

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 2017**

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		
	FY2017 (Unaudited) S\$'000	FY2016 (Audited) S\$'000	Increase/ (Decrease) %
Revenue	30,725	26,207	17.2
Cost of sales	(20,861)	(17,376)	20.1
Gross profit	9,864	8,831	11.7
Other items of income			
Interest income	66	71	(7.0)
Other income	126	651	(80.6)
Other items of expense			
Distribution costs	(3,648)	(2,449)	49.0
Administrative expenses	(4,198)	(3,997)	5.0
Other expenses	(465)	(131)	nm
Finance costs	(117)	(66)	77.3
Profit before income tax	1,628	2,910	(44.1)
Income tax expense	(300)	(342)	(12.3)
Profit for the financial year	1,328	2,568	(48.3)
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations	(8)	(8)	nm
Other comprehensive income for the financial year, net of tax	(8)	(8)	nm
Total comprehensive income for the financial year	1,320	2,560	(48.4)
Profit attributable to:			
Equity holders of the Company	1,314	2,568	(48.8)
Non-controlling interests	14	-	nm
Profit for the financial year	1,328	2,568	(48.3)
Total comprehensive income for the financial year			
Equity holders of the Company	1,306	2,560	(48.9)
Non-controlling interests	14	-	nm
Total comprehensive income for the financial year	1,320	2,560	(48.4)

Remarks:

"FY2017" denotes the financial year ended 31 December 2017

"FY2016" denotes the financial year ended 31 December 2016

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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) %
	FY2017 (Unaudited) S\$'000	FY2016 (Audited) S\$'000	
Depreciation of property, plant and equipment	463	410	12.9
Amortisation of intangible asset	57	71	(19.7)
Inventories (written back)/written down	(69)	281	nm
Cost of materials	18,718	11,729	59.6
Allowance for impairment loss on third parties trade receivables	302	-	nm
Allowance for impairment loss on third parties trade receivables written back	-	(155)	nm
Bad third parties trade receivables written off	5	-	nm
Foreign exchange loss, net	111	59	88.1
Interest expenses	99	66	49.9
Plant and equipment write off	-	1	nm
Loss/(gain) on disposal of Plant and Equipment	41	(19)	nm
Fair value (gain)/loss on derivative financial instruments	(1)	2	nm

Included in income tax expenses were:-

Over provision of current income tax in prior financial years	(58)	(254)	(77.2)
Under provision of deferred tax in prior financial years	23	36	nm

Note: "nm" 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	
	31/12/2017 (Unaudited) S\$'000	31/12/2016 (Audited) S\$'000	31/12/2017 (Unaudited) S\$'000	31/12/2016 (Audited) S\$'000
NON-CURRENT ASSETS				
Property, plant and equipment	2,387	1,352	-	-
Intangible assets	20	77	-	-
Investment in subsidiaries	-	-	10	10
	2,407	1,429	10	10
CURRENT ASSETS				
Inventories	4,523	3,474	-	-
Trade and other receivables	9,109	8,345	4,828	5,165
Prepayments	116	77	4	9
Current income tax recoverable	14	42	-	-
Cash and cash equivalents	11,039	9,201	1,066	47
	24,801	21,139	5,898	5,221
Less:				
CURRENT LIABILITIES				
Trade and other payables	5,087	4,512	220	163
Provisions	31	31	-	-
Borrowings	3,136	817	-	-
Bank overdraft	1	-	-	-
Derivative financial instruments	-	2	-	-
Finance lease payables	272	126	-	-
Current income tax payable	320	564	-	-
	8,847	6,052	220	163
NET CURRENT ASSETS	15,954	15,087	5,678	5,058
Less:				
NON-CURRENT LIABILITIES				
Finance lease payables	1,422	407	-	-
Deferred tax liabilities	88	78	-	-
	1,510	485	-	-
	16,851	16,031	5,688	5,068
CAPITAL AND RESERVES				
Share capital	5,125	4,125	5,125	4,125
Other reserves	1,214	1,222	-	-
Retained earnings	10,498	10,684	563	943
Non-controlling interest	14	-	-	-
TOTAL EQUITY	16,851	16,031	5,688	5,068

