

CIRCULAR DATED 13 JUNE 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Kitchen Culture Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”). If you are in any doubt as to the course of action you should take, you should consult your bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular, the Notice of EGM (as defined herein) and the attached Proxy Form (as defined herein) to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”). This Circular 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 Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. 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.



KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- A. THE PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 46,694,626 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“CONVERSION SHARES”) AT THE CONVERSION PRICE OF S\$0.149 PER CONVERSION SHARE UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$6,050,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT;**
- B. THE PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 3,859,060 CONVERSION SHARES TO CHEE TUCK HONG, UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$500,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT IN ACCORDANCE WITH RULE 812(2) OF THE CATALIST RULES;**
- C. THE PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 2,315,436 CONVERSION SHARES TO FANG PENGCHONG, UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$300,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT IN ACCORDANCE WITH RULE 812(2) OF THE CATALIST RULES; AND**
- D. THE PROPOSED NEW SHARE ISSUE MANDATE.**

IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 27 June 2020 at 2.00 p.m.
- Date and time of Extraordinary General Meeting : 29 June 2020 at 2.00 p.m.
- Place of Extraordinary General Meeting : The Extraordinary General Meeting will be held by way of electronic means.

CONTENTS

	PAGE
DEFINITIONS	3
 LETTER TO SHAREHOLDERS	
1. INTRODUCTION	8
2. PROPOSED CONVERSION	9
3. THE INVESTORS	17
4. ISSUE OF CONVERSION SHARES TO RESTRICTED PERSONS PURSUANT TO CHAPTER 8 OF THE CATALIST RULES	19
5. FINANCIAL EFFECTS OF THE PROPOSED CONVERSION	20
6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	22
7. PROPOSED NEW SHARE ISSUE MANDATE	23
8. DIRECTORS' CONFIRMATION AND RECOMMENDATION	25
9. EXTRAORDINARY GENERAL MEETING	25
10. ABSTENTION FROM VOTING	25
11. ACTIONS TO BE TAKEN BY SHAREHOLDERS	26
12. DIRECTORS' RESPONSIBILITY STATEMENT	27
13. OFFER INFORMATION STATEMENT	27
14. DOCUMENTS FOR INSPECTION	28
 NOTICE OF EXTRAORDINARY GENERAL MEETING	 29
 PROXY FORM	

DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- “2019 AGM”* : The annual general meeting of the Company held on 29 November 2019
- “associate”* : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more,
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”* : The board of Directors of the Company as at the Latest Practicable Date
- “Catalist”* : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”* : The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This circular to Shareholders dated 13 June 2020
- “Companies Act”* : The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Company”* : Kitchen Culture Holdings Ltd.
- “Control”* : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
- “Controlling Shareholder”* : A person (including a corporation) who:
- (a) (unless otherwise determined by the SGX-ST) holds directly or indirectly 15% or more of the nominal amount of all voting Shares; or
 - (b) in fact exercises Control over the Company

DEFINITIONS

<i>“Conversion Date”</i>	:	The date on which the Convertible Loan (including Interest), or any part thereof, is converted to Conversion Shares
<i>“Conversion Price”</i>	:	S\$0.149 per Conversion Share
<i>“Conversion Right”</i>	:	Each Investor’s right to convert all or any part of the respective outstanding Convertible Loan Amount and Interest into Conversion Shares at the Conversion Price, fractional entitlements to be disregarded, in accordance with the terms and conditions of the Convertible Loan Agreement
<i>“Conversion Shares”</i>	:	New Shares to be allotted and issued by the Company to the respective Investors at the Conversion Price, pursuant to the conversion of the Convertible Loan Amount and Interest
<i>“Convertible Loan”</i>	:	The interest-bearing convertible loan of an aggregate amount of S\$6,050,000 granted by the Investors to the Company, pursuant to the Convertible Loan Agreement
<i>“Convertible Loan Agreement”</i>	:	The convertible loan agreement dated 3 May 2020 entered into between the Company and the Investors
<i>“Convertible Loan Amount”</i>	:	The amount of Convertible Loan disbursed by the Investors to the Company pursuant to the Convertible Loan Agreement, in and up to the respective proportions as set out against each Investor’s name in Section 3.1 of this Circular
<i>“Directors”</i>	:	The directors of the Company as at the Latest Practicable Date
<i>“Drawdown Date”</i>	:	4 May 2020
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be held by way of electronic means on 29 June 2020, notice of which is set out on pages 29 to 34 of this Circular
<i>“Existing Share Issue Mandate”</i>	:	The general mandate obtained by the Company at the 2019 AGM, pursuant to Section 161 of the Companies Act and subject to Rule 806 of the Catalist Rules
<i>“FY”</i>	:	Financial year of the Company ended or ending 30 June (as the case may be)
<i>“Group”</i>	:	The Company and its subsidiaries, collectively
<i>“HY”</i>	:	6-month financial period of the Company ended or ending 31 December (as the case may be)
<i>“Interest”</i>	:	The interest accrued on the Convertible Loan at the rate of 15% of the Convertible Loan Amount
<i>“Investors”</i>	:	The parties as listed at Section 3.1 of this Circular
<i>“KC Medical”</i>	:	KC Medical Supplies Pte. Ltd.

DEFINITIONS

<i>“Latest Practicable Date”</i>	:	5 June 2020, being the latest practicable date prior to the printing of this Circular
<i>“LPS”</i>	:	Loss per Share
<i>“Maturity Date”</i>	:	The date falling 18 months from the Drawdown Date
<i>“Net Proceeds”</i>	:	Has the meaning ascribed to it in Section 2.5 of this Circular
<i>“Notice of EGM”</i>	:	The notice of EGM set out on pages 29 to 34 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“NTL”</i>	:	Net tangible liabilities
<i>“Ordinary Resolutions”</i>	:	The ordinary resolutions to be passed by a simple majority of the Shareholders present and voting in person or by proxy at the EGM to be convened for Shareholders to consider and approve the (i) Proposed Conversion, (ii) Proposed Conversion by Chee Tuck Hong, (iii) Proposed Conversion by Fang Pengchong, and (iv) Proposed New Share Issue Mandate
<i>“Placement Exercise”</i>	:	The placement exercise by the Company completed on 19 March 2020, under which the Company allotted and issued 56,273,000 new Shares to third party subscribers procured by the placement agent. Further details are set out in the Company’s announcements dated 6 March 2020, 16 March 2020 and 19 March 2020.
<i>“Proposed Conversion”</i>	:	The proposed allotment and issue of an aggregate of up to 46,694,626 Conversion Shares at the Conversion Price upon the conversion of the Convertible Loan (including Interest), pursuant to the terms and conditions of the Convertible Loan Agreement
<i>“Proposed Conversion by Chee Tuck Hong”</i>	:	The proposed allotment and issue of an aggregate of up to 3,859,060 Conversion Shares to Chee Tuck Hong at the Conversion Price upon the conversion of his respective portion of the Convertible Loan Amount of S\$500,000 and accrued Interest thereon, pursuant to the terms and conditions of the Convertible Loan Agreement in accordance with Rule 812(2) of the Catalist Rules
<i>“Proposed Conversion by Fang Pengchong”</i>	:	The proposed allotment and issue of an aggregate of up to 2,315,436 Conversion Shares to Fang Pengchong at the Conversion Price upon the conversion of his respective Convertible Loan Amount of S\$300,000 and accrued Interest thereon, pursuant to the terms and conditions of the Convertible Loan Agreement in accordance with Rule 812(2) of the Catalist Rules
<i>“Proposed New Share Issue Mandate”</i>	:	The proposed new share issue mandate to be adopted by the Company pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules
<i>“Proposed Transactions”</i>	:	Has the meaning ascribed to it in Section 1.1 of this Circular

DEFINITIONS

“Proxy Form”	:	The proxy form attached to this Circular
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the Share Capital
“Share Capital”	:	The issued and paid-up share capital of the Company
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Sponsor”	:	SAC Capital Private Limited
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares
“Takeover Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified, or supplemented from time to time
“Term Sheet”	:	The non-binding term sheet dated 27 April 2020 entered into between the Company and the Investors, in relation to the grant of the Convertible Loan by the Investors to the Company

Currencies, Units and Others

“%”	:	Per centum or percentage
“S\$” or “cents”	:	Singapore dollars and cents, respectively

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

DEFINITIONS

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

Board of Directors

Lim Wee Li (Executive Chairman and Chief Executive Officer)
Loy Soo Toon (Executive Director, Business Development)
William Teo Choon Kow (Lead Independent Director)
Kesavan Nair (Independent Director)
Chua Siong Kiat (Independent Director)
Lau Kay Heng (Independent Director)

Registered Office

2 Leng Kee Road,
#01-08 Thye Hong Centre,
Singapore 159086

13 June 2020

To: The Shareholders of Kitchen Culture Holdings Ltd.

