

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 2015*PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

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		Increase/ (Decrease) %
	1H FY2015 S\$'000 (Unaudited)	1H FY2014 S\$'000 (Unaudited)	
Revenue	11,279	7,946	41.9
Cost of sales	(7,374)	(5,421)	36.0
Gross profit	3,905	2,525	54.6
Other items of income			
Other income	457	130	251.5
Other items of expense			
Distribution	(999)	(1,017)	(1.8)
Administrative	(2,163)	(1,635)	32.3
Other expenses	(41)	(58)	(29.3)
Finance	(93)	(67)	38.8
Profit/(loss) before income tax	1,066	(122)	(973.8)
Income tax expense	(197)	-	nm
Profit/(loss) for the financial period	869	(122)	(812.3)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences arising from translation of foreign operations	(25)	(4)	525.0
Income tax relating to components of other comprehensive income	-	-	
Other comprehensive income for the financial period, net of tax	(25)	(4)	525.0
Total comprehensive income for the financial period	844	(126)	(769.8)
Profit/(loss) attributable to owners of the parent	869	(122)	(812.3)
Total comprehensive income attributable to owners of the parent	844	(126)	(769.8)

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/(loss) before income tax is arrived at after charging /(crediting) the following:	Group		Increase/ (Decrease) %
	1H FY2015 S\$'000 (Unaudited)	1H FY2014 S\$'000 (Unaudited)	
Depreciation of property, plant and equipment	206	166	24.1
Depreciation of investment property	-	11	(100.0)
Amortisation of intangible asset	38	18	111.1
Gain on disposal of property held for sale	(219)	-	n.m.
Bad third parties trade receivables written off	2	-	n.m.
Foreign exchange gain, net	(73)	-	n.m.
Foreign exchange loss, net	-	40	(100.0)
Interest income	(25)	(6)	316.7
Rental income	-	(24)	(100.0)
Interest expenses	93	31	200.0

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	
	30/06/15 S\$'000 (Unaudited)	31/12/14 S\$'000 (Audited)	30/06/15 S\$'000 (Unaudited)	31/12/14 S\$'000 (Audited)
NON-CURRENT ASSETS				
Property, plant and equipment	1,591	1,693	-	-
Intangible assets	144	138	-	-
Investment in subsidiaries	-	-	10	10
	1,735	1,831	10	10
CURRENT ASSETS				
Cash and cash equivalents	7,735	9,533	93	157
Trade and other receivables	7,504	6,808	6,311	6,737
Prepayments	69	86	11	25
Current income tax recoverable	15	21	-	-
Property held for sale	-	511	-	-
Inventories	3,530	2,679	-	-
	18,853	19,638	6,415	6,919
Less:				
CURRENT LIABILITIES				
Trade and other payables	3,512	4,175	105	187
Borrowings	2,530	3,296	-	-
Provisions	31	162	-	-
Finance lease payables	135	137	-	-
Current income tax payable	218	88	-	-
	6,426	7,858	105	187
NET CURRENT ASSETS	12,427	11,780	6,310	6,732
Less:				
NON-CURRENT LIABILITIES				
Finance lease payables	516	584	-	-
Deferred tax liabilities	67	67	-	-
	583	651	-	-
	13,579	12,960	6,320	6,742
CAPITAL AND RESERVES				
Share capital	4,125	4,125	4,125	4,125
Other reserves	1,250	1,275	-	-
Retained earnings	8,204	7,560	2,195	2,617
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT, REPRESENTING TOTAL EQUITY	13,579	12,960	6,320	6,742

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1(b)(ii) Aggregate amount of group's borrowings and debt securities

	30/06/15 (Unaudited)		31/12/14 (Audited)	
	S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
Amount repayable in one year or less, or on demand	2,665	-	3,433	-
Amount repayable after one year	516	-	584	-

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

As at 30 June 2015, the Group's borrowings comprising bank borrowings and finance lease payables were secured as follows:-

- a. Obligations under finance lease were secured by the lessor's charge over the leased assets, which have a carrying amount of S\$545,523 as at 30 June 2015 (31 December 2014: S\$595,804);
- b. Bank borrowings which comprise of trust receipts were secured by the title to the Group's inventories with a carrying amount of S\$2.53 million (31 December 2014: S\$2.49 million).

The Group had fully repaid two term loans amounting to S\$0.8 million during the reporting period. These term loans were secured by legal mortgage on its freehold land and building and property held for sale and supported by joint and several guarantees of certain directors of the subsidiary and financial guarantee from the subsidiary.

