



KITCHEN CULTURE HOLDINGS LTD.
(Company Registration No: 201107179D)
(Incorporated in the Republic of Singapore on 25 March 2011)

PROPOSED PLACEMENT OF 40,572,000 NEW ORDINARY SHARES IN THE CAPITAL OF KITCHEN CULTURE HOLDINGS LTD. AT A PLACEMENT PRICE OF S\$0.235 PER SHARE

1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or "**Directors**") of Kitchen Culture Holdings Ltd. (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 22 July 2020 entered into the following subscription agreements for the issue and allotment of new ordinary shares in the capital of the Company (the "**Placement Shares**") (the "**Subscription Agreements**") (the "**Proposed Placement**") with the following persons ("**Subscribers**") in the following proportions:

S/N	Name of Subscriber	Proportion of Aggregate Consideration	Number of Placement Shares	Number of Placement Shares as a percentage of the existing share capital of the Company⁽¹⁾	Number of Placement Shares as a percentage of the enlarged share capital of the Company⁽²⁾
1.	Wong Hong Eng	S\$1,292,500	5,500,000	2.46%	2.08%
2.	Chan Hiang Ngee	S\$1,175,000	5,000,000	2.24%	1.89%
3.	Lim Cheng Hock	S\$1,001,100	4,260,000	1.91%	1.61%
4.	Manoj Dharmadas Kalwani	S\$1,001,100	4,260,000	1.91%	1.61%
5.	Tan Jun Kah, Derrick (Chen Dunjia)	S\$517,000	2,200,000	0.98%	0.83%
6.	Tan Seok Eng	S\$517,000	2,200,000	0.98%	0.83%

S/N	Name of Subscriber	Proportion of Aggregate Consideration	Number of Placement Shares	Number of Placement Shares as a percentage of the existing share capital of the Company ⁽¹⁾	Number of Placement Shares as a percentage of the enlarged share capital of the Company ⁽²⁾
7.	Loo Tze Chen (Lu Ziquan)	S\$500,550	2,130,000	0.95%	0.81%
8.	Marcus Lim Yi	S\$500,550	2,130,000	0.95%	0.81%
9.	Ng Tze Kiong	S\$399,500	1,700,000	0.76%	0.64%
10.	Qiu Mian	S\$300,800	1,280,000	0.57%	0.48%
11.	Lye Koon Hui	S\$258,500	1,100,000	0.49%	0.42%
12.	Tan Koon	S\$235,000	1,000,000	0.45%	0.38%
13.	Cui Donghong	S\$211,500	900,000	0.40%	0.34%
14.	Ken Tan Khim Sing	S\$211,500	900,000	0.40%	0.34%
15.	Tang Tuck Soon	S\$211,500	900,000	0.40%	0.34%
16.	Chen Jun An @ Tan Lee Thong	S\$200,220	852,000	0.38%	0.32%
17.	Chiang Siew Kay	S\$200,220	852,000	0.38%	0.32%
18.	Leow Eng Chong	S\$200,220	852,000	0.38%	0.32%
19.	Lin Xiao Long	S\$200,220	852,000	0.38%	0.32%
20.	Michelle Kang Jie	S\$200,220	852,000	0.38%	0.32%
21.	Siew Yew Khuen	S\$200,220	852,000	0.38%	0.32%
	TOTAL	S\$9,534,420	40,572,000	18.16%	15.37%

Notes:

- (1) Based on the number of Placement Shares divided by the existing issued and paid-up share capital of the Company of 223,444,626 Shares before the Proposed Placement (adjusted for rounding).
 - (2) Based on the number of Placement Shares divided by the enlarged issued and paid-up share capital of the Company of 264,016,626 Shares after the Proposed Placement (adjusted for rounding).
- 1.2 The Subscribers have agreed to subscribe for the Placement Shares, at an issue price of S\$0.235 per Placement Share ("**Placement Price**"), amounting to an aggregate consideration of approximately S\$9,534,420 ("**Aggregate Consideration**"), and on the terms and conditions of the Subscription Agreements.

