

**SINGAPORE KITCHEN EQUIPMENT LIMITED**

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

**\*Half Year Financial Statement And Dividend Announcement For The Period Ended 30 June 2018**

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

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

The Announcement of Half –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		
	1H2018 (Unaudited) S\$'000	1H2017 (Unaudited) S\$'000	Increase/ (Decrease) %
<b>Revenue</b>	14,966	14,990	(0.2)
Cost of sales	(10,297)	(10,040)	2.6
Gross profit	4,669	4,950	(5.7)
<b>Other items of income</b>			
Interest income	32	31	3.2
Other income	244	140	74.3
<b>Other items of expense</b>			
Distribution costs	(1,737)	(1,506)	15.3
Administrative and other expenses	(3,599)	(2,344)	53.5
Finance costs	(94)	(26)	261.5
(Loss)/profit before income tax	(485)	1,245	n.m.
Income tax expense	(171)	(255)	(32.9)
<b>(Loss)/profit for the financial period</b>	(656)	990	n.m.
<b>Other comprehensive income/(loss):</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	16	(14)	n.m.
<b>Other comprehensive income/(loss) for the financial period, net of tax</b>	16	(14)	n.m.
<b>Total comprehensive (loss)/income for the financial period</b>	(640)	976	n.m.
<b>(Loss)/profit attributable to:</b>			
<b>Owners of the parent</b>	(656)	993	n.m.
<b>Non-controlling interest</b>	-	(3)	(100.0)
	(656)	990	n.m.
<b>Total comprehensive (loss)/income attributable to:</b>			
<b>Owners of the parent</b>	(640)	979	n.m.
<b>Non-controlling interest</b>	-	(3)	(100.0)
	(640)	976	n.m.

Remarks:

"1H2018" denotes the half-year financial ended 30 June 2018

"1H2017" denotes the half-year financial ended 30 June 2017

"n.m." denotes not meaningful

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

(Loss)/profit before income tax is arrived at after charging /(crediting) the following:	Group		Increase/ (Decrease) %
	1H2018 (Unaudited) S\$'000	1H2017 (Unaudited) S\$'000	
Depreciation of property, plant and equipment	340	194	75.3
Amortisation of intangible assets	15	34	(55.9)
Allowance for impairment loss of trade receivables	44	193	(77.2)
Write back of inventories to NRV	(70)	(139)	(49.7)
Interest expenses	94	26	261.5
Fair value gain on derivative financial instruments	-	(2)	(100.0)
Interest income	(32)	(31)	3.2

**Included in income tax expense were:-**

Overprovision of current income tax in prior financial years	(18)	-	n.m
Under provision of deferred tax in prior financial years	-	12	100.0

Note: "n.m." denotes not meaningful

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**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	
	30/06/2018 (Unaudited) S\$'000	31/12/2017 (Audited) S\$'000	30/06/2018 (Unaudited) S\$'000	31/12/2017 (Audited) S\$'000
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	2,390	2,386	-	-
Intangible assets	5	20	-	-
Investment in subsidiaries	-	-	10	10
	2,395	2,406	10	10
<b>CURRENT ASSETS</b>				
Inventories	4,278	4,523	-	-
Contract assets	191	113	-	-
Trade and other receivables	11,592	9,112	3,581	4,832
Income tax recoverable	34	15	-	-
Cash and cash equivalents	8,798	11,041	1,089	1,066
	24,893	24,804	4,670	5,898
Less:				
<b>CURRENT LIABILITIES</b>				
Contract liabilities	789	429	-	-
Trade and other payables	6,546	4,674	1,192	250
Provisions	31	31	-	-
Borrowings	2,262	3,155	-	-
Finance lease obligations	314	272	-	-
Income tax payable	357	319	-	-
	10,299	8,880	1,192	250
<b>NET CURRENT ASSETS</b>	14,594	15,924	3,478	5,648
Less:				
<b>NON-CURRENT LIABILITIES</b>				
Finance lease obligations	1,522	1,422	-	-
Deferred tax liabilities	62	88	-	-
	1,584	1,510	-	-
<b>NET ASSETS</b>	15,405	16,820	3,488	5,658
<b>CAPITAL AND RESERVES</b>				
Share capital	5,125	5,125	5,125	5,125
Other reserves	1,230	1,214	-	-
Retained earnings	9,035	10,466	(1,637)	533
	15,390	16,805	3,488	5,658
Non-controlling interests	15	15	-	-
<b>TOTAL EQUITY</b>	15,405	16,820	3,488	5,658

\*Denotes amount less than S\$1,000.

