

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ("3Q FY2023") AND
NINE MONTHS ("9M FY2023") ENDED 30 SEPTEMBER 2023**

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Pursuant to Rule 705(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist ("Listing Manual"), the Singapore Exchange Regulation requires the Company to announce its quarterly financial statements in view of the qualified opinion issued by the Company's auditor in the latest audited financial statements for the financial year ended 31 December 2022.

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

	Note	The Group			The Group		
		3 months ended 30 Sep 2023 (Unaudited) S\$'000	3 months ended 30 Sep 2022 (Unaudited) S\$'000	Increase/ (Decrease) %	9 months ended 30 Sep 2023 (Unaudited) S\$'000	9 months ended 30 Sep 2022 (Unaudited) S\$'000	Increase/ (Decrease) %
Revenue	4	9,371	7,707	21.6	28,494	23,471	21.4
Cost of sales		(6,328)	(5,072)	24.8	(19,308)	(16,140)	19.6
Gross profit		3,043	2,635	15.5	9,186	7,331	25.3
Other operating income							
Interest income		27	7	285.7	54	11	390.9
Other income		62	65	(4.6)	243	441	(44.9)
Operating expenses							
Selling and distribution expenses		(1,293)	(1,005)	28.7	(3,646)	(2,639)	38.2
Administrative expenses		(1,546)	(1,466)	5.5	(4,320)	(3,981)	8.5
Other operating expenses		(64)	(40)	60.0	(131)	(60)	118.3
Finance costs		(105)	(59)	78.0	(226)	(175)	29.1
Impairment losses on trade receivables		61	(171)	n.m	469	(171)	n.m
Profit/(Loss) before taxation	5	185	(34)	n.m	1,629	757	115.2
Taxation		(8)	(86)	(90.7)	(287)	(252)	13.9
Profit/(Loss) for the period		177	(120)	n.m	1,342	505	165.7
Other comprehensive (loss)/income							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation difference on consolidation		-	(7)	n.m	5	(14)	(135.7)
Total comprehensive profit/(loss) for the period attributable to owners of the		177	(127)	n.m	1,347	491	174.3
Earnings/(loss) per share attributable to owners of the Company							
Basic and diluted (Singapore cent)	6	0.11	(0.08)	n.m	0.87	0.32	171.9

* 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 2023 (Unaudited) S\$'000	31 Dec 2022 (Audited) S\$'000	30 Sep 2023 (Unaudited) S\$'000	31 Dec 2022 (Audited) S\$'000
Non-Current Assets					
Property, plant and equipment		14,629	7,751	-	2
Intangible assets		18	24	-	-
Right-of-use assets		1,063	627	-	-
Subsidiaries		-	-	10	10
Finance lease receivables		160	206	-	-
		15,870	8,608	10	12
Current Assets					
Inventories		7,985	5,197	-	-
Trade and other receivables		9,642	9,735	3,509	2,733
Prepayments		175	94	13	3
Finance lease receivables		97	110	-	-
Restricted bank deposits		4,926	3,013	-	-
Cash and bank deposits		4,696	11,522	308	96
		27,521	29,671	3,830	2,832
TOTAL ASSETS		43,391	38,279	3,840	2,844
Non-Current Liabilities					
Borrowings	8	10,335	6,372	-	-
Lease liabilities		592	488	-	-
Deferred tax liabilities		34	34	-	-
		10,961	6,894	-	-
Current Liabilities					
Borrowings	8	3,718	2,730	-	-
Lease liabilities		850	695	-	-
Contract liabilities		5,777	4,308	-	-
Trade and other payables		5,182	7,177	493	103
Current tax payable		-	143	-	-
		15,527	15,053	493	103
TOTAL LIABILITIES		26,488	21,947	493	103
NET ASSETS		16,903	16,332	3,347	2,741
Equity					
Share capital	9	5,125	5,125	5,125	5,125
Other reserves		1,167	1,162	-	-
Retained earnings/(Accumulated losses)		10,611	10,045	(1,778)	(2,384)
TOTAL EQUITY		16,903	16,332	3,347	2,741