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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	
	1H FY2015 S\$'000 (Unaudited)	1H FY2014 S\$'000 (Unaudited)
Operating activities		
Profit /(loss) before income tax	1,066	(122)
Adjustments for:		
(Gain) /Loss on disposal of asset held for sale	(219)	-
Depreciation of property, plant and equipment	206	166
Depreciation of investment properties	-	11
Amortisation of intangible asset	38	18
Bad third parties trade receivables written off	2	-
Interest Income	(25)	(6)
Interest expenses	93	31
Operating profit before working capital changes	1,161	98
Working capital changes:		
Inventories	(864)	(874)
Trade and other receivables	(724)	1,371
Prepayments	16	(23)
Trade and other payables	(740)	(1,503)
Cash absorbed by operations	(1,151)	(931)
Income tax paid	(59)	(55)
Net cash used in operating activities	(1,210)	(986)
Investing activities		
Addition to property, plant and equipment	(137)	(481)
Addition to computer and software	(44)	-
Proceeds from sale of asset held for sale	730	-
Interest income	25	6
Net cash from/(used in) investing activities	574	(475)
Financing activities		
Fixed deposit pledged with financial institution	(54)	24
Interest paid	(93)	(31)
Dividend paid	(225)	(750)
Repayment of term loans	(800)	(18)
Proceeds from trust receipts	4,071	2,843
Repayment from trust receipts	(4,029)	(2,918)
Repayment of obligations under finance leases	(69)	(49)
Net cash used in financing activities	(1,199)	(899)
Net change in cash and cash equivalents	(1,835)	(2,360)
Cash and cash equivalents at beginning of financial period	8,883	8,596
Effect of exchange rate changes on cash and cash equivalents	(17)	(14)
Cash and cash equivalents at end of financial period	7,031	6,222

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Consolidated Statement of Cash Flows - continued

Cash and cash equivalents comprised of	Group	
	30/06/2015 (Unaudited) S\$'000	30/06/2014 (Unaudited) S\$'000
Cash on hand and at bank	3,915	4,223
Fixed deposits with banks	3,820	2,654
Cash and cash equivalents as per statement of financial position	7,735	6,877
Less: fixed deposits pledged	(704)	(655)
Cash and cash equivalents as per consolidated statement of cash flows	7,031	6,222

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)	Total Equity Attributable to Owners of The Parent (S\$'000)
Group (Unaudited)					
Balance as at 1 January 2015	4,125	1,312	(37)	7,560	12,960
Profit for the financial period	-	-	-	869	869
Other comprehensive income:					
Exchange differences on translating foreign Operations	-	-	(25)	-	(25)
Total comprehensive income for the Financial Period	-	-	(25)	869	844
Transaction with owners of the Parent					
Dividends	-	-	-	(225)	(225)
Total transaction with owners of the parent	-	-	-	(225)	(225)
Balance as at 30 June 2015	4,125	1,312	(62)	8,204	13,579

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Consolidated Statement of Changes in Equity - continued

<u>Group</u> <u>(Unaudited)</u>	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Total Equity Attributable To Owners of The Parent (S\$'000)
Balance as at 1 January 2014	4,125	1,312	(40)	8,074	13,471
Loss for the financial period	-	-	-	(122)	(122)
Other comprehensive Income:					
Exchange differences on Translating foreign operations	-	-	(4)	-	(4)
Total comprehensive Income for the financial period	-	-	(4)	(122)	(126)
Transaction with owners of the parent					
Dividends	-	-	-	(750)	(750)
Total transaction with owners of the parent	-	-	-	(750)	(750)
Balance as at 30 June 2014	4,125	1,312	(44)	7,202	12,595

Statement of Changes in Equity

<u>Company</u> <u>(Unaudited)</u>	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity Attributable to Owners (S\$'000)
Balance as at 1 January 2015	4,125	2,617	6,742
Loss for the financial period	-	(197)	(197)
Total comprehensive income for the financial period	-	(197)	(197)
Transaction with owners of the parent			
Dividends	-	(225)	(225)
Total transaction with owners of the parent	-	(225)	(225)
Balance as at 30 June 2015	4,125	2,195	6,320

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Consolidated Statement of Changes in Equity – continued

<u>Company</u> <u>(Unaudited)</u>	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity Attributable to Owners (S\$'000)
Balance as at 1 January 2014	4,125	4,089	8,214
Loss for the financial period	-	(161)	(161)
Total comprehensive income for the financial period	-	(161)	(161)
Transaction with owners of the parent			
Dividends	-	(750)	(750)
Total transaction with owners of the parent	-	(750)	(750)
Balance as at 30 June 2014	4,125	3,178	7,303

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.*

Details of Changes in the Company's Issued Share Capital	Number of ordinary shares	Issued and Paid Up S\$
At beginning of the financial period – 1 January 2015 and at end of the financial period – 30 June 2015	150,000,000	4,124,790

There are no outstanding convertibles or shares held as treasury shares as at 30 June 2015 and 30 June 2014.