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

As at 30/06/2018 (Unaudited) (S\$'000)		As at 31/12/2017 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
2,576	-	3,427	-

**Amount repayable after one year**

As at 30/06/2018 (Unaudited) (S\$'000)		As at 31/12/2017 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,522	-	1,422	-

**Details of any collateral secured borrowings:-**

As at 30 June 2018, the Group's borrowings comprising bank borrowings and finance lease payables that were secured as follows:-

- (a) Trust receipts have maturities of between 45 to 150 (31 December 2017: 45 to 150) days. As at 30 June 2018, trust receipts are secured by financial guarantee from the Company with a carrying amount of S\$2,261,676.00 (31 December 2017: S\$3,154,833).
- (b) Obligations under finance lease are secured by the leased assets, which will be returned to the lessors in the event of default by the Group. At the end of the current financial period, the Group finance lease have a carrying amount of S\$1,521,511 (31 December 2017: S\$1,422,225) at the end of the current financial year.
- (c) Bank borrowings of subsidiaries are secured by corporate guarantee issued by the Company.

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### 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	
	1H2018 (Unaudited) S\$'000	1H2017 (Unaudited) S\$'000
<b>Operating activities</b>		
(Loss)/profit before income tax expense	(485)	1,245
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	340	194
Amortisation for intangible assets	15	34
Write back of inventories to NRV	(70)	(139)
Allowance for impairment loss of trade receivables	44	193
Fair value gain on derivative financial instruments	-	(2)
Interest expenses	94	26
Interest income	(32)	(31)
<b>Operating profit before working capital changes</b>	(94)	1,520
<b>Working capital changes:</b>		
Decrease/ (increase) in inventories	321	(593)
Increase in contract assets	(78)	(64)
Increase in trade receivables and other receivables	(2,509)	(2,145)
Increase in contract liabilities	360	294
Increase in trade payables and other payables	1,827	129
<b>Cash used in operations</b>	(173)	(859)
Income tax refund	-	27
Income tax paid	(176)	(322)
<b>Net cash used in operating activities</b>	(349)	(1,154)
<b>Investing activities</b>		
Purchase of intangible assets	-	-
Purchase of property, plant and equipment	(47)	(98)
Proceeds from sale of property, plant and equipment	-	21
Interest received	32	31
<b>Net cash used in investing activities</b>	(15)	(46)
<b>Financing activities</b>		
Dividend paid	(775)	(1,125)
Decrease in pledged bank deposits	-	(1)
Proceeds from borrowings	4,166	3,287
Repayment of borrowings	(5,060)	(1,360)
Interest paid on bank borrowings	(51)	(12)
Repayment of finance lease obligations	(144)	(67)
Interest paid on finance lease obligations	(42)	(14)
Interest paid on bank overdrafts	(1)	-
<b>Net cash (used in)/from financing activities</b>	(1,907)	708
<b>Net change in cash and cash equivalents</b>	(2,271)	(492)
<b>Cash and cash equivalents at beginning of financial period</b>	10,331	8,491
<b>Effect of exchange rate changes on cash and cash equivalents</b>	27	(18)
<b>Cash and cash equivalents at end of financial period</b>	8,087	7,981

#### Cash and cash equivalents comprised

Cash on hand and at bank	5,081	5,340
Fixed deposits with banks	3,717	3,352
<b>Cash and cash equivalents as per consolidated statement of financial position</b>	8,798	8,692
Less: fixed deposits pledged	(711)	(711)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	8,087	7,981

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**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 for the period ended 30 June

<u>Group</u> (Unaudited)	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Total (\$S'000)	Non- controlling interest (S\$'000)	Total Equity (S\$'000)
<b>Balance as at 01 January 2018</b>	5,125	1,312	(98)	10,466	16,805	15	16,820
<b>Loss for the financial period</b>	-	-	-	(656)	(656)	-	(656)
<b>Other Comprehensive income:</b>							
Exchange differences on translating foreign operations	-	-	16	-	16	-	16
<b>Total comprehensive income for the financial period</b>	-	-	16	(656)	(640)	-	(640)
<b>Transaction with owners of the Parent</b>							
Dividends	-	-	-	(775)	(775)	-	(775)
<b>Total transaction with owners of the parent</b>	-	-	-	(775)	(775)	-	(775)
<b>Balance as at 30 June 2018</b>	<b>5,125</b>	<b>1,312</b>	<b>(82)</b>	<b>9,035</b>	<b>15,390</b>	<b>15</b>	<b>15,405</b>

