

RESPONSE TO THE SGX-ST'S QUERIES REGARDING CESSATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board of Directors (the **"Board"** or **"Directors"**) of Singapore Kitchen Equipment Limited (the **"Company"** and together with its subsidiaries, the **"Group"**) refers to the following queries raised by the Singapore Exchange Securities Trading Limited (**"SGX-ST"**) on 30 September 2021 relating to the Company's announcement on the cessation of Lui Hing Weng Samuel (**"Samuel"**) as Independent Non-Executive Director of the Company dated 29 September 2021 (**"Cessation Announcement"**) and sets out its response as follows:

Question 1: Given the ongoing Rajah & Tann review into the 8 Payment Transactions totaling S\$1.395m that was made by its major shareholder, QKEH, on behalf of the Company ("R&T Review"),

(a) Will the ID Samuel Lui's resignation affect the ongoing R&T Review?

No. The Board does not foresee Mr Samuel Lui's departure will have any material impact to the ongoing R&T Review.

(b) Should ID Samuel Lui's inputs be required for the R&T Review, does he undertake to continue to render his help as necessary?

As the R&T Review is approaching finalization of the report, the Board felt that further input from previous directors will not be necessary. In the event that further input is required from Mr Samuel Lui, he remains contactable and will be available.

(c) Please elaborate on the NC's and Board's considerations on why it is in the best interest of the Company and its shareholders for Samuel to leave at this juncture when the R&T Review is still ongoing. Moreover, 3 of 4 remaining IDs on the board are newly appointed only after the concerns on the 8 Payment Transactions were raised.

The Board still has sufficient members with the skill, knowledge and independence to protect the interest of the Company and its shareholders. Since joining the Company, the 3 new independent directors have been updated and have familiarized themselves with the board matters, including the matters relating to the 8 Payment Transactions. Further, Company has in the Board an Independent Director and member of AC since 2013, during the period when the 8 transactions occurred.

Question 2: Given that the Company had only recently appointed 3 IDs (including the Independent Non- Executive Chairman), with the cessation of ID Samuel Lui, is the AC comprised of directors who are familiar with the matters and persons present when the 8 Payment Transactions are made?

Yes. The Audit Committee currently comprises Mr Ang Chiang Meng ("Mr Ang") (Chairman of Audit Committee), Mr Kevin Ng How Hwan ("Mr Ng") and Mr Choo Kok Kiong ("Mr Choo"). Mr Ng has been an independent non-executive director of the Company since 2013. Since joining the Company as independent non-executive directors, Mr Ang and Mr Choo have been updated and have participated in deliberations by the Board on the matters relating to the 8 Payment Transactions.

The new IDs were briefed of the 8 Payment Transactions during the transitional period. Coupled with briefings from the professionals and in-sight from the R&T Review, the Board believes that the IDs are able to bring the review to satisfactory conclusion.

Question 3: Please provide an update on the status of the R&T Review.

R&T and the Company expect the R&T Review report be ready by 15 Oct 2021.

Question 4: In the cessation announcement, ID Samuel Lui stated that as he is based overseas and it has been very difficult to travel back to Singapore since early 2020 due to the travelling restrictions arising from Covid-19, it is more appropriate for the Company to rely on the existing IDs who are all based in Singapore as it will be more effective and efficient that way.

(a) How were board meetings/ discussions/ communications done before and after the Covid-19 pandemic?

Before Covid-19 pandemic

In 2018, Samuel made two trips to Singapore to attend board meetings. Subsequently, all meetings were conducted on a hybrid model. Locally based directors were physically present whilst Samuel was on either tele or video conference.

During Covid-19 pandemic

With the onset of the COVID-19 pandemic, depending on the restriction measure imposed during the period, Samuel attended via tele or video conference whilst locally based directors met physically or via tele / video conference.

(b) Please elaborate on how ID Samuel Lui discharged his duties prior to the Covid-19 pandemic, and whether the NC was satisfied with such arrangements? What has changed since then?

Samuel, as NC Chairman, had via zoom call, interviewed and / or approved candidates in roles of Chief Financial Officer, three new Independent Directors, new Sponsor, new Auditor & Independent Reviewer. Considering the current pandemic situation, meetings / discussions have to be virtually carried out.

(c) Please elaborate on whether ID Samuel Lui had raised concerns on the company which should be brought to the attention of shareholders?

As disclosed in the Cessation Announcement and Samuel's signed declaration in the Appendix 7G of the SGX-ST Listing Manual Section B: Rules of Catalist, Samuel responded "None, save for matters as disclosed in the Company's announcement 'Update on additional review of audit of the Financial Statements FY2020 and Voluntary Suspension' dated 11 August 2021."

By Order of the Board
SINGAPORE KITCHEN EQUIPMENT LIMITED

Chua Chwee Choo
Executive Director and Chief Executive Officer
1 October 2021

This announcement has been reviewed by the Company's sponsor, CIMB Bank Berhad, Singapore Branch ("Sponsor") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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.