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

Amount repayable in one year or less, or on demand

As at 31/12/2017 (Unaudited) (S\$'000)		As at 31/12/2016 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
3,408	-	943	-

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Amount repayable after one year

As at 31/12/2017 (Unaudited) (S\$'000)		As at 31/12/2016 (Audited) (S\$'000)	
Secured	Unsecured	Secured	Unsecured
1,422	-	407	-

Details of any collateral secured borrowings:-

As at 31 December 2017, the Group's borrowings comprising bank borrowings and finance lease payables that are secured as follows:-

- (a) Trust receipts have maturities of between 45 to 150 (31 December 2016: 120 to 150) days. As at 31 December 2017, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$3,136,462 (31 December 2016: S\$816,631).
- (b) Obligations under finance lease are secured by the lessor's charge over the leased assets, which have a carrying amount of S\$1,463,225 (31 December 2016: S\$349,437) at the end of the current financial year.
- (c) Bank borrowings of subsidiaries are secured by corporate guarantee issued by the Company.

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1(c)(i) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of immediately preceding financial year.

Consolidated Statement of Cash Flows	Group	
	FY2017 (Unaudited) S\$'000	FY2016 (Audited) S\$'000
Operating activities		
Profit before income tax	1,628	2,910
Adjustments for:		
Depreciation of property, plant and equipment	463	410
Bad debts written off	5	-
Loss/(Gain) on disposal of plant and equipment	41	(19)
Amortisation of intangible assets	57	70
Inventories (written back)/ written down	(69)	281
Allowance for impairment loss on third parties trade receivables	302	-
Allowance for impairment loss on third parties trade receivables written back	-	(155)
Fair value (loss)/ gain on derivative financial instruments	(1)	2
Interest income	(66)	(71)
Interest expenses	99	66
Operating profit before working capital changes	2,459	3,494
Working capital changes:		
Inventories	(975)	(213)
Trade and other receivables	(1,060)	(74)
Prepayments	(39)	(11)
Trade and other payables	542	(439)
Cash generated from operations	927	2,757
Income tax refund	72	248
Income tax paid	(581)	(274)
Net cash from operating activities	418	2,731
Investing activities		
Purchase of plant and equipment	(330)	(72)
Purchase of intangible assets	-	(38)
Net Proceeds from disposal of plant and equipment	136	35
Interest received	66	71
Net cash used in investing activities	(128)	(4)
Financing activities		
Fixed deposit pledged with financial institution	(1)	(6)
Proceeds from trust receipts	7,218	2,658
Repayment from trust receipts	(4,898)	(3,253)
Repayment of obligations under finance leases	(191)	(144)
Interest paid	(99)	(66)
Dividend paid	(1,500)	(375)
Proceeds from issuance of ordinary shares	1,000	-
Net cash from/(used in) financing activities	1,529	(1,186)
Net change in cash and cash equivalents	1,819	1,541
Cash and cash equivalents at beginning of financial year	8,491	6,985
Effect of exchange rate changes on cash and cash equivalents	17	(35)
Cash and cash equivalents at end of financial year	10,327	8,491
Cash and cash equivalents comprised		
Cash on hand and at bank	7,670	4,946
Fixed deposits with banks	3,369	4,255
Cash and cash equivalents as per statement of financial position	11,039	9,201
Less: fixed deposits pledged	(711)	(710)
Less: bank overdrafts	(1)	-
Cash and cash equivalents as per consolidated statement of cash flows	10,327	8,491

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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 2017	4,125	1,312	(90)	10,684	-	16,031
Ordinary shares issued	1,000	-	-	-	-	1,000
Profit for the financial year	-	-	-	1,314	14	1,328
Other Comprehensive income:						
Exchange differences on translating foreign operations	-	-	(8)	-	-	(8)
Total comprehensive income for the financial year	-	-	(8)	1,314	14	1,320
Transaction with owners of the Parent						
Dividends	-	-	-	(1,500)	-	(1,500)
Total transaction with owners of the parent	-	-	-	(1,500)	-	(1,500)
Balance as at 31 December 2017	5,125	1,312	(98)	10,498	14	16,851

