38,985	263,603	(85.2)
(Over) /Under-provision of deferred tax in prior financial years	(4,000)	9,566	(141.8)

Note: "N.M" denotes not meaningful

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

Statement of Financial Position	Group As at		Company As at	
	31/12/2014 (Unaudited) S\$	31/12/2013 (Audited) S\$	31/12/2014 (Unaudited) S\$	31/12/2013 (Audited) S\$
NON-CURRENT ASSETS				
Property, plant and equipment	1,693,048	949,330	-	-
Intangible assets	138,487	62,792	-	-
Investment property	-	533,110	-	-
Investment in subsidiaries	-	-	10,000	10,000
	1,831,535	1,545,232	10,000	10,000
CURRENT ASSETS				
Property held for sale	511,497	-	-	-
Inventories	2,678,513	1,757,652	-	-
Trade and other receivables	6,835,857	8,567,571	6,737,205	8,142,282
Prepayments	85,795	40,855	24,559	-
Current income tax recoverable	20,905	13,031	-	-
Cash and cash equivalents	9,533,361	9,276,109	157,010	223,984
	19,665,928	19,655,218	6,918,774	8,366,266
Less:				
CURRENT LIABILITIES				
Trade and other payables	4,333,943	5,163,829	186,591	161,944
Provisions	30,800	27,900	-	-
Borrowings	3,296,367	1,222,133	-	-
Finance lease payables	90,701	75,563	-	-
Current income tax payable	87,694	69,451	-	-
	7,839,505	6,558,876	186,591	161,944
NET CURRENT ASSETS	11,826,423	13,096,342	6,732,183	8,204,322
Less:				
NON-CURRENT LIABILITIES				
Borrowings	-	808,099	-	-
Finance lease payables	630,718	322,576	-	-
Deferred tax liabilities	67,458	39,747	-	-
	698,176	1,170,422	-	-
	12,959,782	13,471,152	6,742,183	8,214,322
CAPITAL AND RESERVES				
Share capital	4,124,790	4,124,790	4,124,790	4,124,790
Other reserves	1,275,315	1,272,480	-	-
Retained earnings	7,559,677	8,073,882	2,617,393	4,089,532
TOTAL EQUITY	12,959,782	13,471,152	6,742,183	8,214,322

1(b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 31/12/2014 (Unaudited) (\$'000)		As at 31/12/2013 (Audited) (\$'000)	
Secured	Unsecured	Secured	Unsecured
897	2,490	124	1,174

Amount repayable after one year

As at 31/12/2014 (Unaudited) (\$'000)		As at 31/12/2013 (Audited) (\$'000)	
Secured	Unsecured	Secured	Unsecured
631	-	1,131	-

Details of any collateral secured borrowings:-

As at 31 December 2014, the Group's borrowings comprising bank borrowings and finance lease payables that were secured as follows:-

- Bank borrowings are secured against leasehold property at One Commonwealth Lane, #03-06 Singapore 149544 with the carrying amount of S\$511,497 (31 December 2013: S\$533,110) and freehold property at No.4 Sri Plentong 10, 81750 Masai Johor Malaysia with the carrying amount of S\$463,127 (31 December 2013: S\$480,859) at the end of the current financial year.
- Obligations under finance lease are secured by the lessor's charge over the leased assets, which have a carrying amount of S\$597,387 (31 December 2013: S\$316,361) at the end of the current financial year.
- Bank borrowings of subsidiaries are secured by corporate guarantee issued by the Company.

