



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration No: 201107179D)

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

ANNOUNCEMENT PURSUANT TO RULE 706A OF THE CATALIST RULES

Pursuant to Rule 706A of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), 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 the following transactions that occurred during the period from 1 January 2020 to 30 June 2020 pursuant to Rule 706A of the Catalist Rules:

1. Incorporation of wholly-owned subsidiary – KC Medical Supplies Pte. Ltd.

The Company incorporated a wholly-owned subsidiary in Singapore known as KC Medical Supplies Pte. Ltd. (“**KC Medical**”), with an issued and paid-up share capital of S\$100,000 divided into 100,000 ordinary shares.

As part of the strategic business review conducted by the Group, set out in the Company’s announcement dated 31 March 2020, the Company has incorporated KC Medical to undertake the trading of medical and related supplies.

Please refer to the Company’s announcement dated 23 April 2020 for further details on the incorporation of KC Medical.

2. Disposal of 60% of the Registered Capital of Kitchen Culture (Sichuan) Co., Ltd.

KHL Marketing Asia-Pacific Pte. Ltd. (“**KHL**”), a wholly-owned subsidiary of the Company, had on 21 May 2020 entered into an agreement (“**Agreement**”) with Zhejiang Wanhao Investment Co., Ltd. (the “**Purchaser**”) to dispose of 60% of the registered capital of Kitchen Culture (Sichuan) Co., Ltd. (“**KCSC**”), a wholly-owned subsidiary of KHL, to the Purchaser for a nominal consideration of RMB1 (“**Sale Consideration**”) (the “**Proposed Disposal**”).

The Sale Consideration was arrived at after arms’ length negotiations between the Company and the Purchaser on a ‘willing buyer-willing seller’ basis taking into consideration, among other factors, (a) the negative book value and net tangible liabilities of KCSC amounting to RMB10.9 million (approximately S\$2.1 million) as at 31 December 2019; (b) the net loss attributable to KCSC of RMB2.0 million (approximately S\$0.4 million) for the half year ended 31 December 2019; and (c) KCSC’s historical losses for more than 5 years. No valuation was conducted for the purpose of the Proposed Disposal. The Sale Consideration shall be satisfied wholly in cash at completion (the “**Completion**”).

Pursuant to the Agreement, the Purchaser has made further capital injection of RMB6.0 million into KCSC, consisting of paid-up capital of RMB4,019,534 and capital reserve of RMB1,980,466, for working capital purposes of KCSC.

The transfer of 60% of the legal ownership of KCSC from KHL to the Purchaser has been officially reflected in the business registry with effect from 18 June 2020. Accordingly, the Proposed Disposal has been completed. Following the Completion, KCSC has ceased to be a wholly-owned subsidiary of the Group, and has become an associated company of the Group.

Please refer to the Company's announcements dated 21 May 2020, 10 June 2020 and 25 June 2020 for further details on the Proposed Disposal.

By Order of the Board

Lim Wee Li
Executive Chairman and Chief Executive Officer
30 August 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.