

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER (“4Q FY2023”) AND TWELVE MONTHS (“12M FY2023”) ENDED 31 DECEMBER 2023

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Pursuant to Rule 705(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst ("Listing Manual"), the Singapore Exchange Regulation requires the Company to announce its quarterly financial statements in view of the qualified opinion issued by the Company's auditor in the latest audited financial statements for the financial year ended 31 December 2022.

SINGAPORE KITCHEN EQUIPMENT LIMITED

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	3 months ended 31 Dec 2023 (Unaudited) S\$'000	3 months ended 31 Dec 2022 (Unaudited) S\$'000	Change %	12 months ended 31 Dec 2023 (Unaudited) S\$'000	12 months ended 31 Dec 2022 (Audited) S\$'000	Change %
Revenue	4	13,138	10,484	25.3	41,670	33,955	22.7
Cost of sales		(8,325)	(6,554)	27.0	(27,633)	(22,694)	21.8
Gross profit		4,813	3,930	22.5	14,037	11,261	24.7
Other operating income							
Interest income		20	5	300	74	16	362.5
Other income		38	63	(39.7)	281	503	(44.2)
Operating expenses							
Selling and distribution expenses		(1,066)	(888)	20.0	(4,712)	(3,527)	33.6
Administrative expenses		(1,303)	(1,681)	(22.5)	(5,623)	(5,662)	(0.7)
Other operating expenses		(29)	(39)	(25.6)	(198)	(99)	100.0
Finance costs		(124)	(63)	96.8	(350)	(238)	47.1
Impairment losses on trade receivables reversed/(made)		22	(1,300)	n.m.	491	(1,471)	n.m.
Profit before taxation	5	2,371	27	8,681.5	4,000	783	410.9
Taxation		(329)	313	n.m.	(616)	61	n.m.
Profit for the period/year		2,042	340	500.6	3,384	844	300.9
Other comprehensive income/(loss)							
Items that may be reclassified subsequently to profit or loss							
Foreign currency transaction difference on consolidation		(12)	1	n.m.	(7)	(13)	(46.2)
Total comprehensive income for the period/year attributable to owners of the Company		2,030	341	495.3	3,377	831	306.4
Earnings per share attributable to owners of the Company							
Basis and diluted (Singapore cents)	7	1.31	0.22	495.5	2.18	0.54	303.7

* n.m. denotes not meaningful

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Condensed Interim Statements of Financial Position

	The Group As at			The Company As at	
	Note	31 Dec 2023 (Unaudited) S\$'000	31 Dec 2022 (Audited) S\$'000	31 Dec 2023 (Unaudited) S\$'000	31 Dec 2022 (Audited) S\$'000
Non-Current Assets					
Property, plant and equipment	6	14,558	7,751	-	2
Intangible assets		20	24	-	-
Right-of-use assets		888	627	-	-
Subsidiaries		-	-	10	10
Finance lease receivables		137	206	-	-
		15,603	8,608	10	12
Current Assets					
Inventories		4,459	5,197	-	-
Trade and other receivables		10,225	9,735	3,209	2,733
Prepayments		130	94	-	3
Finance lease receivables		76	110	-	-
Restricted bank deposits		1,552	2,038	-	-
Cash and bank deposits		9,123	12,497	127	96
		25,565	29,671	3,336	2,832
TOTAL ASSETS		41,168	38,279	3,346	2,844
Non-Current Liabilities					
Borrowings	11	10,296	6,372	-	-
Lease liabilities		448	488	-	-
Deferred tax liabilities		46	34	-	-
		10,790	6,894	-	-
Current Liabilities					
Borrowings	11	3,506	2,730	-	-
Lease liabilities		746	695	-	-
Contract liabilities		1,386	4,308	-	-
Trade and other payables		5,424	7,177	103	103
Current tax payable		383	143	-	-
		11,445	15,053	103	103
TOTAL LIABILITIES		22,235	21,947	103	103
NET ASSETS		18,933	16,332	3,243	2,741
Equity					
Share capital	12	5,125	5,125	5,125	5,125
Other reserves		1,155	1,162	-	-
Retained earnings / (Accumulated losses)		12,653	10,045	(1,882)	(2,384)
TOTAL EQUITY		18,933	16,332	3,243	2,741