2. THE PROPOSED PLACEMENT

2.1 The Placement Shares

The Placement Shares are intended to be issued pursuant to the general share issuance mandate (the "**General Mandate**") obtained at the extraordinary general meeting of the Company held on 29 June 2020 ("**2020 EGM**") which, pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore and Rule 806 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**"), authorises the Directors to allot and issue new shares in the capital of the Company (the "**Shares**") not exceeding 100.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the General Mandate was passed, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to the existing shareholders of the Company shall not exceed 50.0% (excluding treasury shares and subsidiary holdings).

The number of issued Shares (excluding treasury shares and subsidiary holdings) as at the 2020 EGM was 176,750,000 Shares. Taking into consideration adjustments based on the new Shares arising from the conversion of convertible securities arising from the CLA (as defined below) issued or subsisting as at the date of the 2020 EGM, the aggregate number of Shares that may be issued under the General Mandate is 223,444,626 Shares.

The Company had on 3 May 2020 entered into a Convertible Loan Agreement with various investors ("**CLA**") pursuant to which such investors agreed to grant an interest-bearing convertible loan of an aggregate amount of S\$6,050,000 (the "**Convertible Loan**"), and the Company agreed to allot and issue an aggregate of up to 46,694,626 new Shares at the conversion price of S\$0.149 per new Share upon the investors' exercise of their respective conversion rights to convert the Convertible Loan (including interest), in accordance with the terms and conditions of the CLA (the "**Proposed CLA Conversion**"). The Proposed CLA Conversion was approved by Shareholders at the 2020 EGM. Subsequent to the 2020 EGM, the Company had allotted and issued an aggregate of 46,694,626 new Shares to the investors pursuant to such investors' exercise of their respective rights under the CLA. Following the aforementioned allotment and issue of Shares to the investors, the Convertible Loan and accrued interest thereon have been fully converted under the CLA. For the avoidance of doubt, the 46,694,626 new Shares issued to the investors pursuant to the CLA was not issued under the General Mandate.

As no Shares were issued under the General Mandate prior to the Proposed Placement, the maximum number of Shares that may be issued pursuant to the General Mandate other than on a *pro rata* basis shall not exceed 111,722,313 Shares. As such, the allotment and issuance of all the Placement Shares falls within the limits of the General Mandate.

Assuming that the Proposed Placement is fully subscribed, the Placement Shares will represent approximately 18.16% of the Company's existing issued and paid up share capital of 223,444,626 Shares as at the date of this announcement. Upon completion of the Proposed Placement and assuming that the Proposed Placement is fully subscribed, the issued and paid up share capital of the Company will increase to 264,016,626 Shares and the Placement Shares will represent approximately 15.37% of the Company's enlarged issued and paid up share capital.

The Placement Shares, when issued and fully paid, shall be free from all liens, charges and encumbrances and shall rank *pari passu* with and shall carry all rights similar to the existing Shares except for any dividends, right, allotment or other distributions, the record date for which falls on or before the Completion Date (as defined below).

2.2 The Placement Price

The Placement Price represents a discount of 9.62% to the volume weighted average price of S\$0.260 for trades done on the Shares on 17 July 2020, being the preceding full market day during which the Shares were traded prior to the signing of the Subscription Agreements (22 July 2020).

2.3 Conditions Precedent

Completion of the Proposed Placement is conditional upon, *inter alia*:

- (i) the listing and quotation notice (the "LQN") being obtained from the SGX-ST for the listing of and quotation for the Placement Shares on Catalist;
- (ii) (if applicable) the approval of the shareholders of the Company in a general meeting for the allotment and issue of the Placement Shares at the Placement Price; and
- (iii) the exemption under Sections 272B and/or 275 of the Securities and Futures Act (Chapter 289) of Singapore ("SFA") being applicable to the subscription for and the allotment and issue of the Placement Shares under the Subscription Agreements.