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	Share Capital (S\$'000)	Merger Reserve (S\$'000)	Foreign Currency Translation Account (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
Group					
(Audited)					
Balance as at 01 January 2016	4,125	1,312	(82)	8,491	13,846
Profit for the financial year	-	-	-	2,568	2,568
Other comprehensive income:					
Exchange differences on translating foreign operations	-	-	(8)	-	(8)
Total comprehensive income for the financial year	-	-	(8)	2,568	2,560
Transaction with owners of the parents					
Dividends	-	-	-	(375)	(375)
Total transaction with owners of the parent	-	-	-	(375)	(375)
Balance as at 31 December 2016	4,125	1,312	(90)	10,684	16,031

Statement of Changes in Equity

Company	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
(Unaudited)			
Balance as at 01 January 2017	4,125	943	5,068
Loss for the financial year	-	1,120	1,120
Total comprehensive income for the financial year	-	1,120	1,120
Ordinary shares issued	1,000	-	1,000
Transaction with owners of the parent			
Dividends	-	(1,500)	(1,500)
Total transaction with owners of the parent	-	(1,500)	(1,500)
Balance as at 31 December 2017	5,125	563	5,688
Company	Share Capital (S\$'000)	Retained Earnings (S\$'000)	Total Equity (S\$'000)
(Audited)			
Balance as at 01 January 2016	4,125	1,663	5,788
Loss for the financial year	-	(345)	(345)
Total comprehensive income for the financial year	-	(345)	(345)
Transaction with owners of the parent			
Dividends	-	(375)	(375)
Total transactions with owners of parent	-	(375)	(375)
Balance as at 31 December 2016	4,125	943	5,068

There are no outstanding convertibles or shares held as treasury shares as at 31 December 2017 and 31 December 2016.

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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 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	FY2017 (Unaudited)	FY2016 (Audited)		
	Number of ordinary shares	Issued and Paid Up S\$	Number of ordinary shares	Issued and Paid Up S\$
At 1 January	150,000,000	4,124,790	150,000,000	4,124,790
Issued during the year	5,000,000	1,000,000	-	-
At 31 December	155,000,000	5,124,790	150,000,000	4,124,790

As at 31 December 2017, the Company had issued 5,000,000 new ordinary share for a total consideration of S\$1,000,000. 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)(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 2017, the issued share capital of the Company comprised 155,000,000 ordinary shares (31 December 2016: 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, 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.

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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 financial year ended 31 December 2017 as compared with its most recently audited financial statements for the financial year ended 31 December 2016.

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 year compared with the audited annual financial statements for the financial year ended 31 December 2017, except for the adoption of certain new and revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1 January 2017.

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")⁽¹⁾

	Group FY2017 (Unaudited)	FY2016 (Audited)
Profit attributable to owners of the Company (\$'000)	1,314	2,568
Weighted average number of ordinary shares for calculation of		
(a) Basic earnings per share	150,246,575	150,000,000
(b) Diluted earnings per share ⁽²⁾	150,246,575	150,000,000
Earnings per ordinary share (cents):-		
(a) Based on weighted average number of issued ordinary shares	0.87	1.71
(b) On a fully diluted basis ⁽²⁾	0.87	1.71

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 year.

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 31.12.2017 (Unaudited)	31.12.2016 (Audited)	Company 31.12.2017 (Unaudited)	31.12.2016 (Audited)
Net Asset Value ("NAV")				
NAV (\$'000)	16,861	16,031	5,688	5,068
Actual Number of issued Ordinary shares	155,000,000	150,000,000	155,000,000	150,000,000
NAV per ordinary shares (cents)	10.88	10.69	3.67	3.38

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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 year ended 31 December 2017 ("FY2017"), the Group recorded revenue amounting to S\$30.71 million compared to S\$26.21 million in the previous corresponding year ("FY2016"). The increase in Group's revenue by S\$4.50 million was mainly attributed to higher sales generated from the manufacturing of equipment from the fabrication business segment, imported goods for projects and service maintenance jobs.

Cost of sales and gross profit

The Group's cost of sales increased by approximately S\$3.48 million from S\$17.38 million in FY2016 to S\$20.86 million in FY2017. This was caused by the increase of the Group's cost of materials, equipment and manufactured goods.

The Group's gross profit for FY2017 improved by S\$1.03 million to S\$9.86 million as compared to S\$8.83 million in FY2016.