Dear Sir/Madam

- A. **PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 46,694,626 CONVERSION SHARES AT THE CONVERSION PRICE OF S\$0.149 PER CONVERSION SHARE UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$6,050,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT**
- B. **PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 3,859,060 CONVERSION SHARES TO CHEE TUCK HONG, UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$500,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT IN ACCORDANCE WITH RULE 812(2) OF THE CATALIST RULES**
- C. **PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 2,315,436 CONVERSION SHARES TO FANG PENGCHONG, UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$300,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT IN ACCORDANCE WITH RULE 812(2) OF THE CATALIST RULES**
- D. **PROPOSED NEW SHARE ISSUE MANDATE**

1 INTRODUCTION

- 1.1 The Directors are convening an EGM to be held on Monday, 29 June 2020 at 2.00 p.m. to seek the approval of Shareholders for the following proposals:
- (a) Proposed Conversion;
 - (b) Proposed Conversion by Chee Tuck Hong;
 - (c) Proposed Conversion by Fang Pengchong; and
 - (d) Proposed New Share Issue Mandate,
- (collectively, the “**Proposed Transactions**”).

LETTER TO SHAREHOLDERS

- 1.2 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Transactions, and the rationale thereof, and to seek Shareholders' approval at the EGM for the each of the Ordinary Resolutions in respect of the Proposed Transactions, as set out in the Notice of EGM.
- 1.3 The Proposed Transactions are not inter-conditional upon each other. However, Shareholders should note that the Proposed Conversion by Chee Tuck Hong (Ordinary Resolution 2) and the Proposed Conversion by Fang Pengchong (Ordinary Resolution 3) are conditional upon the Shareholders' approval to the Proposed Conversion (Ordinary Resolution 1) having been obtained. Accordingly, if the Ordinary Resolution 1 for the Proposed Conversion is not passed, the Company is not entitled to proceed with the Proposed Conversion by Chee Tuck Hong and the Proposed Conversion by Fang Pengchong. In the event that the Ordinary Resolution 1 is passed but not the Ordinary Resolutions 2 and/or 3, the Company will be entitled to proceed with the Proposed Conversion, save to the extent that it does not effect the Proposed Conversion by Chee Tuck Hong and/or the Proposed Conversion by Fang Pengchong (as the case may be). For the avoidance of doubt, the Convertible Loan Amounts of an aggregate of S\$800,000 referred to in the Proposed Conversion by Chee Tuck Hong (Ordinary Resolution 2) and the Proposed Conversion by Fang Pengchong (Ordinary Resolution 3) forms part of the Convertible Loan (as defined below) of an aggregate amount of S\$6,050,000, as disclosed in Section 2.1 of this Circular below.
- 1.4 The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. If a Shareholder is in any doubt as to the course of action he should take, he should consult his bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser immediately.

2 PROPOSED CONVERSION

2.1 Background

On 29 April 2020, the Company announced that it had on 27 April 2020 entered into a non-binding Term Sheet with the Investors, pursuant to which the Investors have agreed to grant an interest-bearing convertible loan of an aggregate amount of S\$6,050,000 ("**Convertible Loan**") to the Company, subject to, *inter alia*, the parties' entry into a definitive convertible loan agreement.

On 4 May 2020, the Company announced that, following negotiations between the parties, the Company had on 3 May 2020 entered into the Convertible Loan Agreement with the Investors, pursuant to which the Investors have agreed to grant the Convertible Loan to the Company for a term of 18 months commencing on the date of drawdown of the Convertible Loan. Under the Convertible Loan Agreement, the Investors have the right to convert the Convertible Loan (including Interest), or any part thereof, into Conversion Shares at the Conversion Price of S\$0.149 per Conversion Share, fractional entitlements to be disregarded, in accordance with the terms and conditions of the Convertible Loan Agreement ("**Conversion Right**").

Subject to the Investors' exercise of their respective Conversion Right, the Company will allot and issue an aggregate of up to 46,694,626 Conversion Shares at the Conversion Price upon conversion of the Convertible Loan (including Interest), in accordance with the terms and conditions of the Convertible Loan Agreement.

Pursuant to the Convertible Loan Agreement, the Company has drawn down on the Convertible Loan on 4 May 2020, and accordingly, the Investors have fully disbursed the Convertible Loan to the Company as at the date of this Circular.

LETTER TO SHAREHOLDERS

2.2 Terms of the Convertible Loan Agreement

Pursuant to the Convertible Loan Agreement, the Investors have agreed to grant the Convertible Loan to the Company, in such proportions as detailed in Section 3.1 of this Circular, on the following salient terms and conditions:

Convertible Loan Amount The aggregate amount of S\$6,050,000, in the respective proportions as set out against each Investor's name in Section 3.1 of this Circular

Drawdown Date 4 May 2020 (or such other date as parties may agree in writing)

Maturity Date 18 months from Drawdown Date

Interest Interest is chargeable on the Convertible Loan at the rate of 15% of the Convertible Loan Amount.

Interest is payable on the Maturity Date, unless otherwise converted into Conversion Shares in accordance with the terms and conditions of the Convertible Loan Agreement.

Conversion Price S\$0.149 per Conversion Share

The Conversion Price for the conversion of the Convertible Loan (including Interest) was arrived at after taking into consideration, *inter alia*, the prevailing market conditions, the recent share prices of the Company prior to the announcement of the Term Sheet and future plans of the Group. The Conversion Price remains the same as the conversion price previously agreed upon in the Term Sheet. There had been no change in the Conversion Price even though it was at a discount to the weighted average price on the last full market day where Shares were traded before the signing of the Convertible Loan Agreement, having considered that (i) the Investors had agreed to the Conversion Price at a premium of approximately 5% to the weighted average price per Share on the market day prior to the signing of the Term Sheet, (ii) the volatility of the Share price on the SGX-ST since the date of the Term Sheet, and (iii) the Company's commitment to the Conversion Price agreed upon with the Investors.

The Conversion Price represents:

- (i) a premium of approximately 5% of the weighted average price of S\$0.1415 per Share for trades done on the SGX-ST on 24 April 2020, being the last full market day where Shares were traded before the signing of the Term Sheet and prior to the trading halt requested by the Company with effect from 9.00 a.m. on 27 April 2020;
- (ii) a discount of approximately 29% of the weighted average price of S\$0.2085 per Share for trades done on the SGX-ST on 30 April 2020, being the last full market day where Shares were traded before the signing of the Convertible Loan Agreement; and
- (iii) a discount of approximately 11% of the weighted average price of S\$0.1671 per Share for trades done on the SGX-ST on the Latest Practicable Date.

LETTER TO SHAREHOLDERS

As the Conversion Price represents a discount of more than 10% to the weighted average price for trades done on the SGX-ST for the full market day prior to the signing of the Convertible Loan Agreement, the Company will be seeking the approval of the Shareholders for the Proposed Conversion under Rule 811(3) of the Catalist Rules.

No adjustments to the Conversion Price shall be made for any subsequent issue of Shares and/or convertible securities and/or warrants by the Company, and/or in the event of any rights, bonus or other capitalisation issues by the Company which will enlarge the number of Shares in the share capital of the Company as of the date of the Convertible Loan Agreement. Notwithstanding Rule 829(1) of the Catalist Rules, the Board is of the view that this is not prejudicial to the interests of the Company and the Shareholders.

The Company undertakes that it will not conduct any capital reduction or share consolidation exercise, or any other corporate action which will reduce the number of Shares in the share capital of the Company as of the date of the Convertible Loan Agreement, during the period from the date of the Convertible Loan Agreement up till the Maturity Date (both dates included). The Company may also, in consultation with the Investors, effect such other adjustments to the Conversion Price as may be required to comply with provisions of Singapore law and/or the requirements of the SGX-ST.