There will not be any prospectus or offer information statement issued in connection with the Proposed Placement as the Proposed Placement will be made pursuant to exemptions under Section 275 of the SFA. No placement agent has been appointed in respect of the Proposed Placement. No commission or referral fees pursuant to the Proposed Placement will be paid to any party.

If any of the conditions set out in the Subscription Agreements has not been fulfilled upon the expiry of three (3) months from the date of the Subscription Agreements, the Subscription Agreements shall become null and void. Upon such event, all monies paid by the Subscribers (if any) shall be refunded to the Subscribers forthwith free of interest, and neither party shall have any right to claim against the other under the Subscription Agreements for whatsoever reason.

2.4 Completion

The Company's Sponsor, SAC Capital Private Limited, will be submitting an application on behalf of the Company to the SGX-ST for the listing of and quotation for the Placement Shares on Catalist. The Company will make the necessary announcements once the LQN for the listing of and quotation for the Placement Shares is obtained from SGX-ST.

The Subscribers shall pay the Aggregate Consideration to the Company within two (2) business days from the Company's receipt of the LQN or (if applicable) the approval of the

shareholders of the Company in a general meeting for the allotment and issue of the Placement Shares at the Placement Price, whichever is later.

Completion of the Proposed Placement will occur within three (3) business days after the Company's receipt of the Aggregate Consideration from the Subscribers ("**Completion Date**").

3. INFORMATION ON THE SUBSCRIBERS

Shareholders should note that the information relating to the Subscribers in this paragraph and elsewhere in this announcement were provided by the Subscribers. The Company and the Directors have not independently verified the accuracy and correctness of such information.

3.1 The background details of the Subscribers are set out below:

S/N	Name of Subscriber	Background of Subscriber
1.	Wong Hong Eng	Wong Hong Eng is a private investor.
2.	Chan Hiang Ngee	Chan Hiang Ngee is a private investor.
3.	Lim Cheng Hock	Lim Cheng Hock is a private investor.
4.	Manoj Dharmadas Kalwani	Manoj Dharmadas Kalwani is a private investor.
5.	Tan Jun Kah, Derrick (Chen Dunjia)	Tan Jun Kah, Derrick (Chen Dunjia) is a manager at a company.
6.	Tan Seok Eng	Tan Seok Eng is a private investor.
7.	Loo Tze Chen (Lu Ziquan)	Loo Tze Chen (Lu Ziquan) is a businessman.
8.	Marcus Lim Yi	Marcus Lim Yi is a sales president of a company.
9.	Ng Tze Kiong	Ng Tze Kiong is a businessman.
10.	Qiu Mian	Qiu Mian is a businessman.
11.	Lye Koon Hui	Lye Koon Hui is a director of a private company.
12.	Tan Koon	Tan Koon is a businessman.
13.	Cui Donghong	Cui Donghong is a manager at a company.
14.	Ken Tan Khim Sing	Ken Tan Khim Sing is a public accountant.

S/N	Name of Subscriber	Background of Subscriber
15.	Tang Tuck Soon	Tang Tuck Soon is a senior financial services director of a company.
16.	Chen Jun An @ Tan Lee Thong	Chen Jun An @ Tan Lee Thong is a banker.
17.	Chiang Siew Kay	Chiang Siew Kay is a businessman.
18.	Leow Eng Chong	Leow Eng Chong is a private investor.
19.	Lin Xiao Long	Lin Xiao Long is a director of a private company.
20.	Michelle Kang Jie	Michelle Kang Jie is a real estate consultant.
21.	Siew Yew Khuen	Siew Yew Khuen is a director of a private company.

