

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS
ENDED 30 SEPTEMBER 2022 ("3Q FY2022" and "9M FY2022" respectively)**

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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 30 Sep 2022 \$'000	3 months ended 30 Sep 2021 \$'000	9 months ended 30 Sep 2022 \$'000	9 months ended 30 Sep 2021 \$'000	Increase/ (Decrease) %
Revenue	4	7,707	6,546	23,471	19,233	22.0
Cost of sales		(5,072)	(4,746)	(16,140)	(13,244)	21.9
Gross Profit		2,635	1,800	7,331	5,989	22.4
		34.19%	27.50%	31.23%	31.14%	
Other Operating Income						
Interest income		7	4	11	11	0.0
Other income		65	101	441	431	2.3
Operating Expenses						
Selling and distribution expenses		(1,005)	(821)	(2,639)	(2,174)	21.4
Administrative expenses		(1,461)	(1,262)	(3,981)	(3,612)	10.2
Other operating expenses		(44)	6	(60)	(16)	n.m
Impairment losses on trade receivables		(171)	-	(171)	-	
Finance costs		(60)	(76)	(175)	(202)	(13.4)
(Loss)/Profit before taxation	5	(34)	(248)	757	427	77.3
Taxation		(86)	-	(252)	(200)	26.0
(Loss)/Profit for the reporting period		(120)	(248)	505	227	122.5
Other Comprehensive Income						
<u>Items that may be classified subsequently to profit and loss</u>						
Exchange difference on translation		(7)	(2)	(14)	(2)	n.m
Total Comprehensive (Loss)/Income for the reporting period		(127)	(250)	491	225	118.2
(Loss)/Profit attributable to :						
-Equity Holders of the Company		(120)	(248)	505	227	122.5
-Non-controlling interests		-	-	-	-	
Total Comprehensive (Loss)/Income attributable to:						
-Equity Holders of the Company		(127)	(250)	491	225	118.2
-Non-Controlling Interests		-	-	-	-	
(Loss)/Earnings Per Share attributable to equity holders of the company						
- Basic (Cents)	6	(0.08)	(0.16)	0.32	0.15	113.3
- Diluted (Cents)	6	(0.08)	(0.16)	0.32	0.15	113.3

* 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	
		30 Sep 2022 \$'000	31 Dec 2021 \$'000	30 Sep 2022 \$'000	31 Dec 2021 \$'000
<u>Non-Current Assets</u>					
Property, plant and equipment		7,799	842	2	3
Intangible assets		22	26	-	-
Investment in subsidiaries		-	-	10	10
Rights of Use		826	905	-	-
		8,647	1,773	12	13
<u>Current Assets</u>					
Inventories		5,661	3,358	-	-
Trade and other receivables		9,901	9,996	2,733	2,781
Prepayments		144	92	15	1
Income tax recoverable		36	61	-	-
Pledged bank deposits		2,833	1,460	-	-
Cash and bank deposits		9,051	14,977	1,510	1,163
		27,626	29,944	4,258	3,945
TOTAL ASSETS		36,273	31,717	4,270	3,958
<u>Current Liabilities</u>					
Contract liabilities		2,920	3,272	-	-
Trade and other payables		6,256	4,272	1,263	153
Borrowings	8	2,735	2,511	-	-
Lease liabilities		796	677	-	-
Current tax payable		333	487	-	-
		13,040	11,304	1,263	153
<u>Non-Current Liabilities</u>					
Borrowings	8	6,548	2,902	-	-
Lease liabilities		634	785	-	-
Deferred tax liabilities		62	62	-	-
		7,244	3,749	-	-
TOTAL LIABILITIES		20,284	15,053	1,263	153
NET ASSETS		15,989	16,664	3,007	3,805
<u>Equity</u>					
Share capital	9	5,125	5,125	5,125	5,125
Other Reserves		1,161	1,175	-	-
Retained Earnings		9,703	10,364	(2,118)	(1,320)
TOTAL EQUITY		15,989	16,664	3,007	3,805

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Condensed Interim Consolidated Statement of Cash Flows

