

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

This is a voluntary announcement made by Singapore Kitchen Equipment Limited, to be in line with the Company's submission of the relevant documents to The Stock Exchange of Hong Kong Limited for the purpose of application for dual listing in Hong Kong

SINGAPORE KITCHEN EQUIPMENT LIMITED

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***Quarter Year Financial Statement And Dividend Announcement For The Period Ended 31 March 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 Quarter –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		
	1Q2018 (Unaudited) S\$'000	1Q2017 (Unaudited) S\$'000	Increase/ (Decrease) %
Revenue	6,930	4,825	43.6
Cost of sales	(4,923)	(3,266)	50.7
Gross profit	2,007	1,559	28.7
Other items of income			
Interest income	14	16	(12.5)
Other income	151	117	29.1
Other items of expense			
Distribution costs	(807)	(724)	11.5
Administrative expenses	(1,544)	(1,115)	38.5
Other expenses	(114)	(256)	(55.5)
Dual Listing expenses	(567)	-	n.m.
Finance costs	(65)	(17)	282.4
Loss before income tax	(925)	(420)	120.2
Income tax credit/(expense)	20	(29)	n.m.
Loss for the financial period	(905)	(449)	101.6
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	10	(18)	n.m.
Other comprehensive income for the financial period, net of tax	10	(18)	n.m.
Total comprehensive income for the financial period	(895)	(467)	91.6
Loss attributable to:			
Owners of the parent	(905)	(449)	101.6
Non-controlling interests	*	-	n.m.
Loss for the financial period	(905)	(449)	101.6
Total comprehensive income attributable to:			
Owners of the parent	(895)	(467)	91.6
Non-controlling interests	*	-	n.m.
Total comprehensive income for the financial period	(895)	(467)	91.6

Remarks:

"1Q2018" denotes the quarter-year financial ended 31 March 2018

"1Q2017" denotes the quarter-year financial ended 31 March 2017

"*" denotes amount less than S\$1,000

"n.m." denotes not meaningful

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

Loss before income tax is arrived at after charging /(crediting) the following:			
	Group		Increase/ (Decrease) %
	1Q2018 (Unaudited) S\$'000	1Q2017 (Unaudited) S\$'000	
Depreciation of property, plant and equipment	165	98	68.4
Amortisation of intangible asset	7	18	(61.1)
Allowance for bad debts	64	227	(71.8)
Fair value loss on derivative financial instruments	11	31	(64.5)
Foreign exchange (gain)/loss, net	24	27	11.1
Interest expenses	65	17	282.4
Loss on disposal of Property, Plant and Equipment	-	-	n.m.
Interest income	14	16	(12.5)

Included in income tax (credit)/expense were:-

Under provision of current income tax in prior financial years	-	14	n.m.
Under provision of deferred tax in prior financial years	-	21	n.m.

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	
	31/03/2018 (Unaudited) S\$'000	31/12/2017 (Audited) S\$'000	31/03/2018 (Unaudited) S\$'000	31/12/2017 (Audited) S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	2,321	2,387	-	-
Intangible assets	12	20	-	-
Investment in subsidiaries	-	-	10	10
	2,333	2,407	10	10
CURRENT ASSETS				
Inventories	6,139	4,523	-	-
Trade and other receivables	9,198	9,109	4,599	4,828
Prepayments	281	116	228	4
Current income tax recoverable	23	15	-	-
Cash and cash equivalents	9,969	11,041	1,024	1,066
	25,610	24,804	5,851	5,898
Less:				
CURRENT LIABILITIES				
Trade and other payables	6,701	5,103	855	250
Provisions	31	31	-	-
Borrowings	3,192	3,155	-	-
Finance lease payables	285	272	-	-
Derivative financial instruments	11	-*	-	-
Current income tax payable	323	319	-	-
	10,543	8,880	855	250
NET CURRENT ASSETS	15,067	15,924	4,996	5,648
Less:				
NON-CURRENT LIABILITIES				
Finance lease payables	1,413	1,422	-	-
Deferred tax liabilities	62	88	-	-
	1,475	1,510	-	-
NET ASSETS	15,925	16,821	5,006	5,658
CAPITAL AND RESERVES				
Share capital	5,125	5,125	5,125	5,125
Other reserves	1,224	1,215	-	-
Retained earnings	9,561	10,466	(119)	533
Equity attributable to owners of parent	15,910	16,806	5,006	5,658
Non-controlling interest	15	15	-	-
TOTAL EQUITY	15,925	16,821	5,006	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 31/03/2018 (Unaudited) (S\$'000)		As at 31/12/2017 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,477	-	3,427	-

