

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS AND FULL YEAR
ENDED 31 DECEMBER 2022**

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Pursuant to Rule 705(2) of the SGX-ST Listing Rules (Catalist), the Singapore Exchange Regulation requires the Company to announce its quarterly financial statements in view of the disclaimer of opinion issued by the Company's auditor in the latest audited financial statements for the financial year ended 31 December 2021.

SINGAPORE KITCHEN EQUIPMENT LIMITED

Incorporated in the Republic of Singapore
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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	The Group						
	Note	3 months ended 31 Dec 2022 (Unaudited) S\$'000	3 months ended 31 Dec 2021 (Unaudited) S\$'000	Increase/ (Decrease) %	12 months ended 31 Dec 2022 (Unaudited) S\$'000	12 months ended 31 Dec 2021 (Audited) S\$'000	Increase/ (Decrease) %
Revenue	4	10,261	8,541	20.1	33,733	27,774	21.5
Cost of sales		(6,482)	(5,857)	10.7	(22,621)	(19,101)	18.4
Gross profit		3,779	2,684	40.8	11,112	8,673	28.1
Other operating income							
Interest income		5	3	66.7	16	14	14.3
Other income		345	83	315.7	786	514	52.9
Operating expenses							
Selling and distribution expenses		(1,106)	(880)	25.7	(3,745)	(3,054)	22.6
Administrative expenses		(1,507)	(1,440)	4.7	(5,488)	(5,052)	8.6
Other operating expenses		(160)	(5)	n.m	(220)	(21)	n.m
Impairment losses on trade receivables		(1,301)	(76)	n.m	(1,472)	(76)	n.m
Finance costs		(63)	(58)	8.6	(238)	(260)	(8.5)
(Loss)/Profit before taxation	5	(8)	311	n.m	751	738	1.8
Taxation		299	(200)	n.m	47	(400)	n.m
Profit for the period		291	111	162.2	798	338	136.1
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation difference on consolidation		(15)	(42)	(64.3)	(15)	(42)	(64.3)
Total comprehensive income for the period/year		276	69	300.0	783	296	164.5
attributable to owners of the Company							
Earnings Per Share attributable to equity holders of the company							
Basic and diluted (Cents)	6	0.19	0.07	171.4	0.51	0.22	131.8

* n.m denotes not meaningful

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Condensed Interim Consolidated Statement of Financial Position

	Note	The Group as at		The Company as at	
		31 Dec 2022 (Unaudited) S\$'000	31 Dec 2021 (Audited) S\$'000	31 Dec 2022 (Unaudited) S\$'000	31 Dec 2021 (Audited) S\$'000
Non-Current Assets					
Property, plant and equipment		7,629	842	2	4
Intangible assets		24	26	-	-
Investment in subsidiaries		-	-	10	10
Right-of-use assets		627	905	-	-
Finance lease receivables		140	-	-	-
		8,420	1,773	12	14
Current Assets					
Inventories		5,245	3,358	-	-
Contract assets		1,180	663	1,510	1,248
Trade and other receivables		8,494	9,394	1,223	1,534
Prepayments		94	92	3	1
Pledged bank deposits		3,013	1,460	-	-
Finance lease receivables		175	-	-	-
Cash and bank deposits		11,522	14,977	96	1,162
		29,723	29,944	2,832	3,945
TOTAL ASSETS		38,143	31,717	2,844	3,959
Current Liabilities					
Contract liabilities		4,308	3,272	-	-
Trade and other payables		7,094	4,357	103	154
Borrowings	8	2,730	2,511	-	-
Lease liabilities		695	677	-	-
Current tax payable		143	487	-	-
		14,970	11,304	103	154
Non-Current Liabilities					
Borrowings	8	6,372	2,902	-	-
Lease liabilities		488	785	-	-
Deferred tax liabilities		34	62	-	-
		6,893	3,749	-	-
TOTAL LIABILITIES		21,863	15,053	103	154
NET ASSETS		16,280	16,664	2,741	3,805
Equity					
Share capital	9	5,125	5,125	5,125	5,125
Other Reserves		1,160	1,175	-	-
Retained Earnings		9,995	10,364	(2,384)	(1,320)
TOTAL EQUITY		16,280	16,664	2,741	3,805