	Note	9 months ended 30 Sep 2022 \$'000	9 months ended 30 Sep 2021 \$'000
Operating Activities			
Profit before taxation	5	757	427
Adjustments for:			
Amortisation of intangible assets		20	18
Depreciation of property, plant and equipment		281	186
Depreciation of right of use assets		752	827
Loss on disposal of property, plant and equipment		15	5
Impairment losses on receivables		171	-
Provision for/ (Write back of) inventories		5	(66)
Interest expense		175	122
Interest income		(11)	(11)
Operating Cash Flows before Working Capital Changes		2,165	1,508
Working Capital Changes:			
Inventories		(2,324)	364
Trade & Other Receivables		(77)	1,395
Prepayments		(53)	50
Contract Liabilities		(352)	1,606
Trade & Other Payables		765	(674)
Cash Generated From Operations		124	4,249
Income taxes refund		25	-
Income taxes paid		(407)	(291)
Net Cash (Used In)/Generated From Operating Activities		(258)	3,958
Investing Activities			
Purchases of intangible assets		(16)	(4)
Purchases of property, plant and equipment		(7,266)	(41)
Lease modification		(2)	(6)
Interest received		11	11
Net Cash Used In Investing Activities		(7,273)	(40)
Financing Activities			
Increase in pledged bank deposits		(1,373)	-
Proceeds from borrowings		9,618	6,127
Repayment of borrowings		(5,748)	(6,762)
Interest paid		(175)	(122)
Repayment of lease liabilities		(703)	(724)
Net Cash Generated from/(Used In) Financing Activities		1,619	(1,481)
Net (Decrease)/Increase In Cash & Cash Equivalents		(5,912)	2,437
Cash and Cash Equivalents at beginning of reporting period		14,977	14,630
Effect of Exchange Rate Changes on Cash and Cash Equivalents		(14)	(4)
Cash & Cash Equivalents at end of reporting period		9,051	17,063

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Condensed Interim Statement of Changes of Equity

The Group	Note	Share Capital	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Equity attributable to owners of the Company	Non-Controlling Interest	Total Equity
		(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Balance as at								
1 January 2022		5,125	1,311	(136)	10,360	16,660	-	16,660
Profit for the reporting period		-	-	-	505	505	-	505
Other Comprehensive Income:								
- Foreign currency translation differences		-	-	(14)	-	(14)	-	(14)
Total comprehensive (loss)/income for the reporting period		-	-	(14)	505	491	-	491
Contribution by and distribution to owners:								
- Dividends		-	-	-	(1,162)	(1,162)	-	(1,162)
Balance as at								
30 September 2022		5,125	1,311	(150)	9,703	15,989	-	15,989

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Condensed Interim Consolidated Statement of Changes of Equity (continued)

The Group	Note	Share Capital	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Equity attributable to owners of the Company	Non-Controlling Interest	Total Equity
		(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)
Balance as at								
1 January 2021		5,125	1,311	(94)	10,027	16,368	-	16,368
Profit for the reporting period		-	-	-	227	227	-	227
Other Comprehensive Income:								
- Foreign currency translation differences		-	-	(42)	-	(42)	-	(42)
Total comprehensive (loss)/income for the reporting period		-	-	(42)	227	185	-	185
Contribution by and distribution to owners:								
- Dividends		-	-	-	-	-	-	-
Balance as at								
30 September 2021		5,125	1,311	(136)	10,254	16,553	-	16,553

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Condensed Interim Statement of Changes of Equity (continued)

The Company	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 1 January 2022	5,125	(1,319)	3,806
Profit for the reporting period	-	363	363
Total comprehensive income for the reporting period	-	363	363
Transactions with owners of the Company			
Dividends	-	(1,162)	(1,162)
Total transactions with owners of the Company	-	-	-
Balance as at 30 September 2022	5,125	(2,118)	3,007
	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 1 January 2021	5,125	(235)	4,890
Loss for the reporting period	-	(693)	(693)
Total comprehensive loss for the financial year	-	(693)	(693)
Balance as at 30 September 2021	5,125	(928)	4,197
There are no outstanding convertibles or shares held as treasury shares as at 30 Sep 2022 and 30 Sep 2021.			