Conversion Right

- (1) Subject to the terms and conditions of the Convertible Loan Agreement and a minimum conversion of 500,000 Conversion Shares per conversion, each Investor shall have the right (but not the obligation) to, during the term of the Convertible Loan, convert the full sum or any part of the Convertible Loan that was disbursed by the Investor (including Interest) (or any part thereof) that is outstanding into Conversion Shares at the Conversion Price ("**Conversion Right**"), fractional entitlements to be disregarded.
- (2) Unless otherwise agreed in writing by the Company, each Investor may effect one conversion at any time after the Conditions Precedent (as defined below in this Section) under the Convertible Loan Agreement have been fulfilled or so waived by the Company.
- (3) Subject to clauses in paragraph (4) of this section below, the number of Conversion Shares to which any Investor is entitled on conversion shall be determined by dividing (a) the aggregate of the Convertible Loan Amount (disbursed by the Investor) and Interest, by (b) the Conversion Price.
- (4) Each Investor warrants and accepts that the total number of Conversion Shares together with any existing Shares held by him (together with any persons acting in concert with him within the meaning provided in the Takeover Code) as at the date of the Convertible Loan Agreement and each date of conversion of the Convertible Loan Amount and Interest (or any part thereof), shall not exceed 29% of the total voting

LETTER TO SHAREHOLDERS

rights of the Company. Accordingly, the Investor will not be entitled to exercise his Conversion Right if the said limit would be exceeded upon the exercise of the Conversion Right. Each Investor further warrants and accepts as follows:

- (a) the Company shall not issue any Conversion Shares which could result in transfer of controlling interest, without prior approval of shareholders of the Company in general meeting; and
 - (b) if any Investor (other than the existing Substantial Shareholders as at the date of the Convertible Loan Agreement, namely Chee Tuck Hong and Fang Pengchong) becomes a person described in Rule 812(1) of the Catalist Rules after the date of the Convertible Loan Agreement, that Investor shall not be entitled to exercise his Conversion Right unless approval from shareholders' of the Company has been obtained in general meeting.
- (5) The Investors acknowledge and agree that the Conversion Shares are issued pursuant to the exemption and restrictions set out in Section 275 and Section 276 of the SFA.

Conditions Precedent

The Conversion Right shall be subject to the following conditions precedent ("**Conditions Precedent**") being fulfilled or otherwise waived by the Company:

- (1) approval from Shareholders at an extraordinary general meeting to be convened in respect of the issuance and allotment of the Conversion Shares being obtained;
- (2) receipt by the Company of the listing and quotation notice for the listing and quotation of the Conversion Shares on the Catalist of the SGX-ST, the same not being revoked or amended, and where such notice is subject to conditions, such conditions being acceptable to the Company and to the extent that any conditions to such approval are to be fulfilled on or before issuance and allotment of the Conversion Shares, they are so fulfilled to the satisfaction of the SGX-ST or so waived by the SGX-ST;
- (3) the issuance, allotment and conversion of the Conversion Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Convertible Loan Agreement by any applicable law, legislative, executive or regulatory body or authority of Singapore; and
- (4) written declaration from each of the Investors in such form and substance acceptable to the Company that:
 - (a) there is no agreement or arrangement or understanding amongst the Investors themselves or amongst the Investors and the Company or any of its Directors or officers to co-operate to obtain or consolidate control over the Company or of the voting rights in the Company;

LETTER TO SHAREHOLDERS

- (b) none of the Investors is acting in concert with one another or with any Shareholder, Director or officer of the Company within the meaning of that expression provided in the Takeover Code; and
- (c) nothing in the Convertible Loan Agreement (whether taken together with any other agreement or document or otherwise) constitutes an agreement, understanding or arrangement (whether formal or informal) by which any of the persons referred to in the foregoing sub-clauses of this paragraph (4) shall be deemed to be so co-operating with any other person, including the Investors or any Shareholder, Director or officer of the Company, to obtain or consolidate control of the Company or the voting rights in the Company.

Long-Stop Date

In the event the Conditions Precedent are not fulfilled or waived by the Company within six (6) months after the date of the Convertible Loan Agreement, the Company shall on the Maturity Date, repay the Convertible Loan and make payment of the Interest to the Investors.

Repayment of Convertible Loan and Payment of Interest

The outstanding Convertible Loan Amount shall be repaid and any outstanding Interest shall be payable by the Company to the Investors, on the Maturity Date.

If any part of the Convertible Loan Amount has been converted, the outstanding principal amount of the Convertible Loan shall be reduced by the converted amount.

If any part of the Interest has been converted, the outstanding amount of the Interest shall be reduced by the converted amount.

Prepayment and Cancellation

No prepayment or cancellation of the Convertible Loan, or any part thereof, is allowed.

Events of Default

Any one of the following events and occurrences shall constitute an event of default under the Convertible Loan Agreement:

- (a) failure by the Company to pay any sum, whether principal, interest or otherwise due or payable under the Convertible Loan Agreement on the due date therefor or (in the case of sums which are payable on demand) on demand;
- (b) failure by the Company to perform or comply with any of the terms and conditions of the Convertible Loan Agreement;
- (c) if any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for the purpose stated in the Convertible Loan Agreement or for the legality or validity of the Convertible Loan Agreement, is not taken, fulfilled or done or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with;

LETTER TO SHAREHOLDERS

- (d) if an event has occurred which constitutes a default under or in respect of any other agreement or document to which the Company is a party or by which the Company may be bound or an event has occurred which, with the giving of notice, lapse of time, determination of materiality or other condition might constitute a default under or in respect of any such agreement or document or which event might in the opinion of the Investors affect the financial condition of the Company or the ability of the Company to fulfil its obligations under the Convertible Loan Agreement; or
- (e) if the Company becomes or is declared insolvent, is unable to pay its respective debts as they fall due, stops, suspends, or threatens to stop or suspend payment of all or a part of its respective debts, begins negotiations or takes any proceedings or other step with a view to readjustment, rescheduling or deferral of all or any of its indebtedness (or of any part of its indebtedness which it will or might otherwise be unable to pay when due) or convenes a meeting of creditors or proposes or makes any assignment or an arrangement or composition with or for the benefit of its creditors or a moratorium is agreed or declared in respect of or affecting all or a part of its respective indebtedness.

The Investors may unanimously at any time after the happening of an event of default or potential event of default (which means any act, condition, event or circumstances which with the giving of notice, lapse of time, determination of materiality and/or the fulfillment of any other requirement or condition would become an event of default) by notice in writing to the Company declare that all sums payable under the Convertible Loan Agreement are immediately due and payable whereupon all sums payable under the Convertible Loan Agreement shall become immediately due and payable without any further demand or notice.

Investors' Representations and Warranties

Each of the Investors has represented and warranted that, *inter alia*:

- (1) It is an accredited investor (as defined in Section 4A(1)(a) of the SFA).
- (2) Each Investor enters into the Convertible Loan Agreement as a principal and for its own benefit, has no intention of influencing the management of, or exercising control over, the Company, and is not acting in concert with any parties to obtain or consolidate control of the Company.
- (3) Save for Chan Hiang Ngee, Wong Hong Eng, Tan Kee Tuan, Chee Tuck Hong, Tan Koon and Fang Pengchong who are existing Shareholders as at the date of the Convertible Loan Agreement, each Investor has no relationship (including any business relationship) with the Company, its subsidiaries or any Director, Substantial Shareholders or officer of the Company.

LETTER TO SHAREHOLDERS

The warranties given by the Investors in the Convertible Loan Agreement shall not in any respect be extinguished or affected by drawdown and shall validly subsist and be repeated as at the Conversion Date. Each warranty shall survive and continue to have full force and effect after the execution of the Convertible Loan Agreement and each Investor warrants to the Company that the warranties will be true and correct and fully observed so long as any sum remains payable under the Convertible Loan Agreement.

No Amendment or Variation

No amendment or variation to the Convertible Loan Agreement shall take effect unless it is in writing (in such manner as may be agreed upon by the parties (the Company on one side and the Investors on the other and agreement to any amendment or variation to the Convertible Loan Agreement by the Investors shall be deemed to be obtained if Investors investing at least 50% of the Convertible Loan have agreed to the amendment or variation to the Convertible Loan Agreement) and shall be subject to approval by shareholders of the Company in general meeting where required by law or under the Catalist Rules.

Transferability, Assignment and Rights upon Liquidation

The Investors may at any time and from time to time with the Company's prior written consent, assign or transfer all or any of its rights, benefits and obligations under the Convertible Loan Agreement to any other Investors or financial institution. The costs of any assignment or transfer by the Investors shall not be borne by the Company.

Separately, the Convertible Loan Agreement does not contain any provisions or stipulate the rights of the Investors in the event of the liquidation of the Company. In such instance, the rights of the Investors will be determined in accordance with the applicable Singapore laws and regulations relating to the winding-up and liquidation of companies.

