



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)

(Incorporated in the Republic of Singapore on 25 March 2011)

RESPONSES TO SGX'S QUERIES RECEIVED ON 30 APRIL 2020

The Board of Directors (the "**Board**") of Kitchen Culture Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the following announcements released by the Company ("**Announcements**"):

- (i) Announcement dated 17 April 2020 in relation to the Company's entry into a non-binding memorandum of understanding ("**MOU**") with Ooway Technology Pte. Ltd. (the "**Vendor**");
- (ii) Announcement dated 23 April 2020 in relation to the incorporation of a wholly-owned subsidiary in Singapore, KC Medical Supplies Pte. Ltd.; and
- (iii) Announcement dated 29 April 2020 in relation to the Company's entry into a non-binding term sheet with various investors, pursuant to which, such investors have agreed to grant an interest-bearing convertible loan for the amount of S\$6,050,000 to the Company.

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcements.

The Company's responses to the queries received from the Singapore Exchange Securities Trading Limited ("**SGX**") on 30 April 2020 are set out below.

Query 1: Is the Company looking into diversifying its core business, which is in the sale and distribution of premium imported kitchen systems and appliances and household furniture?

The Board refers to the Company's announcement dated 31 March 2020 in respect of the strategic business review of the Group's business segments, with a view to strengthen the core business of the Group whilst maximising potential value for all stakeholders ("**Strategic Business Review Announcement**"). While the Company is committed to grow its core business, which is in the sale and distribution of premium imported kitchen systems and appliances and household furniture, the Company is simultaneously exploring new areas of opportunities and alternate businesses to increase the revenue streams of the Group.

Query 2: Is the Company going into the AI Business and Medical Supplies Trading Business in the long-term?

As announced in the Strategic Business Review Announcement, the Company is looking to explore new areas of opportunities and alternate businesses, including but not limited to, the areas of healthcare and medical supplies solutions, artificial intelligence, machine learning and data science.

Subsequently, the Company, on 17 April 2020, announced that it had entered into a non-binding MOU with the Vendor for the proposed acquisition of shares in Ooway Technology Co., Ltd ("**Ooway**") ("**Proposed Acquisition**"), a wholly-owned subsidiary of the Vendor, which is principally engaged in the provision of credit rating services for importers and exporters in China by utilising machine learning and artificial intelligence to quantify corporate behavior into credit value ("**AI Business**"). The Company had also on 23 April 2020 announced the incorporation of KC Medical Supplies Pte. Ltd. to undertake the trading of medical and related supplies ("**Medical Supplies Trading Business**").

Accordingly, the Company, subject to further discussions with the relevant parties and barring unforeseen circumstances, intends to invest its resources in the AI Business and Medical Supplies Trading Business for the long term, for the reasons set out in the Company's response to Query 3 below.

Query 3: What is the Company's rationale for going into these two new businesses? What will happen to the Company's core business? Please provide the Board's view and basis.

The rationale for the Company entering into the MOU in relation to the Proposed Acquisition is because the Company believes that the Credit 3.0 platform established by Ooway in China, bMARS, which utilises machine learning and artificial intelligence to quantify corporate behaviour into credit value, has tremendous potential for market acceptance and growth.

The Company's incorporation of KC Medical Supplies Pte. Ltd. to undertake the Medical Supplies Trading Business is linked to a potential business opportunity arising from the COVID-19 pandemic. In addition, the data from the Medical Supplies Trading Business would be able to form part of the statistics required by Ooway to develop an artificial intelligence platform to provide services to the healthcare industry in the imminent future.

As set out in the Strategic Business Review Announcement, the Board had been looking for new businesses and exploring new areas of opportunities and alternate businesses that will help generate greater shareholder value. Notwithstanding that the Company is still in discussions with the relevant parties and no definitive agreement in respect of the businesses have been entered into, taking into the current world economic situation, the Board remains cautiously optimistic that both the AI Business and the Medical Supplies Trading Business will be able to provide alternate revenue streams for the Group, and in turn will yield positive returns to shareholders.

A new team will be set up to run the new businesses while the Company's existing team will continue to focus on growing its current core business.

Query 4: Is the Company seeking shareholders' approval for such diversified new businesses?

Yes, the Company will seek shareholders' approval for the diversification into the new businesses at an appropriate time. Further announcement(s) will be made as and when appropriate.

Query 5: Can the Company confirm that it is not aware of any information that will have a material bearing on shareholders' decision which has yet to be announced by the Company?

The Board confirms that it is not aware of any information that will have a material bearing on shareholders' decision which has yet to be announced by the Company.

By Order of the Board

Lim Wee Li
Executive Chairman and Chief Executive Officer
4 May 2020

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (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.

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