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Condensed Interim Consolidated Statement of Cash Flows

	Note	12 months ended 31 Dec 2023 S\$'000 (Unaudited)	12 months ended 31 Dec 2022 S\$'000 (Audited)
Cash Flows from Operating Activities			
Profit before taxation		4,000	783
Adjustments for:			
Amortisation of intangible assets		14	27
Depreciation of property, plant and equipment		475	335
Depreciation of right-of-use assets		709	942
Property, plant and equipment written off		-	47
Impairment losses on trade receivables (reversed)/made		(491)	1,471
Interest expense		350	238
Interest income		(74)	(16)
Interest income on net investment in finance leases		(6)	(5)
Inventories written off		-	187
Loss on early termination of finance lease receivables		38	-
Write-down on inventories made/(reversed)		200	(78)
Trade receivables written off		40	-
Selling profit for finance leases		(66)	(194)
Gain on lease termination		-	(23)
Operating profit before working capital changes		5,189	3,714
Working Capital Changes:			
Changes in inventories		521	(1,935)
Changes in trade and other receivables		93	(1,646)
Changes in prepayments		(38)	-
Changes in trade and other payable		(1,819)	2,854
Changes in contract liabilities		(2,935)	1,036
Cash generated from operations		1,011	4,023
Income taxes paid		(364)	(303)
Net cash generated from operating activities		647	3,720
Cash Flows from Investing Activities			
Interest received		76	16
Payments for intangible assets		(10)	(26)
Proceeds from finance lease receivables		137	135
Purchase of property, plant and equipment		(7,311)	(7,076)
Net cash used in investing activities		(7,108)	(6,951)
Cash Flows from Financing Activities			
Proceeds from borrowings		15,839	12,477
Repayment of borrowings		(11,139)	(8,789)
Repayment of lease liabilities		(958)	(919)
Restricted bank deposits		485	(420)
Dividends paid		(776)	(1,163)
Interest paid		(350)	(238)
Net cash generated from financing activities		3,101	948
Net decrease in cash and cash equivalents		(3,360)	(2,283)
Cash and cash equivalents at beginning of the year		12,497	14,819
Exchange differences on translation of cash and cash equivalents		(14)	(39)
Cash and cash equivalents at the end of the year		9,123	12,497

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Condensed Interim Statements of Changes of Equity

The Group	Share Capital	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2023	5,125	1,311	(149)	10,045	16,332
Profit for the year	-	-	-	3,384	3,384
Other comprehensive loss for the year					
Foreign currency translation differences	-	-	(7)	-	(7)
Total comprehensive income/(loss) for the year	-	-	(7)	3,384	3,377
Contributions by and distributions to owners:					
Dividends	-	-	-	(776)	(776)
Balance at 31 Dec 2023	5,125	1,311	(156)	12,653	18,933

The Group	Share Capital	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 Jan 2022	5,125	1,311	(136)	10,364	16,664
Profit for the year	-	-	-	844	844
Other comprehensive loss for the year					
Foreign currency translation differences	-	-	(13)	-	(13)
Total comprehensive income/(loss) for the year	-	-	(13)	844	831
Contributions by and distributions to owners:					
Dividends	-	-	-	(1,163)	(1,163)
Balance at 31 Dec 2022	5,125	1,311	(149)	10,045	16,332

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Condensed Interim Statements of Changes of Equity (continued)

The Company	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Balance at 1 Jan 2023	5,125	(2,384)	2,741
Profit for the year		1,278	1,278
Total comprehensive income for the year	-	1,278	1,278
Contributions by and distributions to owners:			
Dividends		(776)	(776)
Balance at 31 Dec 2023	5,125	(1,882)	3,243

The Company	Share Capital S\$'000	Accumulated Losses S\$'000	Total Equity S\$'000
Balance at 1 Jan 2022	5,125	(1,319)	3,806
Profit for the year	-	98	98
Total comprehensive income for the year	-	98	98
Contributions by and distributions to owners:			
Dividends	-	(1,163)	(1,163)
Balance at 31 Dec 2022	5,125	(2,384)	2,741

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Notes to Condensed Interim Consolidated Financial Statements

1. Corporate information

Singapore Kitchen Equipment Limited (the “**Company**”) is incorporated as a limited liability company and domiciled in Singapore and whose shares are publicly traded on the Catalist of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements as at and for the fourth quarter and twelve months period ended 31 December 2023 comprise the Company and its subsidiaries (collectively, the “**Group**”).