3.2 Save for the Subscribers in the table below, none of the Subscribers are existing shareholders of the Company:

S/N	Name of Subscriber	Existing Shareholding as at the Date of this Announcement ⁽¹⁾	Post-Placement Shareholding ⁽²⁾
1.	Wong Hong Eng	3.03%	4.65%
2.	Chan Hiang Ngee	4.09%	5.35%
3.	Tan Seok Eng	0.16%	0.97%
4.	Marcus Lim Yi	0.04%	0.84%
5.	Ng Tze Kiong	0.27%	0.87%
6.	Qiu Mian	1.73%	1.95%
7.	Lye Koon Hui	0.29%	0.66%
8.	Tan Koon	2.38%	2.40%
9.	Cui Donghong	1.35%	1.49%

S/N	Name of Subscriber	Existing Shareholding as at the Date of this Announcement ⁽¹⁾	Post-Placement Shareholding ⁽²⁾
10.	Ken Tan Khim Sing	0.63%	0.87%
11.	Tang Tuck Soon	0.83%	1.05%
12.	Chen Jun An @ Tan Lee Thong	0.09%	0.40%
13.	Leow Eng Chong	0.85%	1.04%
14.	Michelle Kang Jie	0.36%	0.63%
15.	Siew Yew Khuen	0.13%	0.44%

Notes:

- (1) Based on the existing issued and paid-up share capital of 223,444,626 Shares in the Company before the Proposed Placement.
- (2) Based on the enlarged issued and paid-up share capital of 264,016,626 Shares in the Company after the Proposed Placement.
- 3.3 The Subscribers were introduced to the Group through its business contacts and connections. The Subscribers have expressed an interest to invest in the Company and, as the Company understands, have entered into the Subscription Agreements for their respective financial investment purposes and will not be holding the Placement Shares on trust or as a nominee. The Company confirms that the Proposed Placement will not result in any material conflict of interest as there are no other relationships between the Subscribers and the Company save as set out above. Each Subscriber has entered into the Subscription Agreement purely for investment purposes only, and has no intention of influencing the management of, or exercising control over, the Company, and is not acting in concert with any persons to obtain or consolidate control of the Company.
- 3.4 Save as disclosed, to the best of the Company's knowledge, none of the Subscribers have any connection (including business relationships) with the Company, its Directors and substantial shareholders.
- 3.5 The Placement Shares will not be issued to any of the persons listed in Rule 812(1) of the Catalist Rules. In addition, the issuance of the Placement Shares will not be made without the prior approval of the Company's shareholders in a general meeting if such issuance would bring about a transfer of controlling interest.
- 3.6 There is no moratorium imposed on the Placement Shares.

4. FINANCIAL EFFECTS OF THE PROPOSED PLACEMENT

The table illustrating the financial effects of the Proposed Placement on (i) the net tangible asset (“**NTA**”) or net tangible liabilities (“**NTL**”) per Share of Group (assuming the Proposed Placement had been completed at the end of that financial year); (ii) the loss per Share (“**LPS**”) of the Group (assuming that the Proposed Placement had been completed at the beginning of that financial year); and (iii) the gearing of the Group (assuming the Proposed Placement had been completed at the end of that financial year), based on the latest audited consolidated financial statements of the Group for the financial year ended 30 June 2019 (“**FY2019**”) are set out below.

For the avoidance of doubt, the financial effects of the Proposed Placement on the Group are for illustrative purposes only and are, therefore, not indicative of the actual financial performance or position of the Group after the completion of the Proposed Placement. These financial effects do not take into account (i) any other corporate actions announced and undertaken by the Group; and (ii) any issuance of new Shares, on or after 1 July 2019. The financial effects also do not take into account any fees and expenses to be incurred in relation to the Proposed Placement.

4.1 (NTL)/NTA of the Group

Assuming the Proposed Placement had been completed on 30 June 2019, the financial effects on the (NTL)/NTA per Share of the Group as at 30 June 2019 are as follows:

	Before the Proposed Placement	After the Proposed Placement
(NTL)/NTA attributable to equity holders of the Company (S\$)	(4,926,316)	4,558,104
Number of Shares	118,477,000	159,049,000
(NTL)/NTA per Share (S\$ cents)	(4.16)	2.87

4.2 LPS of the Group

Assuming the Proposed Placement had been completed on 1 July 2018, the financial effect on the LPS of the Group for FY2019 are as follows:

