

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 2018

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		
	FY2018 (Unaudited) S\$'000	FY2017 (Audited) S\$'000	Increase/ (Decrease) %
Revenue	33,561	30,725	9.2
Cost of sales	(22,526)	(20,861)	8.0
Gross profit	11,035	9,864	11.9
Other operating income and gains			
Interest income	61	66	(7.6)
Other income	501	184	172.3
Operating expenses			
Distribution costs	(3,531)	(3,608)	(2.1)
Administrative expenses	(4,313)	(4,269)	1.0
Other expenses	(495)	(522)	(5.2)
Listing expenses	(1,659)	-	n.m.
Finance costs	(173)	(117)	47.9
Profit before income tax	1,426	1,598	(10.8)
Income tax expense	(746)	(300)	148.7
Profit for the year	680	1,298	(47.6)
Other comprehensive income/(expenses):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	1	(8)	(112.5)
Total comprehensive income for the financial year	681	1,290	(47.2)
Profit attributable to:			
Owners of the Company	694	1,283	(45.9)
Non-controlling interests	(14)	15	(193.3)
	680	1,298	(47.6)
Total comprehensive income attributable to:			
Owners of the Company	695	1,275	(45.5)
Non-controlling interests	(14)	15	(193.3)
	681	1,290	(47.2)

Remarks:

"FY2018" denotes the financial year ended 31 December 2018

"FY2017" denotes the financial year ended 31 December 2017

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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) %
	FY2018 (Unaudited) S\$'000	FY2017 (Audited) S\$'000	
Depreciation of property, plant and equipment	705	463	52.3
Loss on disposal of plant and equipment	-	57	(100.0)
Written off of property, plant and equipment	1	-	n.m.
Amortisation of intangible asset	20	57	(64.9)
Write back of inventories to NRV	(273)	(69)	295.7
Allowance for impairment loss of trade receivables	249	307	(18.9)
Fair value (gain)/loss on derivative financial instruments	9	(1)	n.m.
Interest expense	173	117	47.9
Interest income	(61)	(66)	(7.6)

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	
	31/12/2018 (Unaudited) S\$'000	31/12/2017 (Audited) S\$'000	31/12/2018 (Unaudited) S\$'000	31/12/2017 (Audited) S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	2,291	2,387	-	-
Intangible assets	6	20	-	-
Investment in subsidiaries	-	-	10	10
	2,297	2,407	10	10
CURRENT ASSETS				
Inventories	3,947	4,523	-	-
Contract assets	-	114	-	-
Trade receivables	9,694	7,931	-	-
Prepayments, deposits and other receivables	1,876	1,180	4,988	4,832
Income tax recoverable	45	15	-	-
Pledged bank deposits	720	711	-	-
Cash and bank balance	9,512	10,331	1,133	1,066
	25,794	24,805	6,121	5,898
Less:				
CURRENT LIABILITIES				
Contract liabilities	503	429	-	-
Trade payables	3,810	2,555	476	250
Accruals and other payables	1,960	2,120	-	-
Provisions	31	31	-	-
Borrowings	2,846	3,155	-	-
Finance lease obligations	339	272	-	-
Derivative financial instruments	9	-	-	-
Income tax payable	720	319	-	-
	10,218	8,881	476	250
NET CURRENT ASSETS	15,576	15,924	5,645	5,648
Less:				
NON-CURRENT LIABILITIES				
Finance lease payables	1,471	1,422	-	-
Deferred tax liabilities	62	88	-	-
	1,533	1,510	-	-
NET TOTAL ASSETS	16,340	16,821	5,655	5,658
CAPITAL AND RESERVES				
Share capital	5,125	5,125	5,125	5,125
Other reserves	1,215	1,214	-	-
Retained earnings	9,999	10,466	530	533
Non-controlling interest	1	16	-	-
TOTAL EQUITY	16,340	16,821	5,655	5,658

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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 31/12/2018 (Unaudited) (S\$'000)		As at 31/12/2017 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,185	-	3,427	-

Amount repayable after one year

As at 31/12/2018 (Unaudited) (S\$'000)		As at 31/12/2017 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,471	-	1,422	-

Details of any collateral secured borrowings:-

As at 31 December 2018, the Group's borrowings comprising bank borrowings and finance lease payables that are secured as follows:-