2.3 Conversion Shares

Section 161 of the Companies Act and Rules 805 and 824 of the Catalist Rules provide, among others, that an issuer must obtain the prior approval of shareholders in general meeting for the issuance of shares or convertible securities, unless such shares or convertible securities are issued under a general mandate obtained from shareholders in general meeting.

The aggregate of up to 46,694,626 Conversion Shares to be allotted and issued to the Investors represent approximately 26.42% of the existing share capital of 176,750,000 Shares, and approximately 20.90% of the enlarged share capital of 223,444,626 Shares after the allotment and issue of the Conversion Shares. The Company has no existing warrants or other outstanding convertibles, save for the proposed debt conversion of outstanding loans extended to the Company by Mr Lim Wee Li, the Executive Chairman, Chief Executive Officer and Substantial Shareholder of the Company, pursuant to the debt conversion deed dated 2 April 2020 entered into between the Company and Mr Lim Wee Li. Further details in relation to the aforesaid proposed debt conversion are set out in the Company's announcements dated 2 April 2020 and 13 May 2020.

As the aggregate number of Conversion Shares to be allotted and issued to the Investors exceeds the limit of the Existing Share Issue Mandate obtained by the Company at the 2019 AGM, the Company will be seeking specific approval of Shareholders for the allotment and issue of the Conversion Shares, for the purposes of Rules 805 and 824 of the Catalist Rules. The approval of Shareholders for the Proposed Conversion is not intended to vary, revoke or amend the terms of the Existing Share Issue Mandate.

LETTER TO SHAREHOLDERS

The Conversion Shares will, when allotted and issued by the Company to the Investors, rank *pari passu* in all respects with the then existing Shares, except that such Investors will not be entitled to any dividend or other distribution or participation in any rights issue in respect of the Shares, the record date for which falls on or before the date of allotment and issue of the Conversion Shares.

2.4 Listing and Quotation Notice

The Company has, through the Sponsor, made an application to the SGX-ST for the listing of and quotation for the Conversion Shares on Catalist. The Company will make the necessary announcement(s) to notify the Shareholders when the listing and quotation notice from the SGX-ST is obtained.

It should be noted that the listing and quotation notice to be issued by the SGX-ST is not to be taken as an indication of the merits of the Conversion Shares, the Company, its subsidiaries and their securities.

For avoidance of doubt, no listing is sought for the Convertible Loan.

2.5 Rationale for the Proposed Conversion and Use of Proceeds

The Convertible Loan will allow the Group to raise gross proceeds of up to S\$6,050,000. After deducting estimated expenses (including but not limited to legal expenses), the estimated net proceeds from the Convertible Loan will amount to approximately S\$6,020,000 (“**Net Proceeds**”). The other professional and listing expenses to be incurred in relation to the Convertible Loan and the Proposed Conversion have not been taken into account as these costs are deemed immaterial to the Net Proceeds and will be paid out as part of the Group’s general working capital.

In accordance with Rule 810(1)(a)(iii) of the Catalist Rules, the Company intends to use the Net Proceeds for the working capital requirements for KC Medical.

The Company refers to the strategic business review conducted by the Group, as set out in the Company’s announcement dated 31 March 2020, and the Company’s announcement dated 23 April 2020 in connection with the incorporation of a wholly-owned subsidiary, KC Medical, to undertake the trading of medical and related supplies. The Company intends to utilise the Net Proceeds for the working capital requirements of KC Medical. This is a step towards exploring new areas of business opportunities for the Group.

Based on the unaudited financial results of the Group for HY2019, the Group is in a net current liabilities position of S\$5.6 million and a net liabilities position of S\$6.8 million. The Directors are of the view that the Convertible Loan and the Proposed Conversion are beneficial for the Group as it will allow the Group to strengthen its financial position (assuming the completion of the Proposed Conversion), improve the Group’s cash flow and increase working capital available to the Group to fund the anticipated working capital requirements of KC Medical. The anticipated working capital requirements of KC Medical would exceed the net proceeds available from the Placement Exercise by the Company completed on 19 March 2020. The Company had on 20 May 2020 entered into a non-binding term sheet with Guangdong Fon-neus Environment Protection Technology Inc. (广东丰能环保科技股份有限公司) in relation to the proposed acquisition by the Company of 40% of the equity interest in Beijing Anxin Health Products Co., Ltd (北京安心卫生用品有限公司), a company incorporated in the People’s Republic of China, which is a manufacturer of medical supplies such as masks and sanitizers and owns and is licensed to use certain intellectual properties, which includes the “AnXin 安心” brand of sanitizers. Further details on the transaction are set out in the Company’s announcement dated 20 May 2020. For the avoidance of doubt, as at the Latest Practicable Date, no definitive agreement in respect of KC Medical has been reached and there can be no assurance that an agreement will be entered into or completed.

LETTER TO SHAREHOLDERS

Pending the deployment of the Net Proceeds, the Company may place the Net Proceeds from the Convertible Loan 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.

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 stated 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 issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how such Net Proceeds have been applied in its announcements and the annual report. Where there is any material deviation from the stated use of Net Proceeds, the Company will make the necessary announcement on the reasons for such deviation.

3 THE INVESTORS

Shareholders should note that the information relating to the Investors in this Circular was provided by the Investors. The Company and the Directors have not independently verified the accuracy and correctness of such information.

3.1 Convertible Loan Amounts of the Investors

The list of Investors, together with their respective Convertible Loan Amounts are set out in the table below.

No.	Investor	Convertible Loan Amount (S\$)	Maximum Number of Conversion Shares ⁽¹⁾	Conversion Shares as a Percentage of Enlarged Capital ⁽²⁾
1	Chan Hiang Ngee	1,050,000	8,104,026	3.63%
2	Wong Hong Eng	900,000	6,946,308	3.11%
3	Dennis Lee Tuck Wing	700,000	5,402,684	2.42%
4	Qiu Mian	500,000	3,859,060	1.73%
5	Tan Kee Tuan	500,000	3,859,060	1.73%
6	Chee Tuck Hong	500,000	3,859,060	1.73%
7	Yang Xianzheng	500,000	3,859,060	1.73%
8	Pamela Rachel Kwan Ka Foong	500,000	3,859,060	1.73%
9	Ken Tan Khim Sing	300,000	2,315,436	1.04%
10	Tan Koon	300,000	2,315,436	1.04%
11	Fang Pengchong	300,000	2,315,436	1.04%
	Total	6,050,000	46,694,626	20.90%

Notes:

- (1) The maximum number of Conversion Shares to be issued pursuant to the Convertible Loan Agreement is calculated assuming full conversion of the Convertible Loan Amount and Interest.
- (2) Based on the total enlarged number of Shares of 223,444,626, assuming that the Convertible Loan (including Interest) is fully converted to 46,694,626 Conversion Shares pursuant to the Proposed Conversion.

LETTER TO SHAREHOLDERS

3.2 Shareholding Interest of the Investors

Save for the Investors set out below, the Investors do not hold any Shares as at the Latest Practicable Date:

No.	Investor	Shareholding Interest	
		As at the Latest Practicable Date ⁽¹⁾⁽³⁾	After the Proposed Conversion ⁽²⁾⁽³⁾
1	Chee Tuck Hong	11.32%	10.68%
2	Fang Pengchong	6.21%	5.95%
3	Tan Koon	1.70%	2.38%
4	Tan Kee Tuan	1.58%	2.98%
5	Chan Hiang Ngee	0.13%	3.73%
6	Wong Hong Eng	0.06%	3.16%

Notes:

- (1) Based on the total number of existing Shares of 176,750,000 as at the Latest Practicable Date.
- (2) Based on the total enlarged number of Shares of 223,444,626, assuming that the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion.
- (3) Including both direct and deemed interests.

Accordingly, assuming that (i) the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion; (ii) there is no change in the number of Shares in the existing Share Capital of the Company; and (iii) there is no change in the number of Shares held by the Investors from the Latest Practicable Date up to the Conversion Date, subsequent to the Proposed Conversion, Chee Tuck Hong and Fang Pengchong, who are existing Substantial Shareholders of the Company, will remain as Substantial Shareholders of the Company.

The Company will make the necessary disclosures of change in shareholding interest as required under the SFA, as and when relevant.