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

Consolidated Statement of Cash Flows	Group	
	FY2014 (Unaudited) S\$	FY2013 (Audited) S\$
Operating activities		
Profit before income tax	734,692	571,803
Adjustments for:		
Depreciation of property, plant and equipment	368,912	202,955
Depreciation of investment property	21,613	21,613
Plant and equipment written off	321	556
Amortisation for intangible assets	45,902	32,368
Inventories written down	150,364	20,946
Allowance for impairment loss on third parties trade receivables	134,862	1,736
Allowance for impairment loss on third parties trade receivables written back	(22,759)	(134,640)
Bad third parties trade receivables	71,490	1,190
Interest income	(25,252)	(1,421)
Interest expenses	116,348	132,545
Operating profit before working capital changes	1,596,493	849,651
Working capital changes:		
Inventories	(1,074,912)	(486,805)
Trade and other receivables	1,543,362	(1,302,476)
Prepayments	(45,172)	20,446
Trade and other payables	(814,583)	1,649,214
Cash generating from operations	1,205,188	730,030
Income tax refund	28,726	-
Income tax paid	(114,852)	(915,234)
Net cash from /(used in) operating activities	1,119,062	(185,204)
Investing activities		
Purchase of property, plant and equipment	(684,322)	(146,414)
Purchase of intangible assets	(121,597)	(28,973)
Interest income	25,252	1,421
Net cash used in investing activities	(780,667)	(173,966)
Financing activities		
Proceed from issuance of shares	-	4,600,000
Share issue expenses	-	(485,210)
Fixed deposit pledged with financial institution	29,664	(17,791)
Repayment of term loans	(42,410)	(109,186)
Proceeds from trust receipts	6,664,030	5,291,416
Repayment from trust receipts	(5,347,875)	(5,268,643)
Repayment of obligations under finance leases	(114,000)	(86,158)
Interest paid	(116,348)	(132,545)
Dividend paid	(1,125,000)	(375,000)
Net cash (used in)/from financing activities	(51,939)	3,416,883
Net change in cash and cash equivalents	286,456	3,057,713
Cash and cash equivalents at beginning of financial year	8,596,107	5,538,764
Effect of exchange rate changes on cash and cash equivalents	460	(370)
Cash and cash equivalents at end of financial year	8,883,023	8,596,107

Cash and cash equivalents comprised

	Group	
	31/12/2014 (Unaudited) S\$	31/12/2013 (Audited) S\$
Cash on hand and at bank	6,079,694	6,967,994
Fixed deposits with banks	3,453,667	2,308,115
Cash and cash equivalents as per statement of financial position	9,533,361	9,276,109
Less: fixed deposits pledged	(650,338)	(680,002)
Cash and cash equivalents as per consolidated statement of cash flows	8,883,023	8,596,107

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

Consolidated Statement of Changes in Equity

	Share Capital (S\$)	Merger Reserve (S\$)	Foreign Currency Translation Account (S\$)	Retained Earnings (S\$)	Total Equity (S\$)
Group (Unaudited)					
Balance as at 01 January 2014	4,124,790	1,312,241	(39,761)	8,073,882	13,471,152
Profit for the financial year	-	-	-	610,795	610,795
Other Comprehensive income:					
Exchange differences on translating foreign operations	-	-	2,835	-	2,835
Total comprehensive income for the financial year	-	-	2,835	610,795	613,630
Transaction with owners of the Parent					
Dividends	-	-	-	(1,125,000)	(1,125,000)
Total transaction with owners of the parent	-	-	-	(1,125,000)	(1,125,000)
Balance as at 31 December 2014	4,124,790	1,312,241	(36,926)	7,559,677	12,959,782

	Share Capital	Merger Reserve	Foreign Currency Translation Account	Retained Earnings	Equity Attributable To Owners of The Parent	Non- Controlling Interest	Total Equity
	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)
Group (Audited) Balance as at 01 January 2013	1,072,473	74,277	(32,545)	8,338,542	9,452,747	175,491	9,628,238
Profit for the financial year	-	-	-	110,340	110,340	-	110,340
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	(7,216)	-	(7,216)	-	(7,216)
Total comprehensive income for the financial year	-	-	(7,216)	110,340	103,124	-	103,124
Transaction with owners of the parents							
Deemed distribution to owners pursuant to the restructuring exercise	(1,095,003)	1,085,003	-	-	(10,000)	-	(10,000)
Issuance of Subscriber share of incorporation of the company	10,000	-	-	-	10,000	-	10,000
Issuance of ordinary shares pursuant to the IPO	4,600,000	-	-	-	4,600,000	-	4,600,000
Share issue expenses	(485,210)	-	-	-	(485,210)	-	(485,210)
Dividends	-	-	-	(375,000)	(375,000)	-	(375,000)
Total transaction with owners of the parent	3,029,787	1,085,003	-	(375,000)	3,739,790	-	3,739,790

	Share Capital	Merger Reserve	Foreign Currency Translation Account	Retained Earnings	Equity Attributable To Owners of The Parent	Non- Controlling Interest	Total Equity
	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)
Transaction with non-controlling interests							
Acquisition of non-controlling interests in Q'son Kitchen Equipment Pte Ltd	22,530	152,961	-	-	175,491	(175,491)	-
Total transactions with non-controlling interests	22,530	152,961	-	-	175,491	(175,491)	-
Balance as at 31 December 2013	4,124,790	1,312,241	(39,761)	8,073,882	13,471,152	-	13,471,152