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are:

- (a) manufacturing of table, kitchen and other cutlery equipment;
- (b) repair and maintenance and servicing of commercial kitchen equipment; and
- (c) rental of kitchen equipment business

2. Basis of Preparation

The condensed interim financial statements as at and for the fourth quarter and twelve months ended 31 December 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting*. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim financial statements for the period ended 30 September 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar (“S\$”) which is the Company’s functional currency.

2.1. New and amended standards adopted by the Group.

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the financial year beginning on 1 January 2023. The application of these standards and interpretations did not have a material effect on the condensed interim financial statements.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment & Revenue Information

Business Segments

The Group is primarily engaged in three business segments namely:

- (i) Fabrication and distribution business;
- (ii) Maintenance and servicing business; and
- (iii) Rental business

The Group adopts these three business segments for its primary segment information. All operating segments' operating results are reviewed regularly by the Company's executive directors who are the Group's chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

4.1. Reportable Segments

Business Segment (Unaudited)	Fabrication & Distribution Business S\$'000	Maintenance & Servicing Business S\$'000	Rental Business S\$'000	Unallocated S\$'000	Total S\$'000
4Q FY2023					
Segment Revenue					
External revenue	10,850	2,306	(18)	-	13,138
Results					
Segment results	1,026	1,585	(11)	(105)	2,495
Finance costs	(103)	(21)	-	-	(124)
Profit before taxation	923	1,564	(11)	(105)	2,371
Taxation					(329)
Profit for the period					2,042
Non-cash items					
Amortisation of intangible assets	3	-	-	-	3
Depreciation of property, plant and equipment	(107)	(22)	-	-	(129)
Depreciation of right-of-use assets	(146)	(29)	-	-	(175)
Impairment losses on trade receivables reversed	20	2	-	-	22
Write-down on inventories made	(85)	(20)	-	-	(105)
Capital expenditure					
Property, plant and equipment	-	-	-	65	65
Assets and liabilities					
Segment assets	14,095	2,721	213	24,139	41,168
Segment liabilities	8,108	327	-	13,800	22,235

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution Business S\$'000	Maintenance & Servicing Business S\$'000	Rental Business S\$'000	Unallocated S\$'000	Total S\$'000
4Q FY2022					
Segment Revenue					
External revenue	8,443	1,923	118	-	10,484
Results					
Segment results	42	201	116	(269)	90
Finance costs	(52)	(11)	-	-	(63)
Profit before taxation	(10)	190	116	(269)	27
Taxation					313
Profit for the period					340
Non-cash items					
Amortisation of intangible assets	(6)	(1)	-	-	(7)
Depreciation of property, plant and equipment	(55)	-	-	-	(55)
Depreciation of right-of-use assets	(103)	(86)	-	-	(189)
Impairment losses on trade receivables	(1,046)	(255)	-	-	(1,301)
Write-down on inventories reversed	81	-	-	-	81
Capital expenditure					
Property, plant and equipment	-	-	-	-	-
Assets and liabilities					
Segment assets	14,492	2,757	316	20,714	38,279
Segment liabilities	12,559	286	-	9,102	21,947

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution Business S\$'000	Maintenance & Servicing Business S\$'000	Rental Business S\$'000	Unallocated S\$'000	Total S\$'000
12M FY2023					
Segment Revenue					
External revenue	33,433	8,169	68	-	41,670
Results					
Segment results	1,681	3,165	27	(523)	4,350
Finance costs	(282)	(68)	-	-	(350)
Profit before taxation	1,399	3,097	27	(523)	4,000
Taxation					(616)
Profit for the year					3,384
Non-cash items					
Amortisation of intangible assets	(11)	(3)	-	-	(14)
Depreciation of property, plant and equipment	(382)	(93)	-	-	(475)
Depreciation of right-of-use assets	(571)	(138)	-	-	(709)
Impairment losses on trade receivables reversed	395	96	-	-	491
Write-down on inventories made	(160)	(40)	-	-	(200)
Capital expenditure					
Property, plant and equipment	-	-	-	7,311	7,311
Assets and liabilities					
Segment assets	14,095	2,721	213	24,139	41,168
Segment liabilities	8,108	327	-	13,800	22,235