As Conversion Shares will be allotted and issued to Chee Tuck Hong and Fang Pengchong (being existing Substantial Shareholders of the Company) pursuant to the Proposed Conversion, Shareholders' approval is required to be obtained in connection with the Proposed Conversion pursuant to Rule 812(2) of the Catalist Rules. Please refer to Section 4 of this Circular for further details.

Rule 803 of the Catalist Rules provides that an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in general meeting. Accordingly, the Conversion Shares will not be allotted and issued to the Investors if such issuance would result in a transfer of controlling interest in the Company, unless prior approval of Shareholders in general meeting is obtained.

LETTER TO SHAREHOLDERS

3.3 Information on the Investors

The background details of the Investors are set out below:

No.	Investor	Background of Investor
1	Chan Hiang Ngee	Chan Hiang Ngee is a private investor.
2	Wong Hong Eng	Wong Hong Eng is a forex trading professional.
3	Dennis Lee Tuck Wing	Dennis Lee Tuck Wing is a private investor.
4	Qiu Mian	Qiu Mian is a businessman.
5	Tan Kee Tuan	Tan Kee Tuan is a businessman.
6	Chee Tuck Hong	Chee Tuck Hong is a private investor. He is also currently a Substantial Shareholder of the Company.
7	Yang Xianzheng	Yang Xianzheng is a private investor.
8	Pamela Rachel Kwan Ka Foong	Pamela Rachel Kwan Ka Foong is a private investor.
9	Ken Tan Khim Sing	Ken Tan Khim Sing is a public accountant.
10	Tan Koon	Tan Koon is a businessman.
11	Fang Pengchong	Fang Pengchong is a private investor. He is also currently a Substantial Shareholder of the Company.

The Investors were introduced by a few acquaintances of the Executive Directors of the Company, and Chan Hiang Ngee, Wong Hong Eng, Tan Kee Tuan, Chee Tuck Hong, Tan Koon and Fang Pengchong are existing Shareholders of the Company. No commission was paid or is payable by the Company to any person in relation to the Conversion Loan Agreement. The Company confirms that the Convertible Loan will not result in any material conflict of interest as there are no other relationships between the Investors and the Company, save as set out above.

Each Investor has entered into the Convertible Loan Agreement purely for investment purposes, and has no intention of influencing the management of, or exercising control over, the Company, and is not acting in concert with any parties to obtain or consolidate control of the Company. Save as disclosed above, to the best of knowledge of the Directors, the Group, its Directors and Substantial Shareholders do not have any connection (including business relationship) with the Investors.

Save as disclosed above, none of the Investors fall within any of the categories of persons set out in Rule 812(1) of the Catalist Rules.

4 ISSUE OF CONVERSION SHARES TO RESTRICTED PERSONS PURSUANT TO CHAPTER 8 OF THE CATALIST RULES

Rule 812(1) and Rule 812(2) of the Catalist Rules provide that an issue of shares must not be placed to an issuer's directors and substantial shareholders unless specific shareholders' approval has been obtained for such placement, and the person, and its associates, must abstain from voting on the resolution approving the placement.

As the Conversion Shares will be allotted and issued to Chee Tuck Hong and Fang Pengchong (being existing Substantial Shareholders of the Company) pursuant to the Proposed Conversion, Shareholders' approval is required to be obtained in connection with the Proposed Conversion pursuant to Rule 812(2) of the Catalist Rules.

LETTER TO SHAREHOLDERS

The Ordinary Resolution to seek Shareholders' approval for the Proposed Conversion by Chee Tuck Hong and the allotment and issuance of up to 3,859,060 Conversion Shares to Chee Tuck Hong in accordance with Rule 812(2) of the Catalist Rules is set out in Ordinary Resolution 2 in the Notice of EGM.

The Ordinary Resolution to seek Shareholders' approval for the Proposed Conversion by Fang Pengchong and the allotment and issuance of up to 2,315,436 Conversion Shares to Fang Pengchong in accordance with Rule 812(2) of the Catalist Rules is set out in Ordinary Resolution 3 in the Notice of EGM.

Pursuant to Rule 812(2) of the Catalist Rules, each of Chee Tuck Hong and Fang Pengchong shall abstain, and will procure that their respective associates abstain, from exercising their voting rights in respect of all existing issued Shares owned by them, and shall not accept appointments as proxies unless specific instructions as to voting are given, in respect of the Ordinary Resolution 2 and Ordinary Resolution 3 to approve the Proposed Conversion to Chee Tuck Hong and Fang Pengchong respectively. Accordingly, the Company will disregard any votes cast on the Ordinary Resolution 2 and Ordinary Resolution 3 (as the case may be) by such persons required to abstain from voting in respect of the respective resolutions.

5 FINANCIAL EFFECTS OF THE PROPOSED CONVERSION

The *pro forma* financial effects of the Convertible Loan and the Proposed Conversion set out below are purely for illustrative purposes only and do not reflect the future financial position and performance of the Company or the Group in the event that the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion. The *pro forma* financial effects are based on the following principle assumptions:

- (a) computed based on the latest audited financial statements of the Group for FY2019 and disregarding any interest, revenue, and/or return that may arise from the Convertible Loan; and
- (b) the expenses incurred for the Convertible Loan and the Proposed Conversion are assumed to be insignificant and have been ignored for the purposes of computing the financial effects.

For the avoidance of doubt, 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.

5.1 Share Capital

Assuming that the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion, the effects of the Proposed Conversion on the Share Capital of the Company as at the Latest Practicable Date are set out below:

	Before the Proposed Conversion	After the Proposed Conversion
Share Capital (S\$)	13,076,577	19,126,577
Number of Shares	176,750,000	223,444,626

LETTER TO SHAREHOLDERS

5.2 (NTL)/NTA of the Group

Assuming that the Convertible Loan is fully disbursed and the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion 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 Conversion	After the Proposed Conversion
(NTL)/NTA attributable to equity holders of the Company (S\$)	(4,926,316)	1,123,684
Number of Shares	118,477,000	165,171,626
(NTL)/NTA per Share (S\$ cents)	(4.16)	0.68

5.3 LPS of the Group

Assuming that the Convertible Loan is fully disbursed and the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion on 1 July 2018, the financial effects on the LPS of the Group for FY2019 are as follows:

	Before the Proposed Conversion	After the Proposed Conversion
Net loss attributable to equity holders of the Company (S\$)	(3,874,348)	(3,874,348)
Weighted average number of Shares	118,477,000	165,171,626
LPS (S\$ cents)	(3.27)	(2.35)

5.4 Gearing

Assuming that the Convertible Loan is fully disbursed and the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion on 30 June 2019, the financial effects on the gearing of the Group as at 30 June 2019 are as follows:

	Before the Proposed Conversion	After the Proposed Conversion
Total borrowings (S\$) ⁽¹⁾	6,572,995	6,572,995
Net borrowings (S\$) ⁽²⁾	6,239,318	189,318
Total liabilities and equity (S\$)	13,785,898	19,835,898
Gearing ⁽³⁾	0.48	0.33
Net gearing ⁽⁴⁾	0.45	0.01

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.

6 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the shareholdings of the Company as at the Latest Practicable Date, the effects of the Proposed Conversion on the shareholdings of the Directors, Substantial Shareholders and existing public Shareholders, assuming that the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion, are as follows:

	As at the Latest Practicable Date		After the Proposed Conversion	
	Direct Interest Number of Shares	Deemed Interest Number of Shares	Direct Interest Number of Shares	Deemed Interest Number of Shares
	%(1)	%(1)	%(2)	%(2)
Directors				
Lim Wee Li	26,177,000	14.81	26,177,000	11.72
Loy Soo Toon	-	-	-	-
William Teo Choong Kow	-	-	-	-
Kesavan Nair	-	-	-	-
Chua Siong Kiat	-	-	-	-
Lau Kay Heng	-	-	-	-
Substantial Shareholders (other than Directors)				
Chee Tuck Hong	20,000,000	11.32	23,859,060	10.68
Fang Pengchong	8,308,000	4.70	10,623,436	4.75
Existing Public Shareholders	122,265,000	69.17	162,785,130	72.85
Total	<u>176,750,000</u>	<u>100.00</u>	<u>223,444,626</u>	<u>100.00</u>

Notes:

- (1) Based on the total number of existing Shares of 176,750,000 as at the Latest Practicable Date.
- (2) Based on the total enlarged number of Shares of 223,444,626, assuming that the Convertible Loan (including Interest) is fully converted pursuant to the Proposed Conversion.
- (3) Mr Fang Pengchong is deemed interested in the Shares held by Skyatt Investment Private Limited as he is the beneficiary owner of the company.