Amount repayable after one year

As at 31/03/2018 (Unaudited) (S\$'000)		As at 31/12/2017 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,413	-	1,422	-

Details of any collateral secured borrowings:-

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

- Trust receipts have maturities of between 45 to 150 (31 December 2017: 45 to 150) days. As at 31 March 2018, trust receipts are secured by financial guarantee from the Company with a carrying amount of S\$3,192,079 (31 December 2017: S\$3,154,833).
- 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\$1,399,143 (31 December 2017: S\$1,463,225).
- 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	
	1Q2018 (Unaudited) S\$'000	1Q2017 (Unaudited) S\$'000
Operating activities		
Loss before income tax	(925)	(420)
Adjustments for:		
Depreciation of property, plant and equipment	165	98
Loss on disposal of plant and equipment	-	-
Amortisation for intangible assets	7	18
Inventories written down	(70)	(139)
Allowance for bad debts written back	64	227
Fair value (gain)/loss on derivative financial instruments	11	32
Interest income	(14)	(16)
Interest expenses	65	17
Operating loss before working capital changes	(697)	(183)
Working capital changes:		
Inventories	(1,539)	(1,636)
Trade and other receivables	(296)	1,148
Prepayments	(4)	(165)
Trade and other payables	1,549	117
Cash used in operations	(987)	(719)
Income tax refund	-	27
Income tax paid	(10)	(49)
Net cash used in operating activities	(997)	(741)
Investing activities		
Purchase of plant and equipment	(13)	(1)
Interest income	14	16
Net cash from investing activities	1	15
Financing activities		
Fixed deposit pledged with financial institution	-	(1)
Proceeds from trust receipts	2,259	969
Repayment from trust receipts	(2,222)	(705)
Repayment of obligations under finance leases	(69)	(34)
Interest paid	(65)	(14)
Net cash (used in)/from financing activities	(97)	215
Net change in cash and cash equivalents	(1,093)	(511)
Cash and cash equivalents at beginning of financial period	10,331	8,491
Effect of exchange rate changes on cash and cash equivalents	20	(30)
Cash and cash equivalents at end of financial period	9,258	7,950

Cash and cash equivalents comprised

Cash on hand and at bank	5,940	3,935
Fixed deposits with banks	4,050	4,726
Less: Bank overdraft	(21)	-
Cash and cash equivalents as per consolidated statement of financial position	9,969	8,661
Less: fixed deposits pledged	(711)	(711)
Cash and cash equivalents as per consolidated statement of cash flows	9,258	7,950

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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 31 March

	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)
Group (Unaudited)							
Balance as at 01 January 2018	5,125	1,312	(98)	10,466	16,805	15	16,820
Loss for the financial period	-	-	-	(905)	(905)	-*	(905)
Other Comprehensive income:							
Exchange differences on translating foreign operations	-	-	10	-	10	-	10
Total comprehensive income for the financial period	-	-	10	(905)	(895)	-*	(895)
Transaction with owners of the Parent							
Dividends	-	-	-	-	-	-	-
Total transaction with owners of the parent	-	-	-	-	-	-	-
Balance as at 31 March 2018	5,125	1,312	(88)	9,561	15,910	15	15,925