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Condensed Interim Consolidated Statement of Cash Flows

	The Group		
	Note	12 months ended 31 Dec 2022 S\$'000	12 months ended 31 Dec 2021 S\$'000
Cash Flows from Operating Activities			
Profit before taxation	5	751	738
Adjustments for:			
Amortisation of intangible assets		27	24
Depreciation of property, plant and equipment		274	242
Depreciation of right-of-use assets		860	1,040
Interest expense		238	260
Impairment losses on trade receivables		1,472	76
Interest income		(16)	(24)
Property, plant and equipment written off		312	24
Write-down on inventories		109	240
Operating profit before working capital changes		4,027	2,620
Working Capital Changes:			
Changes in inventories		(2,011)	41
Changes in trade and other receivables		(1,068)	138
Changes in prepayments		(3)	42
Changes in trade and other payables		2,741	(603)
Changes in contract assets		(449)	-
Changes in contract liabilities		1,096	1,972
Cash generated from operations		4,333	4,210
Income taxes paid		(303)	(329)
Net cash generated from operating activities		4,030	3,881
Cash Flows from Investing Activities			
Interest received		16	24
Payments for intangible assets		(26)	(8)
Payments for right-of-use assets		-	(6)
Repayment of finance lease receivables		133	-
Purchase of property, plant and equipment		(7,394)	(58)
Net cash used in investing activities		(7,271)	(48)
Cash Flows from Financing Activities			
Interest paid		(238)	(260)
Proceeds from borrowings		12,477	6,799
Repayment of borrowings		(8,789)	(8,506)
Repayment of lease liabilities		(921)	(935)
Bank deposits pledged or with maturity of more than three months		(1,396)	(739)
Dividend paid		(1,163)	-
Net cash used in financing activities		(30)	(3,641)
Net (decrease)/increase in cash and cash equivalents		(3,271)	192
Cash and cash equivalents at beginning of the year		14,820	14,630
Exchange differences on translation of cash and cash equivalents		(27)	(2)
Cash and cash equivalents at end of the year		11,522	14,820

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Condensed Interim Statement of Changes in Equity

The Group	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2022	5,125	1,311	(136)	10,364	16,664
Profit for the year	-	-	-	798	798
Other comprehensive loss for the year					
Foreign currency translation differences	-	-	(15)	-	(15)
Total comprehensive (loss)/income for the year	-	-	(15)	798	783
Contribution by and distribution to owners:					
Dividends	-	-	-	(1,167)	(1,167)
Transactions with owners in their capacity as owners	-	-	-	(1,167)	(1,167)
Balance at 31 December 2022	5,125	1,311	(151)	9,995	16,280

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Condensed Interim Statement of Changes in Equity (continued)

The Group	Share capital	Merger reserve	Foreign currency translation reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2021	5,125	1,311	(94)	10,026	16,368
Profit for the year	-	-	-	338	338
Other comprehensive loss for the year					
Foreign currency translation differences	-	-	(42)	-	(42)
Total comprehensive (loss)/income for the year	-	-	(42)	338	296
Balance at 31 December 2021	5,125	1,311	(136)	10,364	16,664

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Condensed Interim Statement of Changes in Equity (continued)

The Company	Share capital	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2022	5,125	(1,320)	3,805
Profit for the year, representing total comprehensive income for the year	-	99	99
Contribution by and distribution to owners:			
Dividends	-	(1,163)	(1,163)
Transactions with owners in their capacity as owners	-	(1,163)	(1,163)
Balance as at 31 December 2022	5,125	(2,384)	2,741
Balance as at 1 January 2021	5,125	(235)	4,890
Loss for the year, representing total comprehensive loss for the year	-	(1,085)	(1,085)
Balance as at 31 December 2021	5,125	(1,320)	3,805

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Notes to Condensed Interim Consolidated Financial Statements

1. Corporate information

Singapore Kitchen Equipment Limited (the “**Company**”) is incorporated as a limited liability company and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the three months and full year ended 31 December 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are:

- (a) manufacturing of table, kitchen and other cutlery equipment;
- (b) repair and maintenance and servicing of commercial kitchen equipment; and
- (c) engineering design and consultancy activities.