LETTER TO SHAREHOLDERS

Assuming (i) no change in the number of Shares in the existing Share Capital of the Company; and (ii) no change in the number of Shares held by the Directors and Substantial Shareholders from the Latest Practicable Date up to the Conversion Date, approximately 72.85% of the Shares will be held in the hands of the public based on the enlarged Share Capital of the Company after the Conversion Date. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

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

7 PROPOSED NEW SHARE ISSUE MANDATE

7.1 Existing Share Issue Mandate

The Company had, at the 2019 AGM, obtained the Existing Share Issue Mandate which authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the Existing Share Issue 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% (excluding treasury shares and subsidiary holdings). The number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the Existing Share Issue Mandate was passed was 118,477,000 Shares.

Utilising the Existing Share Issue Mandate, the Company has undertaken the following Share issuances:

- (a) On 22 January 2020, the Company allotted and issued 2,000,000 Shares (representing 1.69% of the total number of issued Shares at the time of the 2019 AGM) in relation to the conversion of loans amounting to S\$150,000 extended by a lender to the Company. Further details are set out in the Company's announcements dated 23 December 2019, 7 January 2020 and 22 January 2020; and
- (b) On 6 March 2020, the Company entered into a placement agreement with UOB Kay Hian Private Limited in relation to the Placement Exercise, pursuant to which the Company had on 19 March 2020, allotted and issued 56,273,000 new Shares (representing 47.50% of the total number of issued Shares at the time of the 2019 AGM) to such third party subscribers procured by UOB Kay Hian Private Limited as the placement agent for the Placement Exercise. Further details of the Placement Exercise are set out in the Company's announcements dated 6 March 2020, 16 March 2020 and 19 March 2020.

Following the above Share issuances, the Company is left with a balance of:

- (i) 965,500 Shares which can be issued pursuant to the Existing Share Issue Mandate other than on a *pro rata* basis to existing Shareholders; or
- (ii) 60,204,000 Shares which can be issued pursuant to the Existing Share Issue Mandate to existing Shareholders on a *pro rata* basis.

In light of reasons set out in Section 7.2 of this Circular, it is proposed that the Existing Share Issue Mandate be revoked and the Proposed New Share Issue Mandate be granted to the Directors pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules.

7.2 Rationale for the Proposed New Share Issue Mandate

The Proposed New Share Issue Mandate will give the Board a mandate to issue new Shares with higher maximum limits as explained in Section 7.3 of this Circular, thus giving the Board greater flexibility in planning its fund raising exercises in order to cater for future operational requirements and business expansion, acquisition transactions or other arrangements involving the Share Capital, such as debt reduction exercises.

LETTER TO SHAREHOLDERS

The Directors are of the opinion that a general (as opposed to a specific) approval for the Board to issue new Shares of the Company under the Proposed New Share Issue Mandate will enable the Company to act quickly and take advantage of market conditions as well as enable the Directors to have greater flexibility and scope in negotiating with third parties in potential fund raising exercises or other arrangements or transactions involving the capital of the Company. The expense and delay or otherwise in having to convene further general meetings of the Company to approve the issue and allotment of new Shares and/or convertible securities of the Company in excess of the Existing Share Issue Mandate would also be avoided.

As the Company is only entitled to issue a remaining of 965,500 Shares other than on a *pro rata* basis to existing Shareholders pursuant to the Existing Share Issue Mandate, the Company will need to seek specific approval from Shareholders if it wishes to carry out share placement exercise(s) in excess of 965,500 Shares to persons other than existing Shareholders on a *pro rata* basis at any time prior to the next annual general meeting of the Company to be held by 31 October 2020.

Due to the volatility of the stock market, and the duration of approximately 3 months before Shareholders' approval can be obtained as a result of the long process involved in preparing a Shareholders' circular and the notice requirement to hold an extraordinary general meeting, investors in general may not be prepared to commit to an investment involving listed securities unless a sizeable discount from the market price of the Shares is given to them. It will not be favourable to the Company and its minority Shareholders if the Company is compelled to give a huge discount from the market price of the Shares in order to raise funds through a share placement.

7.3 Details of the Proposed New Share Issue Mandate

The Proposed New Share Issue Mandate, if approved, will authorise the Directors to issue new Shares or convertible securities in the capital of the Company (whether by way of bonus issue, rights issue or otherwise), not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the Proposed New Share Issue Mandate is 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% (excluding treasury shares and subsidiary holdings). For the purpose of determining the aggregate number of Shares and securities convertible into Shares that may be issued under the Proposed New Share Issue Mandate, the percentage of issued Shares shall be based on the existing Shares at the time the Proposed New Share Issue Mandate is passed, after adjusting for:

- (a) any new Shares arising from the conversion or exercise of any convertible securities;
- (b) any new Shares arising from the exercise of options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
- (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraphs (a) or (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the Proposed New Share Issue Mandate.

The Proposed New Share Issue Mandate, once approved, will continue in force until the conclusion of the Company's next annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless revoked or varied by the Company in a general meeting.

LETTER TO SHAREHOLDERS

8 DIRECTORS' CONFIRMATION AND RECOMMENDATION

8.1 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 written commitments from certain lenders not to demand payment for the next 12 months, the recent placement completed on 19 March 2020 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 written commitments from certain lenders not to demand payment for the next 12 months, the recent placement completed on 19 March 2020, 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, having considered, *inter alia*, the rationale and benefits as well as the terms and conditions of the Convertible Loan, the Directors are of the view that the Proposed Conversion is beneficial for and in the best interests of the Company and, accordingly, recommend that the Shareholders vote in favour of the Ordinary Resolution 1, Ordinary Resolution 2 and Ordinary Resolution 3.

8.2 Having considered the rationale and benefits of the Proposed New Share Issue Mandate, the Directors are of the opinion that the Proposed New Share Issue Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of the Ordinary Resolution 4 in relation to the Proposed New Share Issue Mandate.

Shareholders are advised to read this Circular in its entirety, in particular the terms of, the rationale for and the financial effects of the Convertible Loan and the Proposed Conversion, as well as the rationale for the Proposed New Share Issue Mandate, and for those who may require advice in the context of their specific investment, to consult their bank manager, stockbroker, solicitor, accountant, tax adviser or other professional adviser.

9 EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 29 to 34 of this Circular, will be held by way of electronic means on Monday, 29 June 2020 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions in relation to the Proposed Transactions set out in the Notice of EGM.

10 ABSTENTION FROM VOTING

Each of Chee Tuck Hong and Fang Pengchong and their respective associates will abstain from voting on the Ordinary Resolution 2 and Ordinary Resolution 3 respectively, as set out in the Notice of EGM in relation to the Proposed Conversion by Chee Tuck Hong and the Proposed Conversion by Fang Pengchong respectively. They will also not accept any nominations to act as proxy for any Shareholder in voting on Ordinary Resolution 2 and Ordinary Resolution 3 respectively unless specific instruction has been given in the Proxy Form as to the manner in which votes are to be cast in respect of Ordinary Resolution 2 and Ordinary Resolution 3 respectively. Accordingly, the Company will disregard any votes cast on the Ordinary Resolution 2 and Ordinary Resolution 3 (as the case may be) by such persons required to abstain from voting in respect of the respective resolutions.

LETTER TO SHAREHOLDERS

11 ACTIONS TO BE TAKEN BY SHAREHOLDERS

11.1 No Attendance at EGM in Person

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM in person.

11.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM. The EGM is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

(i) Live EGM Webcast or Live EGM Audio Feed

The proceedings of the EGM will be broadcast through live audio-visual webcast and live audio-only stream (“**Live EGM Webcast**” and “**Live EGM Audio Feed**”, respectively) on Monday, 29 June 2020 at 2.00 p.m..

Shareholders will be able to watch or listen to the EGM proceedings through the Live EGM Webcast or the Live EGM Audio Feed via mobile phone, tablet, computer or any such electronic device.

In order to do so, Shareholders must pre-register online at the URL <https://sg.conveneagm.com/kitchenculture> by 2.00 p.m. on 27 June 2020 (the “**Registration Deadline**”), being not less than 48 hours before the time appointed for holding the EGM, to enable the Company to verify their Shareholders’ status. Please refer to the Notice of EGM set out on pages 29 to 34 of this Circular for further details on the Live EGM Webcast and the Live EGM Audio Feed, including registration details.