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4.1. Reportable Segments (continued)

Business Segment (Audited)	Fabrication & Distribution Business S\$'000	Maintenance & Servicing Business S\$'000	Rental Business S\$'000	Unallocated S\$'000	Total S\$'000
12M FY2022					
Segment Revenue					
External revenue	27,038	6,695	222	-	33,955
Results					
Segment results	470	1,057	200	(706)	1,021
Finance costs	(191)	(47)	-	-	(238)
Profit before taxation	279	1,010	200	(706)	783
Taxation					61
Profit for the year					844
Non-cash items					
Amortisation of intangible assets	(22)	(5)	-	-	(27)
Depreciation of property, plant and equipment	(281)	(54)	-	-	(335)
Depreciation of right-of-use assets	(704)	(238)	-	-	(942)
Impairment losses on trade receivables	(1,181)	(290)	-	-	(1,471)
Write-down on inventories reversed	78	-	-	-	78
Capital expenditure					
Property, plant and equipment	-	-	-	7,076	7,076
Assets and liabilities					
Segment assets	14,492	2,757	316	20,714	38,279
Segment liabilities	12,559	286	-	9,102	21,947

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4.2. Disaggregation of Revenue

Geographical information

Revenue is based on the country where the customer is located. Non-current assets comprise property, plant and equipment, intangible assets and right-of-use assets, and exclude finance lease receivables, and are presented based on the geographical area in which the assets are located.

Group	Singapore S\$'000	Malaysia S\$'000	Others S\$'000	Total S\$'000
Q4 FY2023				
Total revenue from external customers	13,057	81	-	13,138
Non-current assets	15,034	432	-	15,466
Q4 FY2022				
Total revenue from external customers	10,369	46	69	10,484
Non-current assets	7,872	530	-	8,402
12M FY2023				
Total revenue from external customers	40,789	161	720	41,670
Non-current assets	15,034	432	-	15,466
12M FY2022				
Total revenue from external customers	33,829	57	69	33,955
Non-current assets	7,872	530	-	8,402

5. Profit Before Taxation

Profit before taxation for the period/year has been arrived at after charging/(crediting) the following:

	Group			
	4Q FY2023 (Unaudited) S\$'000	4Q FY2022 (Unaudited) S\$'000	12M FY2023 (Unaudited) S\$'000	12M FY2022 (Audited) S\$'000
Amortisation of intangible assets	(3)	7	14	27
Depreciation of property, plant and equipment	129	55	475	335
Depreciation of right-of-use assets	175	189	709	942
Interest expense	124	63	350	238
Interest income	(20)	(5)	(74)	(16)

6. Property, Plant and Equipment

During 12M FY2023, the Group acquired assets amounting to S\$7,311,278 (12M FY2022: S\$7,380,653) and disposed of assets with the carrying amount of S\$664 (12M FY2022: S\$47,355).

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7. Earnings Per Share

Earnings per 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 in issue; and
- (b) On a fully diluted basis (detailing any adjustments made to the earnings).

Earnings per share ("EPS") ⁽¹⁾	Group			
	4Q FY2023 (Unaudited)	4Q FY2022 (Unaudited)	12M FY2023 (Unaudited)	12M FY2022 (Audited)
Profit attributable to owners of the Company (S\$'000)	2,042	340	3,384	844
Weighted average number of ordinary shares for calculation of basic and diluted EPS ⁽²⁾	155,000,000	155,000,000	155,000,000	155,000,000
EPS (Singapore cents) (basic and diluted ⁽²⁾)	1.31	0.22	2.18	0.54

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.