2. Basis of Preparation

The condensed interim financial statements for the three months and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“S\$”) which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the financial year beginning on 1 January 2022. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial year.

4. Segment & Revenue Information

Business Segments

The Group is primarily engaged in three business segments namely:

- (i) Fabrication and distribution of kitchen equipment;
- (ii) Maintenance and servicing of kitchen equipment; and
- (iii) Rental income business.

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

4.1. Reportable Segments

Business Segment	Fabrication & Distribution	Maintenance & Servicing Business	Rental Income Business	Unallocated	Total
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
12M FY2022					
Segment revenue					
External revenue	27,038	6,695	-	-	33,733
Results					
Segment results	634	1,057	-	(702)	989
Finance costs	(191)	(47)	-	-	(238)
Profit/(Loss) before taxation	443	1,010	-	(702)	751
Taxation					47
Profit/(Loss) for the year	443	1,010	-	(702)	798
Non-cash Items					
Amortisation of intangible assets	(22)	(5)	-	-	(27)
Depreciation of property, plant and equipment	(220)	(54)	-	-	(274)
Depreciation of right-of-use assets	(690)	(170)	-	-	(860)
Impairment losses on trade receivables	(1,182)	(290)	-	-	(1,472)
Write-down on inventories	62	15	-	-	77
Capital expenditure					
Property, plant and equipment	-	-	-	7,394	7,394
Intangible assets	-	-	-	26	26
Right-of-use assets	-	-	-	706	706
Assets and liabilities					
Segment assets	-	-	-	38,106	38,106
Current tax recoverables	-	-	-	37	37
	-	-	-	38,143	38,143
Segment liabilities	-	-	-	21,686	21,686
Current tax payable	-	-	-	143	143
Deferred tax liabilities	-	-	-	34	34
				21,863	21,863

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Business Segment	Fabrication & Distribution	Maintenance & Servicing Business	Rental Income Business	Unallocated	Total
(Audited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
12M FY2021					
Segment revenue					
External revenue	20,839	6,699	236	-	27,774
Results					
Segment results	848	1,050	185	(1,085)	998
Finance costs	(198)	(62)	-	-	(260)
Profit before taxation	650	988	185	(1,085)	738
Taxation					(400)
Profit for the year	650	988	185	(1,085)	338
Non-cash Items					
Amortisation of intangible assets	(18)	(6)	-	-	(24)
Depreciation of property, plant and equipment	(154)	(50)	(38)	-	(242)
Depreciation of right-of-use assets	(787)	(253)	-	-	(1,040)
Impairment losses on trade receivables	(76)	-	-	-	(76)
Write-down on inventories	(182)	(58)	-	-	(240)
Capital Expenditure					
Property, plant and equipment	-	-	-	58	58
Intangible assets	-	-	-	8	8
Right-of-use assets	-	-	-	182	182
Assets and Liabilities					
Segment assets	-	-	-	31,655	31,655
Current tax recoverables	-	-	-	62	62
	-	-	-	31,717	31,717
Segment liabilities	-	-	-	14,504	14,504
Current tax payable	-	-	-	487	487
Deferred tax liabilities	-	-	-	62	62
				15,053	15,053

4.2. Disaggregation of Revenue

Geographical information

Revenue is based on the country where the customer is located. Non-current assets comprise primarily property, plant and equipment and investment property and are presented based on the geographical area in which the assets are located.