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Notes to Condensed Interim Consolidated Financial Statements

1. Corporate information

Singapore Kitchen Equipment Ltd (the “**Company**”) is incorporated 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 nine month period ended 30 September 2022 comprise the Company and its subsidiaries (collectively, the “**Group**”). The primary activities of the Group 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 nine months ended 30 September 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 annual financial statements for the financial year ended 31 December 2021.

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

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

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. 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 recognised in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

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

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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 Business	Maintenance & Servicing Business	Rental Income Business	Unallocated	Total
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9M FY2022					
Segment Revenue					
External Revenue	18,595	4,772	104	-	23,471
Results					
Segment Results	433	856	81	(437)	933
Finance Costs	(140)	(36)	-	-	(176)
Profit before income tax	293	820	81	(437)	757
Income tax expense				(252)	(252)
Profit for the financial period	293	820	81	(689)	505
Non-Cash Items					
Depreciation of property, plant and equipment	(224)	(57)	-	-	(281)
Amortization of intangible asset	(16)	(4)	-	-	(20)
Amortization of right-of-use assets	(600)	(152)	-	-	(752)
Impairment loss on trade receivables	(136)	(35)	-	-	(171)
Inventory written down	(4)	(1)	-	-	(5)
Capital Expenditure					
Property, plant and equipment	-	-	-	7,266	7,266
Intangible asset	-	-	-	16	16
Right-of-use asset	-	-	-	689	689
Assets and Liabilities					
Segment assets	-	-	-	36,237	36,237
Tax Recoverable	-	-	-	36	36
				36,273	36,273
Segment Liabilities				19,889	19,889
Current income tax payable	-	-	-	333	333
Deferred tax payable	-	-	-	62	62
				20,284	20,284

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Business Segment	Fabrication & Distribution Business	Maintenance & Servicing Business	Rental Income Business	Unallocated	Total
(Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9M FY2022					
Segment Revenue					
External Revenue	14,430	4,639	164	-	19,233
Results					
Segment Results	541	455	108	(475)	629
Finance Costs	(151)	(51)	-	-	(202)
Profit before income tax	390	404	108	(475)	427
Income tax expense				(200)	(200)
Profit for the financial period	390	404	108	(675)	227
Non-Cash Items					
Depreciation of property, plant and equipment	(154)	(32)	-	-	(186)
Amortization of intangible asset	(10)	(8)	-	-	(18)
Amortization of right-of-use assets	(757)	(70)	-	-	(827)
Impairment loss on trade receivables	-	-	-	-	-
Inventory written down	66	-	-	-	66
Capital Expenditure					
Property, plant and equipment	-	-	-	41	41
Intangible asset	-	-	-	4	4
Right-of-use asset	-	-	-	182	182
Assets and Liabilities					
Segment assets	-	-	-	31,655	31,655
Tax Recoverable	-	-	-	62	62
				31,717	31,717
Segment Liabilities				(15,053)	(15,053)
Current income tax payable	-	-	-	(487)	(487)
Deferred tax payable	-	-	-	(62)	(62)
				(15,602)	(15,602)

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
9M FY2022	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	23,292	179	-	23,471
Non-current assets	7,997	650	-	8,647

Group	Singapore	Malaysia	Others	Total
9M FY2021	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	19,125	97	11	19,233
Non-current assets	1,541	565	-	2,106

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5. (Loss)/Profit Before Taxation

(Loss)/Profit before taxation is arrived at after charging /(crediting) the following:					Increase/ (Decrease) %
	Group				
	3Q FY2022 (Unaudited) S\$'000	3Q FY2021 (Unaudited) S\$'000	9M FY2022 (Unaudited) S\$'000	9M FY2021 (Unaudited) S\$'000	
Depreciation of property, plant and equipment	122	60	281	186	51.1
Amortisation of intangible asset	7	5	20	18	11.1
Amortisation of right-of-use asset	219	270	752	827	(9.1)
Provision for/(Write back of) inventories	5	-	5	(66)	n.m
Interest expense	60	(4)	175	122	43.4
Interest income	(7)	(4)	(11)	(11)	-
Modification of lease term	(10)	(6)	(2)	(6)	n.m

