

SINGAPORE KITCHEN EQUIPMENT LIMITED

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

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER (“2Q FY2023”) AND SIX MONTHS (“6M FY2023”) ENDED 30 JUNE 2023

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Pursuant to Rule 705(2) of the SGX-ST Listing Rules (Catalist), 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

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

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

	The Group						
	Note	3 months ended	3 months ended	Increase/ (Decrease)	6 months ended	6 months ended	Increase/ (Decrease)
		30 June 2023 (Unaudited) S\$'000	30 June 2022 (Unaudited) S\$'000	%	30 June 2023 (Unaudited) S\$'000	30 June 2022 (Unaudited) S\$'000	%
Revenue	4	12,879	10,437	23.4	19,123	15,764	21.3
Cost of sales		(8,678)	(7,052)	23.1	(12,980)	(11,068)	17.3
Gross profit		4,201	3,385	24.1	6,143	4,696	30.8
Other operating income							
Interest income		20	3	566.7	27	4	575.0
Other income		41	95	(56.8)	181	376	(51.9)
Operating expenses							
Selling and distribution expenses		(1,137)	(860)	32.2	(2,353)	(1,634)	44.0
Administrative expenses		(1,327)	(1,307)	1.5	(2,774)	(2,515)	10.3
Other operating expenses		(7)	69	n.m	(67)	(20)	235.0
Finance costs		(56)	(55)	1.8	(121)	(116)	4.3
Net Reversal of impairment on trade receivables		529	-	n.m	408	-	n.m
Profit before taxation	5	2,264	1,330	70.2	1,444	791	82.6
Taxation		(345)	(166)	107.8	(279)	(166)	68.1
Profit for the period		1,919	1,164	64.9	1,165	625	86.4
Other comprehensive (expenses)/income							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation difference on consolidation		(4)	(7)	(42.9)	5	(7)	(171.4)
Total comprehensive profit for the period attributable to owners of the Company		1,915	1,157	65.5	1,170	618	89.3
Earnings per share attributable to owners of the Company							
Basic and diluted (Singapore cent)	6	1.24	0.75	65.3	0.75	0.40	87.5

* n.m denotes not meaningful

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Condensed Interim Consolidated Statement of Financial Position

	Note	The Group as at		The Company as at	
		30 June 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000	30 June 2023 (Unaudited) S\$'000	31 December 2022 (Audited) S\$'000
Non-Current Assets					
Property, plant and equipment		7,620	7,751	1	2
Intangible assets		24	24	-	-
Right-of-use assets		756	627	-	-
Subsidiaries		-	-	10	10
Finance lease receivables		179	206	-	-
		8,579	8,608	11	12
Current Assets					
Inventories		6,520	5,197	-	-
Trade and other receivables		11,700	9,735	2,537	2,733
Prepayments		249	94	10	3
Finance lease receivables		119	110	-	-
Pledged bank deposits		4,748	3,013	-	-
Cash and bank deposits		8,129	11,522	429	96
		31,465	29,671	2,976	2,832
TOTAL ASSETS		40,044	38,279	2,987	2,844
Non-Current Liabilities					
Borrowings	8	5,643	6,372	-	-
Lease liabilities		477	488	-	-
Deferred tax liabilities		34	34	-	-
		6,154	6,894	-	-
Current Liabilities					
Borrowings	8	2,676	2,730	-	-
Lease liabilities		722	695	-	-
Contract liabilities		6,276	4,308	-	-
Trade and other payables		6,911	7,177	111	103
Current tax payable		190	143	-	-
		16,775	15,053	111	103
TOTAL LIABILITIES		22,929	21,947	111	103
NET ASSETS		17,115	16,332	2,876	2,741
Equity					
Share capital	9	5,125	5,125	5,125	5,125
Other reserves		1,167	1,162	-	-
Retained earnings		10,823	10,045	(2,249)	(2,384)
TOTAL EQUITY		17,115	16,332	2,876	2,741

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Condensed Interim Consolidated Statement of Cash Flows