Statement of Changes in Equity

<u>Company</u> <u>(Unaudited)</u>	Share Capital (S\$)	Retained Earnings (S\$)	Total Equity (S\$)
Balance as at 01 January 2014	4,124,790	4,089,532	8,214,322
Loss for the financial year	-	(347,139)	(347,139)
Total comprehensive income for the financial year	-	(347,139)	(347,139)
Transaction with owners of the parent			
Dividends	-	(1,125,000)	(1,125,000)
Total transaction with owners of the parent	-	(1,125,000)	(1,125,000)
Balance as at 31 December 2014	4,124,790	2,617,393	6,742,183

<u>Company</u> <u>(Audited)</u>	Share Capital (S\$)	Retained Earnings (S\$)	Total Equity (S\$)
Balance at date of incorporation	10,000	-	10,000
Issue of Shares pursuant to the IPO	4,600,000	-	4,600,000
Share issue expenses	(485,210)	-	(485,210)
Dividends	-	4,464,532	4,464,532
Loss for the financial period	-	(375,000)	(375,000)
Total transactions with owners	4,124,790	4,089,532	8,214,322
Balance as at 31 December 2013	4,124,790	4,089,532	8,214,322

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2014 and 31 December 2013.

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

Details of Changes in the Company's Issued Share Capital	Number of ordinary shares	Issued and Paid Up S\$
Share capital as at 31 December 2014 and 31 December 2013	150,000,000	4,124,790

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2014 and 31 December 2013.

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

As at 31 December 2014, the issued share capital of the Company comprised 150,000,000 ordinary shares (31 December 2013: 150,000,000 ordinary shares)

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

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

Not applicable.

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

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

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the Group's financial statements for the financial year ended 31 December 2014 as compared with its most recently audited financial statements for the financial year ended 31 December 2013.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial year compared with the audited annual financial statements for the financial year ended 31 December 2013, except for the adoption of certain new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1 January 2014. The adoption of these new and revised FRS and INT FRS from the effective date is not expected to result in any material adjustments or substantial impact to the financial statements of Group for the current financial reporting period reported on.

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

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

Earnings per share ("EPS")⁽¹⁾

	Group	
	FY2014 (Unaudited)	FY2013 (Audited)
Profit attributable to owners of the Company (S\$)	610,795	110,340
Weighted average number of ordinary shares for calculation of		
(a) Basic earnings per share	150,000,000	137,460,274
(b) Diluted earnings per share ⁽²⁾	150,000,000	137,460,274
Earnings per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	0.41	0.08
(b) On a fully diluted basis ⁽²⁾	0.41	0.08

Post-IPO number of ordinary shares ⁽³⁾

Weighted average number of ordinary shares for calculation of		
(a) Basic earnings per share	150,000,000	150,000,000
(b) Diluted earnings per share ⁽²⁾	150,000,000	150,000,000
Earnings per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	0.41	0.07
(b) On a fully diluted basis ⁽²⁾	0.41	0.07

Notes:

1. The calculation for the basic and diluted EPS for the respective financial periods is based on the weighted average number of ordinary shares in issued in the respective financial years.
2. The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.
3. For comparison and illustrative purposes, the calculation for the basic and diluted EPS for the respective financial periods is based the post-share capital of 150,000,000 shares in issue.

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 ("NAV")	Group		Company	
	31.12.2014 (Unaudited)	31.12.2013 (Audited)	31.12.2014 (Unaudited)	31.12.2013 (Audited)
NAV (S\$)	12,959,782	13,471,152	6,742,183	8,214,322
Actual Number of issued Ordinary shares	150,000,000	150,000,000	150,000,000	150,000,000
NAV per ordinary shares (cents)	8.64	8.98	4.49	5.48

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

Review of the Group's performance

Consolidated Statement of Comprehensive Income

Revenue

For the financial year ended 31 December 2014 ("FY2014"), the Group's revenue recorded 6.1% increase, which is approximately S\$1.1 million higher than that of FY2013, amounting to S\$19.8 million. Sales volume increase in equipment distribution business had generated approximately S\$0.4 million increase for FY2014 and the robust demand of service maintenance business had contributed increase of S\$0.7 million sales revenue for the Group. This growth is consistent with the servicing contracts in hand.