(ii) Submission of Proxy Forms to Vote

Shareholders will not be able to vote through the Live EGM Webcast or the Live EGM Audio Feed on the Ordinary Resolutions to be tabled for approval at the EGM.

A Shareholder (whether individual or corporate) who wishes to exercise his/her/its voting rights at the EGM must submit a Proxy Form to appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. Shareholders who wish to appoint the Chairman of the EGM as proxy to vote at the EGM on their behalf will find a Proxy Form attached to this Circular which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the registered office of the Company by post, or submitted by email to EGM@kitchenculture.com, or submitted via the Shareholder’s account following registration at the URL <https://sg.conveneagm.com/kitchenculture>, in each case not less than 48 hours before the time appointed for holding the EGM, i.e. by 2.00 p.m. on 27 June 2020.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit the completed and signed Proxy Forms electronically via email.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies, who wish to exercise their votes by appointing the Chairman of the EGM as his/her/its proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares, to submit their votes at least 7 working days before the date of the EGM, i.e. by 2.00 p.m. on 18 June 2020.

LETTER TO SHAREHOLDERS

(iii) Submission of Questions in Advance

To ensure orderly proceedings during the Live EGM Webcast and the Live EGM Audio Feed, Shareholders should submit questions relating to the resolutions set out in the Notice of the EGM in advance at (i) <https://sg.conveneagm.com/kitchenculture>, (ii) by post to the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086, or (iii) via email to EGM@kitchenculture.com by 26 June 2020, Friday, at 2.00 p.m. (being 72 hours before the time appointed for the holding of the EGM). Please note that Shareholders will not be able to raise questions during the Live EGM Webcast and the Live EGM Audio Feed.

A shareholder who wishes to submit his/her/its questions by post or by email is required to indicate his/her/its full name (for individuals)/company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address or email address provided. The Company will endeavour to address the substantial and relevant questions before or during the EGM. The responses to questions from Shareholders will be posted on the SGXNET and the Company's website soonest possible before the EGM, or if answered during the EGM, to be included in the minutes of the EGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the EGM.

(iv) Notice of EGM and Circular

Printed copies of the Notice of EGM and the Circular (including Proxy Form) will not be despatched to Shareholders. Instead, these documents will be sent to members solely by electronic means via publication on the Company's website at the URL <https://kcholdings.com.sg/media-centre/announcements.php> and will also be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Due to the evolving COVID-19 situation in Singapore, the Company may change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Shareholders are advised to check the SGXNET regularly for updates on the EGM.

11.3 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to vote thereat unless his name appears on the Depository Register as certified by CDP at least 72 hours before the time appointed for holding the EGM.

12 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Convertible Loan, the Proposed Conversion, the Proposed Conversion by Chee Tuck Hong, the Proposed Conversion by Fang Pengchong, the Proposed New Share Issue Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

13 OFFER INFORMATION STATEMENT

Notwithstanding that the Proposed Conversion will be undertaken by way of offer made to accredited investors in accordance with Section 275 of the SFA, an offer information statement will still be prepared and lodged in connection with the transaction pursuant to Section 276(1) of the SFA.

14 DOCUMENTS FOR INSPECTION

The following documents are available for inspection by Shareholders at the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the constitution of the Company;
- (b) the annual report of the Company for FY2019;
- (c) the Term Sheet; and
- (d) the Convertible Loan Agreement.

Shareholders who wish to inspect the above documents shall make an appointment via the following email address EGM@kitchenculture.com, so that the relevant arrangements can be made in compliance with the Singapore Government's directives in relation to the ongoing COVID-19 outbreak.

Yours faithfully
For and on behalf of the Board
KITCHEN CULTURE HOLDINGS LTD.

Lim Wee Li
Executive Chairman and Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Kitchen Culture Holdings Ltd. (the “**Company**”) will be held by way of electronic means on Monday, 29 June 2020 at 2.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions:

All capitalised terms used in this notice which are not otherwise defined shall have the same meanings as ascribed to them in the Company’s circular to its shareholders dated 13 June 2020.

ORDINARY RESOLUTIONS

RESOLUTION 1: PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 46,694,626 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“CONVERSION SHARES”) AT THE CONVERSION PRICE OF S\$0.149 PER CONVERSION SHARE UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$6,050,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT (“PROPOSED CONVERSION”)

THAT:

- (a) pursuant to Section 161 of the Companies Act (Chapter 50) of Singapore (“**Companies Act**”) and Chapter 8 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Rules**”), approval be and is hereby given to the directors of the Company (“**Directors**”) or any of them to allot and issue an aggregate of up to 46,694,626 new Ordinary Shares in the capital of the Company (“**Conversion Shares**”) to the Investors at the conversion price of S\$0.149 per Conversion Share (“**Conversion Price**”) upon the conversion of the convertible loan of S\$6,050,000 and accrued interest thereon, pursuant to and subject to the terms and conditions of the convertible loan agreement dated 3 May 2020 entered into between the Company and the Investors (“**Convertible Loan Agreement**”);
- (b) the Directors or any of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements, and execute all such documents as he or they may from time to time deem fit, advisable, desirable, expedient, or necessary in the interests of the Company to give effect to this Ordinary Resolution; and
- (c) the Directors and each of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document (provided that such amendments are not subject to approval by shareholders of the Company in general meeting under the applicable law or the Catalist Rules), as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the Proposed Conversion and any of all matters set out in this Ordinary Resolution as they or he may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 2: PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 3,859,060 CONVERSION SHARES TO CHEE TUCK HONG, UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$500,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT IN ACCORDANCE WITH RULE 812(2) OF THE CATALIST RULES

THAT:

- (a) contingent upon Shareholders' approval to the Ordinary Resolution 1 being obtained, and pursuant to Section 161 of the Companies Act and Chapter 8 of Catalist Rules, approval be and is hereby given to the Directors or any of them to allot and issue an aggregate of up to 3,859,060 Conversion Shares to Chee Tuck Hong at the Conversion Price upon the conversion of the convertible loan amount of S\$500,000 and accrued interest thereon, pursuant to and subject to the terms and conditions of the Convertible Loan Agreement;
- (b) the Directors or any of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements, and execute all such documents as he or they may from time to time deem fit, advisable, desirable, expedient, or necessary in the interests of the Company to give effect to this Ordinary Resolution; and
- (c) the Directors and each of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document (provided that such amendments are not subject to approval by shareholders of the Company in general meeting under the applicable law or the Catalist Rules), as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the Proposed Conversion and any of all matters set out in this Ordinary Resolution as they or he may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

RESOLUTION 3: PROPOSED ALLOTMENT AND ISSUE OF AN AGGREGATE OF UP TO 2,315,436 CONVERSION SHARES TO FANG PENGCHONG, UPON THE CONVERSION OF A CONVERTIBLE LOAN OF S\$300,000 AND ACCRUED INTEREST THEREON, PURSUANT TO THE TERMS AND CONDITIONS OF THE CONVERTIBLE LOAN AGREEMENT IN ACCORDANCE WITH RULE 812(2) OF THE CATALIST RULES

THAT:

- (a) contingent upon Shareholders' approval to the Ordinary Resolution 1 being obtained, and pursuant to Section 161 of the Companies Act and Chapter 8 of Catalist Rules, approval be and is hereby given to the Directors or any of them to allot and issue an aggregate of up to 2,315,436 Conversion Shares to Fang Pengchong at the Conversion Price upon the conversion of the convertible loan amount of S\$300,000 and accrued interest thereon, pursuant to and subject to the terms and conditions of the Convertible Loan Agreement;
- (b) the Directors or any of them be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements, and execute all such documents as he or they may from time to time deem fit, advisable, desirable, expedient, or necessary in the interests of the Company to give effect to this Ordinary Resolution; and
- (c) the Directors and each of them be authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document (provided that such amendments are not subject to approval by shareholders of the Company in general meeting under the applicable law or the Catalist Rules), as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to the Proposed Conversion and any of all matters set out in this Ordinary Resolution as they or he may think fit, and, to the extent that any of the foregoing have been done, that they be and are hereby approved, confirmed and ratified.

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOLUTION 4: PROPOSED NEW SHARE ISSUE MANDATE

That pursuant to Section 161 of the Companies Act and Rule 806 of the Catalyst Rules:

The resolution passed by Shareholders as Ordinary Resolution 7 at the Annual General Meeting of the Company held on 29 November 2019 be and is hereby revoked and that the Directors be authorised and empowered to:

- (a) (i) allot and issue Shares whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalyst Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares.