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Condensed Interim Consolidated Statement of Cash Flows

	The Group		
	Note	9 months ended 30 Sep 2023 S\$'000	9 months ended 30 Sep 2022 S\$'000
Cash Flows from Operating Activities			
Profit before taxation	5	1,629	757
Adjustments for:			
Amortisation of intangible assets		17	20
Depreciation of property, plant and equipment		346	281
Depreciation of right-of-use assets		534	752
Loss on disposal of property, plant and equipment		-	15
Trade receivables written off		40	-
Impairment on trade receivables (reversed)/made		(469)	171
Interest expense		227	175
Interest income		(56)	(11)
Interest income on finance lease receivable		(5)	-
Inventories written off		2	-
Write-down on inventories made		95	5
Operating profit before working capital changes		2,360	2,165
Working Capital Changes:			
Changes in inventories		(2,897)	(2,321)
Changes in trade and other receivables		627	(77)
Changes in prepayments		(82)	(53)
Changes in trade and other payables		(2,433)	765
Changes in finance lease receivables		(46)	-
Changes in contract liabilities		1,457	(352)
Cash generated from/(used in) operating activities		(1,014)	127
Income taxes		(431)	(382)
Net cash used in operating activities		(1,445)	(255)
Cash Flows from Investing Activities			
Interest received		56	11
Payments for intangible assets		(10)	(16)
Proceeds from finance lease receivables		110	-
Purchase of property, plant and equipment		(7,246)	(7,266)
Net cash used in investing activities		(7,090)	(7,271)
Cash Flows from Financing Activities			
Proceeds from borrowings		13,306	9,618
Repayment of borrowings		(8,355)	(5,748)
Repayment of lease liabilities		(711)	(703)
Restricted bank deposits		(1,913)	(1,374)
Dividends paid		(388)	-
Interest paid		(227)	(176)
Net cash generated from financing activities		1,712	1,617
Net decrease in cash and cash equivalents		(6,823)	(5,909)
Cash and cash equivalents at beginning of the period		11,522	14,977
Exchange differences on translation of cash and cash equivalents		(3)	(17)
Cash and cash equivalents at end of the period		4,696	9,051

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Condensed Interim Statement of Changes of Equity

The Group	Share Capital S\$'000	Merger Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance at 1 Jan 2023	5,125	1,311	(149)	10,045	16,332
Profit for the period	-	-	-	1,342	1,342
Other comprehensive income for the period					
Foreign currency translation differences	-	-	5	-	5
Total comprehensive income for the period	-	-	5	1,342	1,347
Contributions by and distributions to owners:					
Dividends	-	-	-	(776)	(776)
Balance at 30 Sep 2023	5,125	1,311	(144)	10,611	16,903

The Group	Share Capital S\$'000	Merger Reserve S\$'000	Foreign Currency Translation Reserve S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance at 1 Jan 2022	5,125	1,311	(136)	10,364	16,664
Profit for the year	-	-	-	505	505
Other comprehensive (loss) for the year					
Foreign currency translation differences	-	-	(14)	-	(14)
Total comprehensive (loss)/income for the year	-	-	(14)	505	491
Contributions by and distributions to owners:					
Dividends	-	-	-	(1,162)	(1,162)
Balance at 30 Sep 2022	5,125	1,311	(150)	9,708	15,994

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Condensed Interim Statement of Changes of Equity (continued)

The Company	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Balance at 1 Jan 2023	5,125	(2,384)	2,741
Profit for the period		1,382	1,382
Total comprehensive income for the period	-	1,382	1,382
Contributions by and distributions to owners:			
Dividends	-	(776)	(776)
Balance at 30 Sep 2023	5,125	(1,778)	3,347

The Company	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Balance at 1 Jan 2022	5,125	(1,319)	3,806
Profit for the period		363	363
Total comprehensive income for the year	-	363	363
Contributions by and distributions to owners:			
Dividends		(1,162)	(1,162)
Balance at 30 Sep 2022	5,125	(2,118)	3,007

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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 third quarter and nine months period ended 30 September 2023 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 as at and for the third quarter and nine months ended 30 September 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*. 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 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 2023. 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 2022.