8. A breakdown of sales

	12M FY2023 (Unaudited) S\$'000	12M FY2022 (Unaudited) S\$'000	Change %
For 1st half			
Revenue	19,123	15,764	21.3
Operating profit after tax before deducting non-controlling interests	1,165	625	86.4
Operating profit margin	6.09%	3.96%	
For 2nd half			
Revenue	22,509	18,191	23.7
Operating profit after tax before deducting non-controlling interests	2,219	219	n.m
Operating profit margin	9.86%	1.20%	

9. A breakdown of the total annual dividend

	12M FY2023 (Unaudited) S\$'000	12M FY2022 (Audited) S\$'000
Final ordinary dividend of S\$0.25 cent per ordinary share for financial year ended 31 December 2022, declared and paid in 12M FY2023	388	-
Interim ordinary dividend of S\$0.25 cent per ordinary share for financial year ended 31 December 2023, declared and paid in 12M FY2023	388	-
Final ordinary dividend of S\$0.50 cent per ordinary share for financial year ended 31 December 2021, declared and paid in 12M FY2022	-	775
Interim ordinary dividend of S\$0.25 cent per ordinary share for financial year ended 31 December 2022, declared and paid in 12M FY2022	-	388

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10. Net Asset Value

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 Dec 2023 (Unaudited)	31 Dec 2022 (Audited)	31 Dec 2023 (Unaudited)	31 Dec 2022 (Audited)
NAV attributable to owners of the Company (S\$'000)	18,933	16,332	3,243	2,741
Number of ordinary shares in issue	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary shares (Singapore cents)	12.21	10.54	2.09	1.77

11. Borrowings

Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Dec 2023 (Unaudited) S\$'000		As at 31 Dec 2022 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
3,506	-	2,730	-

Amount repayable after one year

As at 31 Dec 2023 (Unaudited) S\$'000		As at 31 Dec 2022 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
10,296	-	6,372	-

Details of any collateral secured borrowings: -

Borrowings of the Group comprise bank borrowings supported by corporate guarantee from the Company.

- (a) Trust receipts have maturities of 30 to 150 (31 December 2022: 30 to 150) days. As of 31 December 2023, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$4,459,355 (31 December 2022: S\$5,197,130).
- (b) Property loan of S\$4,473,000 is secured against a freehold property located at 207 Henderson Road #01-01, Henderson Industrial Park, Singapore 159550.
- (c) Property loan of S\$5,371,00 is secured against a freehold property located at 209 Henderson Road #01-05, Henderson Industrial Park, Singapore 159551.
- (d) Temporary bridging loan of S\$1,898,000 obtained by a subsidiary is secured through a corporate guarantee provided by the Company.

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12. Share Capital

	31 Dec 2023		31 Dec 2022	
	Number of ordinary shares	Issued and Paid Up S\$	Number of ordinary shares	Issued and Paid Up S\$
Beginning and end of financial year	155,000,000	5,124,790	155,000,000	5,124,790

There was no change in the Company's share capital since the end of the previous period reported on being 30 September 2023.

There are no outstanding convertibles or shares held as treasury shares as of 31 December 2023 and 31 December 2022.

The Company's subsidiaries did not hold any shares in the Company as of 31 December 2023 and 31 December 2022.

13. Subsequent Event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

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Other information required by Appendix 7C of the Catalyst Rules

1. Review

The condensed consolidated statement of financial position of Singapore Kitchen Equipment Limited and its subsidiaries as at 31 December 2023 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the fourth quarter and twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

- a) Where the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion:

A qualified opinion audit report was issued in relation to the audited consolidated financial statements of the Group and the Company for the financial year ended 31 December 2022. The Audit Risk & Management Committee (“ARMC”) is of the view that except for the possible effects of the matter described in the Basis for Qualified Opinion section of the Independent Auditor’s Report, the Group’s systems of internal controls are adequate to address financial, operational, compliance and information technology controls and risk management systems for the period under review.

- b) Updates on the efforts taken to resolve each outstanding audit issue.

Management has been working towards a clean audit opinion by reviewing the accounting records and monthly management accounts of the Group on a regular basis. All retrospective adjustments pertaining to FY2021 and before have been recorded by management in FY2022 such that the independent auditor was able to obtain sufficient appropriate audit evidence in respect of the closing balances of the assets and liabilities of the Group and the Company as at 31 December 2022.

