

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

*Full Year Financial Statement And Dividend Announcement For The Year Ended 31 December 2019

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

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

The Announcement of Full –Year Results are stated in S\$'000 (thousands) with effect from this announcement. The comparative figures are henceforth re-stated in S\$'000 (thousands) to comply with current year's presentation.

Consolidated Statement of Comprehensive Income	Group		
	FY2019 (Unaudited) S\$'000	FY2018 (Audited) S\$'000	Increase/ (Decrease) %
Revenue	33,021	33,561	(1.6)
Cost of sales	(22,677)	(22,526)	0.7
Gross profit	10,344	11,035	(6.3)
Other operating income and gains			
Interest income	59	61	(3.3)
Other income	486	501	(3.0)
Operating expenses			
Distribution costs	(4,276)	(3,531)	21.1
Administrative expenses	(4,629)	(4,313)	7.3
Other expenses	(193)	(495)	(61.0)
Listing expenses	(1,188)	(1,659)	(28.4)
Finance costs	(246)	(173)	42.2
Profit before income tax	357	1,426	(75.0)
Income tax expense	(446)	(745)	(40.1)
(Loss)/profit for the year	(89)	681	(113.1)
Other comprehensive income/(expenses):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	4	1	(300.0)
Total comprehensive (loss)/income for the financial year	(85)	682	(112.5)
(Loss)/profit attributable to:			
Owners of the Company	(89)	695	(112.8)
Non-controlling interests	-	(14)	(100.0)
	(89)	681	(113.1)
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(85)	696	(112.2)
Non-controlling interests	-	(14)	(100.0)
	(85)	682	(112.5)

Remarks:

"FY2019" denotes the financial year ended 31 December 2019

"FY2018" denotes the financial year ended 31 December 2018

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

Profit before income tax is arrived at after charging /(crediting) the following:			
	Group		Increase/ (Decrease) %
	FY2019 (Unaudited) S\$'000	FY2018 (Audited) S\$'000	
Depreciation of property, plant and equipment	235	705	(66.7)
Written off of property, plant and equipment	-	1	n.m.
Amortisation of intangible asset	6	20	(70.0)
Write back of inventories to NRV	-	(273)	n.m.
Amortisation of right-of-use asset	1,429	-	n.m.
Loss allowance on third parties trade receivables	92	249	(63.1)
Fair value (gain)/loss on derivative financial instruments	(1)	9	(111.1)
Interest expense	111	173	35.8
Interest income	(59)	(61)	(3.3)
Lease liabilities finance cost	135	-	n.m.

Note: "n.m." denotes not meaningful

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

Statement of Financial Position	Group As at		Company As at	
	31/12/2019 (Unaudited) S\$'000	31/12/2018 (Audited) S\$'000	31/12/2019 (Unaudited) S\$'000	31/12/2018 (Audited) S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	966	2,291	-	-
Intangible assets	14	6	-	-
Investment in subsidiaries	-	-	10	10
Right-of-use asset	2,572	-	-	-
	3,552	2,297	10	10
CURRENT ASSETS				
Inventories	3,457	3,947	-	-
Trade receivables	11,342	10,830	-	-
Prepayments, deposits and other receivables	153	741	4,510	4,988
Income tax recoverable	28	44	-	-
Pledged bank deposits	721	720	-	-
Cash and bank balance	10,203	9,512	1,184	1,133
	25,904	25,794	5,694	6,121
Less:				
CURRENT LIABILITIES				
Contract liabilities	590	503	-	-
Trade payables	4,561	3,810	368	476
Accruals and other payables	1,594	1,960	-	-
Provisions	31	31	-	-
Borrowings	3,230	2,846	-	-
Finance lease payables	-	339	-	-
Lease liabilities	1,239	-	-	-
Derivative financial instruments	8	9	-	-
Income tax payable	515	720	-	-
	11,768	10,218	368	476
NET CURRENT ASSETS	14,136	15,576	5,326	5,645
Less:				
NON-CURRENT LIABILITIES				
Finance lease payables	-	1,471	-	-
Lease liabilities	1,759	-	-	-
Deferred tax liabilities	62	62	-	-
	1,821	1,533	-	-
NET TOTAL ASSETS	15,867	16,340	5,336	5,655
CAPITAL AND RESERVES				
Share capital	5,125	5,125	5,125	5,125
Other reserves	1,219	1,215	-	-
Retained earnings	9,522	9,999	211	530
Non-controlling interest	1	1	-	-
TOTAL EQUITY	15,867	16,340	5,336	5,655