	The Group		
	Note	6 months ended 30 June 2023 S\$'000	6 months ended 30 June 2022 S\$'000
Cash Flows from Operating Activities			
Profit before taxation	5	1,444	791
Adjustments for:			
Amortisation of intangible assets		11	13
Depreciation of property, plant and equipment		223	159
Depreciation of right-of-use assets		352	533
Impairment on trade receivables reversed		(408)	-
Interest expense		122	116
Interest income		(28)	(4)
Interest income finance lease		(4)	-
Write-down on inventories made		93	-
Operating profit before working capital changes		1,805	1,608
Working Capital Changes:			
Changes in inventories		(1,426)	(1,723)
Changes in trade and other receivables		(1,524)	684
Changes in prepayments, deposits		(156)	(123)
Changes in trade and other payables		(298)	668
Changes in finance lease receivables		(53)	-
Changes in contract liabilities		1,955	(1,343)
Cash generated from/(used in) operating activities		303	(229)
Income taxes paid		(183)	(186)
Net cash generated from/(used in) operating activities		120	(415)
Cash Flows from Investing Activities			
Interest received		28	4
Payments for intangible assets		(10)	(7)
Proceeds from finance lease receivables		74	-
Purchase of property, plant and equipment		(111)	(6,507)
Net cash used in investing activities		(19)	(6,510)
Cash Flows from Financing Activities			
Proceeds from borrowings		3,630	7,588
Repayment of borrowings		(4,413)	(3,387)
Repayment of lease liabilities		(465)	(482)
Bank deposit pledged or with maturity of more than three months		(1,735)	701
Dividends paid		(388)	-
Interest paid		(122)	(117)
Net cash (used in)/generated from financing activities		(3,493)	4,303
Net decrease in cash and cash equivalents		(3,392)	(2,622)
Cash and cash equivalents at beginning of the period		11,522	14,977
Exchange differences on translation of cash and cash equivalents		(1)	(4)
Cash and cash equivalents at end of the period		8,129	12,351

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Condensed Interim Statement of Changes of Equity

The Group	Share Capital S\$'000	Merger Reserve S\$'000	Foreign Currency Translation S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance at 1 January 2023	5,125	1,311	(149)	10,045	16,332
Profit for the period	-	-	-	1,165	1,165
Other comprehensive profit for the period					
Foreign currency translation differences	-	-	5	-	5
Total comprehensive profit for the period	-	-	5	1,165	1,170
Contributions by and distributions to owners:					
Dividends	-	-	-	(388)	(388)
Balance at 30 June 2023	5,125	1,311	(144)	10,823	17,115

The Group	Share Capital S\$'000	Merger Reserve S\$'000	Foreign Currency Translation S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance at 1 January 2022	5,125	1,311	(136)	10,364	16,664
Profit for the year	-	-	-	625	625
Other comprehensive (loss) for the period					
Foreign currency translation differences	-	-	(7)	-	(7)
Total comprehensive (loss)/income for the period	-	-	(7)	625	618
Contributions by and distributions to owners:					
Dividends	-	-	-	-	-
Balance at 30 June 2022	5,125	1,311	(143)	10,989	17,282

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Condensed Interim Statement of Changes of Equity (continued)

The Company	Share Capital S\$'000	Merger Reserve S\$'000	Foreign Currency S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance at 1 January 2023	5,125	-	-	(2,384)	2,741
Profit for the period				523	523
Total comprehensive profit for the period	-	-	-	523	523
Contributions by and distributions to owners:					
Dividends	-	-	-	(388)	(388)
Balance at 30 June 2023	5,125	-	-	(2,249)	2,876

The Company	Share Capital S\$'000	Merger Reserve S\$'000	Foreign Currency Translation S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance at 1 January 2022	5,125			(1,319)	3,806
Profit for the period				(263)	(263)
Total comprehensive income for the period	-	-	-	(263)	(263)
Contributions by and distributions to owners:					
Dividends	-	-	-	-	-
Balance at 30 June 2022	5,125	-	-	(1,582)	3,543

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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 second quarter and six months period ended 30 June 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) engineering design and consultancy activities.

2. Basis of Preparation

The condensed interim financial statements as at and for the second quarter and six months ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Committee. 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 annual financial statements for the financial year ended 31 December 2022.

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 of kitchen equipment.
- (ii) Maintenance and servicing of kitchen equipment; and
- (iii) Rental income business

The Group adopts these three business segments for its primary segment information.