Other items of income

Other income decreased by S\$0.52 million from S\$0.65 million in FY2016 to S\$0.13 million in FY2017 partially due to the decrease of (1) government grant for staff training and productivity and innovation credit scheme of S\$0.24 million, (2) wage credit scheme of S\$0.02 million, (3) bad debts recovered of S\$0.15 million and (4) other general income of S\$0.05 million.

Distribution costs

Distribution expenses increased by S\$1.20 million to S\$3.65million in FY2017 compared to S\$2.45 million in FY2016. This was attributed mainly due to increases in staff costs, advertising cost and business travelling.

Administrative expenses

The net increase in administrative expenses by approximately S\$0.20 million in the current year as compared to its corresponding year in FY2016 was mainly due to increases of staff costs of approximately S\$0.14 million and other office administrative expenses of S\$0.06 million.

Other expenses

Other expenses were higher by S\$0.34 million at approximately S\$0.47 million in FY2017 (FY2016: S\$0.13 million). This was caused by the increase in allowance for doubtful debts.

Finance costs

Finance costs increased by approximately S\$0.05 million from S\$0.06 million in FY2016 to S\$0.11 million in FY2017. The increase was due to higher utilisation of invoice financing and hire purchase facilities.

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Income tax expense

Income tax expense was estimated to be S\$0.30 million in FY2017.

Profit for the financial year

The Group reported a lower net profit attributable to equity shareholders of approximately S\$1.34 million in FY2017 compared to S\$2.57 million for FY2016.

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

Statement of Financial Position

Non- current assets

The Group's non-current assets increased by S\$0.98 million to S\$2.41 million at 31 December 2017 (31 December 2016: S\$1.43 million). The increase was mainly attributable to the increase of acquisition of plant and equipment, offset by the depreciation of plant and equipment.

Current assets

The Group's reported current assets amounted to approximately S\$24.80 million as at 31 December 2017 (31 December 2016: S\$21.14 million).

The increase in cash and cash equivalents was mainly attributed to the proceeds from issuance of ordinary shares and trust receipts.

The increase in trade and other receivables as at 31 December 2017 was due to the higher sales generated during year end.

The higher inventories was mainly attributable to buffer of stock for new projects due to long lead time.

Current liabilities

The Group's current liabilities position increased by S\$2.80 million from S\$6.05 million as at 31 December 2016 to S\$8.85 million as at 31 December 2017. This was mainly attributable to an increase in trade and other payables of S\$0.55 million, bank borrowings of S\$2.33 million and finance lease payables of S\$0.15 million respectively and offset by a decrease of current tax payable of S\$0.24 million.

Non-current liabilities

The Group's non-current liabilities increased to S\$1.51 million in FY2017, mainly attributed to the increase in the finance lease payable of S\$1.02 million.

Shareholders' equity

As at 31 December 2017, the Group had shareholders' equity of approximately S\$16.86 million as compared to S\$16.03 million as at 31 December 2016 resulting from an increase in retained earnings and share capital.

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Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, stood at approximately S\$10.33 million as at 31 December 2017, representing an increase of approximately S\$1.84 million from the cash and cash equivalents balance of S\$8.49 million as at 31 December 2016.

Net cash from operating activities

The Group's net cash inflow from the operating activities was approximately S\$0.93 million. This was 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 FY2017 amounted to approximately S\$0.13 million, as a result of additions to property, plant and equipment amounting to S\$0.33 million partially offset by interest income of S\$0.07 million and proceeds from sale of plant and equipment of S\$0.13 million.

Net cash flows from financing activities

Net cash flows from financing activities during FY2017 was approximately S\$1.53 million. The funds from issuance of trust receipts of approximately S\$7.22 million were offset by the repayment of trust receipts of approximately S\$4.89 million, proceeds from the issuance of ordinary shares of S\$1.0 million. The cash outflows were mainly dividend payments made of approximately S\$1.50 million in FY2017, settlement of finance lease payable of approximately S\$0.19 million and payment of interest expense of S\$0.09 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. Tight skilled labour market;
- b. Rising business costs and volatility in foreign currencies;
- c. Slowdown in overall business environment; and
- d. Increased competition from new and existing players.

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 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.

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

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11. Dividend

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

Yes.

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

An interim dividend of 0.25 Singapore cent (tax exempt (one-tier)) per share was paid on 22 September 2017.