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

As at 31/12/2019 (Unaudited) (S\$'000)		As at 31/12/2018 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
4,469	-	3,185	-

Amount repayable after one year

As at 31/12/2019 (Unaudited) (S\$'000)		As at 31/12/2018 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,759	-	1,471	-

Details of any collateral secured borrowings:-

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

- (a) Trust receipts have maturities of between 25 to 150 (31 December 2018: 45 to 150) days. As at 31 December 2019, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$3,229,666 (31 December 2018: S\$2,846,065).
- (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\$1,243,376 (31 December 2018: S\$1,467,009) at the end of the current financial year.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

Consolidated Statement of Cash Flows	Group	
	FY2019 (Unaudited) S\$'000	FY2018 (Audited) S\$'000
Operating activities		
Profit before income tax	357	1,426
Adjustments for:		
Depreciation of property, plant and equipment	235	705
Written off of PPE	-	1
Amortisation of intangible asset	6	20
Write back of inventories to NRV	-	(273)
Amortisation of right-of-use asset	1,429	-
Allowance for impairment loss of trade receivables	92	249
Fair value (gain)/loss on derivative financial instruments	(1)	9
Interest expenses	111	173
Interest income	(59)	(60)
Lease liabilities finance cost	135	-
Operating profit before working capital changes	2,305	2,250
Working capital changes:		
Decrease in inventories	489	849
Decrease in contract assets	-	114
Increase in trade receivables	(604)	(2,013)
Decrease/(increase) in prepayments, deposits and other receivables	588	(693)
Increase in contract liabilities	87	74
Increase in trade payables	752	1,245
Increase in accruals and other payables	(365)	(166)
Cash generated from operations	3,252	1,660
Income tax refund	64	-
Income tax paid	(699)	(400)
Net cash from operating activities	2,617	1,260
Investing activities		
Purchases of intangible assets	(14)	(7)
Purchases of property, plant and equipment	(379)	(182)
Interest received	59	60
Net cash used in investing activities	(334)	(129)
Financing activities		
Dividend paid	(388)	(1,162)
Decrease in pledged bank deposits	(1)	(9)
Proceeds from borrowings	8,218	7,558
Repayment of borrowings	(7,834)	(7,867)
Interest paid on bank borrowings	(110)	(83)
Repayment of obligations under lease	(1,346)	(310)
Interest paid on lease liabilities	(135)	(89)
Interest paid on bank overdrafts	-	(1)
Net cash used in financing activities	(1,596)	(1,963)
Net increase/(decrease) in cash and cash equivalents	687	(832)
Cash and cash equivalents at beginning of financial year	9,512	10,331
Effect of exchange rate changes on cash and cash equivalents	4	13
Cash and cash equivalents at end of financial year	10,203	9,512

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

Consolidated Statement of Changes in Equity

	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Non- controlling Interest (S\$'000)	Total Equity (S\$'000)
Group (Unaudited)						
Balance as at 01 January 2019	5,125	1,312	(97)	9,999	1	16,340
Loss for the financial year	-	-	-	(89)	-	(89)
Other Comprehensive income:						
Exchange differences on translating foreign operations	-	-	4	-	-	4
Total comprehensive loss for the financial year	-	-	4	(89)	-	(85)
Transaction with owners of the Parent						
Dividends	-	-	-	(388)	-	(388)
Total transaction with owners of the parent	-	-	-	(388)	-	(388)
Balance as at 31 December 2019	5,125	1,312	(93)	9,522	1	15,867

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Non- controlling Interest (S\$'000)	Total Equity (S\$'000)
Group						
(Audited)						
Balance as at						
01 January 2018	5,125	1,312	(98)	10,466	15	16,820
Profit for the financial year	-	-	-	695	(14)	681
Other comprehensive income:						
Exchange differences on translating foreign operations	-	-	1	-	-	1
Total comprehensive income for the financial year	-	-	1	695	(14)	682
Transaction with owners of the parents						
Dividends	-	-	-	(1,162)	-	(1,162)
Total transaction with owners of the parent	-	-	-	(1,162)	-	(1,162)
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	-	-
Balance as at						
31 December 2018	5,125	1,312	(97)	9,999	1	16,340

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

Statement of Changes in Equity

Company (Unaudited)

	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2019	5,125	530	5,655
Profit for the financial year	-	69	69
Total comprehensive income for the financial year	-	69	69
Issuance of ordinary shares	-	-	-
Transaction with owners of the parent			
Dividends	-	(388)	(388)
Total transaction with owners of the parent	-	(388)	(388)
Balance as at 31 December 2019	5,125	211	5,336

Company (Audited)

	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2018	5,125	533	5,658
Profit for the financial year	-	1,159	1,159
Total comprehensive income for the financial year	-	1,159	1,159
Transaction with owners of the parent			
Dividends	-	(1,162)	(1,162)
Total transactions with owners of parent	-	(1,162)	(1,162)
Balance as at 31 December 2018	5,125	530	5,655

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2019 and 31 December 2018.