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 period.

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.

All operating segments' operating results are reviewed regularly by the Company's executive directors who are the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

4.1. Reportable Segments

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000	Total S\$'000
3Q FY2023					
Segment revenue					
External revenue	7,309	2,068	(6)	-	9,371
Results					
Segment results	(157)	593	(6)	(140)	290
Finance costs	(82)	(23)	-	-	(105)
Profit before taxation	(239)	570	(6)	(140)	185
Taxation	-	-	-	(8)	(8)
Profit/(loss) for the period	(239)	570	(6)	(148)	177
Non-cash Items					
Amortisation of intangible assets	(5)	(1)	-	-	(6)
Depreciation of property, plant and equipment	(96)	(27)	-	-	(123)
Depreciation of right-of-use assets	(143)	(39)	-	-	(182)
Impairment on trade receivables reversed	46	15	-	-	61
Write-down on inventories (made)	(2)	-	-	-	(2)
Capital expenditure					
Property, plant and equipment	-	-	-	7,135	7,135
Assets and liabilities					
Segment assets	-	-	-	3,298	3,298
Segment liabilities	-	-	-	3,749	3,749
Current tax payable	-	-	-	(239)	(239)
Deferred tax liabilities	-	-	-	-	-
				3,510	3,510

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000
3Q FY2022				
Segment revenue				
External revenue	6,004	1,644	59	-
Results				
Segment results	(39)	283	55	(275)
Finance costs	(46)	(13)	-	-
Profit before taxation	(85)	270	55	(275)
Taxation	-	-	-	(86)
Profit/(loss) for the period	(85)	270	55	(361)
Non-cash Items				
Amortisation of intangible assets	(5)	(2)	-	-
Depreciation of property, plant and equipment	(96)	(26)	-	-
Depreciation of right-of-use assets	(173)	(46)	-	-
Impairment on trade receivables made	(137)	(35)	-	-
Write-down on inventories made	(4)	(1)	-	-
Capital Expenditure				
Property, plant and equipment	-	-	-	13,773
Intangible assets	-	-	-	23
Right-of-use assets	-	-	-	689
Assets and Liabilities				
Segment assets	-	-	-	668
Segment liabilities	-	-	-	1,005
Current tax payable	-	-	-	(122)
Deferred tax liabilities	-	-	-	39
				922

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000	Total S\$'000
9M FY2023					
Segment revenue					
External revenue	22,583	5,863	48	-	28,494
Results					
Segment results	655	1,580	38	(418)	1,855
Finance costs	(179)	(47)	-	-	(226)
Profit before taxation	476	1,533	38	(418)	1,629
Taxation	-	-	-	(287)	(287)
Profit/(loss) for the period	476	1,533	38	(705)	1,342
Non-cash Items					
Amortisation of intangible assets	(14)	(3)	-	-	(17)
Depreciation of property, plant and equipment	(275)	(71)	-	-	(346)
Depreciation of right-of-use assets	(425)	(109)	-	-	(534)
Impairment on trade receivables reversed	373	96	-	-	469
Write-down on inventories (made)	(75)	(20)	-	-	(95)
Capital expenditure					
Property, plant and equipment	-	-	-	7,246	7,246
Intangible assets	-	-	-	10	10
Assets and liabilities					
Segment assets	-	-	-	43,391	43,391
Segment liabilities	-	-	-	26,454	26,454
Deferred tax liabilities	-	-	-	34	34
				26,488	26,488