Note: "n.m." denotes not meaningful

6. (Loss)/Earnings Per Share

(Loss)/Earnings per 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			
	3Q FY2022 (Unaudited)	3Q FY2022 (Unaudited)	9M FY2022 (Unaudited)	9M FY2021 (Unaudited)
Profit attributable to owners of the Company (S\$'000)	(127)	(250)	491	225
Weighted average number of ordinary shares for calculation of				
(a) Basic earnings per share	155,000,000	155,000,000	155,000,000	155,000,000
(b) Diluted earnings per share ⁽²⁾	155,000,000	155,000,000	155,000,000	155,000,000
Earnings per ordinary share (cents):-				
(a) Based on weighted average number of issued ordinary shares	(0.08)	(0.16)	0.32	0.15
(b) On a fully diluted basis ⁽²⁾	(0.08)	(0.16)	0.32	0.15

Notes:

- 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.
- The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net Asset Value

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.

	Group		Company	
Net Asset Value ("NAV")	30 Sep 2022 (Unaudited)	31 Dec 2021 (Audited)	30 Sep 2022 (Unaudited)	31 Dec 2021 (Audited)
NAV attributable to owners of the Company (S\$'000)	15,989	16,664	3,007	3,805
Actual Number of issued ordinary shares	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary shares (cents)	10.32	10.75	1.94	2.46

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8. Borrowings

Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 Sep 2022 (Unaudited) (S\$'000)		As at 31 Dec 2021 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
2,735	-	2,511	-

Amount repayable after one year

As at 30 Sep 2022 (Unaudited) (S\$'000)		As at 31 Dec 2021 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
6,548	-	2,902	-

Details of any collateral secured borrowings:-

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

- (a) Trust receipts have maturities of 90 to 150 (31 December 2021: 90 to 150) days. As at 30 Sep 2022, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$5,661,165 (31 December 2021: S\$3,357,522).
- (b) The Group's obligations under finance leases are secured by the leased assets, which will be returned to the lessors in the event of default by the Group. The carrying amount of assets acquired under finance leases is approximately S\$796,373 (31 December 2021: S\$676,990) at the end of the current financial year.

9. Share Capital

	30 Sep 2022		31 Dec 2021	
	Number of ordinary shares	Issued and Paid Up S\$	Number of ordinary shares	Issued and Paid Up S\$
Beginning and end of interim period	155,000,000	5,124,790	155,000,000	5,124,790

There were no changes in the Company's share capital since the end of the previous period reported on, being 31 December 2021.

There are no outstanding convertibles or shares held as treasury shares as at 30 September 2022 and 31 December 2021.

There were no subsidiary holdings during the current financial period reported in.

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Other information required by Appendix 7C of the Catalist Rules

1. Review

The condensed consolidated statement of financial position of Singapore Kitchen Equipment Ltd and its subsidiaries as at 30 September 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 nine-month period then ended and certain explanatory notes have not been audited or reviewed.

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

A disclaimer 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") is of the view that the Group's systems of internal controls may not be adequate to 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 Company's internal auditor to review and enhance the Company's operating procedures and internal controls.

Please refer to announcement made on 31 October 2022 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 FY2021 have been adequately disclosed.

2. Review of performance of the Group

Consolidated Statement of Comprehensive Income

Revenue

For 9M FY2022, the Group recorded revenue amounting to S\$23.5 million compared to S\$19.2 million in the previous corresponding period ("9M 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\$1.7 million revenue in 9M FY2022.

Cost of sales and gross profit

The Group's cost of sales increased by approximately S\$2.9 million from S\$13.2 million in 9M FY2021 to S\$16.1 million in 9M FY2022 mainly due to an increase of approximately S\$2.2 million from freight costs. Tight labour market also results in increase in direct labour costs of approximately S\$0.6 million.

Despite increase in freight and labour cost, the Group managed to maintain gross profit margin for 9M FY2022

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Other items of income

Other income remains relatively constant at S\$0.4 million for both 9M FY2022 and 9M FY2021 mainly due to Jobs Growth Incentive support received by the Group from the government for supporting local hiring.