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

Details of Changes in the Company's Issued Share Capital

	FY2019 (Unaudited)		FY2018 (Audited)	
	Number of ordinary shares	Issued and Paid Up S\$	Number of ordinary shares	Issued and Paid Up S\$
Share capital	155,000,000	5,124,790	155,000,000	5,124,790

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2019 and 31 December 2018.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

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

As at 31 December 2019, the issued share capital of the Company comprised 155,000,000 ordinary shares (31 December 2018: 155,000,000 ordinary shares).

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

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

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and /or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

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

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

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

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on effort taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

As highlighted in point 5 below, the Group and the Company have consistently applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting periods as compared to its most recent audited consolidated financial statements for the financial year ended 31 December 2018.

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

The Group and the Company's financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") under the historical cost convention. In prior year, the Group and the Company have reported its first set of financial information under SFRS(I)s 1 First-time Adoption of Singapore Financial Reporting Standards (International) which was applied consistently in its opening statement of financial position at 1

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

January 2017 and throughout all reporting periods presented, as if these policies had always been in effect.

In the current financial year, the Group and the Company has adopted all the SFRS(I)s that are relevant to its operations and effective for the current financial year consistently, which includes SFRS(I) 16 Leases. On adoption of SFRS(I) 16, the Group and the Company have capitalised their rented office spaces, warehouses and office equipment on the statements of financial position by recognising them as right-of-use ("ROU") assets and their corresponding lease liabilities for the present value of future lease payments. The Group and the Company has adopted the standard consistently in its opening statement of financial position at on 1 January 2019 using the modified retrospective method. The adoption of the new/revised SFRS(I) had no material effect on the amounts reported for the current or prior financial years.

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

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

Earnings per share ("EPS")⁽¹⁾

	Group FY2019 (Unaudited)	FY2018 (Audited)
(Loss)/profit attributable to owners of the Company (S\$'000)	(89)	695
Weighted average number of ordinary shares for calculation of		
(a) Basic earnings per share	155,000,000	155,000,000
(b) Diluted earnings per share ⁽²⁾	155,000,000	155,000,000
(Loss)/earnings per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	(0.06)	0.45
(b) On a fully diluted basis ⁽²⁾	(0.06)	0.45

Notes:

1. The calculation for the basic and diluted EPS for the respective financial periods is based on the weighted average number of ordinary shares in 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. 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 31.12.2019 (Unaudited)	31.12.2018 (Audited)	Company 31.12.2019 (Unaudited)	31.12.2018 (Audited)
Net Asset Value ("NAV")				
NAV attributable to owners of the Company (S\$'000)	15,866	16,339	5,336	5,655
Actual Number of issued				
Ordinary shares	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary shares (cents)	10.24	10.54	3.44	3.65

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) Any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

Review of the Group's performance

Consolidated Statement of Comprehensive Income

Revenue

For the financial year ended 31 December 2019 ("FY2019"), the Group recorded revenue amounting to S\$33.02 million compared to S\$33.56 million in the previous corresponding year ("FY2018"). The decrease in Group's revenue was primarily due to lower sales generated from fabrication and distribution for project delivery.

Cost of sales and gross profit

The Group's cost of sales increased by approximately S\$0.15 million from S\$22.53 million in FY 2018 to S\$22.68 million in FY 2019. This is mainly caused by the tools and consumables of approximately S\$0.15 million expensed off in the financial year.

The Group's gross profit for FY2019 is approximately S\$10.35 million as compared to S\$11.04 million in FY2018.

Other items of income

Other income decreased by approximately S\$0.01 million from S\$0.50 million in FY2018 to S\$0.49 million in FY2019 due to the decreases of government grants.

Distribution costs

Distribution expenses increased by approximately S\$0.75 million from S\$3.53 million in FY2018 to S\$4.28 million in FY2019.

