

SINGAPORE KITCHEN EQUIPMENT LIMITED

(Company Registration No.: 201312671M)

(Incorporated in Singapore)

PROFIT GUIDANCE IN RELATION TO UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2014

The Board of Directors (the "**Board**") of Singapore Kitchen Equipment Limited (the "**Company**") together with its subsidiaries (the "**Group**") wishes to inform the shareholders of the Company that the Group is expected to report a net loss in its unaudited interim results of the Group for the half year ended 30 June 2014 ("**HY2014**").

This is mainly attributable to the following reasons:

(a) Decline in gross profit margin resulting from:-

- (i) Higher cost of sales, being increase in the cost of materials purchased; lease of additional warehouse and dormitory facilities and depreciation expenses from higher capital investment;
- (ii) More open tender projects with thin profit margin;

(b) Increase in operating expenses resulting from:-

- (i) Increase in sales and marketing costs with more advertising spending and participation in regional trade exhibition – Food & Hotel Asia 2014 Event (FHA);
- (ii) Increase in number of sales personnel.

This profit guidance is based on a preliminary review of the unaudited financial results of the Group and the Group is still in the process of finalising its unaudited financial results for HY2014.

Further details of the Group's performance will be disclosed when the Group announces its HY2014 financial results in due course.

By Order of the Board

SINGAPORE KITCHEN EQUIPMENT LIMITED

Chua Chwee Choo

Managing Director

11 July 2014

The 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.

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