Distribution costs

Distribution costs increased by approximately S\$0.4 million from S\$2.2 million in 9M FY2021 to S\$2.6 million in 9M FY2022, mainly due to higher commission arising from higher sales and higher transportation cost.

Administrative expenses

Administrative expenses increased by S\$0.4 million from S\$3.6 million in 9M FY2021 to S\$4.0 million in 9M FY2022, mainly due to general provision for doubtful debts of S\$0.2 million, higher depreciation expense of S\$0.1 million from the freehold building and higher professional fees & long service awards given out to employees totalling S\$0.1 million.

Profit for the financial period

The Group reported a net profit after tax ("NPAT") of approximately S\$0.5 million in 9M FY2022 which is higher when compared to the NPAT of approximately S\$0.2 million in 9M FY2021.

Statement of Financial Position

Non- current assets

The Group's non-current assets increased by S\$6.8 million to S\$8.6 million as at 30 September 2022 (31 December 2021: S\$1.8 million) mainly due to purchase and renovation of 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\$27.6 million as at 30 September 2022 (31 December 2021: S\$30.0 million).

The Group's inventories increased by S\$2.3 million from S\$3.4 million as at 31 December 2021 to S\$5.7 million as at 30 September 2022, mainly due to stocking up of inventories in anticipation of more businesses and supply chain disruptions.

The decrease in cash and cash equivalents is mainly due to cash paid for purchase and renovation of freehold property.

Current liabilities

The Group's current liabilities position increased by S\$1.7 million from S\$11.3 million as at 31 December 2021 to S\$13.0 million as at 30 September 2022.

The decrease in contract liabilities by approximately S\$0.4 million from S\$3.3 million as at 31 December 2021 to S\$2.9 million as at 30 September 2022 is mainly due to decrease in advance payments by customers.

The increase in trade and other payables by approximately S\$0.7 million from S\$4.3 million as at 31 December 2021 to S\$5.0 million as at 30 September 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 Group's non-current liabilities increase of S\$3.4 million is mainly due to bank loan taken for purchase of 207 Henderson Road freehold building.

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Shareholders' equity

As at 30 September 2022, the Group's shareholders' equity amounted to S\$16.0 million which is lower than the shareholders' equity of S\$16.7 million as at 31 December 2021, as a result of the decrease in retained earnings of approximately S\$0.7 million.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, amounted to approximately S\$9.0 million as at 30 September 2022, representing a decrease of approximately S\$8.0 million from the cash and cash equivalents balance of S\$17.0 million as at 31 December 2021.

Net cash from operating activities

The Group's net cash outflows from the operating activities was approximately S\$0.3 million. This was mainly due to increase of S\$2.3 million in purchase of inventories.

Net cash flows used in investing activities

Net cash outflows used in investing activities during 9M FY2022 amounted to approximately S\$7.3 million as a result of purchase and renovation of freehold property.

Net cash flows from financing activities

Net cash inflows from financing activities during 9M FY2022 was approximately S\$1.6 million due mainly to proceeds from new borrowings in relation to the purchase of 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.**

Not applicable.

- 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

No dividend has been declared for 3Q FY2022

(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 for financial year 2021.
The Company declared a 0.25 Singapore cent per share interim dividend for 6 months ended 30 June 2022.

(c) Date payable

Not applicable

(d) Record date

Not applicable

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

No dividend has been declared for 3Q FY2022.

- 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 reported on.

- 7. Update on use of proceeds**

(a) Initial Public Offer ("IPO")

As at 30 September 2022, the utilisation of the IPO proceeds is as follows:

	Allocation	Amount utilised	Amount un-utilised
	S\$'000	S\$'000	S\$'000
(a) Acquisition of additional fabrication equipment and machinery	700	319	381
(b) Acquisition and renovation of the newly acquired property and other capital	1,600	1,355	245

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expenditures			
(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 30 September 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. Confirmation Negative Confirmation by The Board Pursuant to Rule 705(5)

To the best of their knowledge, the Board of Directors have confirmed that nothing has come to their attention which may render the unaudited financial results of the Group for 9M FY2022 presented in this announcement to be false or misleading in any material aspect.

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
Nov 14 2022

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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