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<b>Group</b>	<b>Share Capital (S\$'000)</b>	<b>Merger Reserve (S\$'000)</b>	<b>Foreign Currency Translation Account (S\$'000)</b>	<b>Retained Earnings (S\$'000)</b>	<b>Total (S\$'000)</b>	<b>Non- Controlling interest (S\$'000)</b>	<b>Total Equity (S\$'000)</b>
<b><u>(Unaudited)</u></b>							
<b>Balance as at 01 January 2017</b>	4,125	1,312	(90)	10,684	16,031	-	16,031
<b>Profit for the financial period</b>	-	-	-	993	993	(3)	990
<b>Other comprehensive income:</b>							
Exchange differences on translating foreign operations	-	-	(14)	-	(14)	-	(14)
<b>Total comprehensive income for the financial period</b>	-	-	(14)	993	979	(3)	976
<b>Transaction with owners of the Parent</b>							
Dividends	-	-	-	(1,125)	(1,125)	-	(1,125)
<b>Total transaction with owners of the parent</b>	-	-	-	(1,125)	(1,125)	-	(1,125)
<b>Balance as at 30 June 2017</b>	<b>4,125</b>	<b>1,312</b>	<b>(104)</b>	<b>10,552</b>	<b>15,885</b>	<b>(3)</b>	<b>15,882</b>

Denotes amount less than S\$1,000

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### Consolidated Statement of Changes in Equity for the period ended 30 June - continued

<b>Company (Unaudited)</b>	<b>Share Capital (S\$'000)</b>	<b>Retained Earnings (S\$'000)</b>	<b>Total Equity (S\$'000)</b>
<b>Balance as at 01 January 2018</b>	5,125	533	5,658
<b>Loss for the financial period</b>	-	(1,395)	(1,395)
<b>Total comprehensive income for the financial period</b>	-	(1,395)	(1,395)
<b>Transaction with owners of the parent</b>			
Dividends	-	(775)	(775)
<b>Total transaction with owners of the parent</b>	-	(775)	(775)
<b>Balance as at 30 June 2018</b>	<b>5,125</b>	<b>(1,637)</b>	<b>3,488</b>
<b>Company (Unaudited)</b>	<b>Share Capital (S\$'000)</b>	<b>Retained Earnings (S\$'000)</b>	<b>Total Equity (S\$'000)</b>
<b>Balance as at 01 January 2017</b>	4,125	943	5,068
<b>Profit for the financial period</b>	-	954	954
<b>Total comprehensive income for the financial period</b>	-	954	954
<b>Transaction with owners of the parent</b>			
Dividends	-	(1,125)	(1,125)
<b>Total transactions with owners of parent</b>	-	(1,125)	(1,125)
<b>Balance as at 30 June 2017</b>	<b>4,125</b>	<b>772</b>	<b>4,897</b>

There are no outstanding convertibles or shares held as treasury shares as at 30 June 2018 and 30 June 2017.

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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 the 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.**

There were no changes in the Company's share capital since the end of the previous period reported on, being 31 December 2017.

There are no outstanding convertibles or shares held as treasury shares as at 30 June 2018 and 30 June 2017.

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



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**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 30 June 2018, the issued share capital of the Company comprised 155,000,000 ordinary shares (31 December 2017: 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 qualifications or emphasis of a matter).**

Not applicable.

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

On 1 January 2018, the Group adopted all the new and revised International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) which comprise standards and interpretations approved by IASB and International Financial Reporting Interpretations Committee (IFRIC).

The adoption of IFRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the accounts reported for the current or prior financial periods.

**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.**

As highlighted in point 4 above, the adoption of IFRS does not result in changes to the Group's and Company's accounting policies and has no material effect on the accounts reported.

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**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).

**(Loss)/ Earnings per share**

	Group	
	1H2018 (Unaudited)	1H2017 (Unaudited)
(Loss)/profit attributable to owners of the Company (S\$'000)	(656)	993
Weighted average number of ordinary shares for calculation of		
(a) Basic earnings per share	155,000,000	150,000,000
(b) Diluted earnings per share <sup>(2)</sup>	155,000,000	150,000,000
(Loss)/earnings per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	(0.42)	0.66
(b) On a fully diluted basis <sup>(2)</sup>	(0.42)	0.66