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 2015, the issued share capital of the Company comprised 150,000,000 ordinary shares (31 Dec 2014: 150,000,000 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, disposal, cancellation and /or use of treasury shares 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 auditors of the Company.

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

Not applicable.

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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the Group's financial statements for the current financial reporting period ended 30 June 2015 compared with its audited financial statements as at 31 December 2014.

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 has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with the audited annual financial statements for the financial year ended 31 December 2014, except for the adoption of certain revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1 January 2015. The adoption of these new and revised FRS and INT FRS from the effective date is not expected to result in any material adjustments or substantial impact to the financial statements of Group for the current financial reporting period reported on.

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")	Group	
	1H FY2015 (unaudited)	1H FY2014 (unaudited)
Profit/(loss) attributable to owners of the Company (\$S'000)	869	(122)
Weighted average number of ordinary shares for calculation of		
(a) Basic earnings per share	150,000,000	150,000,000
(b) Diluted earnings per share	150,000,000	150,000,000
Earnings/(Loss) per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	0.58	(0.08)
(b) On a fully diluted basis	0.58	(0.08)

Notes:

- The calculation for the basic and diluted EPS for the respective financial periods is based on the weighted average number of ordinary shares in issued in the respective financial periods.
- 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.

Net Asset Value ("NAV")	Group		Company	
	30.06.2015 (Unaudited)	31.12.2014 (Audited)	30.06.2015 (Unaudited)	31.12.2014 (Audited)
Net Asset Value (\$S'000)	13,579	12,960	6,320	6,742
Actual Number of issued				
Ordinary shares	150,000,000	150,000,000	150,000,000	150,000,000
NAV per ordinary shares (cents)	9.05	8.64	4.21	4.49

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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 financial period ended 30 June 2015 ("1H FY2015"), the Group recorded revenue amounting to S\$11.28 million compared to S\$7.95 million in the previous corresponding period ("1H FY2014"). The increase in Group's revenue by S\$3.33 million was mainly attributed to higher sales of goods of S\$2.48 million due to an expanded sales team and enhanced sales efforts to secure new customers. The increase in income from servicing and maintenance of S\$0.85 million was due to an increase in service job orders and contracts.

Cost of sales and gross profit

Corresponding to the increase in revenue, the Group's cost of sales also increased by approximately S\$1.95 million from S\$5.42 million in 1H FY2014 to S\$7.37 million in 1H FY2015. This was caused by the increase of the Group's cost of purchases by S\$1.17 million, from S\$3.91 million in 1H FY2014 to S\$5.08 million in 1H FY2015, staff costs by S\$0.65 million and other overheads of S\$0.13 million in 1H FY2015.

The Group's gross profit for 1H FY2015 increased by S\$1.38 million as compared to 1H FY2014 (S\$2.53 million). Overall gross profit margin also increased by 2.8% to 34.6% in 1H FY2015 from 31.8% in 1H FY2014.

Other items of income

Other income increased by S\$0.33 million from S\$0.13 million in 1H FY2014 to S\$0.46 million in 1H FY2015. This was mainly due to a gain on disposal of property of S\$0.22 million in January 2015.

Distribution expenses

Distribution expenses remained flat at S\$1 million in 1H FY2015 compared to S\$1.02 million in 1H FY2014.

Administrative expenses

Administrative expenses increased by S\$0.52 million from S\$1.64 million in 1H FY2014 to S\$2.16 million in 1H FY2015. The increase was mainly due to increase in: (i) staff costs by S\$0.25 million; (ii) auditors' remuneration by S\$0.03 million; and (iii) rental expenses by S\$0.02 million.

Other Expenses

Other expenses was marginally lower at S\$0.04 million in 1H FY2015 compared to S\$0.06 million in 1H FY2014. The reduction was attributed to net gain in exchange differences in 1H FY2015 compared to a net loss in exchange incurred in 1H FY2014.

Finance costs

Finance costs increased approximately by S\$0.02 million from S\$0.07 million in 1H FY2014 to S\$0.09 million in 1H FY2015. The increase was due to higher utilisation of invoice financing and hire purchase facilities by the Company in 1H FY2015 as compared to 1H FY2014.

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Income tax expenses

Income tax expense was estimated to be S\$0.2 million in 1H FY2015 mainly due to net profit before tax reported of S\$1.07 million. There was no income tax expense in 1H FY2014.