This was mainly due to the increase in (i) staff costs for additional headcount in sales and sales support personnel including provision for bonus and commission of approximately S\$0.59 million, (ii) business travelling of approximately S\$0.09 million due to travelling for on-site visits for project in Malaysia and Maldives and overseas cost incurred for Milano exhibition, (iii) sponsorship of approximately S\$0.05 million, and (iv) office rental of approximately S\$0.07 million, partially offset by the decrease of approximately S\$0.09 million in upkeep of vehicle, advertising and other miscellaneous expenses.

Administrative expenses

The net increase in administrative expenses by approximately S\$0.18 million in the current year as compared to its corresponding year in FY2018 is mainly due to (i) the rental of the additional unit of premise at Clementi Loop of approximately S\$0.14 million, (ii) additional staff cost of approximately S\$0.18 million due to increase in headcount and provision of bonus, (iii) donations of approximately S\$0.06 million, (iv) company event of approximately S\$0.05 million and offset by the decrease in staff incentives of approximately S\$0.25 million.

Other expenses

Other expenses decreased by approximately S\$0.31 million from S\$0.50 million in FY2018 to S\$0.19 million in FY2019. This is mainly due to the increase in allowance for doubtful debts of approximately S\$0.09 million partially offset by the decrease in amortisation of intangible assets of approximately S\$0.01 million and bad debts written off of approximately S\$0.23 million.

Listing expenses

Listing expenses decreased by approximately S\$0.47 million from S\$1.66 million in FY 2018 to S\$ 1.19 million in FY 2019. The listing expenses were one-off in nature.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

Finance costs

Finance costs increased by approximately S\$0.08 million from S\$0.17 million in FY2018 to S\$0.25 million in FY2019. The increase is due to higher utilisation of invoice financing and hire purchase facilities.

Income tax expense

Income tax expenses is estimated to be S\$0.45 million in FY2019 due to current tax expenses of S\$0.52 million in FY2019 offset by over provision of income tax in prior year of approximately S\$0.07 million.

Loss for the financial year

The Group reported a net loss attributable to equity shareholders of approximately S\$0.09 million in FY2019 compared to net profit of approximately S\$0.68 million in FY2018 mainly due to the decrease in gross profits and the expenses incurred for the proposed dual listing in Hong Kong. The Group had incurred listing expenses of S\$1.19 million recognised as listing expense in the financial statements, which are one-off in nature, tools and consumables expense off to the profit and loss of approximately S\$0.15 million and additional provision for (i) bonus and related cost of approximately S\$0.49 million, (ii) additional provision for doubtful debts of approximately S\$0.09 million.

Excluding the dual listing expenses, the Group would have recorded a net profit of S\$1.1 million.

Statement of Financial Position

Non- current assets

The Group's non-current assets increased by S\$1.26 million to S\$3.55 million at 31 December 2019 (31 December 2018: S\$2.30 million mainly due to the right-of-use ("ROU") assets of approximately S\$2.57 million arose from the Group's adoption of SFRS(I) 16 on 1 January 2019.

Current assets

The Group's reported current assets amounted to approximately S\$25.90 million as at 31 December 2019 (31 December 2018: S\$25.79 million).

The Group's inventories decreased by S\$0.48 million from S\$3.94 million as at 31 December 2018 to S\$3.46 million as at 31 December 2019 is partially attributable to reduction of goods in transit of approximately S\$0.13 million and tools and consumables of approximately S\$0.15 million expensed off in the financial year.

The increase in trade receivables by approximately S\$0.51 million from S\$10.83 million as at 31 December 2018 to S\$11.34 million as at 31 December 2019 is mainly due to higher sales generated during last quarter of the FY2019, which remains unpaid as at year end.

The decrease in prepayments, deposits and other receivables by approximately S\$0.59 million is mainly due to prepaid listing expenses in HK recognised as listing expenses during the FY2019.

Income tax recoverable of approximately S\$0.03 million as at 31 December 2019 mainly due to income tax overpaid to tax authority in Malaysia based on estimated income chargeable and tax refunded during the year ended 2018.

The increase in cash and cash equivalents is mainly due to net cash generated from operations.

Current liabilities

The Group's current liabilities position increased by S\$1.55 million from S\$10.22 million as at 31 December 2018 to S\$11.77 million as at 31 December 2019.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

The increase in contract liabilities by approximately S\$0.09 million from S\$0.50 million as at 31 December 2018 to S\$0.59 million as at 31 December 2019 is mainly due to increase in advance received from customers as down payment for orders.