Cost of sales and gross profit

The Group's cost of sales had increased by 10.5% or approximately S\$1.3 million in FY2014 compared to that of S\$12.1 million in FY2013. Increase in production workers had contributed to S\$0.4 million increase in wages cost, bonuses and levy charges. The Group also experienced higher direct overheads with additional factory rent and equipment leasing in FY2014 (S\$0.4 million), higher depreciation charge (S\$0.3 million) and higher sub-contract fee (S\$0.1 million) for equipment sales.

The Group's gross profit for FY2014 had reduced by S\$0.1 million as compared to FY2013 despite higher sales revenue recorded, mainly impacted by additional direct overhead costs during FY2014 as outlined above.

Other items of income

The other income recorded in FY2014 had reduced by approximately S\$0.1 million or 29.7% as compared to S\$0.4 million in FY2013. This decrease is mainly due to late receipt of PIC grant subsidy in FY2014 and decrease in sales income from disposal of scrapped materials.

Distribution costs

Selling and distribution costs of the Group had increased by approximately S\$0.6 million or 37.8%, in FY2014 to S\$2.0 million. This is mainly due to additional sales headcount expense of S\$0.3 million, marketing expenses spent for sponsorship campaigns, one-off expense incurred for regional food hotel exhibition booth participation of S\$0.2 million and additional rent paid for sales office of S\$0.1 million.

Administrative expenses

Administrative expenses in FY2014 had decreased significantly by S\$1.1 million or 24.0%, from approximately S\$4.6 million in FY2013 to S\$3.5 million in FY2014. This is mainly attributable to one-off IPO professional and incidental expenses of approximately S\$0.9 million incurred in FY2013 which did not recur in FY2014 and decrease of directors' fee (S\$0.2 million) in FY2014.

Other expenses

Other expenses had gone up marginally by S\$0.2 million or 217.0% to approximately S\$0.3 million in FY2014 which is largely caused by increase in provision for doubtful debts in FY2014.

Finance costs

There is nominal decrease in finance costs of approximately S\$0.02 million or 12.2% in FY2014.

Income tax expense

The Group's income tax expense for FY2014 comprise under-provision of income tax in respect of the previous year amounting to S\$39,000, deferred tax charge of approximately S\$28,000 and income tax expense for the current financial year of approximately S\$57,000. Excluding the under-provision of income tax, the income tax expense is lower than that based on the statutory tax rate of 17%, due mainly to tax exempt income and corporate tax rebate.

Profit for the financial year

The Group reported higher net profit attributable to equity shareholders of approximately S\$0.61 million in FY2014 or 453.6% when compared to the preceding financial year of S\$0.11 million in FY2013.

Statement of Financial Position**Non- current assets**

The Group's non-current assets reported net increase of approximately S\$0.3 million or 18.5% from S\$1.5 million as at 31 December 2013 to S\$1.8 million as at 31 December 2014. The Group had incurred additional capital expenditure spending of S\$1.2 million in FY2014 and this was partially reduced by depreciation and amortisation cost of S\$0.4 million and reclassification made on a unit of investment property from non-current asset to current asset as property held for sale (S\$0.5 million).

Current assets

As at 31 December 2014, the Group's current assets reported approximately S\$19.7 million (31 December 2013: S\$19.7 million). Inventories increased by approximately S\$0.9 million or 52.4% due to the need to build up buffet stocks for upcoming project deliveries in FY2015. The trade and other receivables had decreased by approximately S\$1.7 million or 20.2% due to improved collection efforts and also one lump sum sales collection of approximately S\$1.05 million from a completed key project in the first half of FY2014 under mile-stone payment terms. The Group reported marginal increase in cash and cash equivalents of S\$0.3 million or 2.8%, S\$9.5 million as at 31 December 2014 as compared to S\$9.3 million as at 31 December 2013. The current assets also included property held for sale amounting to S\$0.5 million which was classified as investment property in the previous financial year.

Current liabilities

The Group's current liabilities increased by approximately S\$1.3 million or 19.5%, from S\$6.6 million as at 31 December 2013 to S\$7.8 million as at 31 December 2014. This was mainly due to increase in utilisation of banking facilities of approximately S\$1.3 million in FY2014 and also

the reclassification of bank term loan from non-current to current liabilities of approximately S\$0.8 million. The increase had been reduced by decrease in trade payables of approximately S\$0.8 million during the financial year.