Profit/ (loss) for the financial period

The Group reported a net profit attributable to equity shareholders of the Company of S\$0.87 million in 1H FY2015 compared to the net loss attributable to equity shareholders of the Company of S\$0.12 million for 1H FY2014.

The turnaround was the result of increase in sales revenue coupled with an improvement in gross profit margin and a gain from disposal of property.

Statement of Financial Position

Non- current assets

The Group's non-current assets decreased by approximately S\$0.09 million from S\$1.83 million as at 31 December 2014 to S\$1.74 million as at 30 June 2015. The decrease was mainly attributable to depreciation and amortisation charges for the period, offset by acquisition of property, plant and equipment and intangible assets (computer software).

Current assets

The Group's current assets reduced by approximately S\$0.79 million from S\$19.64 million as at 31 December 2014 to S\$18.85 million as at 30 June 2015. The decrease largely came from reduction in cash and cash equivalents of approximately S\$1.8 million and the disposal of property held for sale of S\$0.51 million, which were partially offset by increase in inventories and trade and other receivables of S\$0.84 million and S\$0.68 million respectively.

The increase in trade and other receivables as at 30 June 2015 was in line with the increase in sales revenue for the reporting period.

The decrease in cash and cash equivalent was mainly attributed to the settlement of bank borrowings and payables and acquisition of property, plant and equipment and intangible assets.

The higher inventories was mainly due to the need to build up buffer stocks to meet deliveries for upcoming projects.

Current liabilities

The Group's current liabilities position decreased by approximately S\$1.43 million from S\$7.86 million as at 31 December 2014 to S\$6.43 million as at 30 June 2015. This was mainly attributable to a reduction in bank borrowings and trade payables and other payables of S\$0.77 million and S\$0.66 million respectively offset by an increase of current tax payable of S\$0.13 million.

Non-current liabilities

The Group's non-current liabilities was lower by approximately S\$0.07 million from S\$0.65 million as at 31 December 2014 to S\$0.58 million as at 30 June 2015. This was mainly due to repayment of finance lease obligations in 1H FY2015.

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Shareholders' equity

As at 30 June 2015, the Group shareholders' equity stood at S\$13.58 million compared to S\$12.96 million as at 31 December 2014.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged deposits, stood at approximately S\$7.03 million as at 30 June 2015, representing an increase of approximately S\$0.81 million from approximately S\$6.22 million as at 30 June 2014.

Net cash used in operating activities

Net cash flows used in operating activities during 1H FY2015 was approximately S\$1.21 million largely due to an increase in inventories of approximately S\$0.86 million, trade and other receivables of approximately S\$0.72 million, decrease in trade and other payables of approximately S\$0.74 million and payment of income tax of S\$0.05 million.

Net cash flows from investing activities

Net cash flows from investing activities during 1H FY2015 amounted to approximately S\$0.57 million, as a result of proceeds from sale of property held for sales of S\$0.73 million offset by the additions to property, plant and equipment and intangible assets amounting to S\$0.18 million.

Net cash flows used in financing activities

Net cash flows used in financing activities during 1H FY2015 was approximately S\$1.2 million, mainly due to payment of dividend of S\$0.23 million in 1H FY2015 and settlement of term loan borrowing of approximately S\$0.8 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.*

The Group is likely to continue facing the following challenges in the next twelve months:-

- a. Tight labour market;
- b. Rising business costs and volatility in foreign currencies; and
- c. Slowdown in overall business environment.

The Group would continue its efforts to manage the business challenges by increasing its sales efforts, improving productivity in the Group's resources, and monitoring and managing the Group's overall costs and expenses.

Barring any unforeseen and unexpected circumstances, the Group is cautiously optimistic of its performance in the second half of 2015.

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11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes. The Board of Directors recommends one tier tax-exempt interim dividend for 1H FY2015.

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?

Yes. The Board of Directors recommends one tier tax-exempt interim dividend for 1H FY2014.

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).

(a) 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 declared/recommended as above.

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 a general mandate from shareholders for Interested Person Transactions. There were no Interested Persons Transactions exceeding S\$100,000 conducted by the Group during the current financial period reported on.

14. Update on use of Initial Public Offer ("IPO") proceeds

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	0
(d) IPO expenses	1,325	1,335	(10)
Total	4,600	2,629	1,971

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The above utilization of the proceeds from IPO is consistent with the intended uses as disclosed in the Offer Document. The Group has unutilised proceeds from IPO of approximately S\$1.97 million as at 30 June 2015.

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.

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 1H FY2015 presented in this announcement to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Chua Chwee Choo
Managing Director
13 August 2015

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 Catalist. The Sponsor has not independently verified the contents of this announcement.

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