Group	Singapore	Malaysia	Others	Total
2022	S\$'000	S\$'000	S\$'000	S\$'000
Revenue	33,607	57	69	33,733
Non-current assets	8,146	407	-	8,553
2021				
Revenue	27,258	499	17	27,774
Non-current assets	1,416	357	-	1,773

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5. (Loss)/Profit Before Taxation

(Loss)/Profit before taxation for the period/year has been arrived at after charging/(crediting) the following:

	4Q FY2022 (Unaudited) S\$'000	4Q FY2021 (Unaudited) S\$'000	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Depreciation of property, plant and equipment	(7)	56	274	242
Amortisation of intangible asset	7	6	27	24
Depreciation of right-of-use asset	108	213	860	1,040
Impairment loss on trade receivables	1,301	76	1,472	76

6. Earnings Per Share

Earnings per share ("EPS")	Group			
	4Q FY2022 (Unaudited)	4Q FY2021 (Unaudited)	FY2022 (Unaudited)	FY2021 (Audited)
Profit attributable to owners of the Company (S\$'000)	291	111	798	338
Weighted average number of ordinary shares for calculation of basic and diluted earnings per share	155,000,000	155,000,000	155,000,000	155,000,000
Basic and diluted earnings per ordinary share (cent):	0.19	0.07	0.51	0.22

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 issue 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.

7. A breakdown of sales

	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
For 1st half		
Revenue	15,764	12,687
Operating profit after tax before deducting non-controlling interests	625	475
Operating profit margin	3.96%	3.74%
For 2nd half		
Revenue	17,969	15,087
Operating profit/ (loss) after tax before deducting non-controlling interests	173	(137)
Operating profit/ (loss) margin	0.96%	(0.91%)

8. A breakdown of the total annual dividend

	FY2022 (Unaudited) S\$'000	FY2021 (Audited) S\$'000
Final ordinary dividend of S\$0.5 cent per ordinary share for financial year ended 31 December 2021, declared in FY2021 and paid in FY2022	775	-
Interim ordinary dividend of S\$0.25 cent per ordinary share for financial year ended 30 June 2022, declared and paid in FY2022	388	-
Proposed final ordinary of S\$0.25 cent per ordinary share for financial year ended 31 December 2022, 1 to be approved by shareholders at the Annual General Meeting	388	-

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9. Net Asset Value

	Group		Company	
Net Asset Value ("NAV")	31 Dec 2022 (Unaudited)	31 Dec 2021 (Audited)	31 Dec 2022 (Unaudited)	31 Dec 2021 (Audited)
NAV attributable to owners of the Company (S\$'000)	16,280	16,664	2,741	3,805
Number of ordinary shares outstanding	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary shares (cents)	10.50	10.75	1.77	2.46

10. Borrowings***Aggregate amount of Group's borrowings and debt securities*****Amount repayable in one year or less, or on demand**

As at 31 Dec 2022 (Unaudited) S\$'000		As at 31 Dec 2021 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
2,730	-	2,511	-

Amount repayable after one year

As at 31 Dec 2022 (Unaudited) S\$'000		As at 31 Dec 2021 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
6,372	-	2,902	-

Details of any collateral secured borrowings:-

Borrowings of the Group comprise bank borrowings supported by corporate guarantee from the Company.

- Trust receipts have maturities of 30 to 150 (31 December 2021: 30 to 150) days. As at 31 December 2022, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$5,245,000 (31 December 2021: S\$3,358,000).
- Property loan of S\$4,687,000 is secured against a freehold property located at 207 Henderson Road #01-01, Henderson Industrial Park, Singapore 159550.
- Temporary bridging loan of S\$2,902,000 obtained by a subsidiary is secured through a corporate guarantee provided by the Company.

11. Share Capital

	31 Dec 2022		31 Dec 2021	
	Number of ordinary shares	Issued and paid up S\$'000	Number of ordinary shares	Issued and paid up S\$'000
Beginning and end of financial year	155,000,000	5,125	155,000,000	5,125

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2022 and 31 December 2021.

The Company's subsidiaries did not hold any shares in the Company as at 31 December 2022 and 31 December 2021.

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Other information required by Appendix 7C of the Catalist Rules

1. Review

The condensed consolidated statements of financial position of Singapore Kitchen Equipment Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period and full year then ended and certain explanatory notes have not been audited or reviewed by the Company's auditor.

- a) Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

A disclaimer of opinion audit report was issued in relation to the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2021. The Audit Risk & Management Committee ("ARMC") noted that the company is in the process of implementing internal controls and is of the view that the Group's systems of internal controls may not be adequate to fully address financial, operational, compliance and information technology controls and risk management systems for the period under review.