Non-current liabilities

The Group's non-current liabilities had decreased by approximately S\$0.5 million or 40.3%, from S\$1.1 million as at 31 December 2013 to S\$0.7 million as at 31 December 2014 due mainly to reclassification of bank term loans from non-current to current liabilities. The reduction had been offset by increase in new hire purchase and finance lease obligations entered into in FY2014 of approximately S\$0.3 million.

Shareholders' equity

As at 31 December 2014, the Group had shareholders' equity of approximately S\$13.0 million as compared to S\$13.5 million as at 31 December 2013.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, stood at approximately S\$8.9 million as at 31 December 2014, representing an increase of approximately S\$0.3 million from the cash and cash equivalents balance of S\$8.6 million as at 31 December 2013.

Net cash used in operating activities

Net cash flows generated from operating activities during FY2014 was approximately S\$1.1 million. The operating cash flows before movements in working capital of approximately S\$1.6 million experienced a decrease in net working capital of approximately S\$0.4 million and income taxes paid of approximately S\$0.1 million. The decrease in income tax paid of approximately S\$0.8 million is mainly due to additional taxes paid to Inland Revenue of Singapore in FY2013 on gain of disposal of investment properties.

The decrease in net working capital was mainly due to lower trade and other receivables of approximately S\$1.5 million during FY2014, offset by increase in inventory holding of approximately S\$1.1 million and decrease in trade and other payables of approximately S\$0.8 million.

Net cash flows used in investing activities

Net cash flows used for investing activities was approximately S\$0.8 million in FY2014. The Group had increased its capital expenditure spending of approximately S\$1.2 million on purchase of plant and equipment, computer and software and motor vehicles, of which 40% was through hire finance financing.

Net cash flows used in financing activities

Net cash flows used in financing activities during FY2014 was approximately S\$0.05 million. The funds from issuance of trust receipts of approximately S\$6.7 million more than offset the repayment of trust receipts of approximately S\$5.3 million. The cash outflows were mainly dividend payments made of approximately S\$1.1 million in FY2014 and settlement of term loan borrowing and finance lease payable of approximately S\$0.3 million.

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

Not applicable.

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

The Group's business is very closely associated with industry trends in the F&B and Hospitality sectors. The sectors had grown 1.1% (year on year) hampered by the challenges on many fronts. The Group would meet the challenges of:

- a. a tight labour market
 - b. rising business cost and volatility in foreign currencies
 - c. slow down in overall business environment
- A. The Group would enhance its stance as a solutions provider and our pole position as a service provider. As a solutions provider, the Group would introduce innovative and automated products to address the manpower crunch and operational, running costs.
- B. The Group would increase its emphasis on improving productivity mainly through automating its fabrication and administrative processes, maximising resources and keeping to a lean cost structure.
- C. The Group would continue to monitor and manage the currency volatility.

In last quarter of FY2014, the Group had garnered a healthy order book from private and public sectors which would be realised in FY2015.

The Group would manage the business challenges. Barring any unforeseen and unexpected circumstances, the Group is cautiously optimistic of its performance in FY2015.

11. Dividend

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

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

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

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.50 Singapore cent per share
Tax Rate	Tax exempt (one-tier).

(c) Date payable

To be announced at a later date

(d) Books closure date

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

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

A final dividend has been recommended as above.

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

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

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

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

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

The above utilisation of the proceeds from IPO is consistent with the intended uses as disclosed in the Offer Document. The Group has un-utilised proceeds from IPO of approximately S\$1.97 million as at 31 December 2014, of which S\$381,000 could be used to fund the acquisition of additional plant equipment and machinery and the remaining S\$1.6 million is allocated for business expansion, including by way of acquisitions, joint ventures and /or strategic alliances activities.

The Company will make periodic announcements on the use of proceeds as and when the funds are materially disbursed. The funds are currently placed in deposits with banks and financial institutions while waiting for right investment decision and business opportunities.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Business Segments

The Group is primarily engaged in two business segments namely:

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

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

Business Segment	Fabrication and distribution business	Maintenance and servicing business	Unallocated	Total
<u>(Unaudited)</u>	S\$	S\$	S\$	S\$
2014				
Revenue				
External revenue	14,180,356	5,604,793	-	19,785,149
Results				
Segment results	1,087,759	109,965	(346,684)	851,040
Finance costs	(77,896)	(23,006)	(15,446)	(116,348)
Profit before income tax	1,009,863	86,959	(362,130)	734,692
Income tax expense				(123,897)
Profit for the financial year				610,795
Non-cash items				
Depreciation of properties, plant and equipment	(281,349)	(87,563)	-	(368,912)
Depreciation of investment property	-	-	(21,613)	(21,613)
Amortisation for intangible asset	(32,899)	(13,003)	-	(45,902)
Plant and equipment written off	(321)	-	-	(321)
Inventories written down	(107,768)	(42,596)		(150,364)
Allowance for doubtful third parties trade receivables written back	22,759	-	-	22,759
Allowance for impairment loss on third parties trade receivables	(96,658)	(38,204)	-	(134,862)
Bad third parties trade receivables written off	(71,490)	-	-	(71,490)