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

Yes.

Name of Dividend	Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.75 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

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.

Not applicable.

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.

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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	<i>Allocation</i>	<i>Amount utilised</i>	<i>Amount un-utilised</i>
	S\$'000	S\$'000	S\$'000
(a) Acquisition of additional fabrication equipment and machinery	700	319	381
(b) Funding our expansion, including by way of acquisitions, joint ventures and/or strategic alliances	1,600	-	1,600
(c) For general working purposes of our Group	975	975	-
(d) IPO expenses	1,325	1,335	(10)
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 2017, 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 announcement, the net proceeds have not been utilised.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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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
2017				
Revenue				
External revenue	23,292	7,433	-	30,725
Results				
Segment results	1,984	149	(388)	1,745
Finance costs	(89)	(28)	-	(117)
Profit before income tax	1,895	121	(388)	1,628
Income tax expense				(300)
Profit for the financial year				1,328
Non-cash items				
Depreciation of property, plant and equipment	(351)	(112)	-	(463)
Loss on disposal of plant and equipment	(41)	-	-	(41)
Amortisation for intangible asset	(43)	(14)	-	(57)
Inventories written back	69	-	-	69
Allowance for impairment loss on third parties trade receivables	(302)	-	-	(302)
Bad debts third parties trade receivables written off	(5)	-	-	(5)
Capital Expenditure				
Property, plant and equipment	-	-	330	330
Assets and Liabilities				
Segment assets	-	-	27,208	27,208
	-	-	27,208	27,208
Segment liabilities	-	-	9,949	9,949
- Current income tax payable	-	-	320	320
- Deferred tax payable	-	-	88	88
	-	-	10,357	10,357

SINGAPORE KITCHEN EQUIPMENT LIMITED

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Business Segment

(Audited)

2016

Revenue

External revenue

Results

Segment results

Finance costs

Profit before income tax

Income tax expense

Profit for the financial year

Non-cash items

Depreciation of property, plant and equipment

Gain on disposal of plant and equipment

Amortisation for intangible asset

Inventories written down

Allowance for impairment loss on third parties trade receivables written back

Capital Expenditure

Property, plant and equipment

Intangible asset

Assets and Liabilities

Segment assets

Segment liabilities

- Current income tax payable

- Deferred tax payable

Fabrication and distribution business S\$'000	Maintenance and servicing business S\$'000	Unallocated S\$'000	Total S\$'000
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19,863	6,344	-	26,207
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3,010	360	(394)	2,976
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(50)	(16)	-	(66)
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2,960	344	(394)	2,910
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			(342)
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			2,568
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(319)	(91)	-	(410)
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19	-	-	19
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(53)	(17)	-	(70)
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(281)	-	-	(281)
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155	-	-	155
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-	-	165	165
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-	-	38	38
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-	-	22,568	22,568
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-	-	22,568	22,568
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-	-	5,895	5,895
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-	-	564	564
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-	-	78	78
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-	-	6,537	6,537
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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)

2017

Total revenue from external customers

Singapore

S\$'000

Malaysia

S\$'000

Others

S\$'000

Total

S\$'000

30,445	120	160	30,725
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Non-current assets

1,993	414	-	2,407
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(Audited)

2016

Total revenue from external customers

Singapore

S\$'000

Malaysia

S\$'000

Others

S\$'000

Total

S\$'000

25,955	201	51	26,207
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Non-current assets

998	431	-	1,429
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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.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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17. A breakdown of sales

	FY2017 (Unaudited) S\$'000	FY2016 (Audited) S\$'000
Sales & Net profit reported for 1st half, 30 June		
Sales	14,990	11,486
Net Profit	1,181	1,072
Net Profit Margin	7.9%	9.3%
Sales & Net profit reported for 2nd half, 31 Dec		
Sales	15,735	14,721
Net Profit	147	1,496
Net Profit Margin	0.9%	10.2%

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

	FY2017 (Unaudited) S\$	FY2016 (Audited) S\$
Interim (tax exempt – one-tier)	375,000	NIL
Final (tax exempt – one tier)	775,000	1,125,000
Total	1,150,000	1,125,000

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
Managing Director
1 March 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"), this being the SGX-ST Listing Manual Section B: Rules of 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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