- b) Updates on the efforts taken to resolve each outstanding audit issue

The Company has appointed Baker Tilly Consultancy (Singapore) Pte Ltd as the Group's internal auditor to review and enhance the Group's operating procedures and internal controls.

Please refer to the announcement made on 31 January 2023 for details.

The ARMC will continue to review the internal auditor's findings and oversee the implementation of the recommended remedies and controls so as to address any internal control gaps.

- c) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2022 have been adequately disclosed.

2. Review of performance of the Group

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

For the financial year ended 31 December 2022 ("FY2022"), the Group recorded revenue amounting to S\$33.7 million compared to S\$27.8 million for the financial year ended 31 December 2021 ("FY2021"). The increase in Group's revenue was primarily due to higher sales generated from fabrication and distribution of kitchen equipment and servicing and maintenance of kitchen equipment, as the food and beverage ("F&B") industry continues its recovery from the business disruptions caused by COVID-19 pandemic. Cold room systems contributed S\$2.7 million revenue in FY2022.

Cost of sales and gross profit

The Group's cost of sales increased by approximately S\$3.5 million from S\$19.1 million in FY2021 to S\$22.6 million in FY2022 mainly due to an increase of approximately S\$2.5 million from equipment cost of goods sold relative to the increase in revenue. The cost of goods sold also included a write down of spare parts inventory of S\$0.1 million.

Despite increase in freight and labour cost, the Group managed to improve gross profit margin from 31.2% in FY2021 to 32.9% in FY2022.

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Other income

Other income increased by S\$0.3 million from S\$0.5 million in FY2021 to S\$0.8 million in FY2022 mainly due to the reclassification of income during the current financial year for finance leases as a lessor entered into in previous financial years and increase in the receipts of government grant.

Selling and distribution expenses

Selling and distribution expenses increased by approximately S\$0.7 million from S\$3.1 million in FY2021 to S\$3.8 million in FY2022. This was mainly due to higher bonuses and commission of S\$0.4 million paid to employees which is consistent with the increase in revenue. Sponsorship and business travel expense also increased by \$0.1 million each.

Impairment losses on trade receivables

Impairment losses on trade receivables increased by S\$1.5 million due to increase in expected credit loss computed in accordance with SFRS(I) 9 Financial Instruments.

Administrative expenses

Administrative expenses increased by S\$0.4 million from S\$5.1 million in FY2021 to S\$5.5 million in FY2022, mainly due to higher depreciation expense of S\$0.2 million from the freehold building, donations of S\$0.1 million and long service awards given out to employees of S\$0.1 million.

Profit for the financial year

The Group reported a net profit after tax ("NPAT") of approximately S\$0.8 million in FY2022 which is higher compared to the NPAT of approximately S\$0.3 million in FY2021.

Statement of Financial Position

Non-current assets

The Group's non-current assets increased by S\$6.6 million to S\$8.4 million as at 31 December 2022 (31 December 2021: S\$1.8 million) mainly due to the purchase and renovation of a freehold property located at 207 Henderson Road, #01-01 Henderson Industrial Park, Singapore 159550.

Current assets

The Group's current assets amounted to approximately S\$29.7 million as at 31 December 2022 (31 December 2021: S\$30.0 million).

The Group's inventories increased by S\$1.8 million from S\$3.4 million as at 31 December 2021 to S\$5.2 million as at 31 December 2022, mainly due to stocking up of inventories for projects in the pipeline and in anticipation of further increases in business activities and supply chain disruptions.

The decrease in cash and cash equivalents of S\$3.5 million was mainly due to cash used in investing activities amounting to S\$7.3 million, which was partially offset by cash generated from operating activities of S\$3.2 million. Cash used in investing activities mainly relate to purchase and renovation of the freehold property.

Current liabilities

The Group's current liabilities increased by S\$3.7 million from S\$11.3 million as at 31 December 2021 to S\$15.0 million as at 31 December 2022.

The increase in contract liabilities by approximately S\$1.0 million from S\$3.3 million as at 31 December 2021 to S\$4.3 million as at 31 December 2022 is mainly due to increase in advance payments by customers.