The increase in trade payables by approximately S\$0.75 million from S\$3.81 million as at 31 December 2018 to S\$4.56 million as at 31 December 2019 contributed to higher purchases made during the last quarter of FY 2019.

The decrease in accruals and other payables by approximately S\$0.37 million from S\$1.96 million as at 31 December 2018 to S\$1.59 million as at 31 December 2019 is mainly due to the absence of accrued listing expenses recognised in income statement in FY2019.

The increase in bank borrowings by approximately S\$ 0.38 million from S\$ 2.85 million as at 31 December 2018 to S\$3.23 million as at 31 December 2019 is mainly due to the high utilisation of invoicing finance for bills payment to suppliers during last quarter of the FY2019.

The increase in the current portion of lease liabilities of approximately of S\$1.23 million mainly arising from recognition of new lease liabilities, which were previously classified as operating leases, on the adoption of SFRS(I) 16.

The decrease in income tax payable by approximately S\$0.20 million from S\$0.72 million as at 31 December 2018 to S\$0.52 million as at 31 December 2019 is mainly due to the lower provision of Group's income taxes on profits.

Non-current liabilities

The Group's non-current liabilities increase of S\$0.30 million is mainly due to increase of lease liabilities obtained for purchase of new motor vehicles.

Shareholders' equity

As at 31 December 2019, the Group shareholders' equity amounted to S\$15.87 million as compared to S\$16.34 million as at 31 December 2018, resulting from decrease in retained earnings of approximately S\$0.47 million.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, amounted to approximately S\$10.20 million as at 31 December 2019, representing an increase of approximately S\$0.69 million from the cash and cash equivalents balance of S\$9.51 million as at 31 December 2018.

Net cash from operating activities

The Group's net cash inflow from the operating activities was approximately S\$3.25 million. This is mainly due to the net cash generated by the operations of the group.

Net cash flows used in investing activities

Net cash flows used in investing activities during FY2019 amounted to approximately S\$0.33 million, as a result of additions to property, plant and equipment amounting to S\$0.38 million and intangible assets of S\$0.01 million, partially offset from interest received of approximately S\$0.06 million.

Net cash flows used in financing activities

Net cash flows used in financing activities during FY2019 was approximately S\$1.60 million. The funds from issuance of trust receipts of approximately S\$8.22 million were offset by the repayment of trust receipts of approximately S\$7.83million. The cash outflows were mainly related to dividend payments made of approximately S\$0.39 million in FY2019, settlement of obligations under lease payable of approximately S\$1.35 million, payment of interest expense of S\$0.11 million and finance cost on lease liabilities of approximately S\$0.14 million.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

Not applicable.

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

The outbreak of Covid-19 is expected to reduce the demand for services from the Group's maintenance and servicing sector. To reduce the impact, the Group is actively pursuing new projects, reducing costs, increasing productivity and maximising use of its resources.

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

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

No.

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

Yes. The Board of Directors recommended one tier tax-exempt final dividend for FY2018

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.25 Singapore cent per share
Tax Rate	Tax exempt (one-tier).

- (c) ***Date payable***

Not applicable.

- (d) ***Record date***

Not applicable.

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

No dividend has been declared/recommendeded, as the Group is conserving cash in consideration of the uncertainties arising from Covid-19.

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

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

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

14. *Update on use of proceeds*

(a) Initial Public Offer ("IPO")

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

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

The above utilisation of the proceeds from IPO is consistent with the intended uses as disclosed in the Offer Document. The Group has un-utilised proceeds from IPO of approximately S\$1.97 million as at 31 December 2019, of which S\$381,000 could be used to fund the acquisition of additional plant equipment and machinery and the remaining S\$1.6 million is allocated for business expansion, including by way of acquisitions, joint ventures and /or strategic alliances activities. The Company will make periodic announcements on the use of proceeds as and when the funds are materially disbursed. The funds are currently placed in deposits with banks and financial institutions while waiting for right investment decision and business opportunities.