**Notes:**

- The calculation for the basic and diluted EPS for the respective financial periods are based on the weighted average number of ordinary shares in issue in the respective financial period.
- The basic and diluted earnings/(loss) per share 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		Company	
	30.06.2018 (Unaudited)	31.12.2017 (Audited)	30.06.2018 (Unaudited)	31.12.2017 (Audited)
Net Asset Value ("NAV")				
NAV (S\$'000)	15,405	16,820	3,488	5,658
Actual Number of issued				
Ordinary shares	155,000,000	150,000,000	155,000,000	150,000,000
NAV per ordinary share (cents)	9.93	11.21	2.25	3.77

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

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

**Review of the Group's performance**

**Consolidated Statement of Comprehensive Income**

**Revenue**

For the period ended 30 June 2018 ("1H2018"), the Group recorded revenue amounting to S\$14.97 million compared to S\$14.99 million in the previous corresponding period ("1H2017"). The decrease in Group's revenue was primary due to lower sales generated from maintenance and services and partially offset by higher sales from fabrication and distribution for tenders.

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### **Cost of sales and gross profit**

The Group's cost of sales increased by approximately S\$0.26 million from S\$10.04 million in 1H2017 to S\$10.30 million in 1H2018. This was caused by the increase of the Group's staff related costs due to expansion of service and maintenance and production team, depreciation of new motor vehicles and was partially offset by the decrease in cost of materials.

The Group's gross profit for 1H2018 has decreased by S\$0.28 million to S\$4.67 million as compared to S\$4.95 million in 1H2017.

### **Other items of income**

Other income increased by S\$0.10 million from S\$0.14 million in 1H2017 to S\$0.24 million in 1H2018 due mainly to the increase in non-trade foreign exchange gain, government grants, sales of scraps and other income of approximately S\$0.03 million and write back of impairment loss on third party trade receivables of approximately S\$0.07 million.

### **Distribution costs**

Distribution expenses increased by S\$0.24 million to S\$1.74 million in 1H2018 compared to S\$1.5 million in 1H2017. This was due to the increase in staff costs for additional sales personnel and partially offset by the decrease in marketing and other expenses.

### **Administrative and other expenses**

Administrative and other expenses increased by approximately S\$1.26 million to S\$3.60 million in 1H2018 from S\$2.34 million in 1H2017, mainly due to the dual listing expenses incurred during 1H2018 of approximately S\$1.20 million which relates to the potential dual primary listing on GEM of The Stock Exchange of Hong Kong Limited ("SEHK"), increase in rental of office premises of approximately S\$0.02 million, professional fees of approximately S\$0.04 million and depreciation of additional office equipment of approximately S\$0.02 million and partially offset by the decrease in donations.

### **Finance costs**

Finance costs increased by approximately S\$0.07 million from S\$0.02 million in 1H2017 to S\$0.09 million in 1H2018. The increase was due to higher utilisation of invoice financing and hire purchase facilities.

### **Income tax expense**

Income tax expenses was estimated to be S\$0.26 million in 1H2017 as compared to tax expenses of S\$0.17 million in 1H2018.

### **Loss for the financial period**

The Group reported a net loss attributable to equity shareholders of approximately S\$0.66 million in 1H2018 compared to net profit of S\$0.99 million in 1H2017.

The net loss was the result of the dual listing expenses of approximately S\$1.20 million recognised as administrative and other expense in the financial statements. Excluding the dual listing expenses, the Group would record a net profit of S\$0.54 million.

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### **Statement of Financial Position**

#### **Non-current assets**

The Group's non-current assets decreased by S\$0.01 million to S\$2.40 million as at 30 June 2018 (31 December 2017: S\$2.41 million). The decrease is mainly due to the depreciation of intangible assets but was partially offset by the increase in plant and equipment.

#### **Current assets**

The Group's reported current assets amounted to approximately S\$24.90 million as at 30 June 2018 (31 December 2017: S\$24.80 million).

The Group's inventories decreased by S\$0.24 million from S\$4.52 million as at 31 December 2017 to S\$4.28 million as at 30 June 2018 mainly attributable to the batch delivery of kitchen equipment for projects during the 1H2018.

The increase in contract assets by S\$0.08 million from S\$0.11 million as at 31 December 2017 to S\$0.19 million as at 30 June 2018 mainly arose when the Group provided repair and maintenance services before issuing of invoices.

The increase in trade and other receivables by S\$2.48 million from S\$9.11 million as at 31 December 2017 to S\$11.59 million as at 30 June 2018 is mainly due to the advance payment to overseas suppliers upon confirmation of purchase orders and partially offset by the decrease in trade receivables.