4.1. Reportable Segments

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000	Total S\$'000
2Q FY2023					
Segment revenue					
External revenue	10,286	2,555	38	-	12,879
Results					
Segment results	1,166	1,520	69	(435)	2,320
Finance costs	(45)	(11)	-	-	(56)
Profit before taxation	1,121	1,509	69	(435)	2,264
Taxation	-	-	-	(345)	(345)
Profit for the period	1,121	1,509	69	(780)	1,919
Non-cash Items					
Amortisation of intangible assets	(3)	(2)	-	-	(5)
Depreciation of property, plant and equipment	(84)	(22)	(5)	-	(111)
Depreciation of right-of-use assets	(141)	(36)	-	-	(177)
Impairment on trade receivables reversed	423	106	-	-	529
Write-down on inventories reversed	116	28	-	-	144
Capital expenditure					
Property, plant and equipment	-	-	-	111	111
Intangible assets	-	-	-	10	10
Assets and liabilities					
Segment assets	-	-	-	40,044	40,044
Segment liabilities	-	-	-	22,705	22,705
Current tax payable	-	-	-	190	190
Deferred tax liabilities	-	-	-	34	34
				22,929	22,929

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000	Total S\$'000
2Q FY2022					
Segment revenue					
External revenue	8,336	2,070	31	-	10,437
Results					
Segment results	680	933	42	(270)	1,385
Finance costs	(45)	(10)	-	-	(55)
Profit before taxation	635	923	42	(270)	1,330
Taxation	-	-	-	(166)	(166)
Profit for the period	635	923	42	(436)	1,164
Non-cash Items					
Amortisation of intangible assets	(6)	(3)	-	-	(9)
Depreciation of property, plant and equipment	(66)	(11)	(5)	-	(77)
Depreciation of right-of-use assets	(34)	(12)	-	-	(46)
Capital expenditure					
Property, plant and equipment	-	-	-	(6,507)	(6,507)
Intangible assets	-	-	-	(7)	(7)
Assets and liabilities					
Segment assets	-	-	-	35,605	35,605
Segment liabilities	-	-	-	18,885	18,885
Current tax payable	-	-	-	455	455
Deferred tax liabilities	-	-	-	23	23
				19,363	19,363

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000	Total S\$'000
6M FY2023					
Segment revenue					
External revenue	15,274	3,795	54	-	19,123
Results					
Segment results	812	987	44	(278)	1,565
Finance costs	(97)	(24)	-	-	(121)
Profit before taxation	715	963	44	(278)	1,444
Taxation	-	-	-	(279)	(279)
Profit for the period	715	963	44	(557)	1,165
Non-cash Items					
Amortisation of intangible assets	(9)	(2)	-	-	(11)
Depreciation of property, plant and equipment	(168)	(44)	(11)	-	(223)
Depreciation of right-of-use assets	(282)	(70)	-	-	(352)
Impairment on trade receivables reversed	327	81	-	-	408
Write-down on inventories (made)	(75)	(18)	-	-	(93)
Capital expenditure					
Property, plant and equipment	-	-	-	111	111
Intangible assets	-	-	-	10	10
Assets and liabilities					
Segment assets	-	-	-	40,044	40,044
Segment liabilities	-	-	-	22,705	22,705
Current tax payable	-	-	-	190	190
Deferred tax liabilities	-	-	-	34	34
				22,929	22,929

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4.1. Reportable Segments (continued)

Business Segment (Unaudited)	Fabrication & Distribution S\$'000	Maintenance & Servicing Business S\$'000	Rental Income Business S\$'000	Unallocated S\$'000	Total S\$'000
6M FY2022					
Segment revenue					
External revenue	12,591	3,128	45		15,764
Results					
Segment results	471	572	26	(161)	907
Finance costs	(93)	(23)	-	-	(116)
Profit before taxation	378	549	26	(161)	791
Taxation					(166)
Profit for the period	378	549	26	(161)	625
Non-cash Items					
Amortisation of intangible assets	(11)	(2)			(13)
Depreciation of property, plant and equipment	(116)	(31)	(12)		(159)
Depreciation of right-of-use assets	(427)	(106)			(533)
Capital Expenditure					
Property, plant and equipment				(6,507)	(6,507)
Intangible assets				(7)	(7)
Assets and Liabilities					
Segment assets				35,605	35,605
Segment liabilities				18,885	18,885
Current tax payable				455	455
Deferred tax liabilities				23	23
				19,363	19,363

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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	Malaysia	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
2Q FY2023				
Total revenue from external customers	12,362	54	463	12,879
Non-current assets	8,135	444	-	8,579
2Q FY2022				
Total revenue from external customers	10,429	8		10,437
Non-current assets	7,720	356	-	8,076

Group	Singapore	Malaysia	Others	Total
	S\$'000	S\$'000	S\$'000	S\$'000
6M FY2023				
Total revenue from external customers	18,356	79	688	19,123
Non-current assets	8,135	444	-	8,579
6M FY2022				
Total revenue from external customers	15,753	11		15,764
Non-current assets	7,720	356	-	8,076