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000	Total S\$'000
9M FY2022					
Segment revenue					
External revenue	18,595	4,772	104	-	23,471
Results					
Segment results	432	855	81	(436)	932
Finance costs	(139)	(36)	-	-	(175)
Profit before taxation	293	819	81	(436)	757
Taxation	-	-	-	(252)	(252)
Profit/(loss) for the period	293	819	81	(688)	505
Non-cash Items					
Amortisation of intangible assets	(16)	(4)	-	-	(20)
Depreciation of property, plant and equipment	(224)	(57)	-	-	(281)
Depreciation of right-of-use assets	(600)	(152)	-	-	(752)
Impairment on trade receivables (made)	(137)	(34)	-	-	(171)
Write-down on inventories (made)	(4)	(1)	-	-	(5)
Capital Expenditure					
Property, plant and equipment	-	-	-	7,266	7,266
Intangible assets	-	-	-	16	16
Right-of-use assets	-	-	-	689	689
Assets and Liabilities					
Segment assets	-	-	-	36,273	36,273
Segment liabilities	-	-	-	19,890	19,890
Current tax payable	-	-	-	333	333
Deferred tax liabilities	-	-	-	62	62
	-	-	-	20,285	20,285

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4.2. Disaggregation of Revenue**Geographical information**

Revenue is based on the country where the customer is located. Non-current assets comprise property, plant and equipment, intangible assets and right-of-use assets, and exclude finance lease receivables, and are presented based on the geographical area in which the assets are located.

Group	Singapore	Malaysia	Others	Total
Q3 FY2023	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	9,339	-	32	9,371
Non-current assets	15,279	431	-	15,710
Q3 FY2022	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	7,707	-	-	7,707
Non-current assets	8,302	345	-	8,647
9M FY2023	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	27,695	79	720	28,494
Non-current assets	15,279	431	-	15,710
9M FY2022	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	23,460	11	-	23,471
Non-current assets	8,302	345	-	8,647

5. Profit Before Taxation

	Group			
	3Q FY2023 (Unaudited) S\$'000	3Q FY2022 (Unaudited) S\$'000	9M FY2023 (Unaudited) S\$'000	9M FY2022 (Unaudited) S\$'000
Amortisation of intangible assets	6	7	17	20
Depreciation of property, plant and equipment	123	122	346	281
Depreciation of right-of-use assets	182	219	534	752
Interest expense	105	59	227	175
Interest income	(26)	(7)	(54)	(11)

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6. Earnings/(loss) Per Share

Earnings/(loss) 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 in issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

Earnings/(loss) per share ("EPS/LPS") ⁽¹⁾	Group			
	3Q FY2023	3Q FY2022	9M FY2023	9M FY2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) attributable to owners of the Company (S\$'000)	177	(120)	1,342	505
Weighted average number of ordinary shares for calculation of basic and diluted EPS ⁽²⁾	155,000,000	155,000,000	155,000,000	155,000,000
EPS/LPS (cent) (basic and diluted ⁽²⁾)	0.11	(0.08)	0.87	0.32

Notes:

- 1. The calculation for the basic and diluted EPS/LPS 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/LPS 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.

Net Asset Value ("NAV")	Group		Company	
	30 Sep 2023 (Unaudited)	31 Dec 2022 (Audited)	30 Sep 2023 (Unaudited)	31 Dec 2022 (Audited)
NAV attributable to owners of the Company (S\$'000)	16,903	16,332	3,347	2,741
Number of ordinary shares in issue	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary shares (Singapore cents)	10.91	10.54	2.16	1.77

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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 2023 (Unaudited) S\$'000		As at 31 Dec 2022 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
3,718	-	2,730	-

Amount repayable after one year

As at 30 Sep 2023 (Unaudited) S\$'000		As at 31 Dec 2022 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
10,335	-	6,372	-

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 2022: 30 to 150) days. As of 30 September 2023, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$7,985,000 (31 December 2022: S\$5,197,000).
- Property loan of S\$4,527,000 is secured against a freehold property located at 207 Henderson Road #01-01, Henderson Industrial Park, Singapore 159550.
- Property loan of S\$5,413,000 is secured against a freehold property located at 209 Henderson Road #01-05, Henderson Industrial Park, Singapore 159551.
- Temporary bridging loan of S\$2,152,000 obtained by a subsidiary is secured through a corporate guarantee provided by the Company.