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The increase in trade and other payables by approximately S\$2.6 million from S\$4.4 million as at 31 December 2021 to S\$7.0 million as at 31 December 2022 is mainly attributed to increase in purchases from our suppliers, which is required to support the increase in demand from the Group's customers.

Non-current liabilities

The increase in the Group's non-current liabilities of S\$3.2 million is mainly due to bank loan taken for purchase of freehold building.

Shareholders' equity

Shareholders' equity decreased to S\$16.3 million as at 31 December 2022 from S\$16.7 million as at 31 December 2021, as a result of the decrease in retained earnings of approximately S\$0.4 million due to dividends paid out, offset by profit for the year.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, amounted to approximately S\$11.5 million as at 31 December 2022, representing a decrease of approximately S\$3.7 million from the cash and cash equivalents balance of S\$14.8 million as at 31 December 2021.

Net cash generated from operating activities

The Group's net cash generated from the operating activities was approximately S\$4.0 million arising from the Group's positive operating activities for the year.

Net cash used in investing activities

Net cash used in investing activities during FY2022 amounted to approximately S\$7.3 million, mainly as a result of purchase and renovation of freehold property.

Net cash generated from financing activities

Net cash used in financing activities during FY2022 was approximately S\$0.03 million mainly due to repayment of borrowings and lease liabilities and dividends paid during the year which was offset by proceeds from new borrowings in relation to the purchase of the freehold property

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

The current results are in line with the commentary in paragraph 3 of the 2022 third quarter Results Announcement dated 14 November 2022

3. *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.*

In view of the return to normalcy from COVID-19 restrictions, the Group is expecting business to bounce back with increase in demand for services in the maintenance and servicing sector and also more new projects. The Group is also actively reducing costs, increasing productivity and maximising use of its labour force in the tight labour market.

4. *If a decision regarding dividend has been made:-*

(a) *Whether an interim (final) ordinary dividend has been declared (recommended); and*

Yes. The Board recommends declaration of 0.25 Singapore cent per share final dividend for the financial year ended 31 December 2022

(b) *Corresponding Period of the Immediately preceding financial year: any final dividend recommended for the corresponding period of the immediately preceding financial year?*

The Company declared a 0.5 Singapore cent per share final dividend in respect of the financial year ended 31 December 2021.

The Company declared a 0.25 Singapore cent per share interim dividend for six month ended 30 June 2022.

(c) *Date payable*

To be advised

(d) *Record date*

To be advised

5. *If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.*

Not Applicable

6. *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.

7. *Update on use of proceeds*

(a) *Initial Public Offer ("IPO")*

As at 31 December 2022, the utilisation of the IPO proceeds is as follows:

	<i>Allocation</i>	<i>Amount utilised</i>	<i>Amount un-utilised</i>
	S\$'000	S\$'000	S\$'000

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(a) Acquisition of additional fabrication equipment and machinery	700	319	381
(b) Acquisition and renovation of the newly acquired property and other capital expenditures	1,600	1,355	245
(c) For general working purposes of our Group	975	975	-
(d) IPO expenses	1,325	1,325	-
Total	4,600	3,974	626

The Company will continue to make periodic announcements on the use of proceeds via SGXNET as and when the remaining proceeds are materially disbursed.

(b) Placement

The Company has raised net proceeds from the Placement of approximately S\$1.0 million, which will be utilized as follows:

- 100% of the Net Proceeds will be used for general working capital purposes.

As at 31 December 2022, the proceeds have not yet been utilized. The Company has reallocated the placement proceeds from use for new business expansion or investments to general working capital purposes. The Company will continue to make periodic announcements on the use of proceeds via SGXNET as and when the remaining proceeds are materially disbursed.

8. *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 pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.*

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalyst 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.

9. *Confirmation that the issue has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Listing Manual*

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

BY ORDER OF THE BOARD

Sally Chua Chwee Choo
Executive Director and Chief Executive Officer
1 March 2023

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte Ltd (the "Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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 details of the contact person for the Sponsor are as follows:
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