5. Profit Before Taxation

Profit before taxation is arrived at after charging /(crediting) the following:					
	Group				Increase/ (Decrease) %
	2Q FY2023 (Unaudited) S\$'000	2Q FY2022 (Unaudited) S\$'000	6M FY2023 (Unaudited) S\$'000	6M FY2022 (Unaudited) S\$'000	
Amortisation of intangible assets	5	9	11	13	(15.4)
Depreciation of property, plant and equipment	111	77	223	159	40.3
Depreciation of right-of-use assets	177	46	352	533	(34.0)
Interest expense	56	70	122	116	5.2
Interest income	(21)	(3)	(28)	(4)	n.m.

*n.m denotes not meaningful

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6. 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			
	2Q FY2023 (Unaudited)	2Q FY2022 (Unaudited)	6M FY2023 (Unaudited)	6M FY2022 (Unaudited)
Profit attributable to owners of the Company (S\$'000)	1,919	1,164	1,165	625
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
Earnings per ordinary share (cent) (basic and diluted ⁽²⁾)	1.24	0.75	0.75	0.40

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.

7. 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	
	30 Jun 2023 (Unaudited)	31 Dec 2022 (Audited)	30 Jun 2023 (Unaudited)	31 Dec 2022 (Audited)
NAV attributable to owners of the Company (S\$'000)	17,115	16,332	2,876	2,741
Number of ordinary shares in issue	155,000,000	155,000,000	155,000,000	155,000,000
NAV per ordinary shares (cents)	11.04	10.54	1.86	1.77

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8. Borrowings

Aggregate amount of Group's borrowings and debt securities

Amount repayable in one year or less, or on demand

Group			
As at 30 Jun 2023 (Unaudited) S\$'000		As at 31 Dec 2022 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
2,676	-	2,730	-

Amount repayable after one year

Group			
As at 30 Jun 2023 (Unaudited) S\$'000		As at 31 Dec 2022 (Audited) S\$'000	
Secured	Unsecured	Secured	Unsecured
5,643	-	6,372	-

Details of any collateral secured borrowings: -

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

- Trust receipts have maturities of 31 to 80 (31 December 2022: 45 to 96) days. As of 30 June 2023, trust receipts are secured by the title to the Group's inventories with a carrying amount of S\$6,519,507 (31 December 2022: S\$5,197,129).
- Property loan of S\$4,580,350 is secured against a freehold property located at 207 Henderson Road #01-01, Henderson Industrial Park, Singapore 159550.
- Temporary bridging loan of S\$2,403,193 obtained by a subsidiary is secured through a corporate guarantee provided by the Company.

9. Share Capital

	30 Jun 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 interim period	155,000,000	5,124,790	155,000,000	5,124,790

There are no outstanding convertibles or shares held as treasury shares as of 30 June 2023 and 31 December 2022.

The Company's subsidiaries did not hold any shares in the Company as of 30 June 2023 and 31 December 2022.

10. Subsequent Events

There are no known subsequent events which 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 30 June 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 six-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 Comprehensive Income

Revenue

For 6M FY2023, the Group recorded revenue amounting to S\$19.1 million compared to S\$15.8 million in the previous corresponding period (“6M FY2022”). The increase in Group’s revenue was primarily due to higher sales generated from fabrication and distribution of kitchen. Cold room systems contributed S\$1.3 million revenue in 6M FY2023 as compared to S\$1.5 million revenue in 6M FY2022.

Cost of sales and gross profit

The Group’s cost of sales increased by approximately S\$1.9 million from S\$11.1 million in 6M FY2022 to S\$13.0 million in 6M FY2023 mainly due to an increase in sales.

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Other operating income

Other operating income decreased from S\$0.4 million in 6M FY2022 to S\$0.2 million in 6M 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\$0.7 million from S\$1.6 million in 6M FY2022 to S\$2.3 million in 6M FY2023, mainly due to higher staff remuneration & commission arising from higher sales and higher business travel expenses.

Administrative expenses

Administrative expenses increased by S\$0.3 million from S\$2.5 million in 6M FY2022 to S\$2.8 million in 6M FY2023, mainly due to higher staff remuneration.

Profit for the period

The Group reported a net profit after tax (“NPAT”) of approximately S\$1.2 million in 6M FY2023 which is higher when compared to the NPAT of approximately S\$0.6 million in 6M FY2022, mainly due to the higher sales.