- c) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that all impact of outstanding audit issues on the financial statements in relation to FY2022 have been adequately disclosed.

2. Review of performance of the Group

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

For the fourth quarter ended 31 December 2023 (“**4Q FY2023**”), the Group revenue amounts to S\$13.1 million compared to S\$10.5 million for fourth quarter ended 31 December 2022 (“**4Q FY2022**”). The increase in Group’s revenue was primarily due to higher sales from fabrication and distribution of kitchen equipment.

For the financial year ended 31 December 2023 (“**12M FY2023**”), the Group recorded revenue amounting to S\$41.7 million compared to S\$33.9 million for the financial year ended 31 December 2022 (“**12M FY2022**”). The increase in Group’s revenue was primarily due to higher sales generated from fabrication and distribution of kitchen equipment. Cold room systems contributed S\$2.3 million revenue in 12M FY2023.

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Cost of sales and gross profit

For 4Q FY2023, the Group's cost of sales increased by approximately S\$1.7 million from S\$6.6 million in 4Q FY2022 to S\$8.3 million, mainly due to a proportionate increase in sales, resulting in flat gross margin

The Group's cost of sales increased by approximately S\$4.9 million from S\$22.7 million in 12M FY2022 to S\$27.6 million in 12M FY2023 mainly due to a proportionate increase in sales, resulting in flat gross profit margin.

Other operating income

Other operating income decreased from S\$0.5 million in 12M FY2022 to S\$0.3 million in 12M FY2023 mainly due to reduction in Enterprise Singapore Grant and Jobs Growth Incentive support received by the Group from the government for supporting the expansion of local hiring.

Selling and distribution expenses

Selling and distribution expenses increased by approximately S\$0.2 million from S\$0.9 million in 4Q FY2022 to S\$1.1 million in 4Q FY2023, mainly due to commission arising from higher sales.

Selling and distribution expenses increased by approximately S\$1.2 million from S\$3.5 million in 12M FY2022 to S\$4.7 million in 12M FY2023, mainly due to higher staff remuneration & commission arising from higher sales and higher business travel expenses.

Administrative expenses

Administrative expenses reduced by approximately S\$0.4 million from S\$1.7 million in 4Q FY2023 to S\$1.3 million in 4Q FY2022, mainly due to lower professional fees and general expenses.

Administrative expenses remain flat at S\$5.6 million in 12M FY2023 and 12M FY2022.

Profit for the year

The Group reported a net profit after tax ("**NPAT**") of approximately S\$3.4 million in 12M FY2023 which is higher when compared to the NPAT of approximately S\$0.8 million in 12M FY2022, mainly due to the higher sales and reversal of impairment on trade receivables.

Consolidated Statement of Financial Position

Non-current assets

The Group's non-current assets as at 31 December 2023 increased by S\$7.0 million in 12M FY2023 mainly due to purchase of freehold property located at 209 Henderson Road, #01-05 Henderson Industrial Park, Singapore 159551.

Current assets

The Group's current assets amounted to approximately S\$25.6 million as at 31 December 2023 (31 December 2022: S\$29.7 million).

The Group's inventories decreased by S\$0.7 million from S\$5.2 million as at 31 December 2022 to S\$4.5 million as at 31 December 2023.

The Group's trade receivables increased by S\$0.5 million from S\$9.7 million as at 31 December 2022 to S\$10.2 million as at 31 December 2023.

The decrease in cash and cash equivalents is mainly due to cash paid for purchase of the 209 Henderson Road freehold building.

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Current liabilities

The Group's current liabilities position decreased by S\$3.6 million from S\$15.0 million as at 31 December 2022 to S\$11.4 million as at 31 December 2023.

The decrease in contract liabilities by S\$3.0 million from S\$4.3 million as at 31 December 2022 to S\$1.3 million as at 31 December 2023 was due to sales completed for advance received.

The decrease in trade and other payables by approximately S\$1.8 million from S\$7.2 million as at 31 December 2022 to S\$5.4 million as at 31 December 2023 was mainly due to payments made for inventories of major projects.

Non-current liabilities

The Group's non-current liabilities increased by S\$3.9 million mainly due to bank loan taken for purchase of the 209 Henderson Road freehold building.