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	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)
Group (Unaudited)							
Balance as at 01 January 2017	4,125	1,312	(90)	10,684	16,031	-	16,031
Loss for the financial period	-	-	-	(449)	(449)	-	(449)
Other comprehensive income:							
Exchange differences on translating foreign operations	-	-	(18)	-	(18)	-	(18)
Total comprehensive income for the financial period	-	-	(18)	(449)	(467)	-	(467)
Non-controlling interest arising from incorporation of a subsidiary	-	-	-	-	-	-*	-
Balance as at 31 March 2017	4,125	1,312	(108)	10,235	15,564	-*	15,564

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Consolidated Statement of Changes in Equity for the period ended 31 March - continued

<u>Company</u> <u>(Unaudited)</u>	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2018	5,125	533	5,658
Loss for the financial period	-	(652)	(652)
Total comprehensive income for the financial period	-	(652)	(652)
Transaction with owners of the parent			
Dividends	-	-	-
Total transaction with owners of the parent	-	-	-
Balance as at 31 March 2018	5,125	(119)	5,006

<u>Company</u> <u>(Unaudited)</u>	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Balance as at 01 January 2017	4,125	944	5,069
Loss for the financial period	-	(71)	(71)
Total comprehensive income for the financial period	-	(71)	(71)
Transaction with owners of the parent			
Dividends	-	-	-
Total transactions with owners of parent	-	-	-
Balance as at 31 March 2017	4,125	873	4,998

There are no outstanding convertibles or shares held as treasury shares as at 31 March 2018 and 31 March 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 31 March 2018 and 31 March 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 31 March 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).*

Earnings / (Loss) per share

Loss attributable to owners of the Company (S\$'000)

Weighted average number of ordinary shares for calculation of

- (a) Basic earnings per share
(b) Diluted earnings per share ⁽²⁾

Loss per ordinary share (cents):-

- (a) Based on weighted average number of issued ordinary shares
(b) On a fully diluted basis ⁽²⁾

Group	
1Q2018 (Unaudited)	1Q2017 (Unaudited)
(905)	(449)
155,000,000	150,000,000
155,000,000	150,000,000
(0.58)	(0.30)
(0.58)	(0.30)

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.*

Net Asset Value ("NAV")	Group		Company	
	31.03.2018 (Unaudited)	31.12.2017 (Audited)	31.03.2018 (Unaudited)	31.12.2017 (Audited)
NAV (S\$'000)	15,910	16,806	5,006	5,658
Actual Number of issued Ordinary shares	151,479,452	150,246,575	151,479,452	150,246,575
NAV per ordinary share (cents)	10.50	11.19	3.30	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 31 March 2018 ("1Q2018"), the Group recorded revenue amounting to S\$6.9 million compared to S\$4.8 million in the previous corresponding period ("1Q2017"). The increase in Group's revenue was primary due to higher sales generated from fabrication and distribution for tenders and increase in maintenance and service income.

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Cost of sales and gross profit

The Group's cost of sales increased by approximately S\$1.65 million from S\$3.27 million in 1Q2017 to S\$4.92 million in 1Q2018. This was caused by the increase of the Group's cost of equipment and staff related costs due to expansion of sales and production teams as well as the changes in product mix, where there is an increase in sales of equipment of lower margin.

The Group's gross profit for 1Q2018 has improved by S\$0.44 million to S\$2.00 million as compared to S\$1.56 million in 1Q2017.

Other items of income

Other income increased by S\$0.04 million from S\$0.13 million in 1Q2017 to S\$0.17 million in 1Q2018 due mainly to the increase in government grants received and write back of impairment loss on third party trade receivables.

Distribution costs

Distribution expenses increased by S\$0.08 million to S\$0.80 million in 1Q2018 compared to S\$0.72 million in 1Q2017. This was attributed by the increase in staff costs for additional sales personnel, increase in sales commissions as well as increase in depreciation of new motor vehicles.

Administrative expenses

Administrative expenses increased by approximately S\$0.42 million to S\$1.54 million in 1Q2018 from S\$1.12 million in 1Q2017, mainly due to the increase in staff and related costs, partially offset by the decrease in donation expenses.

Other expenses

Other expenses decreased by S\$0.15 million to approximately S\$0.11 million in 1Q2018 (1Q2017: S\$0.26 million). This was caused by the decrease in allowance for doubtful debts.