9. Share Capital

	30 Sep 2023		31 Dec 2022	
	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 was no change in the Company's share capital since the end of the previous period reported on being 30 June 2023.

There are no outstanding convertibles or shares held as treasury shares as of 30 September 2023 and 31 December 2022.

The Company's subsidiaries did not hold any shares in the Company as of 30 September 2023 and 31 December 2022.

10. Subsequent Event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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Other information required by Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of Singapore Kitchen Equipment Limited and its subsidiaries as at 30 September 2023 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 third quarter and 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 qualified 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 2022. The Audit Risk & Management Committee ("ARMC") is of the view that except for the possible effects of the matter described in the Basis for Qualified Opinion section of the Independent Auditor's Report, the Group's systems of internal controls are 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.

Management has been working towards a clean audit opinion by reviewing the accounting records and monthly management accounts of the Group on a regular basis. All retrospective adjustments pertaining to FY2021 and before have been recorded by management in FY2022 such that the independent auditor was able to obtain sufficient appropriate audit evidence in respect of the closing balances of the assets and liabilities of the Group and the Company as at 31 December 2022.

- 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 Comprehensive Income

Revenue

For 9M FY2023, the Group recorded revenue amounting to S\$28.5 million compared to S\$23.5 million in the previous corresponding period ("**9M FY2022**"). The increase in Group's revenue was primarily due to higher sales generated from fabrication and distribution of kitchen equipment. Cold room systems contributed S\$1.3 million revenue in 9M FY2023.

Cost of sales and gross profit

The Group's cost of sales increased by approximately S\$3.2 million from S\$16.1 million in 9M FY2022 to S\$19.3 million in 9M FY2023 mainly due to an increase in sales.

Other operating income

Other operating income decreased from S\$0.5 million in 9M FY2022 to S\$0.3 million in 9M FY2023 mainly due to reduction in Enterprise Singapore Grant and Jobs Growth Incentive support received by the Group from the government for supporting the expansion of local hiring.

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Selling and distribution expenses

Selling and distribution expenses increased by approximately S\$1.0 million from S\$2.6 million in 9M FY2022 to S\$3.6 million in 9M FY2023, mainly due to higher staff remuneration & commission arising from higher sales and higher business travel expenses.

Administrative expenses

Administrative expenses increased by S\$0.3 million from S\$4.0 million in 9M FY2022 to S\$4.3 million in 9M FY2023, mainly due to higher staff remuneration.

Profit for the period

The Group reported a net profit after tax (“NPAT”) of approximately S\$1.3 million in 9M FY2023 which is higher when compared to the NPAT of approximately S\$0.5 million in 9M FY2022, mainly due to the higher sales.

Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets as at 30 September 2023 increased by S\$7.3 million in 9M FY2023 mainly due to purchase of freehold property located at 209 Henderson Road, #01-05 Henderson Industrial Park, Singapore 159551.

Current assets

The Group's current assets amounted to approximately S\$27.5 million as at 30 September 2023 (31 December 2022: S\$29.7 million).

The Group's inventories increased by S\$2.7 million from S\$5.2 million as at 31 December 2022 to S\$8.0 million as at 30 September 2023, mainly due to stocking up of inventories for upcoming projects and in anticipation of more business.

Despite the higher sales, the Group's trade receivables improved by S\$0.1 million from S\$9.7 million as at 31 December 2022 to S\$9.6 million due to increase in collections by the company.

The increase in pledged bank deposits is mainly due to placement of more cash to fixed deposit under the high interest rate environment.

The decrease in cash and cash equivalents is mainly due to cash paid for purchase of 209 Henderson Road freehold building and cash tied-up in inventories.

Current liabilities

The Group's current liabilities position increased by S\$0.5 million from S\$15.0 million as at 31 December 2022 to S\$15.5 million as at 30 September 2023.

The increase in contract liabilities by approximately S\$1.5 million from S\$4.3 million as at 31 December 2022 to S\$5.8 million as at 30 September 2023 was mainly due to increase in advance payments by customers.