	Before the Proposed Placement	After the Proposed Placement
Net loss attributable to equity holders of the Company (S\$)	(3,874,348)	(3,874,348)
Number of shares	118,477,000	159,049,000
LPS (S\$ cents)	(3.27)	(2.44)

4.3 Gearing of the Group

Assuming the Proposed Placement had been completed on 30 June 2019, the financial effects on the gearing of the Group as at 30 June 2019 are as follows:

	Before the Proposed Placement	After the Proposed Placement
Total borrowings ⁽¹⁾ (S\$)	6,572,995	4,572,995
Net borrowings ⁽²⁾ (S\$)	6,239,318	4,239,318
Total liabilities and equity (S\$)	13,785,898	23,270,318
Gearing ⁽³⁾	0.48	0.20
Net gearing ⁽⁴⁾	0.45	0.18

Notes:

- (1) Total borrowings is a summation of borrowings from financial and non-financial institutions, finance lease liabilities and loan from a director and a shareholder of a subsidiary as at 30 June 2019.
- (2) Net borrowings is total borrowings less cash and cash equivalents.
- (3) Gearing is computed using total borrowings divided by total liabilities and equity.
- (4) Net gearing is computed using net borrowings divided by total liabilities and equity.

5. RATIONALE FOR PLACEMENT AND USE OF PROCEEDS

- 5.1 The Directors are of the view that the Proposed Placement is beneficial for the Group as it will (i) strengthen the Group's financial position, (ii) improve the Group's cash flow to meet anticipated general working capital requirements and the repayment of amounts owing to external parties, and (iii) increase resources and working capital available to the Group to pursue new business opportunities as and when they arise, as part of the management's strategy for long-term business growth. For avoidance of doubt, for the new medical supplies business, the Company will first utilise the proceeds from the CLA before using the proceeds from the Proposed Placement and the proceeds from the Proposed Placement shall be prioritise for other new business opportunities when they arise.
- 5.2 Assuming that the Proposed Placement is fully subscribed, the estimated net proceeds from the Proposed Placement (after deducting estimated expenses pertaining to the Proposed Placement of approximately S\$50,000 to be borne by the Company) will be approximately S\$9,484,000 (the "**Net Proceeds**").

5.3 The Company intends to allocate the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$'000)	Percentage Allocation (%)
Pursue new business opportunities	4,684	49.4
General working capital (including meeting general overheads and other operating expenses of the Group)	2,800	29.5
Repayment of amounts owing to external parties	2,000	21.1
Total	9,484	100.0

5.4 Pending the deployment of the Net Proceeds, the Company intends to place the Net Proceeds from the Proposed Placement with banks and/or financial institutions or use the Net Proceeds for any other purposes on a short-term basis, as the Directors may deem fit in the interests of the Group.

5.5 The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial statements and the Company's annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the annual report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

6. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that:

- (i) after taking into consideration the financial support from one of the substantial shareholders of the Company, the recent placement exercise completed on 19 March 2020, the proceeds from the CLA, and the operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements; and
- (ii) after taking into consideration the financial support from one of the substantial shareholders of the Company, the recent Placement Exercise completed on 19 March 2020, the proceeds from the CLA, the operating cash flows of the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the above, the Directors are of the view that the Proposed Placement is beneficial for the Group for such reasons as set out in section 5 of this announcement.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Placement, other than through their respective shareholdings (if any) in the Company.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements are available for inspection at the Company's registered office at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086 during normal business hours for three (3) months from the date of this announcement.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

10. GENERAL

Shareholders and potential investors should note that the Proposed Placement is subject to the fulfilment of, *inter alia*, the conditions set out above, including the obtaining of the relevant regulatory approvals, and accordingly should exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial tax or other professional advisers.

Further announcements will be made by the Company as and when appropriate.

By Order of the Board

Lim Wee Li
Executive Chairman and Chief Executive Officer
22 July 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.

The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel (65) 6232 3210), at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.