Shareholders' equity

As at 31 December 2023, the Group's shareholders' equity amounted to S\$18.9 million which is higher than the shareholders' equity of S\$16.3 million as at 31 December 2022, because of profit for the year.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, amounted to approximately S\$9.1 million as at 31 December 2023, representing a decrease of approximately S\$3.4 million from the cash and cash equivalents balance of S\$12.5 million as at 31 December 2022.

Net cash generated from operating activities.

The Group's net cash generated from operating activities was approximately S\$0.6 million.

Net cash flows used in investing activities.

Net cash used in investing activities during 12M FY2023 amounted to approximately S\$7.1 million as a result of purchase of the 209 Henderson Road freehold building.

Net cash flows generated from financing activities.

Net cash generated from financing activities during 12M FY2023 was approximately S\$3.1 million due mainly to proceeds from new borrowings for purchase of the 209 Henderson Road freehold building.

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3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

4. 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.

The Group expects business to slow down due to ongoing uncertainties globally. With high inflation and increasing logistic costs due to the on-going situation in the Red Sea, the Group must confront the challenges in terms of rising costs, increasing productivity, and maximising use of its labour force in the tight labour market. Digital transformation in the food service industry, especially on use of robots and machines in kitchen and greater emphasis on sustainability in terms of eco-waste and packaging will be the primary focus in next 12 months.

5. If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Yes, The Board recommends a 0.25 Singapore cent per share tax-exempt one-tier final dividend for the financial year ended 31 December 2023, subject to the approval of shareholders at the forthcoming annual general meeting to be convened.

(b) Corresponding Period of the Immediately preceding financial year: any final dividend recommended for the corresponding period of the immediately preceding financial year?

The Company had declared a final dividend of 0.25 Singapore cent per share in respect of 12M FY2022 at the previous annual general meeting held on 24 April 2023 and had declared a tax-exempt one-tier interim dividend of 0.25 Singapore cents per share for 6M FY2023.

(c) Date payable

To be advised

(d) Record date

To be advised

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

Not Applicable.

7. 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 a general mandate from shareholders for Interested Person Transactions. There were no Interested Persons Transactions of S\$100,000 or more conducted by the Group during this period reported on.

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8. Update on use of proceeds

(a) Initial Public Offer (“IPO”)

As at 31 December 2023, the company has fully utilized the IPO proceeds as summarized below:

	Allocation S\$'000	Amount Utilised S\$'000	Amount un-utilised S\$'000
(a) Acquisition of additional fabrication equipment and machinery	319	319	-
(b) Acquisition and renovation of the newly acquired property and other capital expenditures	1,355	1,355	-
(c) For general working purposes of our Group - Payment to trade suppliers - Salaries of New Hires - Rental expenses	1,601	1,601	-
(d) Expenses such as professional fees, under writing and placement commission and brokerage, and miscellaneous fees	1,325	1,325	-
Total	4,600	4,600	-

The above utilisation is in accordance with the intended use of proceeds of IPO, and re-allocated in accordance with the Company's announcement dated 13 October 2023.

(b) Placement

The Company had fully utilized net proceeds of approximately S\$1.0 million from the Placement, which was completed on 13 December 2017, as summarized below:

Working Capital
S\$'000

Summary of expenses:

- Salaries Expense	650
- Professional fees	250
- Administrative and miscellaneous expenses	100
Total	<u>1,000</u>

The above utilization of the net proceeds from the Placement is consistent with the intended use as announced on 21 January 2022.

9. 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 pursuant to Rule 704(10) in the format below. If there is no such persons, the issuer must make an appropriate negative statement.

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.

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10. Confirmation that the issue has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under 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.

11. Disclosure on Acquisitions and Sales of Shares pursuant to Catalyst Rule 706(A)

There were no acquisition or realisation of shares in any of the Group's subsidiary or associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the full financial year ended 31 December 2023.

BY ORDER OF THE BOARD

Chua Chwee Choo
Executive Director and Chief Executive Officer
29 February 2024

Lee Chong Hoe
Executive Director

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte Ltd (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). 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 details of the contact person for the Sponsor are as follows:
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