- Trust receipts have maturities of between 45 to 150 (31 December 2017: 45 to 150) days. As at 31 December 2018, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$2,846,065(31 December 2017: S\$3,154,833).
- Obligations under finance lease are secured by the lessor's charge over the leased assets, which have a carrying amount of S\$1,467,009 (31 December 2016: S\$1,463,225) at the end of the current financial year.
- 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	
	FY2018 (Unaudited) S\$'000	FY2017 (Audited) S\$'000
Operating activities		
Profit before income tax	1,426	1,598
Adjustments for:		
Depreciation of property, plant and equipment	705	463
Loss from disposal of PPE	-	57
Written off of PPE	1	-
Amortisation of intangible asset	20	57
Write back of inventories to NRV	(273)	(69)
Allowance for impairment loss of trade receivables	249	307
Fair value loss/(gain) on derivative financial instruments	9	(1)
Interest expenses	173	117
Interest income	(60)	(66)
Operating profit before working capital changes	2,250	2,463
Working capital changes:		
Decrease/(increase) in inventories	849	(975)
Decrease in contract assets	114	11
Increase in trade receivables	(2,013)	(845)
Increase in prepayments, deposits and other receivables	(693)	(265)
Increase/(decrease) in contract liabilities	74	(192)
Increase in trade payables	1,245	494
(Increase)/decrease in accruals and other payables	(166)	257
Cash generated from operations	1,660	948
Income tax refund	-	70
Income tax paid	(400)	(579)
Net cash from operating activities	1,260	439
Investing activities		
Purchases of intangible assets	(7)	-
Purchases of property, plant and equipment	(182)	(321)
Proceeds from sale of property, plant and equipment	-	126
Interest received	60	66
Net cash used in investing activities	(129)	(129)
Financing activities		
Dividend paid	(1,162)	(1500)
Decrease in pledged bank deposits	(9)	(1)
Proceeds from borrowings	7,558	7,218
Repayment of borrowings	(7,867)	(4,899)
Interest paid on bank borrowings	(83)	(52)
Repayment of finance lease obligations	(310)	(191)
Interest paid on finance lease obligations	(89)	(45)
Interest paid on bank overdrafts	(1)	(1)
Proceeds from issuance of ordinary shares	-	1,000
Net cash (used in)/from financing activities	(1,963)	1,529
Net (decrease)/increase in cash and cash equivalents	(832)	1,839
Cash and cash equivalents at beginning of financial year	10,331	8,491
Effect of exchange rate changes on cash and cash equivalents	13	1
Cash and cash equivalents at end of financial year	9,512	10,331

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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

	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 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 Parent						
Dividends	-	-	-	(1,162)	-	(1,162)
Total transaction with owners of the parent	-	-	-	(1,162)	-	(1,162)
Balance as at 31 December 2018	5,125	1,312	(97)	9,999	1	16,340

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	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 2017	4,125	1,312	(90)	10,684		16,031
Profit for the financial year	-	-	-	1,282	15	1,297
Other comprehensive income:						
Exchange differences on translating foreign operations	-	-	(8)	-		(8)
Total comprehensive income for the financial year	-	-	(8)	1,282	15	1,289
Transaction with owners of the parents						
Issuance of ordinary shares	1,000					1,000
Dividends	-	-	-	(1,500)		(1,500)
Total transaction with owners of the parent	1,000	-	-	(1,500)		(500)
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	-	-
Balance as at						
31 December 2017	5,125	1,312	(98)	10,466	15	16,820

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Statement of Changes in Equity

Company (Unaudited)

	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2018	5125	533	5,658
Profit for the financial year	-	1,159	1,159
Total comprehensive income for the financial year	-	1,159	1,159
Issuance of ordinary shares	-	-	-
Transaction with owners of the parent			
Dividends	-	(1,162)	(1,162)
Total transaction with owners of the parent	-	(1,162)	(1,162)
Balance as at 31 December 2018	5,125	530	5,655

	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2017	4,125	943	5,068
Profit for the financial year	-	1,090	1,090
Total comprehensive income for the financial year	-	1,090	1,090
Issuance of ordinary shares	1,000		1,000
Transaction with owners of the parent			
Dividends	-	(1,500)	(1,500)
Total transactions with owners of parent	-	(1,500)	(1,500)
Balance as at 31 December 2017	5,125	533	5,658

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

	FY2018 (Unaudited)		FY2017 (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 2018 and 31 December 2017.

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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 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.