Capital Expenditure

Property, plant and equipment	-	-	1,124,502	1,124,502
Intangible asset	-	-	121,597	121,597

Assets and Liabilities

Segment assets	-	-	21,476,558	21,476,558
- Current income tax recoverable	-	-	20,905	20,905
	-	-	21,497,463	21,497,463
Segment liabilities	-	-	8,382,529	8,382,529
- Current income tax payable	-	-	87,694	87,694
- Deferred tax payable	-	-	67,458	67,458
	-	-	8,537,681	8,537,681

Geographical information

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

(Unaudited)	Singapore	Malaysia	Vietnam	Indonesia	Others	Total
2014	S\$	S\$	S\$	S\$	S\$	S\$
Total revenue from external customers	19,503,961	216,124	34,244	12,780	18,040	19,785,149
Non-current assets	1,260,048	571,487	-	-	-	1,831,535

Business Segment	Fabrication and distribution business	Maintenance and servicing business	Unallocated	Total
<u>(Audited)</u>	S\$	S\$	S\$	S\$
2013				
Revenue				
External revenue	13,720,677	4,920,512	-	18,641,189
Results				
Segment results	1,948,798	(88,994)	(1,155,456)	704,348
Finance costs	(113,691)	(8,511)	(10,343)	(132,545)
Profit before income tax	1,835,107	(97,505)	(1,165,799)	571,803
Income tax expense				(461,463)
Profit for the financial year				110,340
Non-cash items				
Depreciation of property, plant and equipment	(195,979)	(6,976)	-	(202,955)
Depreciation of investment property	-	-	(21,613)	(21,613)
Amortisation of intangible asset	(24,275)	(8,092)	-	(32,367)
Inventories written down	(20,946)	-	-	(20,946)
Plant and equipment written off	(556)	-	-	(556)
Allowance for impairment loss on third parties trade receivables	(1,736)	-	-	(1,736)
Allowance for doubtful third parties trade receivables written back	116,165	18,475	-	134,640
Bad third parties trade receivables written off	(1,190)	-	-	(1,190)
Capital Expenditure				
Property, plant and equipment	-	-	229,314	229,314
Intangible asset	-	-	28,973	28,973
Assets and Liabilities				
Segment assets	-	-	21,187,419	21,187,419
- Current income tax recoverable	-	-	13,031	13,031
	-	-	21,200,450	21,200,450
Segment liabilities	-	-	7,620,100	7,620,100
- Current income tax payable	-	-	69,451	69,451
- Deferred tax payable	-	-	39,747	39,747
	-	-	7,729,298	7,729,298

Geographical information

(Audited)	Singapore	Malaysia	Vietnam	Indonesia	Others	Total
2013	S\$	S\$	S\$	S\$	S\$	S\$
Total revenue from external customers	17,367,936	835,982	361,609	67,622	8,040	18,641,189
Non-current assets	1,013,631	531,601	-	-	-	1,545,232

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

Refer to Section 8 for details.

17. **A breakdown of sales**

	FY2014	FY2013
	(Unaudited)	(Unaudited)
<u>Sales & Net profit /(loss) reported for 1st half, 30 Jun</u>	S\$	S\$
Sales	7,945,912	7,811,387
Net Profit /(Loss)	(122,280)	429,092
Net Profit Margin	(1.5%)	5.5%
<u>Sales & Net profit /(loss) reported for 2nd half, 31 Dec</u>		
Sales	11,839,237	10,829,802
Net Profit /(Loss)	733,074	(318,752)
Net Profit /(loss)Margin	6.2%	(2.9%)

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

	FY2014	FY2013
	(Unaudited)	(Audited)
	S\$	S\$
Final ordinary dividend proposed	225,000	750,000
Interim ordinary dividend declared and paid	375,000	375,000

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

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

BY ORDER OF THE BOARD

Sally Chua Chwee Choo

Managing Director

28 February 2015

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

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

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