Statement of Financial Position

Non-current assets

The Group's non-current assets as of 30 June 2023 remained same as 31 December 2022 of S\$8.6 million.

Current assets

The Group's current assets amounted to approximately S\$31.5 million as of 30 June 2023 (31 December 2022: S\$29.7 million).

The Group's inventories increased by S\$1.3 million from S\$5.2 million as of 31 December 2022 to S\$6.5 million as at 30 June 2023, mainly due to stocking up of inventories for upcoming projects and in anticipation of more business.

The Group's trade and other receivables increased by S\$2 million from S\$9.7 million as of 31 December 2022 to S\$11.7 million mainly due to the higher sales.

The decrease in cash and cash equivalents is mainly due to net repayment of borrowings and increase in pledged bank deposits.

Current liabilities

The Group's current liabilities position increased by S\$1.8 million from S\$15.0 million as at 31 December 2022 to S\$16.8 million as at 30 June 2023.

The increase in contract liabilities by approximately S\$2.0 million from S\$4.3 million as at 31 December 2022 to S\$6.3 million as at 30 June 2023 was mainly due to increase in advance payments by customers.

Non-current liabilities

The Group's non-current liabilities decreased by S\$0.7 million mainly due to repayment of bank loan taken for purchase of 207 Henderson Road freehold building.

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Shareholders' equity

As of 30 June 2023, the Group's shareholders' equity amounted to S\$17.1 million which is higher than the shareholders' equity of S\$16.3 million as of 31 December 2022, because of profit for the period.

Consolidated Statement of Cash Flows

Cash and cash equivalents, excluding pledged fixed deposits, amounted to approximately S\$8.1 million as of 30 June 2023, representing a decrease of approximately S\$3.4 million from the cash and cash equivalents balance of S\$11.5 million as of 31 December 2022.

Net cash used in operating activities.

The Group's net cash inflows from operating activities were approximately S\$0.1 million. This was mainly due to increase in advance payments by customers to \$2.0m offset by working capital changes in inventories and trade receivables.

Net cash flows used in investing activities.

Cash used in investing activities remained flat in 6M FY2023.

Net cash flows used in financing activities.

Net cash outflows used in financing activities during 6M FY2023 was approximately S\$3.5 million due mainly to placement of pledged fixed deposit of \$1.7 million, net repayment of borrowings of S\$0.8 million and dividend paid of \$0.4 million.

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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.

The current results are in line with the commentary in paragraph 3 of Page 16 of the 2023 first quarter Results Announcement dated 15 May 2023.

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 is forecasting business to bounce back with increase in demand for services in the maintenance and servicing sector and more new projects. However, amidst the potential for growth, the Group must confront 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 of Directors recommend one tier tax-exempt interim dividend for FY 2023

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.25 Singapore cent per share
Tax Rate	Tax Exempt (one-tier)

(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 approved a tax-exempt one tier final dividend of 0.25 Singapore cent per share in respect of FY 2022 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 FY2022.

(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 exceeding S\$100,000 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 30 June 2023, the utilisation of the IPO proceeds is as follows:

	Allocation S\$'000	Amount Utilised S\$'000	Amount un-utilised S\$'000
(a) Acquisition of additional fabrication equipment and machinery	700	319	381
(b) Acquisition and renovation of the newly acquired property and other capital expenditures	1,600	1,355	245
(c) For general working purposes of our Group	975	975	-
(d) Expenses such as professional fees, under writing and placement commission and brokerage, and miscellaneous fees	1,325	1,325	-
Total	4,600	3,974	626

The Company will continue to make periodic announcements on the use of proceeds via SGXNET as and when the remaining proceeds are materially disbursed.

(b) Placement

The Company has raised net proceeds from the Placement of approximately S\$1.0 million, which will be utilized as follows:

- 100% of the Net Proceeds will be used for general working capital purposes.

As at 30 June 2023, the proceeds have not yet been utilized. The Company has reallocated the placement proceeds from use for new business expansion or investments to general working capital purposes. The Company will continue to make periodic announcements on the use of proceeds via SGXNET as and when the remaining proceeds are materially disbursed.

9. 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 2Q FY2023 and 6M FY2023 presented in this announcement to be false or misleading in any material aspect.

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.

BY ORDER OF THE BOARD

Chua Chwee Choo
Executive Director and Chief Executive Officer
Aug 11 2023

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

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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:

Name: Ms Bao Qing (Registered Professional, RHT Capital Pte Ltd).

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