Save as disclosed in paragraph 5 below, the Group has 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 2017.

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 adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 January 2018 and has reported its first set of financial information under SFRS(I)s for the year ended 31 December 2018. In adopting SFRS(I)s, the Group is required to apply all of the specific transition requirements in SFRS(I)s 1 First-time Adoption of Singapore Financial Reporting Standards (International). The Group has also concurrently applied new major accounting standards (1) SFRS(I) 9 Financial instruments and (2) SFRS (I) 15 Revenue from Contracts with Customers. The adoption of the new financial reporting framework did not have any significant impact on the financial statements of the Group.

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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).

Earnings per share ("EPS")⁽¹⁾

	Group FY2018 (Unaudited)	FY2017 (Audited)
Profit attributable to owners of the Company (S\$'000)	694	1,283
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	150,246,575
Earnings per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	0.45	0.83
(b) On a fully diluted basis ⁽²⁾	0.45	0.85

Notes:

- The calculation for the basic and diluted EPS for the respective financial periods is based on the weighted average number of ordinary shares in issue in the respective financial years.
- The basic and diluted EPS were the same as the Group did not have any potentially dilutive instruments for the respective financial periods.

7. Net asset value (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 31.12.2018 (Unaudited)	31.12.2017 (Audited)	Company 31.12.2018 (Unaudited)	31.12.2017 (Audited)
Net Asset Value ("NAV")				
NAV attributable to owners of the Company (S\$'000)	16,339	16,805	5,655	5,658
Actual Number of issued Ordinary shares	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary shares (cents)	10.54	10.84	3.65	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.

Review of the Group's performance

Consolidated Statement of Comprehensive Income

Revenue

For the financial year ended 31 December 2018 ("FY2018"), the Group recorded revenue amounting to S\$33.56 million compared to S\$30.73 million in the previous corresponding year ("FY2017"). The increase in Group's revenue by S\$2.83 million is mainly attributed to higher sales generated from the fabrication and distribution business segment.

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Cost of sales and gross profit

The Group's cost of sales increased by approximately S\$1.67 million from S\$20.86 million in FY2017 to S\$22.53 million in FY2018. This is caused by the increase of the Group's cost of materials, equipment and manufactured goods of approximately S\$1.06 million and increase in staff cost and overheads of approximately S\$0.61 million.

The Group's gross profit for FY2018 is approximately S\$11.04 million as compared to S\$9.86 million in FY2017.

Other items of income

Other income increased by approximately S\$0.32 million from S\$0.18 million in FY2017 to S\$0.50 million in FY2018 partially due to the increase of (1) government grant for staff training and productivity and innovation credit scheme of S\$0.25 million, (2) wage credit scheme of S\$0.04 million and (3) other general income of S\$0.03 million.

Distribution costs

Distribution expenses decreased by approximately S\$0.08 million from S\$3.61 million in FY2017 to S\$3.53 million in FY2018. This is attributed is mainly due to decrease in advertising cost and business travelling.

Administrative expenses

The net increase in administrative expenses by approximately S\$0.06 million in the current year as compared to its corresponding year in FY2017 is mainly due to increases of office rental, legal and professional fee, audit fee and depreciation of approximately S\$0.08 million and partially offsetted by the reduction of staff related expenses..

Other expenses

Other expenses were lower by approximately S\$0.02 million from S\$0.50 million in FY2018 (FY2017: S\$0.52 million). This is caused by the decrease in allowance for doubtful debts.

Finance costs

Finance costs increased by approximately S\$0.06 million from S\$0.11 million in FY2017 to S\$0.17 million in FY2018. The increase is due to higher utilisation of invoice financing and hire purchase facilities.

Income tax expense

Income tax expense was estimated to be S\$0.75 million in FY2018 as compared to tax expenses of S\$0.30 million in FY2017. The increase in income tax expense by approximately S\$0.45 million is mainly due to the listing expenses of approximately S\$1.66 million being not tax deductible.

Profit for the financial year

The Group reported a lower net profit attributable to equity shareholders of approximately S\$0.69 million in FY2018 compared to S\$1.28 million for FY2017.

The decrease in net profit is the result of the dual listing expenses of approximately S\$1.66 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\$2.35 million.

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Statement of Financial Position

Non- current assets

The Group's non-current assets decreased by S\$0.11 million to S\$2.30 million at 31 December 2018 (31 December 2017: S\$2.41 million). The decrease is mainly attributable to the depreciation of plant and equipment and amortisation of intangible assets.