The decrease in cash and cash equivalents by S\$2.24 million from S\$11.04 million as at 31 December 2017 to S\$8.80 million as at 30 June 2018 was mainly due to payment for the dual listing expenses and dividends.

#### **Current liabilities**

The Group's current liabilities position increased by S\$1.42 million from S\$8.88 million as at 31 December 2017 to S\$10.30 million as at 30 June 2018. This was mainly attributable to an increase in trade and other payables of S\$1.87 million contributed by higher purchases made, increase in contract liabilities of S\$0.36 and partially offset by the decrease in bank borrowings and finance lease obligations of approximately S\$0.85 million.

#### **Non-current liabilities**

The Group's non-current liabilities increased by S\$0.07 million due to increase of finance lease obligations obtained for purchase of new motor vehicles.

#### **Shareholders' equity**

As at 30 June 2018, the Group had a shareholders' equity of approximately S\$15.41 million as compared to S\$16.81 million as at 31 December 2017 resulting from decrease in retained earnings.

### **Consolidated Statement of Cash Flows**

Cash and cash equivalents, excluding pledged fixed deposits and bank overdraft, stood at approximately S\$8.80 million as at 30 June 2018, representing an increase of approximately S\$0.10 million from the cash and cash equivalents balance of S\$8.70 million as at 30 June 2017.

#### **Net cash flows used in operating activities**

The Group's net cash outflow used in the operating activities was approximately S\$0.35 million. This was mainly due to cash used for payment of dual listing expenses and operations of the Group.

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### **Net cash flows used in investing activities**

Net cash flows used in investing activities during 1H2018 amounted to approximately S\$0.02 million, as a result of additions to property, plant and equipment of approximately S\$0.05 million and offsetted by interest income of approximately S\$0.32 million.

### **Net cash flows used in financing activities**

Net cash flows used in financing activities during 1H2018 was approximately S\$1.91 million. The fresh funds from trust receipts of S\$4.17 million were offsetted by repayment of trust receipts of approximately S\$5.06 million, settlement of finance leases and interest payable of approximately S\$0.19 million and payment of dividends of S\$0.78 million.

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

Not applicable.

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

**(a) Business**

The Group will continue to face the following challenges in the next reporting period and the next 12 months:

- a. Dependence on the F&B and hospitality services industries;
- b. Dependence on our continued ability to secure new projects and the non-cancellation of secured projects;
- c. Increased competition from new and existing players; and
- d. Dependence on key personnel for our continued growth.

The Group will manage the business challenges by increasing its sales efforts into new areas and new projects, and monitoring and managing its overall costs and expenses.

**(b) Corporate Action**

On 17 January 2018, the Company announced it was seeking a proposed dual primary listing of its ordinary shares on the GEM of SEHK by way of a share offer (the "Proposed SEHK Listing"). The success of the Proposed SEHK Listing will be subject to prevailing market conditions and the best interests of the Company. The Company will provide updates through announcements when there are major developments.

On 22 June 2018, the Company announced that it had submitted an application to the SEHK for the listing of, and permission to deal in, the Shares on GEM of the SEHK.

On 26 June 2018, the Company announced that the application proof of the prospectus in respect of the Proposed SEHK Listing and the public offering of new Shares to be made in conjunction with the Proposed SEHK Listing has been uploaded to the following website of the SEHK at [www.hkexnews.hk](http://www.hkexnews.hk)

The Proposed SEHK Listing will incur listing expenses which may negatively impact the Company's net profit attributable to equity Shareholders for the next twelve months.

**11. *Dividend***

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

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*Yes. The Board of Directors recommended one tier tax-exempt interim dividend for 1H2018.*

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

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

Name of Dividend	Interim 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**

To be announced at a later date.

**(d) Books closure date**

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

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

An interim dividend has been recommended as above.

**13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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 IPTs. There was no IPTs exceeding S\$100,000 conducted by the Group during the current financial period reported on.

**14. Update on use of proceeds**

**(a) Initial Public Offering ("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	<i>Allocation</i>	<i>Amount utilised</i>	<i>Amount un-utilised</i>
	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)
<b>Total</b>	<b>4,600</b>	<b>2,629</b>	<b>1,971</b>

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 IPO proceeds of approximately S\$1.97 million as at 30 June 2018, 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.

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### **(b) Placement**

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

#### **15. *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 1H2018 presented in this announcement to be false or misleading in any material aspect.

#### **16. *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**  
**13 August 2018**

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

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

*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.*