(b) Placement

The company has raised net proceeds from the placement of approximately S\$1.0 million. As at the date of announcement, the net proceeds have not been utilised.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

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

Business Segments

The Group is primarily engaged in two business segments namely:

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

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

Business Segment (Unaudited)	Fabrication and distribution business S\$'000	Maintenance and servicing business S\$'000	Unallocated S\$'000	Total S\$'000
2019				
Revenue				
Recognised at a point in time	24,631	-	-	24,631
Recognised over time	809	7,581	-	8,390
	<u>25,440</u>	<u>7,581</u>	<u>-</u>	<u>33,021</u>
Results				
Segment results	1,480	654	(1,531)	603
Finance costs	(190)	(56)	-	(246)
Profit before income tax	<u>1,290</u>	<u>598</u>	<u>(1,531)</u>	<u>357</u>
Income tax expense				<u>(446)</u>
Loss for the financial year				<u>(89)</u>
Non-cash items				
Depreciation of property, plant and equipment	(181)	(54)	-	(235)
Amortisation of intangible asset	(5)	(1)	-	(6)
Amortisation of right-of-use assets	(1,083)	(346)	-	(1,429)
Loss allowance on third parties trade receivable	(68)	(24)	-	(92)
Inventory written down	(2)	-	-	(2)
Fair value gain on derivative	1	-	-	1
	<u>-</u>	<u>-</u>	<u>379</u>	<u>379</u>
Capital Expenditure				
Property, plant and equipment	-	-	379	379
Intangible asset			<u>14</u>	<u>14</u>
Assets and Liabilities				
Segment assets	-	-	29,456	29,456
	<u>-</u>	<u>-</u>	<u>29,456</u>	<u>29,456</u>
Segment liabilities	-	-	(13,012)	(13,012)
- Current income tax payable	-	-	(515)	(515)
- Deferred tax payable	-	-	(62)	(62)
	<u>-</u>	<u>-</u>	<u>(13,589)</u>	<u>(13,589)</u>

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

Business Segment	Fabrication and distribution business	Maintenance and servicing business	Unallocated	Total
(Audited)	S\$'000	S\$'000	S\$'000	S\$'000
2018				
Revenue				
Recognised at a point in time	25,162	-	-	25,162
Recognised over time	1,635	6,764	-	8,399
	<u>26,797</u>	<u>6,764</u>	<u>-</u>	<u>33,561</u>
Results				
Segment results	2,770	946	(2,118)	1,598
Finance costs	(138)	(34)	-	(172)
Profit before income tax	<u>2,632</u>	<u>912</u>	<u>(2,118)</u>	<u>1,426</u>
Income tax expense				(745)
Profit for the financial year				<u>681</u>
Non-cash items				
Depreciation of property, plant and equipment	(563)	(142)	-	(705)
Amortisation of intangible asset	(16)	(4)	-	(20)
Inventories written back	273	-	-	273
Loss allowance on third parties trade receivables	<u>(249)</u>	<u>-</u>	<u>-</u>	<u>(249)</u>
Capital Expenditure				
Property, plant and equipment	-	-	609	609
Intangible asset			7	7
Assets and Liabilities				
Segment assets	-	-	28,091	28,091
	<u>-</u>	<u>-</u>	<u>28,091</u>	<u>28,091</u>
Segment liabilities	-	-	(10,969)	(10,969)
- Current income tax payable	-	-	(720)	(720)
- Deferred tax payable	-	-	(62)	(62)
	<u>-</u>	<u>-</u>	<u>(11,751)</u>	<u>(11,751)</u>

Geographical information

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

(Unaudited)	Singapore	Malaysia	Others	Total
2019	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	30,480	574	1,967	33,021
Non-current assets	3,038	514	-	3,552
(Audited)	Singapore	Malaysia	Others	Total
2018	S\$'000	S\$'000	S\$'000	S\$'000
Total revenue from external customers	32,820	731	10	33,561
Non-current assets	1,908	389	-	2,297

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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

Refer to Section 8 for details.

17. *A breakdown of sales as follows:-*

	FY2019 (Unaudited) S\$'000	FY2018 (Audited) S\$'000
Sales & Net loss reported for 1st half, 30 June		
Sales	13,321	14,966
Operating loss after tax before deducting non-controlling interests reported for the first half year	(1,430)	(656)
Operating loss margin	(10.73%)	(4.38%)
Sales & Net profit reported for 2nd half, 31 Dec		
Sales	19,700	18,595
Operating profit after tax before deducting non-controlling interests reported for the second half year	1,341	1,337
Operating profit margin	6.80%	7.19%

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

	FY2019 (Unaudited) S\$	FY2018 (Audited) S\$
Interim ordinary dividend declared and paid	-	387,500
Final ordinary dividend proposed	-	387,500

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

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

20. *Confirmation pursuant to 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
27 February 2020

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. 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 contact person for the Sponsor is Mr Eric Wong (Director, Investment Banking). The contact particulars are 50 Raffles Place, #09-01 Singapore Land Tower, Singapore 048623, telephone: +65 6337 5115.