Current assets

The Group's reported current assets amounted to approximately S\$25.79 million as at 31 December 2018 (31 December 2017: S\$24.81 million).

The decrease in cash and cash equivalents is mainly due to payment for the dual listing expenses and dividends.

The increase in trade receivables by approximately S\$1.76 million from S\$7.93 million as at 31 December 2017 to S\$9.69 million as at 31 December 2018 is mainly due to higher sales generated during year end.

The increase in prepayments, deposits and other receivables by approximately S\$0.70 million is mainly due to prepaid listing expenses in HK.

The Group's inventories decreased by S\$0.58 million from S\$4.52 million as at 31 December 2017 to S\$3.94 million as at 31 December 2018 is mainly attributable to reduction of goods in transit and higher sales in FY2018.

The decrease in contract assets by S\$0.11 million from S\$0.11 million as at 31 December 2017 to nil as at 31 December 2018 is mainly due to timing of issue of invoices as at year end.

The increase in income tax recoverable of approximately S\$0.03 million from S\$0.02 million as at 31 December 2017 to S\$0.05 million as at 31 December 2018 is 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 pledged bank deposits of approximately S\$0.01 million from S\$0.71 million as at 31 December 2017 to S\$0.72 million as at 31 December 2018 is mainly due to pledged bank deposits for issuance of banker's guarantee for new project awarded.

Current liabilities

The Group's current liabilities position increased by S\$1.34 million from S\$8.88 million as at 31 December 2017 to S\$10.22 million as at 31 December 2018.

The increase in contract liabilities by approximately S\$0.07 million from S\$0.43 million as at 31 December 2017 to S\$0.50 million as at 31 December 2018 is mainly due to increase in advance received from customers as down payment for orders.

The increase in trade payables by approximately S\$1.26 million from S\$2.55 million as at 31 December 2017 to S\$3.81 million as at 31 December 2018 contributed to higher purchases made.

The decrease in accruals and other payables by approximately S\$0.16 million from S\$2.12 million as at 31 December 2017 to S\$1.96 million as at 31 December 2018 is mainly due to the decrease in accrued operating expenses.

The decrease in bank borrowings by approximately S\$ 0.31 million from S\$ 3.16 million as at 31 December 2017 to S\$2.85 million as at 31 December 2017 is mainly due to the repayment of bank borrowings upon maturity.

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The increase in finance lease obligations by approximately S\$0.07 million from S\$0.27 million as at 31 December 2017 to S\$0.34 million as at 31 December 2018 is mainly due to the purchase of new motor vehicles during the year.

The derivative financial instruments of approximately S\$0.01 million as at 31 December 2018 is the changes in the fair value of non-hedging currency derivatives aggregating to a net loss.

The increase in income tax payable by approximately S\$0.4 million from S\$0.32 million as at 31 December 2017 to S\$0.72 million as at 31 December 2018 is mainly due to the provision of Group's income taxes on profits.

Non-current liabilities

The Group's non-current liabilities increased by S\$0.05 million is mainly due to increase of finance lease obligations obtained for purchase of new motor vehicles and reduction of deferred tax liabilities.

Shareholders' equity

As at 31 December 2018, the Group had shareholders' equity of approximately S\$16.34 million as compared to S\$16.82 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, stood at approximately S\$9.51 million as at 31 December 2018, representing a decrease of approximately S\$0.82 million from the cash and cash equivalents balance of S\$10.33 million as at 31 December 2017.

Net cash from operating activities

The Group's net cash inflow from the operating activities was approximately S\$1.26 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 FY2018 amounted to approximately S\$0.13 million, as a result of additions to property, plant and equipment amounting to S\$0.18 million and intangible assets of S\$0.01 million, partially offsetted from interest received of approximately S\$0.06 million.

Net cash flows used in financing activities

Net cash flows used in financing activities during FY2018 was approximately S\$1.96 million. The funds from issuance of trust receipts of approximately S\$7.56 million were offset by the repayment of trust receipts of approximately S\$7.87 million. The cash outflows were mainly dividend payments made of approximately S\$1.16 million in FY2018, settlement of finance lease payable of approximately S\$0.31 million and payment of interest expense of S\$0.17 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.