The decrease in trade and other payables by approximately S\$2.0 million from S\$7.2 million as at 31 December 2022 to S\$5.2 million as at 30 September 2023 was mainly due to payments made for inventories of major projects.

Non-current liabilities

The Group's non-current liabilities increased by S\$4.1 million mainly due to bank loan taken for purchase of 209 Henderson Road freehold building.

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Shareholders' equity

As at 30 September 2023, the Group's shareholders' equity amounted to S\$16.9 million which is higher than the shareholders' equity of S\$16.3 million as at 31 December 2022, because of profit for the period.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, amounted to approximately S\$4.7 million as at 30 September 2023, representing a decrease of approximately S\$6.8 million from the cash and cash equivalents balance of S\$11.5 million as at 31 December 2022.

Net cash used in operating activities.

The Group's net cash used in operating activities was approximately S\$1.4 million. This was mainly due to working capital changes in inventories and trade and other payables.

Net cash flows used in investing activities.

Net cash used in investing activities during 9M FY2023 amounted to approximately S\$7.1 million as a result of purchase of 209 Henderson Road freehold building.

Net cash flows generated from financing activities.

Net cash generated from financing activities during 9M FY2023 was approximately S\$1.7 million due mainly to proceeds from new borrowings for purchase of 209 Henderson Road freehold building.

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3. 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 4 of the Company's half year results announcement for the second quarter and six months ended 30 June 2023.

4. 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 expects business to bounce back with increase in demand for services in the maintenance and servicing sector and upcoming secured projects. However, amidst the potential for growth, the Group must confront challenges in terms of rising costs, increasing productivity, and maximising use of its labour force in the tight labour market. Digital transformation in the food service industry, especially on use of robots and machines in kitchen and greater emphasis on sustainability in terms of eco-waste and packaging will be the primary focus in next 12 months.

5. If a decision regarding dividend has been made:-

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

None

(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 had declared a final dividend of 0.25 Singapore cent per share in respect of FY 2022 at the previous annual general meeting held on 24 April 2023 and had declared a tax-exempt one-tier interim dividend of 0.25 Singapore cents per share for 6M FY2022.

(c) Date payable

Not Applicable

(d) Record date

Not Applicable

6. 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 FY2023 to conserve cash for the Group's business operations and growth.

7. 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 a general mandate from shareholders for Interested Person Transactions. There were no Interested Persons Transactions of S\$100,000 or more conducted by the Group during this period reported on.

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8. Update on use of proceeds

(a) Initial Public Offer ("IPO")

As at 30 September 2023, the company has fully utilized the IPO proceeds as summarized below:

	Allocation S\$'000	Amount Utilised S\$'000	Amount un-utilised S\$'000
(a) Acquisition of additional fabrication equipment and machinery	319	319	-
(b) Acquisition and renovation of the newly acquired property and other capital expenditures	1,355	1,355	-
(c) For general working purposes of our Group - Payment to trade suppliers - Salaries of New Hires - Rental expenses	1601	1601	-
(d) Expenses such as professional fees, under writing and placement commission and brokerage, and miscellaneous fees	1,325	1,325	-
Total	4,600	4,600	-

The above utilisation is in accordance with the intended use of proceeds of IPO, and re-allocated in accordance with the Company's announcement dated 13 October 2023.

(b) Placement

The Company has raised net proceeds from the Placement, which completed on 13 December 2017 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 2023, the proceeds have not yet been utilized. As announced on 21 January 2022, 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.

9. 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 condensed interim financial statements as at and for the quarter and nine months ended 30 September presented in this announcement to be false or misleading in any material aspect.

10. 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.

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BY ORDER OF THE BOARD

Chua Chwee Choo
Executive Director and Chief Executive Officer
14 November 2023

Lee Chong Hoe
Executive Director

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte Ltd (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). 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:
Name: Mr Mah How Soon (Registered Professional, RHT Capital Pte Ltd).
Address: 36 Robinson Road, #10-06, City House, Singapore 068877
Email: sponsor@rhtgoc.com*