Adjustments in accordance with sub-paragraphs (a) or (b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalyst Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ABSTENTION FROM VOTING

Each of Chee Tuck Hong and Fang Pengchong and their respective associates will abstain from exercising any voting rights on the Ordinary Resolution 2 and Ordinary Resolution 3 respectively as set out in this notice in relation to the Proposed Conversion by Chee Tuck Hong and the Proposed Conversion by Fang Pengchong respectively. They will also not accept any nominations to act as proxy for any Shareholder in voting on Ordinary Resolution 2 and Ordinary Resolution 3 respectively unless specific instruction has been given in the Proxy Form as to the manner in which votes are to be cast in respect of Ordinary Resolution 2 and Ordinary Resolution 3 respectively. Accordingly, the Company will disregard any votes cast on the Ordinary Resolution 2 and Ordinary Resolution 3 (as the case may be) by such persons required to abstain from voting in respect of the respective resolutions.

By Order of the Board

KITCHEN CULTURE HOLDINGS LTD.

Lim Wee Li

Executive Chairman and Chief Executive Officer

13 June 2020

Notes:

On 3 April 2020, the Singapore Government announced the implementation of “circuit breaker” measures (enhanced safe distancing measures and closure of non-essential workplace premises) to curb the further spread of COVID-19. The COVID-19 (Temporary Measures) Act 2020 was passed by Parliament on 7 April 2020 and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 was issued by the Minister for Law on 13 April 2020 which provide, among others, legal certainty to enable issuers to make alternative arrangements to hold general meetings where personal attendance is required under written law or legal instruments (such as a company’s constitution). A joint statement was also issued on 13 April 2020, and subsequently updated on 27 April 2020, by the Accounting and Corporate Regulatory Authority, the Monetary Authority of Singapore and the Singapore Exchange Regulation providing guidance for listed and non-listed entities on the manner in which general meetings are to be conducted during the period when elevated safe distancing measures are in place.

Printed copies of this notice and the accompanying Circular and Proxy Form will NOT be sent to members. Instead, these documents will be sent to members solely by electronic means via publication on the Company’s website at the URL <https://kcholdings.com.sg/media-centre/announcements.php> and will also be made available on the SGXNET at the URL <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to members’ participation at the EGM are:

- (a) observing and/or listening to the EGM proceedings contemporaneously via a live webcast and live audio feed of the EGM proceedings (“**Live EGM Webcast**” and “**Live EGM Audio Feed**”, respectively);
- (b) submitting questions in advance in relation of the resolutions set out in the Notice of EGM; and
- (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Members will be able to participate in the EGM in the following manner set out in the paragraphs below.

Live EGM Webcast and Live EGM Audio Feed:

In light of the above developments, the Company is arranging for the Live EGM Webcast and the Live EGM Audio Feed which will take place on Monday, 29 June 2020 at 2.00 p.m. in place of the physical EGM. Members will be able to watch or listen to the EGM proceedings through the Live EGM Webcast or the Live EGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the EGM physically in person will be turned away.

In order to do so, members must pre-register online at the URL <https://sg.conveneagm.com/kitchenculture> by 2.00 p.m. on 27 June 2020 (the “**Registration Deadline**”), being not less than 48 hours before the time appointed for holding the EGM, to enable the Company to verify their members’ status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live EGM Webcast and the Live EGM Audio Feed of the EGM proceedings by 2.00 p.m. on 28 June 2020 (being 24 hours before the time appointed for the holding of the EGM).

Members are reminded that the EGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the Live EGM Webcast and the Live EGM Audio Feed.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 2.00 p.m. on 28 June 2020 may contact the Company's technical support by email at EGM@kitchenculture.com for assistance.

Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including investors who buy shares using SRS monies ("**SRS Investors**"), and who wish to participate in the EGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the EGM during the Live EGM Webcast or the Live EGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the EGM.

Members may submit questions relating to the items on the Ordinary Resolutions set out in the Notice of EGM in advance at (i) <https://sg.conveneagm.com/kitchenculture>, (ii) by post to the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086, or (iii) via email to EGM@kitchenculture.com. All questions must be submitted by 26 June 2020, Friday, at 2.00 p.m. (being 72 hours before the time appointed for the holding of the EGM).

A member who wishes to submit his/her/its questions by post or by email is required to indicate his/her/its full name (for individuals)/ company name (for corporates), NRIC/passport number/company registration number, contact number, shareholding type and number of shares held together with his/her/its submission of questions, to the office address or email address provided. Persons who hold shares of the Company through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, can also submit their questions related to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the EGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the EGM, or if answered during the EGM, to be included in the minutes of the EGM which will be published on the SGXNET and the Company's website within one (1) month after the date of the EGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live EGM Webcast or the Live EGM Audio Feed on the Ordinary Resolutions to be tabled for approval at the EGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the EGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the EGM as proxy must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the EGM, as proxy, need not be a member of the Company.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

- (a) by post to the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086;
- (b) by email to EGM@kitchenculture.com; or
- (c) via the Shareholder's account following registration at the URL <https://sg.conveneagm.com/kitchenculture>,

in each case, not less than 48 hours before the time appointed for holding the EGM, i.e. by 2.00 p.m. on 27 June 2020. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed Proxy Forms by post, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS Investors, who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such shares in order to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 2.00 p.m. on 18 June 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the EGM to vote on their behalf by 2.00 p.m. on 27 June 2020.

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Company shall be entitled to reject the instrument appointing the Chairman of the EGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the EGM as proxy (such as in the case where the appointor submits more than one instrument of proxy).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the EGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the EGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the EGM.

The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the EGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the EGM via the Live EGM Webcast or the Live EGM Audio Feed, or (c) submitting any question prior to the EGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the EGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the EGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

This notice 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 notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

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.

PROXY FORM

KITCHEN CULTURE HOLDINGS LTD.

(Company Registration Number 201107179D)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

- (a) Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.
- (b) Alternative arrangements relating to attendance at the EGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the EGM, addressing of substantial and relevant questions before or at the EGM and voting by appointing the Chairman of the EGM as proxy at the EGM, are set out in the Notice of EGM dated 13 June 2020.
- (c) SRS investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS Operators to submit their votes by 2.00 p.m. on 18 June 2020 (being seven (7) working days before the EGM).

I/We*, _____ (Name) (NRIC/Passport/Registration number* _____)

of _____ (Address)

being a member/members* of Kitchen Culture Holdings Ltd. (the “**Company**”), hereby appoint the Chairman of the Extraordinary General Meeting (“**EGM**”) of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the EGM of the Company to be held by electronic means on Monday, 29 June 2020 at 2.00 p.m. and at any adjournment thereof to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.**

No.	Ordinary Resolutions	Number of Votes For**	Number of Votes Against**	Number of Votes Abstain**
1.	Proposed allotment and issue of an aggregate of up to 46,694,626 new ordinary shares in the capital of the Company pursuant to the Proposed Conversion			
2.	Proposed allotment and issue of an aggregate of up to 3,859,060 new ordinary shares in the capital of the Company pursuant to the Proposed Conversion by Chee Tuck Hong			
3.	Proposed allotment and issue of an aggregate of up to 2,315,436 new ordinary shares in the capital of the Company pursuant to the Proposed Conversion by Fang Pengchong			
4.	Proposed New Share Issue Mandate			

* Delete where inapplicable.

** Please indicate your vote “For”, “Against” or “Abstain” with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2020

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: PLEASE READ THE NOTES OVERLEAF



PROXY FORM

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
2. Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM. Where a member (whether individual or corporate) appoints the Chairman of the EGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the EGM, being a proxy, need not be a member of the Company.
4. This instrument appointing a proxy or proxies, duly executed, must be submitted (a) by post to the registered office of the Company at 2 Leng Kee Road, #01-08 Thye Hong Centre, Singapore 159086; (b) by email to EGM@kitchenculture.com; or (c) via such member's account following registration at the URL <https://sg.conveneagm.com/kitchenculture>, not less than 48 hours before the time appointed for holding the EGM. In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.
5. This instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM in accordance with Section 179 of the Companies Act (Chapter 50) of Singapore.
8. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act (Chapter 50) of Singapore, including investors under the Supplementary Retirement Scheme ("**SRS Investors**"), who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least seven (7) working days before the EGM (i.e. by 2.00 p.m. on 18 June 2020) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.
9. The Company shall be entitled to reject this instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy or proxies (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of EGM of the Company dated 13 June 2020.