Dual Listing expenses

Dual listing expenses incurred during 1Q2018 of approximately S\$0.57 million relates to the potential dual primary listing on GEM of The Stock Exchange of Hong Kong Limited ("SEHK").

Finance costs

Finance costs increased by approximately S\$0.05 million from S\$0.02 million in 1Q2017 to S\$0.07 million in 1Q2018. The increase was due to higher utilisation of invoice financing and hire purchase facilities.

Income tax credit

Current year income tax credit during Q1 2018 arises mainly from deferred tax credits recognized on the temporary differences between the carrying amount of property, plant and equipment and the corresponding tax bases used in the tax computation.

Loss for the financial period

The Group reported a higher net loss attributable to equity shareholders of approximately S\$0.90 million in 1Q2018 compared to S\$0.45 million in 1Q2017.

The decrease in net profit was the result of increases in cost of materials, distribution cost, administrative and other expenses.

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Statement of Financial Position

Non- current assets

The Group's non-current assets decreased by S\$0.08 million to S\$2.33 million as at 31 March 2018 (31 December 2017: S\$2.41 million). The decrease is mainly due to the depreciation of plant and equipment.

Current assets

The Group's reported current assets amounted to approximately S\$25.61 million as at 31 March 2018 (31 December 2017: S\$24.80 million).

The Group's inventories increased by S\$1.62 million from S\$4.52 million as at 31 December 2017 to S\$6.14 million as at 31 March 2018 mainly attributable to buffer of stock for new projects due to the long lead time of delivery.

The increase in trade and other receivables by S\$89,000 from S\$9.11 million as at 31 December 2017 to S\$9.2 million as at 31 March 2018 is mainly due to increasing sales generated during the period.

The increase in prepayments by S\$0.17 million, from S\$0.12 million as at 31 December 2017 to S\$0.28 million as at 31 March 2018 was contributed by payments of listing expenses.

The decrease in cash and cash equivalents by S\$1.07 million from S\$11.04 million as at 31 December 2017 to S\$9.97 million as at 31 March 2018 was mainly attributed by the cash flow being used in funding operating activities.

Current liabilities

The Group's current liabilities position increased by S\$1.66 million from S\$8.88 million as at 31 December 2017 to S\$10.54 million as at 31 March 2018. This was mainly attributable to an increase in trade and other payables of S\$1.60 million contributed by higher purchases made.

Non-current liabilities

The Group's non-current liabilities decreased by S\$0.02 million due to repayment of finance lease obligations obtained to fund the purchase of motor vehicles.

Shareholders' equity

As at 31 March 2018, the Group had shareholders' equity of approximately S\$15.91 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\$9.26 million as at 31 March 2018, representing an increase of approximately S\$1.31 million from the cash and cash equivalents balance of S\$7.95 million as at 31 March 2017.

Net cash flows used in operating activities

The Group's net cash outflow used in the operating activities was approximately S\$1 million. This was mainly due to the net cash used in operations of the group.

Net cash flows from investing activities

Net cash flows from investing activities during 1Q2018 amounted to approximately S\$0.001 million, as a result of additions to property, plant and equipment of approximately S\$0.01 million, partially offset by interest income.

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Net cash flows used in financing activities

Net cash flows used in financing activities during 1Q2018 was approximately S\$0.1 million. The fund from trust receipts of S\$2.26 million were obtained, offsetting repayment of trust receipts of approximately S\$2.22 million. Settlement of finance lease payable of approximately S\$0.07 million and payment of interest expenses of S\$0.07 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. Dependent on the F&B and hospitality services industries;
- b. Dependent 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. Dependent 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 The Stock Exchange of Hong Kong Limited 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.

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?*

None.

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

None.

(c) *Date payable*

Not applicable

(d) *Books closure date*

Not applicable

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

No dividend for the period ended 31 March 2018 has been recommended or declared.

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	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 IPO proceeds of approximately S\$1.97 million as at 31 March 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.

(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 1Q2018 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
22 June 2018

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

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.