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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 proposed dual primary listing of its ordinary shares on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited by way of a share offer. The success of the proposed dual 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

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

On 31 December 2018, the Company announced that the application for the Proposed SEHK Listing has lapsed on 23 December 2018 and the Board intends to submit a renewed application to the SEHK for the Proposed SEHK Listing. The Company will, in compliance with the relevant requirements under the SGX-ST Listing Manual Section B: Rules of Catalist, make announcement(s) to keep Shareholders updated on any material developments of the Proposed SEHK Listing, as and when appropriate.

11. *Dividend*

(a) *Current Financial Period Reported: any final dividend recommended for the current financial period reported on?*

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).

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(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 FY2017

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.50 Singapore cent per share
Tax Rate	Tax exempt (one-tier).

(c) Date payable

Subject to shareholders' approval of the proposed final dividend at the forthcoming Annual General Meeting, the date payable for the proposed final dividend will be announced in due course.

(d) Books closure date

Not applicable.

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

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.

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.

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 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 announcement, the net proceeds have not been utilised.

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
2018				
Revenue				
External revenue	26,797	6,764	-	33,561
Results				
Segment results	2,770	946	(2,118)	1,598
Finance costs	(138)	(34)	-	(172)
Profit before income tax	2,632	912	(2,118)	1,426
Income tax expense				(746)
Profit for the financial year				680
Non-cash items				
Depreciation of property, plant and equipment	563	142	-	705
Loss on disposal of plant and equipment	-	-	-	-
Amortisation of intangible asset	16	4	-	20
Write back of inventories to NRV	(273)	-	-	(273)
Allowance for impairment loss on third parties receivables	249	-	-	249
Capital Expenditure				
Property, plant and equipment	-	-	609	609
Intangible asset			7	7
Assets and Liabilities				
Segment assets	-	-	28,091	28,091
	-	-	28,091	28,091
Segment liabilities	-	-	10,969	10,969
- Current income tax payable	-	-	720	720
- Deferred tax payable	-	-	62	62
	-	-	11,751	11,751

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Business Segment (Audited)

2017

Revenue

External revenue

Fabrication and distribution business S\$'000	Maintenance and servicing business S\$'000	Unallocated S\$'000	Total S\$'000
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23,292	7,433	-	30,725
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Results

Segment results

Finance costs

Profit before income tax

Income tax expense

Profit for the financial year

1,998	134	(417)	1,715
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(89)	(28)	-	(117)
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1,909	106	(417)	1,598
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			(300)
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			1,298
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Non-cash items

Depreciation of property, plant and equipment

Loss on disposal of plant and equipment

Amortisation of intangible asset

Write back of inventories to NRV

Allowance for impairment loss on third parties
receivables

351	112	-	463
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43	14	-	57
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57	-	-	57
----	---	---	----

(69)	-	-	(69)
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307	-	-	307
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Capital Expenditure

Property, plant and equipment

-	-	1,673	1,673
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Assets and Liabilities

Segment assets

-	-	27,210	27,210
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-	-	27,210	27,210
---	---	--------	--------

Segment liabilities

- Current income tax payable

- Deferred tax payable

-	-	9,984	9,984
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-	-	318	318
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-	-	88	88
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-	-	10,390	10,390
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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)

2018

Total revenue from external
customers

Singapore

S\$'000

32,820

Malaysia

S\$'000

731

Others

S\$'000

10

Total

S\$'000

33,561

Non-current assets

1,908

389

-

2,297

(Audited)

2017

Total revenue from external
customers

Singapore

S\$'000

30,445

Malaysia

S\$'000

120

Others

S\$'000

160

Total

S\$'000

30,725

Non-current assets

1,993

413

-

2,406

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.

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17. *A breakdown of sales*

	FY2018 (Unaudited) S\$'000	FY2017 (Audited) S\$'000
Sales & Net profit reported for 1st half, 30 June		
Sales	14,966	14,990
Net (Loss)/Profit	(656)	1,181
Net (Loss)/Profit Margin	(4.38%)	7.9%
Sales & Net profit reported for 2nd half, 31 Dec		
Sales	18,595	15,735
Net Profit	1,336	117
Net Profit Margin	7.19%	0.7%

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

	FY2018 (Unaudited) S\$	FY2017 (Audited) S\$
Interim ordinary dividend declared and paid	387,500	375,000
Final ordinary dividend proposed	387,500	775,000

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
15 February 2019

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.

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.

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